



BUDGET 2019/20 MTREF

REPAIRS AND MAINTENANCE

Repairs and maintenance as a % of PPE = 5.3% which amounts to R 252 383 576.

Repairs and maintenance as a % of expenditure = 8%

The breakdown is as follow:

Description	2019/20 R'000	2020/21 R'000	2021/22 R'000
Roads	37,846	39,890	42,044
Electrical Infrastructure – Capital Spares	43,537	45,888	48,366
Water Supply Infrastructure – Capital Spares	24,245	25,554	26,934
Sanitation infrastructure – capital spares	31,092	32,771	34,541
Solid waste infrastructure – capital spares	7,582	7,992	8,423
Information & communication – capital spares	7,171	7,558	7,966
Community assets – capital spares	16,448	17,337	18,273
Other assets (operational buildings) – capital spares	84,461	89,022	93,829
Total	252,384	266,012	280,377

OWN FUNDING FOR CAPITAL PROJECTS

With the current financial situation, the municipality is unable to make provision for own funding for capital projects. However, the procurement of fleet and equipment for service delivery is imperative.

Off-Balance Sheet Funding

It is recommended that the procurement of fleet and equipment is done through off-balance sheet budgeting by means of operating leases.

1. The above method will keep our D/E equity and leverage ratio low.
2. Lease payments are considered operating expenditure which is budgeted under operational expenditure.
3. No risk of ownership