



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF



MUSINA LOCAL MUNICIPALITY FINAL BUDGET NARRATIVE REPORT 2023/2024



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

ABBREVIATION

MFMA-Municipal Finance Management Act 56 of 2003

MBRR-Municipal Budget and Reporting Regulations

MTREF-Medium Term Revenue and Expenditure Framework

EPWP-Expanded Public Works Programme

FMG-Finance Management Grant

INEP-Integrated National Electricity Program

MIG-Municipal Infrastructure Grant

LGSETA- Local Government Sector Education and Training Authority



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

MAYORS REPORT

See as a separate attached final budget speech as by His Worship Mayor of Musina Local Municipality, Councillor Nkhanedzeni Godfrey Mawela

DEPARTMENTAL BUDGET BY MAJOR VOTE

Executive and Council: **R87 160 Million**

Financial and Administration: **R139 615 Million**

Community and Public Safety: **R51 601 Million**

Economic and Environmental Services: **R30 743 Million**

Trading Services: **R165 781 Million**

GRAND TOTAL OF THE FINAL BUDGET: R484 868 Million

GRANTS ARE AS PER DORA ALLOCATION:

Equitable Share: **R 216 341 Million**

FMG: **R3 Million**

EPWP: **R1 287 Million**

MIG: **R 34 036 Million**

GRAND TOTAL OF THE GRANTS;

- Operational Grants: **R220 628 Million**
- Capital Projects (MIG): **R 34 036 Million**
- Own Funding: **R 46 000 Million**

Council Resolution and Quality Certificate for the 2023/24 Final Budget attached.



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

MULTI-YEAR BUDGET 2023/24 – 2024/25 – 2025/26

Report of the Chief Financial Officer

Purpose

The purpose of the report is to present the final budget Multi-year Budget 2023/24 – 2025/2026 to Council for approval.

Background

The IDP/Budget Process Plan to review the 2023/24 IDP/Budget was adopted on 30 August 2022 in terms of the provision of the Municipal Finance Management Act. The process plan outlines the key deadlines for the preparation, tabling and approval of the annual budget.

Discussion

Section 16 of the Municipal Finance Management Act stipulates the following:

(a) The Council of a municipality must for each financial year approve an annual budget for the In order for a municipality 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 24 further stipulates that the Council must at least 30 days before the start of the budget year consider approval of the annual budget. Municipality before the start of that financial year.

This 2023/24 MTREF Budget places emphasis on inclusive growth, as well as a progressive programme of capital expenditures. The MTREF Budget also relies on practice of good governance and a public ethic that values honesty and fairness. If we act together, on these principles, as public representatives, civil servants, business people, youth, workers and citizens, we can overcome the challenges of tough economic times and difficult adjustments. National Treasury's MFMA Circular No.122 was used to guide the compilation of the 2023/24 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following budgeting PRINCIPLES were applied in formulating the medium term budget:

- Realistic and achievable collection rates.
- Sustainable, affordable, realistic and balanced budget
- Major tariffs to be cost reflective, realistic and affordable
- Budget to contribute to achieving strategic objectives of the IDP
- Balancing capital expenditure for social, economic, rehabilitation and support.
- Income/ revenue driven budget: affordability i.e. if funds do not materialise, review expenditure.

In this MTREF we have ensured that we eradicate non-priority spending and reprioritise expenditure to focus on core infrastructure and service delivery.





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

The main CHALLENGES experienced during the compilation of the 2023/2024 MTREF are as follows:

- The ongoing difficulties in the national and local economy;
- Huge backlogs and further demands due to urbanization.
- Economic slowdown & unemployment: impacts on collection rates
- Limited available own funding to fund much needed infrastructure
- Bulk purchases – The municipality has paid Eskom about **R 172 Million** as at 30 March 2023, **R142 Million** of the current account and **R30 Million** was towards the arrear debt, the arrear debt is now standing at about R36, 9 Million.

The following are some of the SEVERITY MEASURES that will be applied to the 2023/24 medium term budgets, in order confirm to National Treasury cost containment guidelines.

- Strategic approach to vacancies. Analysis of vacancies carried out.
- Fuel, Overtime, Travelling, Catering, and consultants are some of the costs that are closely monitored.

OVERVIEW OF THE 2023/24 MTREF

Total budget for the 2023/2024 financial year is **R 484 868 Million** made up of an operating budget of **R450 832 Million** and a capital budget of **R34 036 Million**. The focus of this budget will be directed to the key areas in line with our promises to improve the lives of our people. Ensuring good governance in the City and ensuring the effective use of public funds and enhance accountability

The following assumptions were taken into account during the compilation of MTREF budget:

1. Revenue: Tariff increases:

- **Electricity:** charges proposed to increase by 7.4%.
- **Waste Removal:** charges proposed to increase by 6 %.
- **Assessment rates:** charges proposed to increase by 6 %

The municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and to ensure that all revenue due is billed correctly and collected efficiently.



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

2. Expenditure increases

- **Electricity bulk purchases** have been increased by 8.4% in line with National Treasury's inflation forecasts.
- **Salaries and allowances** have been increased by 4.9% subject to agreement at South African Local Government Bargaining Council.
- **Other Materials and Other expenses** will increase at rate CPIX

The following are general contributory factors for the increase in levels of rates and service charges:

- The cost of bulk purchases.
- Cost of the social package to indigents.
- Salary increase with effect from 1 July 2018.

The cost pressures of the electricity bulk purchases tariffs continue to grow faster than the inflation rate. Given that these tariff increases are determined by the external bodies; the impacts they have on the municipality's tariff are largely outside the control of the Municipality. Furthermore, the adverse impacts of the current economic climate coupled with unfavourable external pressures on services, make tariff increases higher than the CPI levels inevitable.

Indigent subsidies

Provision is made in the operating budget for the subsidizing of indigent households. This subsidy includes a free 6KI of water, 100 units of electricity, a 100% subsidy for refuse removal and sewerage charges. A 100% rebate on assessment rates will also be given for Indigent households. The subsidy allowed, exceeds the National norm and stretches the affordability threshold of the municipality.

To qualify as indigents, the household income must not exceed **R3 500**, the policy is reviewed to also cater for the child headed families and the qualifying people with disability. During the current financial year, the municipality is providing free services to more **3000** indigent families at a cost of over **R4 Million**.

The municipality further grants 80% rebates to owners of residential properties who depend on pensions or social grants provided the household income does not exceed **R8 300**.

The application of sound financial management principles for the compilation of Musina Local Municipality's MTREF is essential and critical to ensure that Musina Local Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities

In view of the aforementioned, the following tables are a consolidated overview of the 2023/24 medium-term Revenue and Expenditure Framework





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Operating revenue and expenditure by source:

LIM341 Musina - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Financial Performance											
Property rates	21 257	24 787	14 929	25 814	25 814	25 814	25 814	25 814	26 950	28 162	29 571
Service charges	149 650	156 127	167 049	177 573	179 573	179 573	179 573	179 573	176 127	184 856	193 289
Investment revenue	–	–	–	527	527	527	527	527	555	582	609
Transfer and subsidies - Operational	150 242	196 394	176 378	199 191	199 191	199 191	199 191	199 191	220 628	243 651	253 719
Other own revenue	23 965	20 205	18 027	47 939	120 449	120 449	120 449	120 449	106 608	50 884	54 180
Total Revenue (excluding capital transfers and contributions)	345 114	397 513	376 383	451 044	525 554	525 554	525 554	525 554	530 868	508 136	531 369
Employee costs	139 571	149 504	150 650	162 265	168 037	168 037	168 037	168 037	164 268	172 480	181 104
Remuneration of councillors	10 624	10 526	10 097	12 823	12 823	12 823	12 823	12 823	11 428	11 885	12 480
Depreciation and amortisation	27 702	28 519	30 061	27 942	30 942	30 942	30 942	30 942	34 000	35 700	37 485
Interest	6 850	2 682	135	–	499	499	499	499	525	551	577
Inventory consumed and bulk purchases	113 743	120 611	142 119	125 011	133 493	133 493	133 493	133 493	149 493	156 963	164 797
Transfers and subsidies	3 833	4 689	5 827	–	3 723	3 723	3 723	3 723	4 987	5 084	4 982
Other expenditure	85 000	87 292	108 691	117 999	123 917	123 917	123 917	123 917	120 167	115 983	121 196
Total Expenditure	387 324	403 822	447 579	446 041	473 435	473 435	473 435	473 435	484 668	498 647	522 621
Surplus/(Deficit)	(42 210)	(6 310)	(71 196)	5 003	52 119	52 119	52 119	52 119	46 000	9 489	8 747
Transfers and subsidies - capital (monetary allocations)	24 644	37 793	31 409	32 713	32 713	32 713	32 713	32 713	34 036	50 444	52 584
Transfers and subsidies - capital (in-kind)	–	–	4 363	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	84 832	80 036	59 933	61 331
Surplus/(Deficit) for the year	(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	84 832	80 036	59 933	61 331
Capital expenditure & funds sources											
Capital expenditure	169 637	19 355	9 157	37 713	59 006	59 006	59 006	59 006	80 036	59 933	61 331
Transfers recognised - capital	107 978	58 790	29 283	32 713	37 396	37 396	37 396	37 396	34 036	50 444	52 584
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	(891)	5 000	21 610	21 610	21 610	21 610	46 000	9 489	8 747
Total sources of capital funds	107 978	58 790	28 391	37 713	59 006	59 006	59 006	59 006	80 036	59 933	61 331
Financial position											
Total current assets	89 237	186 976	199 225	121 163	208 936	208 936	208 936	208 936	178 390	275 192	376 825
Total non current assets	571 745	603 705	604 175	515 511	533 804	533 804	533 804	533 804	547 831	572 063	595 910
Total current liabilities	520 971	602 659	642 988	24 253	83 204	83 204	83 204	83 204	81 891	142 993	207 141
Total non current liabilities	15 750	33 899	43 472	6 500	6 500	6 500	6 500	6 500	6 500	6 500	6 500
Community wealth/Equity	148 967	154 123	297 635	605 921	653 037	653 037	653 037	653 037	637 830	697 762	759 094
Cash flows											
Net cash from (used) operating	322 435	166 662	260 637	32 876	88 273	88 273	88 273	88 273	125 617	113 714	117 995
Net cash from (used) investing	(24 410)	(30 125)	(20 535)	(37 713)	(59 006)	(59 006)	(59 006)	(59 006)	(80 036)	(59 933)	(61 331)
Net cash from (used) financing	(278)	945	(7 666)	–	–	–	–	–	51 296	105 077	161 740
Cash/cash equivalents at the year end	325 136	137 297	255 302	7 636	41 740	41 740	41 740	41 740	51 296	105 077	161 740
Cash backing/surplus reconciliation											
Cash and investments available	23 214	22 867	15 270	18 367	52 471	52 471	52 471	52 471	62 027	115 808	172 471
Application of cash and investments	252 428	410 185	442 938	(146 348)	(137 327)	(137 327)	(137 327)	(137 327)	(146 637)	(112 434)	(75 272)
Balance + surplus (shortfall)	(229 214)	(387 318)	(427 668)	164 715	189 798	189 798	189 798	189 798	208 664	228 242	247 743
Asset management											
Asset register summary (WDV)	571 745	603 705	604 175	504 780	523 073	523 073	523 073	523 073	537 100	561 332	585 179
Depreciation	27 702	28 519	30 061	27 942	30 942	30 942	30 942	30 942	34 000	35 700	37 485
Renewal and Upgrading of Existing Assets	(1 988)	(20 752)	6 044	4 815	4 951	4 951	4 951	4 951	18 171	7 700	12 700
Repairs and Maintenance	–	174	513	11 182	9 004	9 004	9 004	9 004	13 755	13 329	13 955
Free services											
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	19	39	2 083	–	–	–	–	–	6 487	7 229	7 522
Households below minimum service level	–	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

For Musina Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components

- National Treasury's guidelines ;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 86 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

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

LIM341 Musina - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref 1	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	136 766	143 707	152 786	162 074	162 074	162 074	162 074	160 630	168 661	177 094
Service charges - Water	2	(0)	(0)	2	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	(0)	-	0	-	-	-	-	-	-	-
Service charges - Waste Management	2	12 885	12 420	14 261	15 498	17 498	17 498	17 498	15 497	16 195	16 195
Sale of Goods and Rendering of Services		696	1 264	819	1 721	1 721	1 721	1 721	1 994	2 092	2 191
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2 933	3 377	4 436	2 966	5 477	5 477	5 477	5 767	6 049	6 333
Interest earned from Current and Non Current Assets		-	-	-	527	527	527	527	555	582	609
Dividends		902	494	469	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		3	25	16	558	558	558	558	588	615	645
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		9 544	8 206	8 217	36 388	106 388	106 388	106 388	91 618	35 162	37 718
Non-Exchange Revenue											
Property rates	2	21 257	24 787	14 929	25 814	25 814	25 814	25 814	26 950	28 162	29 571
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		4 970	4 841	5 147	3 870	3 870	3 870	3 870	4 075	4 275	4 476
Licences or permits		2 470	186	3 112	2 436	2 436	2 436	2 436	2 565	2 691	2 818
Transfer and subsidies - Operational		150 242	196 394	176 378	199 191	199 191	199 191	199 191	220 628	243 651	253 719
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 049	-	(1 880)	-	-	-	-	-	-	-
Other Gains		1 396	1 810	(2 310)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib)		345 114	397 513	376 383	451 044	525 554	525 554	525 554	530 868	508 136	531 369

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would mispresented the calculation of the operating surplus.

Operating Grants & Subsidies are the largest revenue source totalling 41.6 per cent in 2023/24 and increased from **R199 191 Million** in 2022/23 to **R220 628 Million**.

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. This being the Second biggest source of revenue the Service charges revenues comprise more than 38, 3% of the total revenue mix. This increases to **R203 077 Million**, **R213 019 Million** and **R222 860 Million** in the respective financial years 2023/24 of the MTREF. This growth can be mainly attributed to the increased in sale of electricity that adds to revenue mix, which in turn is due to rapid increases in the Eskom tariffs.

Sale of Stands is the third largest source of revenue with 15.4%, **R82 Million** which will be generated from the sale of 900 Rhino Ridged Stands.

The fourth and last revenue source is from revenue generated with 4.7% is from Fines, Licences and permits, rental income, interest and other revenue such as grave yards fees, tender documents, and library fees e.c.t.



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

The following table is a high level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

Summary of operating expenditure by standard classification item

Expenditure	2	139 571	149 504	150 650	162 265	168 037	168 037	168 037	164 268	172 480	181 104
Employee related costs		10 624	10 526	10 097	12 823	12 823	12 823	12 823	11 428	11 885	12 480
Remuneration of councillors		110 277	116 844	137 919	121 518	130 000	130 000	130 000	144 815	152 056	159 659
Bulk purchases - electricity	2	3 466	3 767	4 200	3 493	3 493	3 493	3 493	4 678	4 907	5 138
Inventory consumed	8	—	—	—	—	—	—	—	—	—	—
Debt impairment	3	—	—	—	—	—	—	—	—	—	—
Depreciation and amortisation		27 702	28 519	30 061	27 942	30 942	30 942	30 942	34 000	35 700	37 485
Interest		6 850	2 682	135	—	499	499	499	525	551	577
Contracted services		27 492	23 716	35 198	38 078	40 903	40 903	40 903	39 279	37 456	39 329
Transfers and subsidies		3 833	4 689	5 827	—	3 723	3 723	3 723	4 987	5 084	4 982
Irrecoverable debts written off		30 832	30 798	41 885	38 307	41 307	41 307	41 307	45 000	47 250	49 613
Operational costs		26 677	32 777	31 607	41 615	41 708	41 708	41 708	35 888	31 278	32 254
Losses on disposal of Assets		(0)	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—
Total Expenditure		387 324	403 822	447 579	446 041	473 435	473 435	473 435	484 868	498 647	522 621
Surplus/(Deficit)		(42 210)	(6 310)	(71 196)	5 003	52 119	52 119	52 119	46 000	9 489	8 747
Transfers and subsidies - capital (monetary)	6	24 644	37 793	31 409	32 713	32 713	32 713	32 713	34 036	50 444	52 584
Transfers and subsidies - capital (in-kind)	6	—	—	4 363	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	80 036	59 933	61 331
Income Tax		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	80 036	59 933	61 331
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	80 036	59 933	61 331
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions	7	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	(17 566)	31 484	(35 423)	37 716	84 832	84 832	84 832	80 036	59 933	61 331

The budgeted allocation for employee related costs for the 2023/24 financial year totals **R164 268 Million**, Salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2023/24 for the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget. **R11.4 Million** was budget for 2023/24 MTREF.

The provision of debt impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality as well as the write off of the Vhembe District Debt. For the 2023/24 financial year **R45 Million** was budget. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total **R34 Million** for the 2023/24 financial.

Finance charges consist primarily on payment of interest paid to service lease for machinery of computer equipment. The budget for 2023/24 financial year is **R525 thousand**.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

provisions. Bulk purchases make up 30 percent with a budget of **R144 815 Million** of operating expenditure.

Contracted services such as research and development have been identified as a cost saving area for the Municipality. In 2022/23 financial year the adjustment budget was **R40.9 Million** currently reduced to **R 39.2 Million** for 2023/24. The following table will illustrate what is budgeted for this Item. Dumbing Site and Security Services are the Items biggest expenses.

Contactors, Consultants and Professional and Outsourced Services	Final Budget
Consultants	
Legal advice and Litigation	2 500 000.00
Accounting and Auditing	819 342.00
Research and Advisory	86 493.00
Audit Committee	300 000.00
Quality Control	4 924 588.00
Medication Examinations	1 500 000.00
Occupational Health and Safety	80 000.00
Valuer and Assessors	600 000.00
Organisational	120 000.00
Business and Financial Management	3 500 000.00
Contractors	
Catering Services	650 000.00
Maintenance of Equipment	260 000.00
Maintenance of Buildings and Facilities	1 400 000.00
Maintenance of Unspecified Assets	2 700 000.00
Outsourced Services	
Security Services	12 000 000.00
Driver's License	400 000.00
Refuse Removal	7 338 552.00
Burial Services	100 000.00
	39 278 975.00

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Printing and stationary, subsistence and travelling, attending of conferences and workshops have significantly been reduced or limited to zero growth. Other expenditure makes up 7.4 percent with a budget of **R 36 Million** of operating expenditure.



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

See Table below for breakdown of other expenditure.

Advertising	571 257.00
Bank Charges	290 439.00
Cleaning Services	2 760.00
Communication: Postage/Stamps/Frinking machines	278 070.00
Communication: Telephones fax Telegraph and Telex	2 082 289.00
Accommodation	1 413 859.00
Daily Allowance	633 241.00
Domestic : Incident Cost	43 000.00
Entertainment : Total for all other councillors	92 016.00
External Computer Services: Software Licenses	2 200 000.00
Licenses : Motor Vehicle Licenses and Registration	70 369.00
Bursaries (Employees)	500 000.00
External Audit Fees	312 326.00
Learnerships and internships	114 480.00
Municipal Services	50 000.00
Printing Publications and Books	631 844.00
Signage	45 000.00
Skills development Fund Levy	1 630 359.00
Toll Gates fees	101 842.00
Uniforms and Protective Clothing	2 200 000.00
Ward Committee	1 178 775.00
Wet Fuel	2 262 029.00
Woman's compensation fund	1 500 000.00
Public Transport : Air	128 000.00
Registration Fees: Professional and Regulatory	1 548 235.00
Seminars Conference workshop	4 512 607.00
Transport as part of Departmental activities	800 000.00
Car rental	208 822.00
Transport own operator.	2 599 547.00
Insurance	8 007 000.00





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

LIM341 Musina - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding									2023/24 Medium Term Revenue & Expenditure Framework		
Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
Capital Expenditure - Functional											
Governance and administration		63,689	(37,784)	(19,234)	2,400	4,300	4,300	4,300	4,300	-	-
Executive and council		43,884	-	(324)	1,400	1,400	1,400	1,400	-	-	-
Finance and administration		19,805	(37,784)	(18,910)	1,000	2,900	2,900	2,900	4,300	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		(151)	-	3,643	4,751	6,011	6,011	6,011	1,780	5,000	9,000
Community and social services		(151)	-	3,643	4,751	4,951	4,951	4,951	-	5,000	9,000
Sport and recreation		(0)	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	1,060	1,060	1,060	1,780	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		53,979	34,044	24,319	29,562	40,695	40,695	40,695	31,456	32,944	12,372
Planning and development		53,979	36,180	25,210	28,562	35,569	35,569	35,569	8,765	25,244	3,000
Road transport		-	(2,137)	(891)	1,000	5,126	5,126	5,126	22,691	7,700	9,372
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		52,120	23,085	430	1,000	8,000	8,000	8,000	42,500	22,354	40,341
Energy sources		20,783	1,906	430	1,000	8,000	8,000	8,000	35,000	19,854	19,129
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		894	(77)	-	-	-	-	-	-	-	-
Waste management		30,443	21,266	0	-	-	-	-	7,500	2,500	21,212
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	169,637	19,355	9,157	37,713	59,006	59,006	59,006	80,036	60,298	61,713
Funded by:											
National Government		91,985	55,073	28,853	32,713	37,396	37,396	37,396	34,036	50,444	52,584
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		15,992	3,717	430	-	-	-	-	-	-	-
Transfers recognised - capital	4	107,978	58,790	29,283	32,713	37,396	37,396	37,396	34,036	50,444	52,584
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	(891)	5,000	21,610	21,610	21,610	46,000	9,854	9,129
Total Capital Funding	7	107,978	58,790	28,391	37,713	59,006	59,006	59,006	80,036	60,298	61,713

Capital Budget

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders through extensive public participation processes as well as ward committee processes where applicable.

Capital expenditure is budgeted at **R80 036 Million** with MIG allocation of **R34 036 Million** and **R46 Million** for Own Capital Projects for the 2023/24. The capital budget continues to reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services.



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

The following project will be covered with the **MIG allocation** budget:

1. Mabvete Community Hall **R1 9 Million**
2. Shakadza Multipurpose **R 5 025 Million**
3. Nancefield Phase 6 and 12 paved road Phase2 **R18 171 Million**
4. Waste Removal Compactor Trucks X4 **R7 100 Million**

Own funding Capital projects

ICT Hardware	1,500,000.00
New Furniture	1,200,000.00
Shelving&Storage	180,000.00
Bio metric system	900,000.00
Fire Detector ServerRoom	120,000.00
Demarcation of Registry	400,000.00
3 x vehicles(traffic) and 1 x Patrol vehicle	1,780,000.00
11 x skip bins	280,000.00
80x street bins	120,000.00
Tipper Truck	1,600,000.00
10L Water Truck	1,520,000.00
TLB Truck	700,000.00
LDV Truck	700,000.00
Electrification Rhino Ridge	35,000,000.00
Total	46,000,000.00





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Funding of Operating Budget

Funding is obtained from various sources, the major sources being service charges such as electricity, refuse collection, property rates, grants and subsidies received from National government.

LIM341 Musina - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		23 398	23 204	16 055	7 636	41 740	41 740	41 740	51 296	105 077	161 740
Trade and other receivables from exchange transactions	1	18 563	33 550	32 697	55 625	87 483	87 483	87 483	47 787	56 526	65 613
Receivables from non-exchange transactions	1	18 134	15 818	11 016	26 614	26 614	26 614	26 614	23 352	25 821	28 432
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	32 124	31 288	29 356	31 288	31 373	31 373	31 373	24 688	24 688	24 688
VAT		(2 983)	83 116	110 100	—	21 727	21 727	21 727	31 267	63 079	96 352
Other current assets		—	—	0	—	—	—	—	—	—	—
Total current assets		89 237	186 976	199 225	121 163	208 936	208 936	208 936	178 390	275 192	376 825
Non current assets											
Investments		—	—	—	10 731	10 731	10 731	10 731	10 731	10 731	10 731
Investment property		172 174	173 984	169 854	173 984	173 984	173 984	173 984	169 854	169 854	169 854
Property, plant and equipment	3	399 493	429 647	433 989	330 731	349 024	349 024	349 024	367 005	391 332	415 278
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		65	65	65	65	65	65	65	65	65	65
Intangible assets		13	8	266	—	—	—	—	176	81	(19)
Trade and other receivables from exchange transactions		—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		571 745	603 705	604 175	515 511	533 804	533 804	533 804	547 831	572 063	595 910
TOTAL ASSETS		660 982	790 680	803 400	636 674	742 740	742 740	742 740	726 221	847 255	972 735
LIABILITIES											
Current liabilities											
Bank overdraft		185	338	785	—	—	—	—	—	—	—
Financial liabilities		(351)	594	(7 072)	384	384	384	384	437	437	437
Consumer deposits		4 778	4 804	5 110	4 781	4 781	4 781	4 781	5 084	5 084	5 084
Trade and other payables from exchange transactions	4	429 907	487 157	493 264	10 088	38 379	38 379	38 379	40 952	74 325	109 480
Trade and other payables from non-exchange transactions	5	4 372	—	5 579	9 000	12 723	12 723	12 723	9 000	9 000	9 000
Provision		22 949	22 741	22 811	—	—	—	—	—	—	—
VAT		43 531	67 902	100 761	—	26 936	26 936	26 936	26 419	54 147	83 141
Other current liabilities		15 599	19 123	21 750	—	—	—	—	—	—	—
Total current liabilities		520 971	602 659	642 988	24 253	83 204	83 204	83 204	81 891	142 993	207 141
Non current liabilities											
Financial liabilities	6	3 534	589	7 871	6 500	6 500	6 500	6 500	6 500	6 500	6 500
Provision	7	12 216	33 310	35 601	—	—	—	—	—	—	—
Long term portion of trade payables		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		—	—	—	—	—	—	—	—	—	—
Total non current liabilities		15 750	33 899	43 472	6 500	6 500	6 500	6 500	6 500	6 500	6 500
TOTAL LIABILITIES		536 721	636 557	686 460	30 753	89 704	89 704	89 704	88 391	149 493	213 641
NET ASSETS		124 260	154 123	116 941	605 921	653 037	653 037	653 037	637 830	697 762	759 094
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	148 888	154 044	297 556	605 921	653 037	653 037	653 037	637 830	697 762	759 094
Reserves and funds	9	79	79	79	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	148 967	154 123	297 635	605 921	653 037	653 037	653 037	637 830	697 762	759 094

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

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.

LIM341 Musina - Table A7 Budgeted Cash Flows

Description R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	20 651	20 651	20 651	20 651	25 037	26 292	27 587
Service charges		72 976	69 150	72 168	139 995	141 715	141 715	141 715	160 112	168 283	175 946
Other revenue		122 627	94 611	95 500	16 542	85 525	85 525	85 525	95 813	44 939	47 735
Transfers and Subsidies - Operational	1	48 489	3 943	129 975	199 191	199 191	199 191	199 191	215 641	238 567	248 737
Transfers and Subsidies - Capital	1	–	–	–	32 713	32 713	32 713	32 713	34 036	50 444	52 584
Interest		–	–	–	3 486	5 996	5 996	5 996	555	582	609
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		78 342	(1 042)	(37 006)	(379 703)	(397 021)	(397 021)	(397 021)	(405 052)	(414 842)	(434 627)
Interest		–	–	–	–	(499)	(499)	(499)	(525)	(551)	(577)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		322 435	166 662	260 637	32 876	88 273	88 273	88 273	125 617	113 714	117 995
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 221	1 936	1 991	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(25 631)	(32 061)	(22 525)	(37 713)	(59 006)	(59 006)	(59 006)	(80 036)	(59 933)	(61 331)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(24 410)	(30 125)	(20 535)	(37 713)	(59 006)	(59 006)	(59 006)	(80 036)	(59 933)	(61 331)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		(278)	945	(7 666)	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(278)	945	(7 666)	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		297 747	137 481	232 436	(4 837)	29 267	29 267	29 267	45 581	53 781	56 663
Cash/cash equivalents at the year begin:	2	27 388	(185)	22 867	12 473	12 473	12 473	12 473	5 715	51 296	105 077
Cash/cash equivalents at the year end:	2	325 136	137 297	255 302	7 636	41 740	41 740	41 740	51 296	105 077	161 740



Municipalities play a critical role in furthering government's objective of providing services to all. Cities are also driving South Africa's growth and development. However, to play these roles, cities need to be supported and funded. Local Government conditional grants are being reformed to provide targeted support to different types of municipalities. The following projected grant allocations to the municipality in terms of the 2023/24 Division of Revenue Bill have been included in this medium term budget.



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Operating Transfers and Grant Receipts:

LIM341 Musina - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		126,955	146,421	195,305	174,429	174,429	174,429	198,183	217,926	240,253
Local Government Equitable Share		124,015	142,917	190,966	169,864	169,864	169,864	193,793	213,536	235,863
Finance Management		1,900	2,365	2,700	2,850	2,850	2,850	3,000	3,000	3,000
EPWP Incentive		1,040	1,139	1,639	1,715	1,715	1,715	1,390	1,390	1,390
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	126,955	146,421	195,305	174,429	174,429	174,429	198,183	217,926	240,253
Capital Transfers and Grants										
National Government:										
Municipal Infrastructure Grant (MIG)		23,659	39,016	37,793	36,988	36,988	36,988	32,713	44,040	45,902
-		18,999	29,016	37,793	36,988	36,988	36,988	32,713	34,040	35,453
-		-	-	-	-	-	-	-	-	-
-		-	-	-	-	-	-	-	-	-
INEP		4,660	10,000					-	10,000	10,449
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	23,659	39,016	37,793	36,988	36,988	36,988	32,713	44,040	45,902
TOTAL RECEIPTS OF TRANSFERS & GRANTS		150,614	185,437	233,098	211,417	211,417	211,417	230,896	261,966	286,155

To be the vibrant, viable and sustainable gateway city to the rest of Africa





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Capital Infrastructure Grants Allocation for 2023/24 Financial Year

The capital budget is directly informed by the needs submitted by the community through the IDP process. The ability of the Municipality to deliver services depends greatly on its funding sources, own resources. For the 2023/24 financial year, the budgeted service delivery is summarised as follows:

LIM341 Musina - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand												
KPA 1 Basic Service Delivery	1)Roads maintenance 2)Storm water maintenance 3)Routine/Preventative roads maintenance to surfaced roads. 5) Maintenance of MLM vehicle. 6)Maintenance & purchase of builder hand tools. 7) Basic service bulk contribution. 8) Construction sidewalk on main roads.			135,738	160,867	170,519	181,423	181,423	181,423	192,308	200,962	209,805
Provide and Maintain Civil & Mechanical Engineering Services												
KPA 2 Good Governance and Public Participation	Deepen Democracy and Promote Accountability			5,420	5,707	6,049	6,412	6,797	7,205	7,637	7,981	8,332
KPA 3 Municipal Transformation and Organisational Development				14,426	15,190	16,101	17,067	18,092	19,177	20,328	21,242	22,177
KPA 4 Financial Viability and Management Enhance Compliance with Legislation and Improve Financial Viability				7,360	7,750	8,215	89,818	95,750	95,750	75,506	88,153	103,992
KPA 5 Local Economic Development to conducive environment for sustainable Economic Growth	1) Local Economic Development. 2) Spatial Planning			34,668	36,505	38,695	36,988	36,988	36,988	32,713	44,040	45,902
KPA 6 Social and Justice to impoe quality of life through social development and provision of effective community services	1) 10 Skip bins. 2) 100 street bins. 3) Landfill site in musina. 4) Heavy duty man propelled lawn mower			87,381	92,012	97,533	96,981	96,981	95,488	100,071	104,575	109,176
Allocations to other priorities			2	28,143	51,728	95,502,157	45,852	45,852	45,852	49,642	51,876	54,158
Total Revenue (excluding capital transfers and contributions)			1	313,136	369,759	432,615	474,542	481,882	481,882	478,206	518,829	553,542





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

2022/23-2023/2024 Service Delivery Impact of MTREF

To increase the number of household with access to basic services such as Water, Electricity, roads and Sanitation in predominantly rural areas while planning and implementing catalytic projects over the next few years which will create investment and employment opportunities, some of them will transform the town's landscape and growth patterns forever while cementing the Musina town.

Job creation through the EPWP program

The Expanded Public Works Programme (EPWP) is a Nation-Wide Government Programme aimed at drawing significant numbers of unemployed into productive work, so that, they increase their capacity to earn an income.

Job creation and skills development remain the key priorities of the South African Government. The Expanded Public Works Programme (EPWP) is a programme initiated by the South African Government aimed at creating **4.5 Million** work opportunities by 2014. This programme is implemented by all spheres of government, across four (4) defined sectors, namely the Infrastructure, Social, Non-State and Environment and Culture sectors. The Programme's overall coordinator is the National Department of Public Works (DPW), as mandated by Cabinet.

The persistently high rate of unemployment in South Africa is one of the most pressing socio-economic challenges facing government and Musina Local Municipality is not immune to these challenges. High youth unemployment in particular means, young people are not acquiring the skills or experience needed to drive the economy forward. Therefore, job creation and skills development will remain the key priority of Musina Local Municipality and Government in general.

The municipality implements its capital program through the EPWP programme to improve creation of job opportunities.

OVERVIEW OF ALIGNMENT OF BUDGET WITH IDP

Integrated Development Planning is a process through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

Integrated development planning necessitates the involvement of all relevant stakeholders. Musina municipality was able to:

- Identify its key development priorities;
- Formulate a clear vision, mission and values;
- Formulate appropriate strategies;



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Develop the appropriate organizational structure and systems to realize the vision; and mission; and align resources with the development priorities.

All the planning within the Municipality should be guided by what the pillars want to achieve i.e.

- Economy;
- Environment;
- Governance;
- Living condition
- Mobility; and
- People.

2. KEY NATIONAL AND PROVINCIAL GUIDING DOCUMENTS

Section 24 (1) of the Municipal Systems Act 32 of 2000 requires that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.

It must be noted that a variety of International, National and Provincial priorities and outcomes were considered during the strategic planning phase, namely: 2030 Goals for Sustainable Development, National Development Plan, Medium Term Strategic Framework (MTSF) 2014-2019 Priorities, Back to Basics, Limpopo Development Plan (LDP) 2015-2019 and the Local Government Manifesto 2016.

OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Municipal Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, to be updated on an annual basis. The main purpose of budget related policies is to govern and guide the budget process and inform the projections of the medium term.

The following are Final budget related policies which have been approved by Council, or have been reviewed /amended and / or are currently being reviewed / amended in line with National Guidelines and other legislation

Cash Management and Investment Policy



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

The objectives of the Investment Policy are: -to manage the investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens; that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

Leave Policy

To ensure that employees know their entitlement with regard to the allocation of leave, the responsibility to apply for leave in the prescribed manner(s) and for good governance of leave in the Musina Local Municipality.

Integrated Customer Policy

The objective of this policy is to provide a policy framework for the circumstances under which deposit must be paid, the determination of the amount of the deposit that must be paid and the refund or forfeiture of deposit

Assets Management Policy

The objective of this policy is to ensure the effective and efficient control of the municipality's assets through proper recording of assets from authorisation to acquisition and to subsequent disposal; providing for safeguarding procedures, setting proper guidelines as to authorised utilisation and prescribing for proper maintenance. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

Budget and Virement Policy

- The budget and virement policy sets out the budgeting principles which Musina Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.
- The policy shall apply to all the relevant parties within the Musina Municipality that are involved throughout the budget process.
- The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

Indigent and Social Assistance Policy

The objectives of this Policy are to: -





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

- Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- Determine the criteria for qualification of Indigent and poor households;
- Ensure that the criteria are applied correctly and fairly to all applicants;
- Allow the municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household with respect to meeting the criteria on an indigent household.
- Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies (financial aid in respect of the Municipal Services account)

Supply Chain Management Policy

The objective of the supply chain management policy is

- To give effect to the provisions of section 217 of the Constitution of the Republic of South Africa, 1996;
- To give effect to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003)
- To give effect to the provisions of the Preferential Procurement Policy Act 5 of 2000 and regulations 2011
- To give effect to the Municipal Supply Chain Management Regulations
- The Broad Based Black Economic Empowerment Act 53 of 2003
- The prevention and combating of corruption Activities Act 12 of 2004.

Credit Control and Debt Collection Policy

- The objectives of Credit Control Policy are:



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

- To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community
- To limit risk levels by means of effective management tools.
- To provide for restrictions, limitations, termination of services for non-payment.
- The objective of Debt Collection Policy is:
- To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt

Tariff Policy

- To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.
- To ensure that there is consistency in how the tariffs are applied throughout the Municipality.
- To ensure municipal services are financially sustainable, affordable and equitable.
- Determining cost effective tariff as far as possible.
- To ensure affordability of basic services to the community.

Property Rates Policy

The key objectives of the policy are to:

- ensure that all owners of rateable property are informed about their liability to pay assessment rates;
- specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

- provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- recognise the state, organs of state and owners of public service infrastructure as property owners;
- not discourage the development of property;
- ensure that all persons liable for rates are treated equitably as required by the Act;
- determine the level of increases in rates; and
- Provide for exemption, rebates and reductions

Subsistence and Travel Policy

- Subject to the provisions of the standard Conditions of Services and any other Agreement with the Bargaining Council applicable to the Council of its employees, the objective of the policy is:
- To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- To ensure uniformity in the payment of subsistence and traveling allowances.

RECOMMEND

1. That the Final Budget of the Musina Local municipality for the financial year 2023/24 and the multi-year and single-year capital appropriations as set out in the following tables be approved and adopted:
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4;
 - 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5
2. **The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:**



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

- 2.1 Budgeted Financial Position as contained in Table A6
- 2.2 Budgeted Cash Flows as contained in Table A7;
- 2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
- 2.4 Asset management as contained in Table A9; and
- 2.5 Basic service delivery measurement as contained in Table A10.

3. The Council of Musina Local Municipality, acting in terms of section 75A of the Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2020: as set out in the

Proposed Tariffs booklet:

- 3.1 The tariffs for property rates
- 3.2 The tariffs for waste services

4. That the following budget related policies be approved for implementation in 2023/24;

- Cash management and Investment Policy
- Leave Policy
- Integrated Customer Care Policy
- Asset Management Policy
- Loss and Claims Policy
- Budget and Virement Policy
- Indigent and Social Assistance Policy
- Supply chain management Policy
- Credit control and debt collection Policy
- Tariff Policy
- Property Rates Policy
- Subsistence and Travelling Policy



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Part B Legislative Mandate

1. Legislative Mandate

Section 16 of Municipal Systems Act (32 of 2000) mandate municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose 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);
- The establishment, implementation and review of its Performance Management System (PMS);
- Monitoring and review of its performance, including the outcomes and impact of such performance;
- The preparation of its budget;
- Strategic decision relating to the provision of municipal services.

Section 152 of the Constitution (108 of 1996) provides objectives of local government. One of the objectives is to **encourage the involvement of communities and community organizations in the matters of local government.**

In line with the above-mentioned legislative mandate, Musina Local Municipality undertook the IDP/Budget review consultation process from the **05 April 2023 – 30 April 2023**. Musina municipality is made up of 12 wards,

For effective and efficient public participation process, the **2022/23 IDP/Budget** Public Consultation Process was conducted as reflected on the table below:

2023/24 IDP /Budget Public Participation Schedule

The dates for the meetings scheduled as follows:





Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

BUDGET PROCESS

PLANNING ACTIVITY	TIME SCHEDULE
Approval of Budget time schedule	26 August 2022
Income Budget Submission	28/29 September 2022
Departmental Budget Submission (Budget and business Plans)	18 October 2022
Departmental Budget meeting with Municipal manager	15 November 2022
Budget meeting	03 March 2023
Tabling of first draft Budget, SDBIP (Service delivery Budget implementation plan)	23 March 2023
Provincial Treasury session on draft budget	To be announce
Upload budget on municipal website and SMS distribution for budget reviews and public input at satellite offices and municipal offices.	03 April 2023 – 28 April 2023
Provincial Treasury budget engagements	23 May 2023
Tabling Final Budget, SDBIP	19 May 2023



To be the vibrant, viable and sustainable gateway city to the rest of Africa



Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Musina Local Municipality

2023/24 Final Budget And MTREF

Budget speech and Approval of Budget and SDBIP	End June 2023
Submission of approved budget to National Treasury, Provincial Treasury and other stakeholders	On or Before 14 th June 2023



To be the vibrant, viable and sustainable gateway city to the rest of Africa