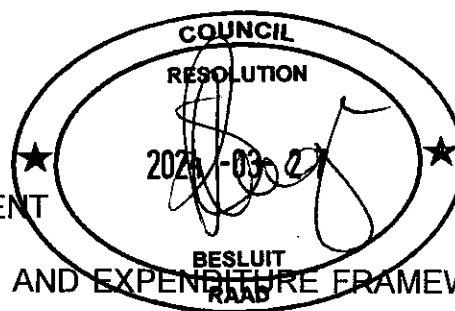


Reference no. 81323/1
 Gareth Mnisi (8100)
 COUNCIL: 27 March 2024



12. GROUP FINANCIAL SERVICES DEPARTMENT
 (BUDGET OFFICE DIVISION)
 DRAFT 2024/25 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK
 (MTREF) FOR THE CITY OF TSHWANE
 (From the Mayoral Committee: 20 March 2024 and the Special Mayoral
 Committee: 22 March 2024)

1. PURPOSE

The purpose of the report is to table the Draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF) in terms of Section 24 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

2. STRATEGIC PRIORITY

Strategic Priority 2: Provide stringent financial management and oversight

- Transparent budgeting processes inclusive of public participation;
- Structuring the budget towards core service delivery and infrastructure development to advance the growth of the city; and
- Affordable rates and taxes to avoid unsubstantiated and unfair increases.

3. BACKGROUND

Section 16(1) of the MFMA stipulates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Section 16(2) stipulates that to comply with Subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 22 of the MFMA also stipulates that immediately after an annual budget is tabled in a municipal council, the accounting officer must make public the annual budget and documents in terms of Section 17, invite the local community to submit representations in connection with the budget and submit the annual budget to the National Treasury and the relevant provincial treasury in printed and electronic formats.

Chapter 4 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) deals with community participation. Section 16(1)(a) and (iv) stipulate that a municipality must encourage and create conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its Integrated Development Plan (IDP) and the preparation of its budget.

Section 23(2) of the MFMA stipulates as follows:

- (2) *After considering all budget submissions, the council must give the mayor an opportunity–*
 - (a) *to respond to the submissions; and*
 - (b) *if necessary, to revise the budget and table amendments for consideration by the council.*

The draft operating and capital budget is tabled to facilitate community participation and receive inputs from all stakeholders, and will be refined to consider the outcome of the public consultation process before approval.

Section 24 of the MFMA stipulates as follows:

- (1) *The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.*
- (2) *An annual budget–*
 - (a) *must be approved before the start of the budget year;*
 - (b) *is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and*
 - (c) *must be approved together with the adoption of resolutions as may be necessary –*
 - (i) *imposing any municipal tax for the budget year;*
 - (ii) *setting any municipal tariffs for the budget year;*
 - (iii) *approving measurable performance objectives for revenue from each source and for each vote in the budget;*
 - (iv) *approving any changes to the municipality’s integrated development plan; and*
 - (v) *approving any changes to the municipality’s budget-related policies.*
- (3) *The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant provincial treasury.*

4. BUDGET STEERING COMMITTEE SESSIONS

The Technical Budget Steering Committee sessions took place on 5 and 11 March 2024 to consider the budget and tariff proposals for the 2024/25 MTREF.

The Mayoral Budget Steering Committee sessions took place on 7 and 13 March 2024 in line with the requirements of Section 53 of the MFMA, which states as follows:

- (1) *The mayor of a municipality must–*
 - (a) *provide general political guidance over the budget process and the priorities that must guide the preparation of the budget*

5. COMMUNITY CONSULTATION PROCESS ON THE DRAFT 2024/25 MTREF AND TSHWANE INTEGRATED DEVELOPMENT PLAN

The draft budget and IDP will be placed on the City of Tshwane website and the City will use various media platforms and physical regional meetings will be arranged to solicit inputs from the community.

6. NATIONAL TREASURY BENCHMARK ENGAGEMENT

The 2024/25 budget and IDP benchmark engagement with the National Treasury is scheduled for 18 May 2024 prior to the approval of the budget.

7. BUDGET GUIDELINES AND PRINCIPLES

The City's budget seeks to ensure that a sound financial plan is in place to support the achievement of Mayoral priorities within available resources. In this regard, the focus for the 2024/25 MTREF is to secure the financial sustainability of the City, by ensuring that services are rendered within affordable limits. Departments and municipal entities are requested to continue to find ways to improve service delivery and ensure services are rendered in an efficient, effective, and economic manner with a focus on the City's core mandate.

The 2024/25 budget is compiled considering the City's revenue sources and their realistic state of collection (cashflow) to ensure that all proposed expenditure is linked to a funding source. The emphasis is compliance with Section 18 of the MFMA by ensuring that the MTREF is funded from realistically anticipated revenues.

Whilst the City strives to address the current liquidity challenges and gradually move the budget to a funded state, it is imperative that the City adopts a credible funding plan that demonstrates progressive improvement in the funding of the budget.

Some of the guiding principles for the budget are as follows:

- Approving a balanced budget based on realistic revenue;
- Restoring and gradually building a cash reserve to work towards a funded budget in terms of National Treasury guidelines;
- Ensuring that tariffs are cost reflective and proposed increases consider the current economic environment and the impact on households;
- Focusing on efficiency gains and the principle of value for money (doing more with less while prioritising service delivery);
- Ensuring that service delivery spending only takes place within the available budget;
- Aligning the budget to the adopted Mayoral Charters; and
- Prioritisation of revenue generation projects.

7.1 NATIONAL TREASURY MFMA CIRCULAR 128

The National Treasury issued MFMA Circular 128 on 8 March 2024 as a follow-up to MFMA Circular 126 that was issued on 7 December 2023 with the aim to provide further guidance to municipalities in the preparation of their 2024/25 MTREF.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

The following is worth noting and must be considered when preparing the 2024/25 budgets:

- The National Treasury estimates real economic growth of 0,6% in 2023, a decrease from growth of 0,8% projected in the 2023 MTBPS due to weaker than expected outcomes in the third quarter of 2023. South Africa's economy is forecast to grow at an average of 1.6% over the next three years, a moderate improvement on the 1.4% average expected at the time of the 2023 MTBPS. GDP growth is projected to average 1.6 per cent from 2024 to 2026.
- Headline inflation is estimated at 4.9%, 4.6% and 46% for the 2024/25 medium term. Municipalities are required to justify all increases more than the projected inflation target for 2024/25.
- Over the 2024/25 MTREF, the local government equitable share and direct conditional grants will be reduced by a total of R15.5 billion, made up of R9,6 billion in the local government equitable share and R5.9 billion in direct conditional grants.
- A new indirect conditional grant for smart prepaid meters which will be managed by National Treasury will be introduced in 2024/25, to provide municipalities with the financial support they need to better manage their utilities, by ensuring timely and accurate billing, reducing losses, and enhancing operational sustainability. The grant will initially focus on providing debt relief for Eskom and will be implemented targeting specific municipalities in its initial years.
- The local government equitable share formula is being updated in various ways, including improving its responsiveness to the different functions assigned to district and local municipalities. The formula will be refined with reforms such as exploring the feasibility of introducing a cost differential model, community services components for health services and firefighting functions, objective criteria for benchmarking municipalities in relation to their administrative functions. The Department of Cooperative Governance, the National Treasury, the South African Local Government Association, the Financial and Fiscal Commission and statistics South Africa are identifying areas for refinement over the 2024 MTEF period.
- To address inadequate infrastructure maintenance and decline in service quality and reliability, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros. The reforms to improve the efficiency and financial sustainability of metro's trading services are commencing in the 2024/25 municipal financial year with the conditions being introduced in the Urban Settlement Development Grant (USDG). The reforms will be extended to other revenue-generating trading services.
- mSCOA version 6.8 will go live on 20 March 2024.

The National Treasury mid-year engagement was held on 22 February 2024 and focussed on the previous financial year's financial and non-financial performance and the implementation of audit action plans, mSCOA, Unauthorised, Irregular, Fruitless and Wasteful expenditure reduction strategy.

The following recommendations were made by the National Treasury and should be taken into account in the City's 2024/2025 MTREF budget:

- Improve the current cash position to secure financial sustainability in the future.
- Improve the revenue value chain, revenue collection rate and current ratio to ensure financial sustainability.
- Prioritize revenue collection and debt management strategies to improve collection rate.
- Maintain and control spending within the city's income levels. This include reducing the operational expenditure to ensure that the spending is kept within the budget limits.
- Provide the total cost on underfunded and unfunded mandates to National Treasury
- Provide a monthly progress report on the Financial Recovery plan.
- Provide a detail strategic plan to improve the sustainability of the city.
- The city must share the cases that it has open with SAPS representative for follow-up.
- The city will reach out to the National Treasury's Office of the Chief Procurement Officer for assistance with procurement challenges.

The Draft budget is table with a funding plan (Annexure C) to provide a response to the City's unfunded budget position.

8. DISCUSSION OF THE 2024/25 MTREF

Section 17(1) of the MFMA requires that the annual budget of the municipality must be in the prescribed format as follows:

- Setting out realistically anticipated revenue for the budget year from each revenue source.
- Appropriating expenditure for the budget year under the different votes of the municipality.
- Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.
- Setting out the estimated revenue and expenditure by vote for the current year and actual revenue and expenditure by vote for the financial year.

8.1 2024/25 MTREF BUDGET APPROACH

As part of managing liquidity and gradually moving the budget to a funded state, departments were requested to review current operations and limit the use of contracted services. The following areas were identified as part of ensuring operational efficiencies.:

- Savings need to be identified from the largest cost drivers
 - Watchmen Services;
 - Human Settlements (Water tankering); and
 - Environment and Agriculture (Refuse removal: Outsourcing);
- Watchmen Services
 - Institutional realignment of the function of watchmen services to TMPD;
 - Separate infrastructure component vs operational component; and
 - Explore alternative cost saving and technology driven security model;

- Human Settlements
 - There is a need to find a sustainable alternative solution for water tankers; and
 - Group Human Settlements to explore a cost-effective mechanism in the outer years; and
- Environment and Agriculture
 - There is a need to find a sustainable alternative solution for reducing outsourcing in the outer years.

8.2 OPERATING BUDGET

The City is tabling an operating revenue (excluding capital grants and contributions) of R48,5 billion that escalates to R55,1 billion in 2026/27. The revenue represents an increase of 7% against the 2023/24 adjustment budget.

The operating expenditure amounts to R48,3 billion, an increase of 7% against the 2023/24 adjustment budget, resulting in a surplus of R153,9 million for the 2024/25 financial year.

The table below indicates the high-level consolidated draft 2024/25 MTREF:

Table 1: Consolidated budget summary

Description	Adjusted Budget 2023/24	Budget 2024/25	% Increase/ Decrease	Budget 2026/26	Budget 2026/27
Total Revenue	45,094,494,946	48,473,007,023	7%	51,380,002,747	55,110,482,553
Total Expenditure	45,067,678,346	48,319,120,912	7%	51,328,320,913	55,006,876,123
Surplus/(Deficit) excluding capital transfers	26,816,599	153,886,111		51,681,834	103,606,430
Transfers recognised - Capital	1,763,717,892	2,075,575,496		2,115,917,137	2,397,709,224
(Surplus)/Deficit before Taxation	1,790,534,491	2,229,461,607		2,167,598,971	2,501,315,654
Taxation	529,440	544,264	3%	559,504	575,170
(Surplus)/Deficit for the year	1,790,005,051	2,228,917,342	25%	2,167,039,467	2,500,740,484

8.2.1 REVENUE FRAMEWORK

In determining the tariff increases for the 2024/25 MTREF, the City took note of the current economic environment and its impact on the residents of Tshwane.

The challenge remains to ensure that the proposed tariffs are affordable to the residents while at the same time ensuring that the City can recover the cost of rendering the services.

The proposed electricity tariff increases are linked to the increases approved by the National Energy Regulator of South Africa (NERSA) to Eskom while water tariffs are linked to Rand Water bulk purchases.

The following table is a high-level summary of the operating revenue per category:

Table 2: Operating revenue by source

Description	Adjusted Budget 2023/24	Budget 2024/25	% Increase/Decrease	Budget 202/26	Budget 2026/27
Revenue					
Exchange Revenue					
Service charges - Electricity	16,448,583,290	18,432,905,551	12%	19,845,946,943	22,143,948,212
Service charges - Water	5,598,206,911	5,928,831,596	6%	6,200,267,698	6,477,586,421
Service charges - Waste Water Management	1,814,500,758	1,921,556,302	6%	2,009,810,404	2,100,071,420
Service charges - Waste Management	1,910,381,186	2,005,971,249	5%	2,106,567,742	2,212,285,673
Sale of Goods and Rendering of Services	516,183,528	534,246,341	3%	566,176,282	591,649,961
Interest earned from Receivables	857,636,430	874,792,579	2%	892,292,090	910,141,848
Interest earned from Current and Non Current Assets	58,369,545	61,328,413	5%	64,157,029	67,062,573
Rental from Fixed Assets	162,812,814	196,890,715	21%	215,539,222	227,216,025
Licences and permits	39,399,645	43,618,849	11%	56,875,971	59,435,389
Operational Revenue	544,388,278	578,814,225	6%	606,534,382	635,686,581
Non-Exchange Revenue					
Property rates	9,627,155,940	10,108,591,621	5%	10,716,250,921	11,320,493,220
Fines, penalties and forfeits	292,024,099	292,024,099	0%	306,371,566	321,667,923
Transfers and subsidies - Operational	5,038,676,344	5,248,090,600	4%	5,487,629,776	5,726,047,150
Interest	557,835,179	568,991,882	2%	580,371,720	591,979,154
Fuel Levy	1,628,341,000	1,676,353,000	3%	1,725,211,000	1,725,211,000
Total Revenue (excluding Capital Transfers and Contributions)	45,094,494,946	48,473,007,023	7%	51,380,002,747	55,110,482,553

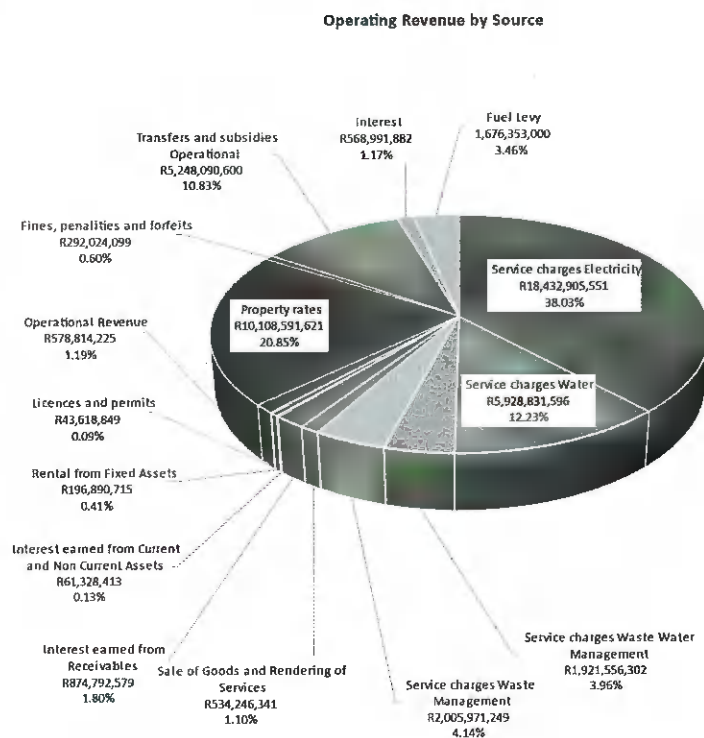


Figure 1: Operating revenue by source

Property rates

A tariff increment of 5% is proposed for the 2024/25 financial year.

The first R15 000 value of all residential properties is legislatively impermissible for the charging of property rates, and a further valuation reduction of R135 000 is granted by Council for the charging of property rates. All residential properties are thus not charged any property rates on the first R150 000 of the value and registered indigents pay no property rates.

Rebates to pensioners and people with disabilities were updated in the Property Rates Policy for 2024/25.

Electricity services

The proposed tariff increment for electricity is 12% for implementation on 1 July 2024. The increase is in line with the guideline for the bulk purchase increase from Eskom. Eskom was granted a bulk tariff increment of 12,72% by NERSA.

Registered indigents are granted 100 kWh free of charge. However, all properties with a value of R150 000 or less will automatically qualify for free basic services.

Water services

The proposed tariff increment for water is 5,9%.

Registered indigents are granted 12 kℓ water free of charge.

Sanitation revenue

Sanitation charges are calculated according to the percentage of water discharged and a 5,9% tariff increment is proposed.

Refuse removal revenue

A tariff increase of 5% is proposed for refuse removal services.

Details of the proposed tariff schedules are set out in Annexures D to H.

Grant funding

The total grants allocated for the 2024/25 financial year amount to R7,3 billion.

The total amount allocated for the 2024/25 financial year on operating grants is R5,2 billion and the infrastructure allocation is R2,1 billion. The City's equitable share allocation is R4,3 billion and the Neighbourhood Development Partnership Grant Public Employment Programme allocation is R100 million.

National allocations under the Division of Revenue Bill have been accounted for in the 2024/25 MTREF. Indicative allocations has been included for Provincial grant allocations for planning purposes and will be updated in the final budget once these have been gazetted.

Table 3: Grant allocations

Description	2024/25 Medium Term Revenue & Expenditure Framework		
	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
EXPENDITURE:			
<u>Operating expenditure of Transfers and Grants</u>			
National Government:	5,146,710,600.00	5,375,189,776.00	5,724,447,150.00
Local Government Equitable Share	4,287,120,000.00	4,625,428,000.00	4,995,539,000.00
Fuel Levy	-	-	-
Finance Management Grant	2,000,000.00	2,000,000.00	2,200,000.00
Urban Settlement Development Grant	56,330,000.00	58,842,400.00	69,722,750.00
Expanded Public Works Programme Incentive (EPWP)	18,468,000.00	-	-
Public Transport Network Grant	566,252,000.00	571,070,476.00	535,231,900.00
Integrated City Development Grant	-	-	-
Programme and Project Preparation Support Grant	84,480,000.00	84,352,000.00	86,722,000.00
Energy Efficiency and Demand Side Management	-	-	-
Neighbourhood Development Partnership Grant (PEP)	100,000,000.00	-	-
Informal Settlements Upgrading Partnership Grant	32,060,600.00	33,496,900.00	35,031,500.00
Provincial Government:	99,780,000.00	110,840,000.00	-
Primary Health Care	64,015,000.00	71,659,000.00	-
HIV and Aids Grant	26,765,000.00	27,181,000.00	-
Human Settlement Development Grant (HSDG)	-	-	-
Sports and Recreation : Community Libraries	9,000,000.00	12,000,000.00	-
TRT Bus Operations Subsidy	-	-	-
Informal Settlements Upgrading Partnership Grant	-	-	-
Other grant providers:	1,600,000.00	1,600,000.00	1,600,000.00
DBSA/IIPSA	1,600,000.00	1,600,000.00	1,600,000.00
LG SETA Discretionary grant	-	-	-
Tirelo Boshu Grant - Research and Development	-	-	-
Total operating expenditure of Transfers and Grants:	5,248,090,600.00	5,487,629,776.00	5,726,047,150.00
<u>Capital expenditure of Transfers and Grants</u>			
National Government:	1,941,238,400.00	1,973,390,224.00	2,249,715,850.00
Urban Settlement Development Grant	1,070,270,000.00	1,118,005,600.00	1,324,732,250.00
Public Transport Infrastructure & Systems Grant	238,075,000.00	217,943,524.00	229,385,100.00
Neighbourhood Development Partnership Grant	23,742,000.00	1,000,000.00	30,000,000.00
Energy Efficiency and Demand Side Management	-	-	-
Integrated City Development Grant	-	-	-
Informal Settlements Upgrading Partnership Grant	609,151,400.00	636,441,100.00	665,598,500.00
Provincial Government:	14,454,000.00	15,750,000.00	16,474,500.00
Sport and Recreation: Community Libraries	14,454,000.00	15,750,000.00	16,474,500.00
Other grant providers:	119,883,096.00	126,776,912.72	131,518,874.00
HCT - Restructuring Capital Grant	98,483,096.00	105,376,912.72	110,118,874.00
DBSA/IIPSA	21,400,000.00	21,400,000.00	21,400,000.00
Total capital expenditure of Transfers and Grants	2,075,575,496.00	2,115,917,136.72	2,397,709,224.00
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7,323,666,096.00	7,603,546,912.72	8,123,756,374.00

The total grant allocations for 2024/25, 2025/26 and 2026/27 are R7,3 billion, R7,6 billion and R8,1 billion, respectively.

8.2.2 EXPENDITURE FRAMEWORK

The following table is a high-level summary of the 2024/25 MTREF Parent (classified per main category):

Table 4: Operating expenditure by category

Description	Adjusted Budget 2023/24	Budget 2024/25	% Increase/Decrease	Budget 202/26	Budget 2026/27
Expenditure					
Employee related costs	12,614,038,351	13,434,031,768	7%	13,954,018,016	14,624,752,647
Remuneration of councillors	154,004,586	161,550,811	5%	168,982,148	176,586,345
Bulk purchases - Electricity	14,009,613,342	15,538,834,236	11%	17,403,494,345	19,491,913,666
Inventory Consumed	4,321,772,461	4,566,382,840	6%	4,813,477,967	5,090,951,285
Materials - Parent	605,495,614	635,074,108		646,268,784	673,686,040
Materials - Entity	6,208,128	2,345,958		2,508,643	2,682,672
Bulk Water	3,710,068,719	3,928,962,774		4,164,700,540	4,414,582,573
Debt impairment	3,073,620,705	3,190,728,932	4%	3,460,218,615	3,730,248,813
Depreciation amortisation	2,913,063,445	3,138,342,495	8%	3,303,847,311	3,452,713,306
Interest	1,714,824,735	1,830,918,653	7%	1,596,737,616	1,605,287,241
Contracted services	4,409,882,237	4,557,384,407	3%	4,640,038,205	4,770,823,170
Transfers and subsidies	9,433,002	9,893,107	5%	10,559,390	10,485,937
Irrecoverable debts written off	8,598,969	-		-	-
Operational Costs	1,838,778,103	1,891,003,897	3%	1,976,896,141	2,053,061,121
Loss on Disposal of PPE	48,411	49,767	3%	51,160	52,593
Other Losses					
Total Expenditure	45,067,678,346	48,319,120,912	7%	51,328,320,913	55,006,876,123
Surplus/(Deficit)	26,816,599	153,886,111		51,681,834	103,606,430

The operating expenditure equates to R48,3 billion in the 2024/25 financial year and escalates to R55 billion in the 2026/27 financial year. The total operating expenditure increased by 7% against the 2023/24 adjustment budget, mainly on bulk purchases and non-cash items.

The following graph illustrates the percentage each expenditure group contributes to the total expenditure for the 2024/25 financial year:

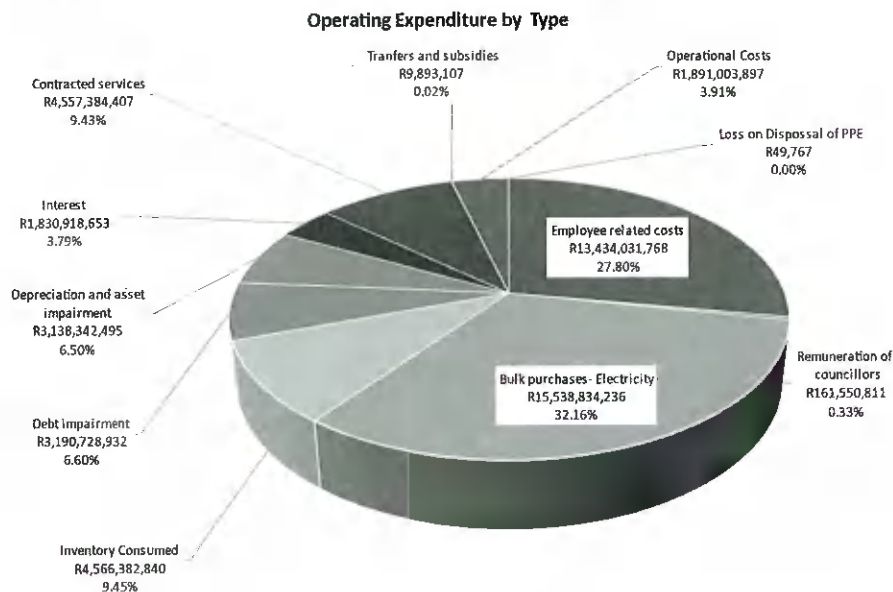


Figure 2: Operating expenditure by category

The expenditure categories are discussed as follows:

Employee-related costs

The draft budget has made a provision for salaries increase of 5,1% for 2024/25 financial year.

Remuneration of councillors

The cost associated with the remuneration of councillors is determined and informed directly by the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The draft budget makes provision for a 5% increase.

Debt impairment

A provision of R3,2 billion was made for debt impairment based on an anticipated annual collection rate of 92%, including arrears accounts.

Depreciation and asset impairment

Depreciation and asset impairment amount to R3,1 billion for the 2024/25 financial year, which equates to an increase of 8% when compared to the 2023/24 adjustment budget.

Finance charges

Finance charges amount to R1,8 billion in the 2024/25 financial year and include a provision for payment of overdue accounts for Eskom, Rand Water and other creditors.

Bulk purchases

Compared to the 2023/24 adjustment budget, electricity bulk purchases have increased by 11% to R15,5 billion and is aligned to the electricity bulk purchase tariff increase from Eskom of 12,72% and 1,8% reduction in consumption.

Inventory Consumed

Inventory consumed increased by 6% mainly on Bulk water purchases in line with the proposed Rand Water increment.

Contracted services

Contracted services increased by 3% when compared to the 2023/24 adjustment budget, in line with the City's initiative of managing expenditure downwards to improve liquidity.

Operational Costs

When compared to the 2023/24 adjustment budget, this group increased by 3%, in line with the City's initiative of managing expenditure downwards to improve liquidity.

Consolidated Repairs and maintenance

An amount of R1,1 billion has been provided for repairs and maintenance in the 2024/25 MTREF. The City plans to increase the spending on maintenance as and when the revenue improves.

The table below represents repairs and maintenance by asset class:

Table 5: Repairs and maintenance by function – Consolidated

Description	2024/25 Medium Term Revenue & Expenditure Framework			
	Budget Year 2024/25	%	Budget Year +1 2025/26	Budget Year +2 2026/27
Repairs and maintenance expenditure by Asset Class/Sub-class				
Infrastructure	685,692,341	60.90%	720,324,589	752,897,376
Roads Infrastructure	66,544,484	5.91%	69,605,530	72,737,779
Storm water Infrastructure	11,241,297	1.00%	11,758,397	12,287,525
Electrical Infrastructure	310,687,366	27.59%	328,068,785	342,989,380
Water Supply Infrastructure	171,566,897	15.24%	179,458,975	187,534,628
Sanitation Infrastructure	117,304,206	10.42%	122,700,800	128,223,016
Solid Waste Infrastructure	6,700,027	0.60%	7,008,229	7,323,599
Rail Infrastructure	1,648,063	0.15%	1,723,874	1,801,449
Community Assets	89,410,300	7.94%	91,877,023	94,175,317
Community Facilities	72,428,420	6.43%	74,113,976	75,612,934
Sport and Recreation Facilities	16,981,880	1.51%	17,763,046	18,562,383
Investment properties	19,108,927	1.70%	19,987,938	20,887,395
Other assets	60,254,167	5.35%	62,724,967	65,767,119
Operational Buildings	41,099,173	3.65%	42,702,836	44,375,428
Housing	19,154,994	1.70%	20,022,131	21,391,691
Intangible Assets	41,666,159	3.70%	43,582,803	45,544,029
Computer Equipment	33,944,347	3.01%	32,014,239	33,454,879
Furniture and Office Equipment	301,673	0.03%	315,550	329,750
Machinery and Equipment	62,563,510	5.56%	60,918,235	62,904,099
Transport Assets	133,039,275	11.82%	139,159,081	145,421,240
Total Repairs and Maintenance Expenditure	1,125,980,700	100.00%	1,170,904,425	1,221,381,204

Operating budget per vote

The following table represents the 2024/25 MTREF per department/vote:

Table 6: Operating revenue and expenditure per vote (parent)

Department	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue by Department				
City Strategy and Operational Performance	-	-	-	-
Communication, Marketing and Events	-	-	-	-
Community and Social Development Services	28,424,366	29,909,179	14,553,474	2,668,380
Customer Relations Management	30,101	31,576	33,028	34,515
Economic Development and Spatial Planning	584,092,876	575,349,513	497,184,715	519,560,588
Emergency Services	9,203,520	9,654,492	10,098,599	10,553,036
Energy and Electricity	17,165,649,481	19,189,957,493	20,655,789,701	23,011,430,940
Environment and Agriculture Management	2,017,902,008	2,104,093,799	2,209,201,403	2,319,536,806
Group Audit and Risk	238,010	238,010	238,010	252,290
Group Financial Services	16,013,288,812	16,859,901,475	17,876,000,991	18,872,286,237
Group Human Capital Management	14,678,539	15,397,788	16,106,086	16,830,860
Group Legal and Secretarial Services	47,381	49,702	51,989	54,328
Group Property	79,802,352	83,712,668	87,563,450	91,503,806
Health	95,225,055	93,858,482	102,049,878	3,357,653
Human Settlements	159,638,152	111,831,405	116,850,645	130,361,018
Office of the Chief Whip	-	-	-	-
Office of the City Manager	47,000,000	84,480,000	84,352,000	86,722,000
Office of the Executive Mayor	-	-	-	-
Office of the Speaker	-	-	-	-
Regional Operations and Coordination	40,968,672	36,177,457	45,211,903	47,250,249
Roads and Transport	903,501,523	925,840,136	958,160,671	939,456,805
Shared Services	-	-	-	-
Tshwane Metro Police	309,689,267	310,602,247	325,844,137	342,002,184
Water and Sanitation	8,416,078,248	8,861,726,562	9,253,071,890	9,653,479,379
Total Revenue (excluding capital transfers)	45,885,458,362	49,292,811,983	52,252,362,569	56,047,341,072
Expenditure by Department				
City Strategy and Operational Performance	60,078,070	71,127,165	74,641,887	78,366,644
Communication, Marketing and Events	84,642,684	94,574,972	99,128,298	103,939,811
Community and Social Development Services	532,091,250	560,693,377	563,333,346	578,116,355
Customer Relations Management	275,662,880	307,312,777	322,320,639	338,070,934
Economic Development and Spatial Planning	865,322,083	854,431,241	789,792,086	829,069,494
Emergency Services	1,068,376,867	1,038,879,933	1,091,842,420	1,147,293,519
Energy and Electricity	16,520,835,746	18,535,305,857	20,322,799,245	22,604,012,367
Environment and Agriculture Management	2,123,988,522	2,079,134,493	2,180,208,237	2,272,752,946
Group Audit and Risk	153,035,440	155,151,134	162,694,173	170,592,953
Group Financial Services	4,482,672,080	5,262,195,194	5,189,669,639	5,431,233,490
Group Human Capital Management	499,493,410	553,397,802	580,708,867	609,796,076
Group Legal and Secretarial Services	216,816,553	232,610,350	243,811,942	255,489,053
Group Property	986,327,189	1,024,627,957	1,070,998,499	1,124,867,334
Health	530,713,754	559,159,463	584,860,101	585,304,019
Human Settlements	977,100,746	1,037,317,104	1,079,460,414	1,140,143,923
Office of the Chief Whip	180,352,511	195,722,778	204,835,768	214,250,620
Office of the City Manager	984,829,269	240,823,281	248,400,264	258,829,243
Office of the Executive Mayor	91,367,380	134,307,016	140,883,613	147,844,306
Office of the Speaker	180,590,146	208,056,149	218,116,700	228,712,111
Regional Operations and Coordination	2,737,460,404	2,910,832,210	3,044,892,926	3,187,219,772
Roads and Transport	1,948,221,581	2,051,463,629	2,101,045,132	2,137,818,134
Shared Services	1,285,055,586	1,333,869,557	1,397,098,223	1,461,201,716
Tshwane Metro Police	3,374,142,822	3,727,584,610	4,180,999,551	4,386,197,983
Water and Sanitation	5,649,829,412	5,971,343,898	6,310,847,044	6,658,380,108
Total Expenditure	45,809,006,387	49,139,921,948	52,203,389,014	55,949,502,912
Surplus/(Deficit)	76,451,974	152,890,036	48,973,555	97,838,160

The above table reflects the parent figures, including internal charges.

The following are some of the operating programmes within the operational budget per department:

Office of the City Manager

- Inner city (household refuse removal) – R9,8 million;
- Consultant fees (programme and project planning grant) – R84,5 million;
- Professional services: Project management (Enterprise Project Management Unit) – R14,8 million; and
- The asset protection function (watchman services) was moved to TMPD.

- Energy transaction advisors – R5 million

Community and Social Development Services Department

- Expanded Public Works Programme initiatives – R18,5 million;
- Protective clothing – R6,7 million;
- Community development
 - Tshwane Food Bank – R5,6 million;
 - Early childhood development centres – R2,5 million;
 - Consumables – R1,3 million;
 - Recreational facilities (repairs and maintenance) – R6,3 million;
 - Personnel and labour – R42,5 million; and
 - Uniforms and protective clothing (EPWP) – R6,7 million.

Economic Development and Spatial Planning Department

- Market infrastructure repairs and maintenance – R24,5 million;
- Personnel and labour (City Public Employment Programme Grant) – R80 million;
- Protective clothing (City Public Employment Programme Grant) – R8 million; and
- Market trading system license – R5,1 million.

Emergency Services Department

- OHS expenditure (Firefighting equipment, air conditioning, buildings and maintenance materials) – R4,6 million; and
- Protective clothing – R6,5 million.

Energy and Electricity Department

- Electricity reticulation and power stations (repairs and maintenance) – R56,9 million;
- Prepaid commission – R51,5 million; and
- Bulk purchases: Electricity – R15,5 billion.

Environment and Agriculture Management Department

- Household refuse removal – R567,8 million;
- Repairs and maintenance of resorts, dumping sites and nature reserves – R33,7 million;
- Illegal dumping – R111,2; and
- Rental of plant and equipment – R30,8 million.

Group Financial Services

- Revenue enhancement: Debt collection – R156,3 million
 - Meter readers (collection fees) – R52,1 million
 - Debt collection – R54,6 million
 - Third party cash collection services – R49,5 million
- External audit – R56,3 million
- Insurance premiums – R240,9 million
- Electricity connections/disconnections (credit control) – R91,9

Group Audit and Risk

- Administrative and strategy planning
 - Internal audit – R15,2 million; and
 - Forensic audit – R20,5 million.

Communication, Marketing and Events

- Citywide Council functions and events – R5,8 million; and
- General publicity and media – R4,3 million.

Group Human Capital Management

- Capacity-building, training and development – R7,8 million;
- Community development: Education and training (bursaries) – R4,2 million;
- Legislated training board fees – R125,2 million; and
- Legal costs (labour relations) – R31,5 million.

Group Legal and Secretariat Services

- Legal costs – R105,3 million

Group Property

- Municipal properties
 - Operational cost of leased buildings – R51,2 million
 - Building rentals – R120,3 million
 - Tshwane House unitary payment – R332,6 million
 - Professional services – R12 million
 - Cleaning services – R23,7 million
 - Cleaning materials – R1,1 million
 - Repairs and maintenance of buildings – R31,5 million

Health Department

- Drug and substance abuse – R30,7 million
- Repairs and maintenance of clinics – R9,7 million
- Personnel and labour (HIV/AIDS Grant) – R18,7 million

Human Settlements Department

- Water tankers (rudimentary services) – R270,3 million
- Sanitation: Chemical toilets – R57,4 million
- Leased buildings – R29,6 million
- Management of informal settlements – R55,1 million
- Civil engineering – R69,5 (USDG – R37,5 million and ISUPG – R32 million)
- Personnel and labour – R13,7 million (part of USDG grant)
- Housing top structures (Human Settlements Development Grant) – R69,2 million

Office of the Speaker

- Ward committees: Stipends – R3,9 million

- Audio-visual services – R5 million

Tshwane Metro Police Department

- Uniforms and protective clothing – R17,4 million;
- Prevention of illegal land invasion – R53,1 million;
- Postage – R17,6 million; and
- Security services (contracted service) – R307,1 million.

Regional Operations and Coordination Department

- Repairs and maintenance of infrastructure and facilities – R451 million and split as follows:
 - Roads – R35,5 million;
 - Reticulation electricity and substations – R66,9 million;
 - Water demand management – R50,2 million;
 - Sewerage services – R13,1 million;
 - Rehabilitation of Sinkholes – R15,4 million;
 - Centurion Lake (maintenance) – R7,6 million;
 - Buildings, recreational facilities and grounds – R19,6 million;
 - Fire fighting equipment, tools and equipment – R14,5 million;
- Uniforms and protective clothing – R13,2 million; and
- Rental of plant and equipment – R79,9 million.

Roads and Transport Department

- Repairs and maintenance of buses and transport facilities and roads – R98,2 million;
- Automated fare collection system (busses) – R26,5 million;
- Public Transport Network Operations Grant expenditure – R566,3 million;
 - Auto Fare Collection System – R61,5 million
 - Project management services – R54,5 million;
 - Employer representative (consultant to monitor and manage intelligent transport system contracts) – R7,6 million;
 - City Integrated Transport Plan – R4,2 million;
 - Bus operations – R294 million;
 - Station management – R87,3 million;
 - Trustees – R2,3 million;
 - Taxi Industry Technical Advisors – R5 million;
 - Marketing and branding – R4 million;
 - Maintenance of Line 1A and 2A busways – R10 million;.and
 - Monitoring – R9,6 million;
 - Advanced Public Transport Management System maintenance – R9,5 million;
 - Urban Traffic Control maintenance – R10,1 million;
- Cleaning services (licensing) – R5,2 million;
- Repairs and maintenance – R36,5 million;
- Vehicle tracking (buses) – R7,2 million;
- Network extensions (BRT) – R6,4 million;
- Petrol and diesel – R43 million;

Shared Services Department

- Asset protection (rental of tracking system) – R19,6 million;
- Maintenance of non-infrastructure (system software, computer equipment, vehicles, etc) – R77,7 million;
- Software licences – R73,7 million;
- Leased vehicles (VAT and non-VAT) – R255,4 million;
- IT costs (internet fees, SAP support fees, specialised computer services, cybersecurity, end user support and management information systems) – R217,6 million; and
- Petrol and diesel – R110 million.
- Wonderboom transaction advisors – R5 million

Water and Sanitation Department

- Water purification works – R10,5 million;
- Waste water purification – R97,9 million;
- Bulk purchases: Rand Water – R3,9 billion; and
- Water tankers – R108,2 million.

8.3 CAPITAL BUDGET

The capital budget for the 2024/25 MTREF is mainly funded from grants with a conservative level of expenditure funded from own revenue. Included in the 2024/25 capital budget are projects that are contractually bound, those with proven status of readiness to implement and those that address strategic priorities.

The capital budget amounts to R2,3 billion for 2024/25 and 2025/26 and R2,6 billion for 2026/27.

The capital budget is funded from the following sources:

- Internally generated revenue (including public contributions and donations) – R242,2 million
- Grant funding - R2,1 billion.

Capital budget per funding source

The following table indicates the 2024/25 medium-term capital budget per funding source:

Table 8: Capital budget per department

Funding Source Description	2023/2024 MTREF			
	Budget 2024/25	%	Budget 2025/26	Budget 2026/27
Council Funding	192,221,783	8.29%	190,831,783	190,810,000
Public Transport Infrastructure Systems Grant	238,075,000	10.27%	217,943,524	229,385,100
Neighbourhood Development Partnership Grant	23,742,000	1.02%	1,000,000	30,000,000
Urban Settlements Development Grant	1,070,270,000	46.18%	1,118,005,600	1,324,732,250
Other Contributions	21,400,000	0.92%	21,400,000	21,400,000
Community Library Services	14,454,000	0.62%	15,750,000	16,474,500
Public Contributions & Donations	50,000,000	2.16%	50,000,000	50,000,000
Informal Settlements Upgrading Partnership Grant	609,151,400	26.28%	636,441,100	665,598,500
Restructuring Capital Grant	98,483,096	4.25%	105,376,913	110,118,874
TOTAL	2,317,797,279	100.00%	2,356,748,920	2,638,519,224

The following graph illustrates the above table in terms of the allocations per funding source:

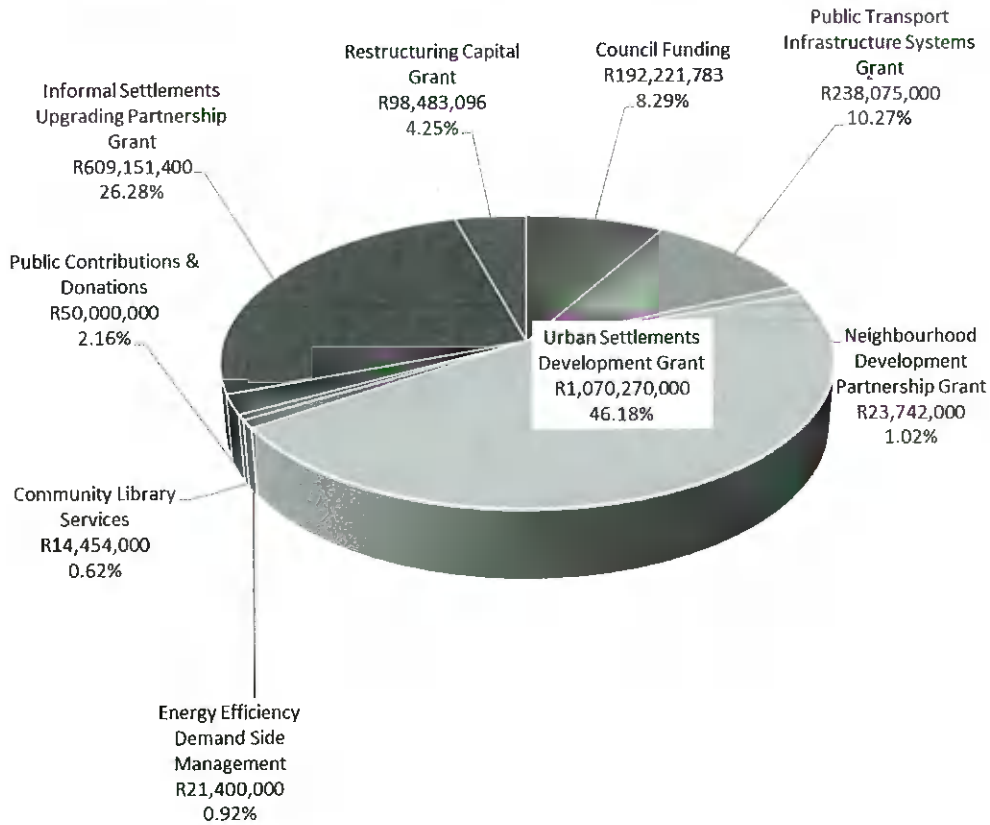


Figure 3: Capital budget per funding source

Capital budget per department

The following table indicates the 2024/25 medium-term capital budget per department:

Table 7: Capital budget per department

Department	2023/2024 MTREF			
	Budget 2024/25	%	Budget 2025/26	Budget 2026/27
Office of the City Manager	-	0.00%	-	-
Office of the COO	12,742,000	0.55%	1,000,000	30,000,000
Community and Social Development Services	14,954,000	0.65%	35,750,000	16,474,500
Emergency Services	2,000,000	0.09%	2,000,000	2,000,000
Economic Development and Spatial Planning	10,500,000	0.45%	5,000,000	5,000,000
Energy and Electricity	618,000,000	26.66%	506,500,000	627,560,000
Environment and Agriculture Management	7,000,000	0.30%	-	-
Group Financial Services	41,400,000	1.79%	41,400,000	41,400,000
Tshwane Economic Development Agency	451,783	0.02%	361,783	360,000
Health Services	17,500,000	0.76%	-	-
Human Settlements	248,503,169	10.72%	284,546,880	507,328,001
Housing Company Tshwane	100,253,096	4.33%	105,846,913	110,568,874
Regional Operations and Coordination	5,500,000	0.24%	-	-
Roads and Transport	539,499,710	23.28%	689,857,014	651,885,100
Tshwane Metro Police	3,000,000	0.13%	3,000,000	3,000,000
Shared Services	160,000,000	6.90%	160,000,000	160,000,000
Water and Sanitation	536,493,521	23.15%	521,486,330	482,942,749
TOTAL	2,317,797,279	100.00%	2,356,748,920	2,638,519,224

The following graph illustrates the above table in terms of the allocations per department:

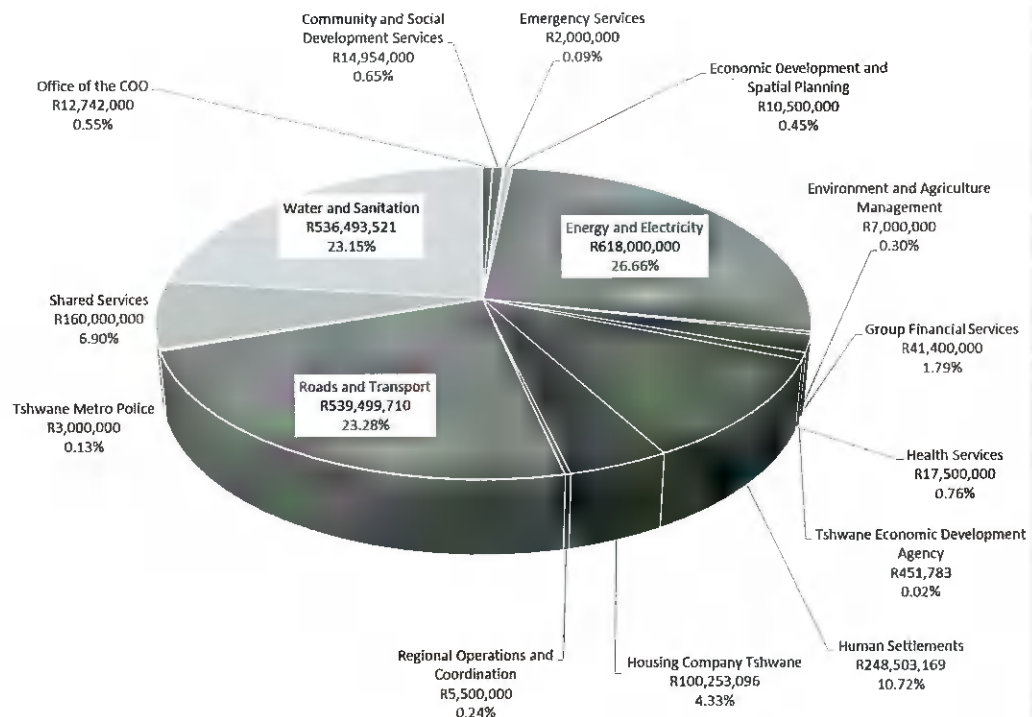


Figure 4: Capital budget per department

The detailed capital budget indicating all projects per department is attached as Annexure A.

Some of the main projects and key focus areas of the budget and IDP to be addressed in the 2024/25 financial year include the following:

Community and Social Development Services Department

- Capital moveables (community libraries) – R14,9 million
 - Purchase of books, book security system, furniture and equipment.

Economic Development and Spatial Planning Department

- Capital moveables – R5 million
 - Purchase of tools, industrial shredders, equipment and machinery for Neighbourhood Development Partnership Grant (Public Employment Programme);
- Upgrading and Extension of Market Facilities – R5,5 million.

Emergency Services Department

- Upgrading and renovation of facilities – R1 million; and
- Emergency services tools and equipment – R1 million.

Energy and Electricity Department

- Electricity for All – R120 million;
- Tshwane Public Lighting Programme – R24,5 million;
- Prepaid electricity meters – R75 million;
- Refurbishment of sub-transmission electrical infrastructure – R73 million;
- New connections – R22 million; and
- New bulk electricity infrastructure – R149 million.

Environmental and Agricultural Management

- Provision of waste containers – R7 million

Group Financial Services

- Turnaround: Reduction of water losses – R21,4 million; and
- Insurance replacement (moveable and immoveable assets) – R20 million.

Health Department

- New Lusaka Clinic – R17,5 million.

Human Settlements Department

- Bulk water provision – R35,9 million;
- Bulk sewer – R87,9 million;
- Construction of roads and storm water – R110,4 million; and
- Acquisition of land – R14,2 million.

Housing Company Tshwane

- Chantelle detail design and bulk infrastructure – R98,4 million.

Regional Operations and Coordination Department

- Electrical infrastructure testing and maintenance equipment – R5,5 million.

Roads and Transport Department

- Bus Rapid Transit transport infrastructure – R218 million;
- Rehabilitation of roads – R30 million;
- Internal roads: Northern areas – R20 million;
- Services for township developments – R40 million;
- Flooding backlogs – R100 million; and
- Upgrading of road from gravel to tar in Ekangala (Ward 102, 103, 104 and 105) – R22,5 million.

Shared Services Department

- Computer equipment deployment – R20 million;
- Upgrade IT networks – R5 million;
- Purchase vehicles – R40 million;
- Cybersecurity – R5 million; and
- SAP S/4HANA (mSCOA) – R80 million.

Tshwane Metro Police Department

- Traffic policing equipment – R3 million.

Water and Sanitation Department

- Ekangala Block A to F: Sewer reticulation and toilets – R53 million;
- Water conservation and demand management – R60 million;
- Reservoir extensions – R63 million;
- Replace, upgrade and construct waste water treatment works facilities – R253 million; and
- Replace worn-out water network pipes – R66 million.

9. MUNICIPAL ENTITIES' BUDGETS

In terms of Section 17(3)(g) of the MFMA, when an annual budget is tabled in terms of Section 16(2), it must be accompanied by any prescribed budget information on municipal entities under the sole or shared control of the municipality. The format in which the municipal entities' budget information should be compiled and included in the annual budget is prescribed by National Treasury circulars and regulations.

The subsidy to Housing Company Tshwane for the 2024/25 financial year amounts to R37,3 million.

The subsidy to the Tshwane Economic Development Agency for the 2024/25 financial year amounts to R65,3 million.

Table 8: Consolidated entities summary: Statement of financial performance

Description	Adjusted Budget 2023/24	2024/25 Medium Term Revenue & Expenditure Framework		
		Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Revenue				
Exchange Revenue				
Service charges - Electricity	-	-	-	-
Service charges - Water	-	-	-	-
Service charges - Waste Water Management	-	-	-	-
Service charges - Waste Management	-	-	-	-
Sale of Goods and Rendering of Services	275,850	-	-	-
Agency services	-	-	-	-
Interest	-	1,058,911	1,115,130	1,183,788
Interest earned from Receivables	68,409	73,198	78,322	83,805
Interest earned from Current and Non Current Assets	915,300	-	-	-
Dividends	-	-	-	-
Rent on Land	-	-	-	-
Rental from Fixed Assets	38,289,029	66,453,143	79,101,522	84,638,629
Licence and permits	-	-	-	-
Operational Revenue	5,142,703	6,921,257	8,620,658	11,146,836
Non-Exchange Revenue				
Property rates	-	-	-	-
Surcharges and Taxes	-	-	-	-
Fines, penalties and forfeits	-	-	-	-
Licences or permits	-	-	-	-
Transfer and subsidies - Operational	97,801,572	102,593,849	107,313,166	112,142,258
Interest	-	-	-	-
Fuel Levy	-	-	-	-
Operational Revenue	-	-	-	-
Gains on disposal of Assets	-	-	-	-
Other Gains	-	-	-	-
Discontinued Operations				
Total Revenue (excluding capital transfers and contributions)	142,492,863	177,100,358	196,228,798	209,195,316
Expenditure				
Employee related costs	90,466,927	103,350,181	109,074,353	115,138,803
Remuneration of councillors	5,319,048	6,255,659	7,027,808	7,422,258
Bulk purchases - electricity	-	-	-	-
Inventory consumed	6,208,128	2,345,958	2,508,643	2,682,672
Debt impairment	-	3,200,897	9,844,960	9,559,757
Depreciation and asset impairment	18,508,357	9,775,666	10,353,648	11,012,427
Finance charges	176,013	183,054	188,180	193,449
Contracted services	42,009,808	31,302,595	32,755,171	34,732,564
Transfers and subsidies	-	-	-	-
Irrecoverable debts written off	8,598,969	-	-	-
Operational costs	20,792,577	19,640,507	21,716,597	22,632,524
Losses on disposal of Assets	48,411	49,767	51,160	52,593
Other Losses	-	-	-	-
Total Expenditure	192,128,238	176,104,283	193,520,518	203,427,046
Surplus/(Deficit)	(49,635,375)	996,075	2,708,279	5,768,270

10. CONCLUSION

The focus for the draft 2024/25 MTREF is to ensure that the City is financially sustainable, thereby ensuring that services are rendered within affordable limits. The City is committed to transparent budgeting processes that are inclusive of public participation and structure the budget towards core service delivery and infrastructure development to advance the growth of Tshwane.

11. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

11.1 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

The purpose of this report is to table the Draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF) in terms of Section 24 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

Section 16(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as "MFMA"), stipulates that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. Section 16(2) stipulates that in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

In accordance with Section 17(3) of the MFMA, when an annual budget is tabled in terms of section 16(2), it must be accompanied by amongst others the following documents:

- (a) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act.

Section 21 of the MFMA states that, the mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

Section 22 of the MFMA further stipulates that, immediately after an annual budget is tabled in a municipal council the accounting officer must make public the annual budget and documents referred to in section 17 (3) and invite the local community to submit representations in connection with the budget.

In terms of section 23 (1) & (2) of the MFMA. when the annual budget has been tabled, the municipal council must consider any views of— (a) the local community; and (b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.

After considering all budget submissions, the council must give the mayor an opportunity— (a) to respond to the submissions; and (b) if necessary, to revise the budget and table amendments for consideration by the council.

Furthermore, section 24 (1) provides that, the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget— (a) must be approved before the start of the budget year; (b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and (c) must be approved together with the adoption of resolutions as may be necessary—

- (i) imposing any municipal tax for the budget year;
- (ii) setting any municipal tariffs for the budget year;

- (iii) approving measurable performance objectives for revenue from each source and for each vote in the budget;
- (iv) approving any changes to the municipality's integrated development plan; and
- (v) approving any changes to the municipality's budget-related policies.

Having taken regard to the aforesaid and with specific reference to the contents of the report, **Group Legal and Secretariat Services Department** supports the approval of the report and the recommendations.

11.2 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognizance is taken of the contents of the report.

The purpose of this report is to table the draft 2024/25 Medium-Term Revenue and Expenditure Framework (MTREF) in terms of Section 24 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

Note be taken that the draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF) is aligned to the requirements of the Municipal Finance Management Act, 2003 (Act 56 of 2003), and other legislative requirements.

12. IMPLICATIONS

12.1 HUMAN RESOURCES

Impacts on the capacity of departments to meet key deadlines and deliverables.

12.2 FINANCES (BUDGET AND VALUE FOR MONEY)

The approval of the draft 2024/25 MTREF is aligned to the requirements of Section 24 of the MFMA.

12.3 CONSTITUTIONAL AND LEGAL FACTORS

To ensure compliance in terms of the various sections of the Municipal Systems Act, 2000 and the MFMA.

12.4 COMMUNICATION

The approved budget will be submitted to the National Treasury and relevant Provincial Treasury and will be placed on the City's website for access by all stakeholders.

12.5 PREVIOUS COUNCIL AND MAYORAL COMMITTEE RESOLUTIONS

2023/24 MTREF for the City of Tshwane (Council: 31 May 2023).

The Special Mayoral Committee on 22 March 2024 resolved to recommend to Council as set out below:

During consideration of this item by Council on 27 March 2024, the following Councillors participated in a debate:

M Lewele

A Meyer

GK Ratikwane (among others, indicating that the EFF was not in support of the proposed budget)

T Modiba

S Mabotsa (among others, indicating that she was not in support of the proposed budget and further requesting that her dissenting vote on the approval of this report be registered)

AWF Middelberg (among others, requesting that his vote against the approval of this report be registered)

Following responses by the Executive Mayor on the inputs made during the debate, it was resolved as set out below:

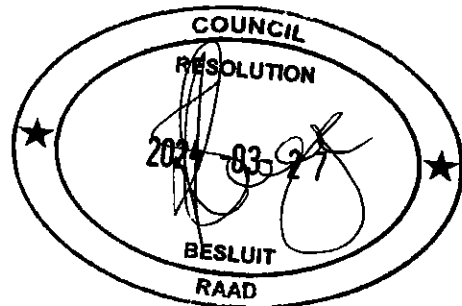
ANNEXURES

- A. Detailed capital projects
- B. Budget document
- C. Funding Plan 2024/25 to 2026/27
- C1. Mayoral Charter financial recovery and revenue enhancement
- D. Property rates tariffs
- E. Electricity tariffs
- F. Water tariffs
- G. Sanitation tariffs
- H. Refuse removal tariffs
- I. Determination notice for various tariffs
I1 – I25 (proposed tariffs for the 2024/25 financial year)
- J-1 Property Rates Policy
- J-2. Property Rates By-law
- K-1 Tariff Policy
- K-2 Tariff By-law
- L. Budget Policy
- M. Cost-containment Policy
- N. Investment Policy
- O. Supply Chain Management Policy
- P. Cash Receipt Banking Policy
- Q. Credit Control and Debt Collection Policy
- R. Indigent Policy
- S. Asset Management Policy

RESOLVED:

1. That the draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF), tabled in accordance with the Municipal Finance Management Act (MFMA), be considered for the community consultation process.

2. That the proposed tariffs for the draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF), as outlined in Annexures D to I, be considered for the community consultation process.
3. That the Accounting Officer –
 - 3.1 in accordance with Chapter 4 of the Municipal Systems Act, 2000:
 - (a) make public the draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF) and other documents referred to in Section 17(3) of the MFMA; and
 - (b) invite the local community to submit representations in connection with the draft 2024/25 MTREF.
 - 3.2 submit the draft 2024/25 Medium-term Revenue and Expenditure Framework (MTREF):
 - (a) in both printed and electronic formats to the National and Provincial Treasury; and
 - (b) in either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.



Appendix A

STATEMENT OF FINANCIAL PERFORMANCE PER DEPARTMENT

The following tables represent the draft 2024/25 MTREF for the Parent and each department:

Table 1: Parent Income Statement (Including Internal Charges)

Description	Adjusted Budget 2023/24	Budget 2024/25	Budget 202/26	Budget 2026/27
Revenue				
Exchange Revenue				
Service charges - Electricity	16,798,325,506	18,814,124,566	20,269,100,050	22,613,648,161
Service charges - Water	5,902,775,175	6,251,369,388	6,538,932,380	6,833,184,337
Service charges - Waste Water Management	1,846,957,727	1,955,928,233	2,045,900,932	2,137,966,473
Service charges - Waste Management	1,981,384,601	2,080,453,832	2,184,476,523	2,293,700,350
Sale of Goods and Rendering of Services	515,907,678	534,246,341	566,176,282	591,649,961
Agency Services				
Interest				
Interest earned from Receivables	857,568,020	874,719,381	892,213,768	910,058,044
Interest earned from Current and Non Current Assets	57,454,244	60,269,502	63,041,899	65,878,785
Rental from Fixed Assets	124,523,785	130,437,572	136,437,700	142,577,397
Licences and permits	39,399,645	43,618,849	56,875,971	59,435,389
Operational Revenue	539,245,575	571,892,968	597,913,724	624,539,746
Non-Exchange Revenue				
Property rates	9,705,039,782	10,190,291,771	10,801,709,278	11,409,797,203
Surcharges and Taxes				
Fines, penalties and forfeits	292,024,099	292,024,099	306,371,566	321,667,923
Licences or permits				
Transfers and subsidies - Operational	5,038,676,344	5,248,090,600	5,487,629,776	5,726,047,150
Interest	557,835,179	568,991,882	580,371,720	591,979,154
Fuel Levy	1,628,341,000	1,676,353,000	1,725,211,000	1,725,211,000
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Transfers and Contributions)	45,885,458,361	49,292,811,983	52,252,362,569	56,047,341,072
Expenditure				
Employee related costs	12,518,252,376	13,324,425,929	13,837,915,855	14,502,191,586
Remuneration of councillors	154,004,586	161,550,811	168,982,148	176,586,345
Bulk purchases - Electricity	14,009,613,342	15,538,834,236	17,403,494,345	19,491,913,666
Inventory Consumed	4,315,564,333	4,564,036,882	4,810,969,324	5,088,268,613
Materials - Parent	605,495,614	635,074,108	646,268,784	673,686,040
Materials - Entity	-	-	-	-
Bulk Water	3,710,068,719	3,928,962,774	4,164,700,540	4,414,582,573
Debt impairment	3,073,620,705	3,187,528,035	3,450,373,655	3,720,689,056
Depreciation amortisation	2,894,555,089	3,128,566,828	3,293,493,663	3,441,700,878
Interest	1,714,648,721	1,830,735,599	1,596,549,436	1,605,093,793
Contracted services	4,367,872,429	4,526,081,812	4,607,283,034	4,736,090,605
Tranfers and subsidies	107,234,574	112,486,956	117,872,556	122,628,196
Irrecoverable debts written off				
Operational Costs	2,653,640,233	2,765,674,860	2,916,454,998	3,064,340,175
Loss on Disposal of PPE	-	-	-	-
Other Losses				
Total Expenditure	45,809,006,386	49,139,921,948	52,203,389,014	55,949,502,912
Surplus/(Deficit)	76,451,975	152,890,036	48,973,555	97,838,160
Capital Grants Total	1,689,891,392	1,977,092,400	2,010,540,224	2,287,590,350
Transfers recognised - Capital	1,689,891,392	1,977,092,400	2,010,540,224	2,287,590,350
Contributions Recognised - Capital	-	-	-	-
Grand Total	1,766,343,367	2,129,982,436	2,059,513,779	2,385,428,510
Taxation				
(Surplus)/Deficit for the year	1,766,343,367	2,129,982,436	2,059,513,779	2,385,428,510

Table 2: Parent Income Statement (Excluding Internal Charges)

Description	Adjusted Budget 2023/24	Budget 2024/25	% Increase/ Decrease	Budget 202/26	Budget 2026/27
Revenue					
Exchange Revenue					
Service charges - Electricity	16,448,583,290	18,432,905,551	12%	19,845,946,943	22,143,948,212
Service charges - Water	5,598,206,911	5,928,831,596	6%	6,200,267,698	6,477,586,421
Service charges - Waste Water Management	1,814,500,758	1,921,556,302	6%	2,009,810,404	2,100,071,420
Service charges - Waste Management	1,910,381,186	2,005,971,249	5%	2,106,567,742	2,212,285,673
Sale of Goods and Rendering of Services	515,907,678	534,246,341		566,176,282	591,649,961
Agency Services					
Interest					
Interest earned from Receivables	857,568,020	874,719,381	2%	892,213,768	910,058,044
Interest earned from Current and Non Current Assets	57,454,244	60,269,502	5%	63,041,899	65,878,785
Rental from Fixed Assets	124,523,785	130,437,572	5%	136,437,700	142,577,397
Licences and permits	39,399,645	43,618,849	11%	56,875,971	59,435,389
Operational Revenue	539,245,575	571,892,968	6%	597,913,724	624,539,746
Non-Exchange Revenue					
Property rates	9,627,155,940	10,108,591,621	5%	10,716,250,921	11,320,493,220
Surcharges and Taxes					
Fines, penalties and forfeits	292,024,099	292,024,099	0%	306,371,566	321,667,923
Licences or permits					
Transfers and subsidies - Operational	5,038,676,344	5,248,090,600	4%	5,487,629,776	5,726,047,150
Interest	557,835,179	568,991,882		580,371,720	591,979,154
Fuel Levy	1,628,341,000	1,676,353,000	3%	1,725,211,000	1,725,211,000
Operational Revenue					
Gains on disposal of Assets					
Other gains					
Discontinued Operations					
Total Revenue (excluding Capital Transfers and Contributions)	45,049,803,654	48,398,500,513	7%	51,291,087,115	55,013,429,495
Expenditure					
Employee related costs	12,518,252,376	13,324,425,929	6%	13,837,915,855	14,502,191,586
Remuneration of councillors	154,004,586	161,550,811	5%	168,982,148	176,586,345
Bulk purchases - Electricity	14,009,613,342	15,538,834,236	11%	17,403,494,345	19,491,913,666
Inventory Consumed	4,315,564,333	4,564,036,882	6%	4,810,969,324	5,088,268,613
Materials - Parent	605,495,614	635,074,108	5%	646,268,784	673,686,040
Materials - Entity	-	-		-	-
Bulk Water	3,710,068,719	3,928,962,774	6%	4,164,700,540	4,414,582,573
Debt impairment	3,073,620,705	3,187,528,035	4%	3,450,373,655	3,720,689,056
Depreciation amortisation	2,894,555,089	3,128,566,828	8%	3,293,493,663	3,441,700,878
Interest	1,714,648,721	1,830,735,599	7%	1,596,549,436	1,605,093,793
Contracted services	4,367,872,429	4,526,081,812	4%	4,607,283,034	4,736,090,605
Tranfers and subsidies	107,234,574	112,486,956	5%	117,872,556	122,628,196
Irrecoverable debts written off					
Operational Costs	1,817,985,526	1,871,363,390	3%	1,955,179,544	2,030,428,597
Loss on Disposal of PPE	-	-		-	-
Other Losses					
Total Expenditure	44,973,351,680	48,245,610,477	7%	51,242,113,560	54,915,591,335
Surplus/(Deficit)	76,451,975	152,890,036		48,973,555	97,838,160
Capital Grants Total	1,689,891,392	1,977,092,400	15%	2,010,540,224	2,287,590,350
Transfers recognised - Capital	1,689,891,392	1,977,092,400		2,010,540,224	2,287,590,350
Contributions Recognised - Capital	-	-		-	-
Grand Total	1,766,343,367	2,129,982,436		2,059,513,779	2,385,428,510
Taxation					
(Surplus)/Deficit for the year	1,766,343,367	2,129,982,436		2,059,513,779	2,385,428,510

Table 3: City Strategy and Organisational Performance Department

City Strategy and Organisational Performance	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	54 058 985	64 907 657	68 172 088	71 603 005
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	74 808	78 474	82 084	85 777
Debt impairment				
Depreciation amortisation	824 913	824 913	824 913	862 034
Interest				
Contracted services	2 779 452	2 915 645	3 049 764	3 187 004
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	2 339 912	2 400 476	2 513 038	2 628 824
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	60 078 070	71 127 165	74 641 887	78 366 644
Surplus/(Deficit) before Transfers recognised - Capital	(60 078 070)	(71 127 165)	(74 641 887)	(78 366 644)

Table 4: Communication, Marketing and Events

Communication, Marketing and Events	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	69 508 698	79 175 898	83 028 268	87 077 109
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	68 038	71 371	74 654	78 014
Debt impairment				
Depreciation amortisation	890 759	890 759	890 759	930 843
Interest				
Contracted services	1 432 400	1 502 587	1 571 706	1 642 433
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	12 742 791	12 934 357	13 562 911	14 211 412
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	84 642 684	94 574 972	99 128 298	103 939 811
Surplus/(Deficit) before Transfers recognised - Capital	(84 642 684)	(94 574 972)	(99 128 298)	(103 939 811)

Table 5: Community and Social Development Services Department

Community and Social Development Services	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	897 786	941 777	985 099	1 029 428
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	1 419 821	1 489 392	1 557 904	1 628 010
Licences and Permits				
Operational Revenue	9 542	10 010	10 471	10 942
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	26 097 217	27 468 000	12 000 000	-
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	28 424 366	29 909 179	14 553 474	2 668 380
Expenditure				
Employee related costs	247 052 424	269 261 108	282 764 267	295 796 724
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	7 444 388	7 809 163	8 168 384	8 535 962
Debt impairment				
Depreciation amortisation	173 796 575	173 796 575	173 812 948	181 634 531
Interest				
Contracted services	65 279 186	71 921 897	56 221 576	53 291 422
Transfers and subsidies	289 575	301 652	526 728	1 806
Irrecoverable debts written off				
Operational Costs	37 001 256	36 314 970	40 492 183	37 448 024
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	532 091 250	560 693 377	563 333 346	578 116 355
Surplus/(Deficit) before Transfers recognised - Capital	(503 666 884)	(530 784 198)	(548 779 873)	(575 447 975)

Table 6: Customer Relations Management Department

Customer Relations Management	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	4 738	4 970	5 199	5 433
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	25 363	26 606	27 829	29 082
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	30 101	31 576	33 028	34 515
Expenditure				
Employee related costs	268 269 969	299 634 035	314 270 031	329 652 462
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	513 683	538 853	563 640	589 004
Debt impairment				
Depreciation amortisation	3 919 179	3 919 179	4 115 138	4 300 319
Interest				
Contracted services	284 956	298 919	312 669	326 739
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	2 675 093	2 921 791	3 059 161	3 202 409
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	275 662 880	307 312 777	322 320 639	338 070 934
Surplus/(Deficit) before Transfers recognised - Capital	(275 632 779)	(307 281 201)	(322 287 611)	(338 036 419)

Table 7: Economic Development and Spatial Planning Department

Economic Development and Spatial Planning	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity	16 171 840	18 112 461	18 945 634	19 798 187
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management	264 914	278 160	292 068	306 671
Sale of Goods and Rendering of Services	364 840 964	382 718 171	400 323 207	418 337 751
Agency Services				
Interest				
Interest earned from Receivables	88 950	90 729	92 544	94 394
Interest earned from Current and Non Current Assets	5 472 582	5 740 739	6 004 812	6 275 029
Dividends				
Rent on Land				
Rental from Fixed Assets	22 699 228	23 811 490	24 906 819	26 027 626
Licences and Permits	799 997	1 019 201	1 065 065	1 112 993
Operational Revenue	41 309 426	43 333 587	45 326 932	47 366 644
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	244 975	244 975	227 634	241 292
Licences and Permits				
Transfers Recognised - Operational	132 200 000	100 000 000	-	-
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	584 092 876	575 349 513	497 184 715	519 560 588
Expenditure				
Employee related costs	488 369 346	495 619 987	520 338 960	546 327 496
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	16 215 454	15 491 301	2 187 501	2 285 939
Debt impairment	313 529	375 249	433 754	491 631
Depreciation amortisation	76 770 460	80 225 130	84 236 387	88 027 024
Interest				
Contracted services	163 871 383	135 369 391	53 209 383	55 603 805
Transfers and subsidies	62 281 999	65 333 817	68 339 172	71 414 435
Irrecoverable debts written off				
Operational Costs	56 272 065	60 728 355	59 699 669	63 511 277
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	865 322 083	854 431 241	789 792 086	829 069 494
Surplus/(Deficit) before Transfers recognised - Capital	(281 229 207)	(279 081 728)	(292 607 371)	(309 508 906)

Table 8: Emergency Services Department

Emergency Services	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	6 105 541	6 404 713	6 699 330	7 000 799
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	10 500	11 015	11 521	12 040
Licences and Permits				
Operational Revenue	3 087 478	3 238 765	3 387 748	3 540 197
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	9 203 520	9 654 492	10 098 599	10 553 036
Expenditure				
Employee related costs	1 004 795 831	968 662 835	1 016 999 024	1 067 800 360
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	4 137 230	4 661 625	4 861 263	5 065 545
Debt impairment	7 306 300	8 744 585	10 107 950	11 456 694
Depreciation amortisation	27 605 506	28 847 754	30 290 142	31 653 198
Interest				
Contracted services	4 388 117	7 440 705	7 652 449	7 869 119
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	20 143 884	20 522 429	21 931 592	23 448 603
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	1 068 376 867	1 038 879 933	1 091 842 420	1 147 293 519
Surplus/(Deficit) before Transfers recognised - Capital	(1 059 173 347)	(1 029 225 440)	(1 081 743 822)	(1 136 740 484)

Table 9: Energy and Electricity Department

Energy and Electricity	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity	16 763 721 451	18 775 368 025	20 228 560 707	22 571 284 548
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	7 708	8 086	8 458	8 838
Agency Services				
Interest				
Interest earned from Receivables	242 518 487	247 368 856	252 316 234	257 362 558
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	159 401 836	167 212 526	174 904 302	182 774 995
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	-			
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	17 165 649 481	19 189 957 493	20 655 789 701	23 011 430 940
Expenditure				
Employee related costs	587 782 637	632 597 258	661 190 719	691 242 446
Remuneration of councillors	1 210 471	1 269 784	1 328 195	1 387 963
Bulk purchases - Electricity	14 009 613 342	15 538 834 236	17 403 494 345	19 491 913 666
Inventory Consumed	29 138 915	30 566 722	31 972 791	33 411 567
Debt impairment	998 875 041	1 473 392 051	1 642 818 615	1 831 340 541
Depreciation amortisation	337 906 010	337 906 010	354 801 311	370 767 370
Interest	352 226 402	400 000 000	100 000 000	50 000 000
Contracted services	112 846 504	26 581 666	27 804 423	29 055 622
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	91 236 424	94 158 128	99 388 848	104 893 192
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	16 520 835 746	18 535 305 857	20 322 799 245	22 604 012 367
Surplus/(Deficit) before Transfers recognised - Capital	644 813 735	654 651 636	332 990 455	407 418 573

Table 10: Environment and Agriculture Management Department

Environment and Agriculture Management	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management	1 981 119 688	2 080 175 672	2 184 184 456	2 293 393 679
Sale of Goods and Rendering of Services	21 638 872	22 699 177	23 743 339	24 811 789
Agency Services				
Interest				
Interest earned from Receivables	1 266	1 291	1 317	1 343
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	64 356	67 510	70 615	73 793
Licences and Permits				
Operational Revenue	1 067 826	1 120 149	1 171 676	1 224 401
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	30 000	30 000	30 000	31 800
Licences and Permits				
Transfers Recognised - Operational	13 980 000			
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	2 017 902 008	2 104 093 799	2 209 201 403	2 319 536 806
Expenditure				
Employee related costs	667 896 850	790 542 539	827 153 793	865 638 287
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	4 922 026	5 163 205	5 400 713	5 643 745
Debt impairment	342 000 915	166 436 307	174 758 122	171 037 318
Depreciation amortisation	88 144 341	89 941 241	94 438 303	98 688 026
Interest	78 834 915	82 697 826	86 501 926	90 394 513
Contracted services	727 400 017	718 621 482	751 678 070	785 503 583
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	213 561 612	224 443 882	238 930 050	254 439 589
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	2 123 988 522	2 079 134 493	2 180 208 237	2 272 752 946
Surplus/(Deficit) before Transfers recognised - Capital	(106 086 514)	24 959 307	28 993 167	46 783 859

Table 11: Group Audit and Risk

Group Audit and Risk	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	238 010	238 010	238 010	252 290
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	238 010	238 010	238 010	252 290
Expenditure				
Employee related costs	111 489 848	111 691 518	117 257 399	123 107 139
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	213 483	223 943	234 245	244 786
Debt impairment				
Depreciation amortisation	553 496	553 496	553 496	578 404
Interest				
Contracted services	36 855 170	38 661 073	40 439 483	42 259 259
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	3 923 443	4 021 103	4 209 550	4 403 365
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	153 035 440	155 151 134	162 694 173	170 592 953
Surplus/(Deficit) before Transfers recognised - Capital	(152 797 430)	(154 913 124)	(162 456 163)	(170 340 662)

Table 12: Group Financial Services

Group Financial Services	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity	14 938 954	16 731 629	17 501 283	18 288 841
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	7 975 680	8 366 489	8 751 347	9 145 158
Agency Services				
Interest				
Interest earned from Receivables	259 823	265 019	270 319	275 726
Interest earned from Current and Non Current Assets	51 981 662	54 528 764	57 037 087	59 603 756
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	51 146 732	53 652 922	56 120 956	58 646 399
Non-Exchange Revenue				
Property Rates	9 705 039 781	10 190 291 771	10 801 709 278	11 409 797 203
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	3 995 770 000	4 290 720 000	4 629 028 000	4 999 339 000
Interest	557 835 179	568 991 882	580 371 720	591 979 154
Fuel Levy	1 628 341 000	1 676 353 000	1 725 211 000	1 725 211 000
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	16 013 288 812	16 859 901 475	17 876 000 991	18 872 286 237
Expenditure				
Employee related costs	1 272 240 322	1 497 271 596	1 436 388 795	1 498 137 123
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	1 398 322	1 466 839	1 534 314	1 603 358
Debt impairment	943 567 664	823 609 575	873 830 470	923 770 977
Depreciation amortisation	427 447 948	641 540 829	746 190 550	779 769 125
Interest	1 270 166 538	1 333 959 284	1 395 321 411	1 458 110 875
Contracted services	185 754 951	564 960 922	318 959 799	333 240 990
Transfers and subsidies	5 384 801	5 648 656	5 908 494	6 174 376
Irrecoverable debts written off				
Operational Costs	375 483 688	392 449 482	410 188 547	429 018 780
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	4 482 672 080	5 262 195 194	5 189 669 639	5 431 233 490
Surplus/(Deficit) before Transfers recognised - Capital	11 530 616 732	11 597 706 281	12 686 331 351	13 441 052 747

Table 13: Group Human Capital Management

Group Human Capital Management	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	886 602	930 046	972 828	1 016 605
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	119 764	125 633	131 412	137 326
Licences and Permits				
Operational Revenue	13 672 173	14 342 109	15 001 846	15 676 929
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	14 678 539	15 397 788	16 106 086	16 830 860
Expenditure				
Employee related costs	318 422 261	346 044 019	363 444 795	381 733 010
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	2 266 309	2 386 358	2 496 717	2 610 619
Debt impairment				
Depreciation amortisation	9 923 420	9 923 420	9 923 420	10 369 974
Interest				
Contracted services	40 267 284	42 231 381	44 173 439	46 159 694
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	127 386 289	151 524 613	159 323 237	167 514 893
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	499 493 410	553 397 802	580 708 867	609 796 076
Surplus/(Deficit) before Transfers recognised - Capital	(484 814 871)	(538 000 014)	(564 602 781)	(592 965 217)

Table 14: Group Legal and Secretariat Services

Group Legal and Secretariat Services	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	47 381	49 702	51 989	54 328
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	47 381	49 702	51 989	54 328
Expenditure				
Employee related costs	111 108 845	123 274 621	129 485 176	136 012 469
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	76 519	80 268	83 960	87 739
Debt impairment				
Depreciation amortisation	923 061	923 061	923 061	964 599
Interest				
Contracted services	103 414 029	106 991 774	111 913 396	116 949 498
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	1 294 100	1 340 626	1 406 349	1 474 748
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	216 816 553	232 610 350	243 811 942	255 489 053
Surplus/(Deficit) before Transfers recognised - Capital	(216 769 173)	(232 560 648)	(243 759 953)	(255 434 725)

Table 15: Group Property

Group Property	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	6 373 411	6 685 709	6 993 251	7 307 947
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	61 128 941	64 124 259	67 073 975	70 092 304
Licences and Permits				
Operational Revenue	12 300 000	12 902 700	13 496 224	14 103 554
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	79 802 352	83 712 668	87 563 450	91 503 806
Expenditure				
Employee related costs	124 988 995	137 065 969	143 900 043	151 082 655
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	5 118 584	4 869 394	5 616 386	5 869 124
Debt impairment				
Depreciation amortisation	123 266 742	123 266 742	123 266 742	128 813 746
Interest				
Contracted services	387 336 942	400 180 462	418 588 763	437 425 258
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	345 615 927	359 245 389	379 626 564	401 676 552
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	986 327 189	1 024 627 957	1 070 998 499	1 124 867 334
Surplus/(Deficit) before Transfers recognised - Capital	(906 524 837)	(940 915 289)	(983 435 049)	(1 033 363 528)

Table 16: Health Department

Health	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	2 723 000	2 856 427	2 987 823	3 122 275
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	222 055	222 055	222 055	235 379
Licences and Permits				
Transfers Recognised - Operational	92 280 000	90 780 000	98 840 000	-
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	95 225 055	93 858 482	102 049 878	3 357 653
Expenditure				
Employee related costs	404 897 189	430 647 654	451 967 632	474 374 928
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	9 195 596	9 513 340	9 903 058	9 260 642
Debt impairment				
Depreciation amortisation	24 369 184	24 369 184	24 369 184	25 465 798
Interest				
Contracted services	62 626 055	64 729 947	67 217 807	49 232 361
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	28 397 882	28 611 328	30 055 160	25 562 404
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	530 713 754	559 159 463	584 860 101	585 304 019
Surplus/(Deficit) before Transfers recognised - Capital	(435 488 699)	(465 300 981)	(482 810 223)	(581 946 366)

Table 17: Human Settlements Department

Human Settlements	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables	291 715	297 549	303 500	309 570
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	22 241 310	23 143 256	24 207 845	25 297 198
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	137 105 127	88 390 600	92 339 300	104 754 250
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	159 638 152	111 831 405	116 850 645	130 361 018
Expenditure				
Employee related costs	138 035 240	146 333 569	153 551 978	161 138 527
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	747 104	783 712	819 763	856 653
Debt impairment	2 879 593	3 446 456	3 983 792	4 515 366
Depreciation amortisation	190 765 843	190 765 843	190 765 843	199 350 306
Interest				
Contracted services	457 460 078	491 303 286	513 981 870	544 959 230
Transfers and subsidies	35 519 573	37 260 032	38 973 994	40 727 823
Irrecoverable debts written off				
Operational Costs	150 465 468	166 136 193	176 035 913	187 188 132
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	977 100 746	1 037 317 104	1 079 460 414	1 140 143 923
Surplus/(Deficit) before Transfers recognised - Capital	(817 462 595)	925 485 699	962 609 768	1 009 782 905

Table 18: Office of the Chief Whip

Office of the Chief Whip	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	39 125 024	47 621 883	49 946 110	52 388 872
Remuneration of councillors	138 799 220	145 600 382	152 297 999	159 151 409
Bulk purchases - Electricity				
Inventory Consumed	483 828	507 536	530 883	554 772
Debt impairment				
Depreciation amortisation	554 534	554 534	554 534	579 488
Interest				
Contracted services	191 480	200 862	210 102	219 557
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	1 198 425	1 237 581	1 296 140	1 356 522
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	180 352 511	195 722 778	204 835 768	214 250 620
Surplus/(Deficit) before Transfers recognised - Capital	(180 352 511)	(195 722 778)	(204 835 768)	(214 250 620)

Table 19: Office of the City Manager

Office of the City Manager	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	47 000 000	84 480 000	84 352 000	86 722 000
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	47 000 000	84 480 000	84 352 000	86 722 000
Expenditure				
Employee related costs	352 367 653	128 563 920	134 982 077	141 727 560
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	730 377	329 008	344 142	359 628
Debt impairment				
Depreciation amortisation	1 185 722	1 149 827	1 207 318	1 261 648
Interest				
Contracted services	621 698 558	109 747 470	110 781 773	114 341 113
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	8 846 960	1 033 057	1 084 953	1 139 294
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	984 829 269	240 823 281	248 400 264	258 829 243
Surplus/(Deficit) before Transfers recognised - Capital	(937 829 269)	(156 343 281)	(164 048 264)	(172 107 243)

Table 20: Office of the Executive Mayor

Office of the Executive Mayor	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	79 838 579	122 157 879	128 234 296	134 620 610
Remuneration of councillors	1 636 604	1 716 797	1 795 770	1 876 580
Bulk purchases - Electricity				
Inventory Consumed	374 326	522 668	410 730	429 213
Debt impairment				
Depreciation amortisation	1 364 593	1 364 593	1 364 593	1 425 999
Interest				
Contracted services	1 386 912	1 404 870	1 521 794	1 590 275
Transfers and subsidies	3 758 626	3 942 799	4 124 168	4 309 755
Irrecoverable debts written off				
Operational Costs	3 007 741	3 197 410	3 432 262	3 591 874
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	91 367 380	134 307 016	140 883 613	147 844 306
Surplus/(Deficit) before Transfers recognised - Capital	(91 367 380)	(134 307 016)	(140 883 613)	(147 844 306)

Table 21: Office of the Speaker

Office of the Speaker	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	160 285 520	187 017 660	196 150 897	205 749 930
Remuneration of councillors	1 307 673	1 371 749	1 434 849	1 499 417
Bulk purchases - Electricity				
Inventory Consumed	1 857 198	1 948 201	2 037 818	2 129 520
Debt impairment				
Depreciation amortisation	1 015 959	1 015 959	1 015 959	1 061 677
Interest				
Contracted services	8 007 963	8 400 353	8 786 769	9 182 174
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	8 115 833	8 302 228	8 690 408	9 089 394
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	180 590 146	208 056 149	218 116 700	228 712 111
Surplus/(Deficit) before Transfers recognised - Capital	(180 590 146)	(208 056 149)	(218 116 700)	(228 712 111)

Table 22: Regional Operations and Coordination

Regional Operations and Coordination	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity	3 493 261	3 912 452	4 092 425	4 276 584
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	25 282 579	19 486 093	27 741 411	28 989 774
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	3 611 092	3 788 035	3 962 285	4 140 588
Licences and Permits				
Operational Revenue	8 349 699	8 758 834	9 161 740	9 574 019
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	232 042	232 042	254 042	269 284
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	40 968 672	36 177 457	45 211 903	47 250 249
Expenditure				
Employee related costs	1 835 926 501	1 997 967 117	2 089 984 664	2 186 695 913
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	241 468 639	250 000 602	261 660 430	273 591 289
Debt impairment				
Depreciation amortisation	180 971 777	180 971 777	180 971 777	189 115 507
Interest	4 279 969	4 489 687	4 696 213	4 907 542
Contracted services	270 993 484	266 037 164	284 181 874	296 813 918
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	203 820 034	211 365 861	223 397 968	236 095 601
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	2 737 460 404	2 910 832 210	3 044 892 926	3 187 219 772
Surplus/(Deficit) before Transfers recognised - Capital	(2 696 491 732)	(2 874 654 753)	(2 999 681 023)	(3 139 969 523)

Table 23: Roads and Transport Department

Roads and Transport	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	72 158 214	75 788 485	79 270 407	82 833 322
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets	13 228 772	13 876 982	14 515 323	15 168 513
Licences and Permits	38 599 648	42 599 648	55 810 906	58 322 396
Operational Revenue	210 770 888	227 323 020	237 493 559	247 900 673
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	568 744 000	566 252 000	571 070 476	535 231 900
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	903 501 523	925 840 136	958 160 671	939 456 805
Expenditure				
Employee related costs	578 008 320	667 871 455	700 944 573	735 709 677
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	87 449 012	96 634 100	96 592 222	100 218 872
Debt impairment	162 310	194 262	224 549	254 512
Depreciation amortisation	572 590 335	572 590 335	572 590 335	598 356 900
Interest				
Contracted services	553 306 462	562 337 194	570 366 196	537 917 927
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	155 477 296	150 548 272	158 979 999	163 952 361
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	1 948 221 581	2 051 463 629	2 101 045 132	2 137 818 134
Surplus/(Deficit) before Transfers recognised - Capital	(1 044 720 058)	(1 125 623 493)	(1 142 884 461)	(1 198 361 330)

Table 24: Shared Services Department

Shared Services	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services				
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue				
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	-	-	-	-
Expenditure				
Employee related costs	189 250 217	205 707 657	215 982 739	226 781 850
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	119 110 756	124 947 183	130 694 754	136 576 018
Debt impairment				
Depreciation amortisation	221 004 166	230 949 353	242 496 821	253 409 178
Interest				
Contracted services	175 100 785	182 535 321	190 931 946	199 523 883
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	580 589 662	589 730 043	616 991 964	644 910 787
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	1 285 055 586	1 333 869 557	1 397 098 223	1 461 201 716
Surplus/(Deficit) before Transfers recognised - Capital	(1 285 055 586)	(1 333 869 557)	(1 397 098 223)	(1 461 201 716)

Table 25: Tshwane Metro Police Department

Tshwane Metro Police	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity				
Service Charges - Water				
Service charges - Waste Water Management				
Service charges - Waste Management				
Sale of Goods and Rendering of Services	7 700 000	8 077 300	8 448 856	8 829 054
Agency Services				
Interest				
Interest earned from Receivables				
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	10 932 251	11 467 931	11 995 456	12 535 251
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits	291 057 016	291 057 016	305 399 825	320 637 878
Licences and Permits				
Transfers Recognised - Operational				
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	309 689 267	310 602 247	325 844 137	342 002 184
Expenditure				
Employee related costs	3 027 428 274	3 166 371 571	3 324 324 988	3 490 334 030
Remuneration of councillors	1 227 847	1 288 011	1 347 259	1 407 886
Bulk purchases - Electricity				
Inventory Consumed	7 547 998	8 355 008	8 739 339	9 132 609
Debt impairment	162 030 927	55 231 164	57 937 491	60 660 553
Depreciation amortisation	50 062 778	52 404 857	55 025 099	57 501 229
Interest				
Contracted services	59 396 895	371 456 885	657 365 902	686 947 367
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	66 448 104	72 477 114	76 259 472	80 214 309
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	3 374 142 822	3 727 584 610	4 180 999 551	4 386 197 983
Surplus/(Deficit) before Transfers recognised - Capital	(3 064 453 555)	(3 416 982 362)	(3 855 155 414)	(4 044 195 799)

Table 26: Water and Sanitation Department

Water and Sanitation	Adjustment Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
Revenue				
Exchange Revenue				
Service Charges - Electricity	5 417 658			
Service Charges - Water	5 897 357 517	6 251 369 388	6 538 932 380	6 833 184 337
Service charges - Waste Water Management	1 846 957 727	1 955 928 233	2 045 900 932	2 137 966 473
Service charges - Waste Management				
Sale of Goods and Rendering of Services	1 988 201	2 085 623	2 181 562	2 279 732
Agency Services				
Interest				
Interest earned from Receivables	614 407 781	626 695 936	639 229 855	652 014 452
Interest earned from Current and Non Current Assets				
Dividends				
Rent on Land				
Rental from Fixed Assets				
Licences and Permits				
Operational Revenue	24 449 363	25 647 382	26 827 162	28 034 384
Non-Exchange Revenue				
Property Rates				
Surcharges and Taxes				
Fines, penalties and forfeits				
Licences and Permits				
Transfers Recognised - Operational	25 500 000	-	-	-
Interest				
Fuel Levy				
Operational Revenue				
Gains on disposal of Assets				
Other gains				
Discontinued Operations				
Total Revenue (excluding Capital Grants)	8 416 078 248	8 861 726 562	9 253 071 890	9 653 479 379
Expenditure				
Employee related costs	387 104 848	408 416 522	427 452 544	447 459 403
Remuneration of councillors				
Bulk purchases - Electricity				
Inventory Consumed	3 775 011 742	3 997 088 005	4 235 959 532	4 489 048 219
Debt impairment	616 484 426	656 098 387	686 278 913	717 161 464
Depreciation amortisation	378 697 787	379 871 456	398 865 029	416 813 956
Interest	9 140 897	9 588 801	10 029 886	1 680 863
Contracted services	325 793 368	350 250 555	366 362 080	382 848 374
Transfers and subsidies				
Irrecoverable debts written off				
Operational Costs	157 596 344	170 030 172	185 899 059	203 367 830
Loss on Disposal of PPE				
Other Losses				
Total Expenditure	5 649 829 412	5 971 343 898	6 310 847 044	6 658 380 108
Surplus/(Deficit) before Transfers recognised - Capital	2 766 248 835	2 890 382 664	2 942 224 846	2 995 099 271

REPORT – FLOW COMPLIANCE CHECK

C9: 81323/1
 INITIATOR: N QOMOYI (012 358 8236)

**GROUP FINANCIAL SERVICES (BUDGET OFFICE DIVISION)
 DRAFT 2024/25 MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR
 THE CITY OF TSHWANE**

**REPORT CHECKED AND PASSED FOR SUBMISSION TO THE MEETING OF THE
 MAYORAL COMMITTEE TO BE HELD ON 20 MARCH 2024**

	COMPREHENSIV ENESS (FACTS, COMMENTS, RECOMMENDATI ONS, ANNEXURES) (√)	CORRECTN ESS (√)	QUALIT Y (√)
<p>DIVISIONAL HEAD: BUDGET OFFICE: NM MOKETE</p> <p>SIGNATURE.....</p> <p>DATE.....</p>			
<p>CHIEF FINANCIAL OFFICER: G MNISI</p> <p>SIGNATURE.....</p> <p>DATE.....</p>			
<p>CITY MANAGER: J METTLER</p> <p>SIGNATURE.....</p>			

