

CHRIS HANI DEVELOPMENT AGENCY (SOC) PTY
APPROVED BUDGET - 2024-2025 MTREF
 30-May-24

	Original 2022/2023	Adjusted 2022/2023	APPROVED ORIGINAL 2023-2024	APPROVED ADJUSTED 2023/2024	APPROVED BUDGET 2024/2025	DRAFT BUDGET 2025/2026	DRAFT BUDGET 2026/2027	DRAFT BUDGET 2027/2028
CONSOLIDATED BUDGET - REVENUE								
Income - Own Revenue	R 10 075 242.33	R 8 237 942.33	R 9 757 496.94	R 6 749 814.83	R 5 149 947.50	R 2 381 547.50	R 2 576 307.50	R 2 785 543.50
Income - Operational Grant / Subsidy	R 27 500 000.00	R 27 500 000.00	R 28 975 500.00	R 28 975 500.00	R 30 376 418.00	R 31 834 486.06	R 33 362 541.40	R 34 963 943.38
Income - Conditional Grants	R 7 000 000.00	R 8 983 891.81	R 4 750 000.00	R 2 209 960.00	R 2 000 000.00	R 2 000 000.00	R 2 000 000.00	R 2 000 000.00
Income - Principal Agents	R 63 152 306.00	R 63 897 132.96	R 65 137 267.28	R 64 946 879.78	R 21 728 802.50	R 3 471 802.50	R 2 399 152.50	R 1 333 762.50
TOTAL BUDGETTED INCOME	R 107 727 548.33	R 108 618 967.10	R 108 620 264.22	R 102 882 154.61	R 59 255 168.00	R 39 687 836.06	R 40 338 001.40	R 41 083 249.38
CONSOLIDATED BUDGET - EXPENDITURE								
Expenditure - Own Revenue	-R 9 891 109.66	-R 9 216 983.11	-R 8 570 000.00	-R 4 484 897.50	-R 1 540 000.00	-R 1 995 000.00	-R 2 000 000.00	-R 1 555 000.00
Expenditure - Operational Grant / Subsidy	-R 28 980 419.47	-R 26 691 955.97	-R 30 496 420.95	-R 30 148 592.29	-R 31 877 202.71	-R 27 835 962.44	-R 29 955 517.97	-R 34 233 082.83
Expenditure - Conditional Grants	-R 7 000 000.00	-R 9 625 798.81	-R 4 750 000.00	-R 2 209 960.00	-R 2 000 000.00	-R 2 000 000.00	-R 2 000 000.00	-R 2 000 000.00
Expenditure - Principal Agents	-R 63 652 306.00	-R 63 333 959.76	-R 64 491 526.96	-R 64 946 879.78	-R 21 728 802.50	-R 3 471 802.50	-R 2 399 152.50	-R 1 333 762.50
Expenditure - Commitments to tax debt reduction	R -	R -	R -	R -	-R 2 000 000.00	-R 4 300 000.00	-R 3 800 000.00	-R 1 800 000.00
TOTAL BUDGETTED EXPENDITURE	-R 109 523 835.13	-R 108 868 697.65	-R 108 307 947.91	-R 101 790 329.57	-R 59 146 005.21	-R 39 602 764.94	-R 40 154 670.47	-R 40 921 845.33
Estimated Budget Surplus / (Deficit)	-R 1 796 286.80	-R 249 730.55	R 312 316.31	R 1 091 825.04	R 109 162.79	R 85 071.13	R 183 330.93	R 161 404.05

CHRIS HANI DEVELOPMENT AGENCY
APPROVED BUDGET - 2024-2025 MTREF
PRINCIPAL AGENT INCOME AND EXPENDITURE
30-May-24

CPIX est 5.30% 5.30% 4.80% 4.80% 4.80% 4.80%

SAGE EVO GL ACCOUNT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	APPROVED BUDGET 2023/2024	ADJUSTED BUDGET 2023/2024	DRAFT BUDGET 2024/2025	DRAFT BUDGET 2025/2026	DRAFT BUDGET 2026/2027	DRAFT BUDGET 2027/2028	COMMENTS ON BUDGET ADJUSTMENT
PRINCIPAL AGENT INCOME										
1000/012	CHDM_Cooperative Centre Grant	8 000 000.00	8 000 000.00	8 000 000.00	8 000 000.00	8 000 000.00	-	-	-	SLA to be signed with CHDM for co-ops going forward
NEW	ECDC_Fertiliser Blending Construction	-	-	-	-	5 000 000.00	-	-	-	Shortfall being funded to complete fert blending
1100/009	DRDAR_Irrigation Schemes Grant	1 485 306.00	1 485 306.00	1 485 306.00	1 615 577.28	2 209 000.00	-	-	-	New SLA being signed with DRDAR for scheme ops
1100/012	CETA - Apprenticeship Grant	2 475 000.00	2 475 000.00	1 155 000.00	1 155 000.00	4 581 000.00	2 290 500.00	1 145 250.00	-	Learnership and apprenticeship programmes signed
1100/017	HWSETA- Skills implementation programme	282 000.00	63 653.76	84 000.00	70 000.00	-	-	-	-	SLA ends in 06/2024
1100/019	CHDM_Infrastructure Implementation Grant	50 000 000.00	50 000 000.00	50 000 000.00	50 000 000.00	-	-	-	-	SLA ended 11/2023 - not renewed
1100/020	LGSETA	910 000.00	910 000.00	1 830 000.00	1 830 000.00	823 500.00	-	-	-	SLA delayed ends in 06/2024
1100/022	CHDM_Mechanical Workshop	-	-	-	1 200 000.00	-	-	-	-	SLA to be terminated as no funds - litigation matter
1100/025	CETA Internship Grant	-	400 000.00	-	21 000.00	-	-	-	-	SLA ended 07/2023 - no new signed agreements
1100/026	Komani Industrial Park Rental Revenue	-	563 173.20	2 582 961.28	600 000.00	660 000.00	726 000.00	798 600.00	878 460.00	SLA on active tenants - adjusted for 10% rental esc
1100/027	EMLM_Hunting Safari Revenue	-	-	-	455 302.50	455 302.50	455 302.50	455 302.50	455 302.50	SLA signed for 10 years
TOTAL PRINCIPAL AGENT ESTIMATED REVENUE		63 152 306.00	63 897 132.96	65 137 267.28	64 946 879.78	21 728 802.50	3 471 802.50	2 399 152.50	1 333 762.50	ANNUAL PROJECTED DECREASE IN PRINCIPAL-AGENT CONTRACTS OVER MTREF PERIOD. THIS HAS A NEGATIVE IMPACT ON OWN REVENUE GENERATION POTENTIAL TO FUND LED PROJECTS IN ABSENCE OF THIRD PARTY GRANTS

PRINCIPAL AGENT EXPENDITURE										
2106>000	EMLM_Hunting Safari Exp	-	-	-	(455 302.50)	(455 302.50)	(455 302.50)	(455 302.50)	(455 302.50)	SLA signed for 10 years
2125>000	CHDM_Cooperative Centre Expenditure	(8 000 000.00)	(8 000 000.00)	(8 000 000.00)	(8 000 000.00)	(8 000 000.00)	-	-	-	SLA to be signed with CHDM for co-ops going forward
NEW	ECDC_Fertiliser Blending Construction	-	-	-	-	(5 000 000.00)	-	-	-	Shortfall being funded to complete fert blending
2160>000	HWSETA Internship programme	(282 000.00)	(63 653.76)	(84 000.00)	(70 000.00)	-	-	-	-	SLA ends in 06/2024
2201>000	DRDAR_Management of Irrigation Schemes Expend	(1 485 306.00)	(1 485 306.00)	(1 485 306.00)	(1 615 577.28)	(2 209 000.00)	-	-	-	New SLA being signed with DRDAR for scheme ops
2236>000	CETA_Apprenticeship Expenditure	(2 475 000.00)	(2 475 000.00)	(1 155 000.00)	(1 155 000.00)	(4 581 000.00)	(2 290 500.00)	(1 145 250.00)	-	Learnership and apprenticeship programmes signed
2243>000	CHDM_Infrastructure Implementation Expenditure	(50 000 000.00)	(50 000 000.00)	(50 000 000.00)	(50 000 000.00)	-	-	-	-	SLA ended 11/2023 - not renewed
2244>000	LG SETA expenditure	(910 000.00)	(910 000.00)	(1 830 000.00)	(1 830 000.00)	(823 500.00)	-	-	-	SLA delayed ends in 06/2024
3000/021	CHDA_Industrial Park Own Revenue Expenditure	(500 000.00)	-	(1 937 220.96)	(600 000.00)	(660 000.00)	(726 000.00)	(798 600.00)	(878 460.00)	SLA on active tenants - adjusted for 10% rental esc
2246>000	CHDM_Mechanical Workshop Expenditure	-	-	-	(1 200 000.00)	-	-	-	-	SLA to be terminated as no funds - litigation matter
2249>000	CETA Internship	-	(400 000.00)	-	(21 000.00)	-	-	-	-	SLA ended 07/2023 - no new signed agreements
TOTAL PRINCIPAL AGENT ESTIMATED EXPENDITURE		(63 652 306.00)	(63 333 959.76)	(64 491 526.96)	(64 946 879.78)	(21 728 802.50)	(3 471 802.50)	(2 399 152.50)	(1 333 762.50)	ANNUAL PROJECTED DECREASE IN PRINCIPAL-AGENT CONTRACTS OVER MTREF PERIOD. THIS HAS A NEGATIVE IMPACT ON OWN REVENUE GENERATION POTENTIAL TO FUND LED PROJECTS IN ABSENCE OF THIRD PARTY GRANTS

SURPLUS / (DEFICIT) ON PRINCIPAL-AGENT TRANS

645 740.32

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Principal-agent transactions do not affect agency surplus, as presented off the face of the financial statements - prudent to not factor in any surplus / deficits on principal-agent transactions as this may have an impact on own funds and cashflow balances

Additional adjustments:

1. The agency and DRDAR are engaging in extension of the irrigation scheme personnel payroll function into the 2024/25 financial period - the SLA has been sent to CHDA with budget confirmation - CHDA inputs to contract being vetted by DRDAR legal section - IMPACT = +R2.209M revenue and +R2.209M expenditure, no impact to trade surplus

SAGE EVO GL ACCOUNT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	APPROVED BUDGET 2023/2024	ADJUSTED BUDGET 2023/2024	DRAFT BUDGET 2024/2025	DRAFT BUDGET 2025/2026	DRAFT BUDGET 2026/2027	DRAFT BUDGET 2027/2028	COMMENTS ON BUDGET
GRANT INCOME - CONDITIONAL										
1000/002	CHDM Investment summit grant	3 000 000.00	320 000.00	-	-	-	-	-	-	No planned summit whilst implementing post-summit resolutions
1000/006	CHDM_Komani Industrial Park Ops Grant	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	Ongoing inv promo support by CHDM
1000/007	CHDM Irrigation Schemes Grant	-	750 000.00	750 000.00	-	-	-	-	-	Initial R500k for QMC repairs not confirmed
NEW	CHDM Establishment of waste economy	-	-	-	-	-	-	-	-	Initial R400k for waste project allocated to 2023/24
1000/010	CHDM_Livestock Improvement Grant	-	828 293.00	-	190 000.00	-	-	-	-	
1100/015	CHDM Fertiliser blending	-	129 738.81	-	-	-	-	-	-	
1100/016	CHDM Coal Exploration mining grant	-	698 400.00	-	-	-	-	-	-	
1100/018	CHDM Molteno Biltong Factory Grant	-	257 460.00	-	19 960.00	-	-	-	-	
1100/024	CHDM Komani industrial park critical infrastructure	2 000 000.00	4 000 000.00	2 000 000.00	-	-	-	-	-	
TOTAL EXTERNALLY FUNDED GRANT INCOME		7 000 000.00	8 983 891.81	4 750 000.00	2 209 960.00	2 000 000.00	2 000 000.00	2 000 000.00	2 000 000.00	IDENTIFIED RISK IN REDUCTION OF EXTERNAL GRANT INCOME SOURCES TO FUND LED PROJECTS - HIGH RELIANCE ON OWN REVENUE SOURCES - NEED FOR A COMPREHENSIVE PROJECT PIPELINE ALIGNED TO AGENCY MANDATE
PROGRAMME EXPENDITURE - EXTERNALLY FUNDED - CONDITIONAL GRANT										
2110>000	CHDM Irrigation schemes	-	(750 000.00)	(750 000.00)	-	-	-	-	-	Initial R500k for QMC repairs not confirmed
NEW	CHDM Establishment of waste economy	-	-	-	-	-	-	-	-	Initial R400k for waste project allocated to 2023/24
2120/000	CHDM Molteno Biltong Factory	-	(257 460.00)	-	(19 960.00)	-	-	-	-	
2122>000	CHDM investment summit	(3 000 000.00)	(320 000.00)	-	-	-	-	-	-	No planned summit whilst implementing post-summit resolutions
2127>000	CHDM Komani industrial park critical infrastructure	(2 000 000.00)	(4 000 000.00)	(2 000 000.00)	(2 000 000.00)	-	-	-	-	
2130/000	CHDM Fertiliser Expenditure	-	(129 738.81)	-	-	-	-	-	-	
2140/000	CHDM Coal mining exploration	-	(698 400.00)	-	-	-	-	-	-	
2205>000	CHDM_Livestock Improvement Expenditure	-	(1 470 200.00)	-	(190 000.00)	-	-	-	-	
2242>000	CHDM_Komani Industrial Park Grant	(2 000 000.00)	(2 000 000.00)	(2 000 000.00)	-	(2 000 000.00)	(2 000 000.00)	(2 000 000.00)	(2 000 000.00)	Ongoing inv promo support by CHDM
TOTAL EXTERNALLY FUNDED GRANT EXPENDITURE		(7 000 000.00)	(9 625 798.81)	(4 750 000.00)	(2 209 960.00)	(2 000 000.00)	(2 000 000.00)	(2 000 000.00)	(2 000 000.00)	IDENTIFIED RISK IN REDUCTION OF EXTERNAL GRANT INCOME SOURCES TO FUND LED PROJECTS - HIGH RELIANCE ON OWN REVENUE SOURCES - NEED FOR A COMPREHENSIVE PROJECT PIPELINE ALIGNED TO AGENCY MANDATE

SURPLUS / (DEFICIT) ON EXTERNAL FUNDS

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No new sources of project grants identified and secured, and no anticipated rollover of unspent LED grants into 2024/2025. The inability to secure new project implementation grants has led to a projected downward adjustment in grant income and expenditure - agency needs to focus on a project funding strategy and funding mobilisation strategy going forward

Additional adjustments:

1. The CHDM budgetted funds for qamata have been removed as not yet confirmed - prudence principle - **IMPACT = -R500k revenue and -R500k expenditure, no impact to trade surplus**
2. The CHDM budgetted funds for waste project have been moved to 2023/24 budget - realistic estimate - **IMPACT = -R400k revenue and -R400k expenditure, no impact on trade surplus**

SAGE EVO GL ACCOUNT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	APPROVED BUDGET 2023/2024	ADJUSTED BUDGET 2023/2024	DRAFT BUDGET 2024/2025	DRAFT BUDGET 2025/2026	DRAFT BUDGET 2026/2027	DRAFT BUDGET 2027/2028	COMMENTS ON BUDGET
OTHER INCOME AND OWN REVENUE										
1200>001	Other Income - Insurance Claims, Commission, etc	1 000 000.00	500 000.00	2 000 000.00	250 000.00	250 000.00	250 000.00	250 000.00	250 000.00	Asset disposal / insurance claim payouts
NEW	ECDC_Fertiliser Blending Construction Rev (PA)	-	-	-	-	500 000.00	-	-	-	Shortfall being funded to complete fert blending
NEW	SINAKHO_Solar geyser Rollout Initiative (PA)	-	-	-	-	250 000.00	250 000.00	250 000.00	250 000.00	New multi-year SLA signed with Sinakho Dev - geyser install agency fees
NEW	Proceeds from Asset Disposal	-	-	-	-	2 500 000.00	-	-	-	Proceeds from asset disposal - minimal estimate
1200>004	DRDAR_Irrigation Scheme Agency Fee (PA)	165 867.33	165 867.33	165 867.33	165 867.33	-	-	-	-	New SLA being signed with DRDAR for scheme ops
1200>005	Mechanization Center Own Income	2 500 000.00	1 000 000.00	1 750 000.00	1 000 000.00	1 250 000.00	1 375 000.00	1 512 500.00	1 663 750.00	Revision to QMC business model - tariffs/cost-structure
NEW	Mechanisation Center - Lowbed Hire Fee Inc	-	-	-	-	-	-	-	-	Lowbed purchase cancelled - limit capex for tax debt
1200>006	CETA_Skills Implementation Agency Fee (PA)	61 875.00	61 875.00	47 850.00	-	-	-	-	-	SLA ended 07/2023 - no new signed agreements
1200>007	CHDM_Infrastr Implementation Agency Fee (PA)	5 000 000.00	5 500 000.00	5 000 000.00	5 000 000.00	-	-	-	-	SLA ended 11/2023 - not renewed
1200>008	CHDA-Invest Summit Agency Fees	-	55 200.00	-	-	-	-	-	-	
1200>009	CHDA Sponsorship and Donations	-	300 000.00	-	-	-	-	-	-	
1200>010	Other Income - ROI from Waste Equity	-	-	250 000.00	-	-	100 000.00	150 000.00	200 000.00	Waste facilities commercialised / operational
1200>011	Game Farming - Agency Fee (PA)	-	-	-	80 347.50	80 347.50	80 347.50	80 347.50	80 347.50	SLA signed for 10 years
2705>000	UIF_Implementation Fees	737 500.00	500 000.00	350 000.00	-	-	-	-	-	No movement on job creation project to date
2715>000	Komani Industrial Park_Rental Agency Fee (PA)	500 000.00	-	25 829.61	-	66 000.00	72 600.00	79 860.00	87 846.00	SLA on active tenants - adjusted for 10% rental esc
2720>000	Tender Fees	10 000.00	5 000.00	10 000.00	3 600.00	3 600.00	3 600.00	3 600.00	3 600.00	Cost-cont limitation - minimal tender processes
2750>000	CHDA INCOME - Interest Received	100 000.00	150 000.00	157 950.00	250 000.00	250 000.00	250 000.00	250 000.00	250 000.00	Consistent cashflow projections - nil adj
TOTAL OTHER INCOME AND OWN REVENUE		10 075 242.33	8 237 942.33	9 757 496.94	6 749 814.83	5 149 947.50	2 381 547.50	2 576 307.50	2 785 543.50	LIMITED OWN INCOME SOURCES TO COVER SHORTFALL IN OPS - HIGH RELAINCE ON GRANT - NEED TO DEVELOP AN OWN REVENUE ENHANCEMENT STRATEGY TO FUND DEBT, AND LOOK AT CONDITIONAL GRANT SOURCES FOR LED PROJECTS

PROGRAMME EXPENDITURE - INTERNALLY FUNDED										
2000>001	DRDAR Own Income Exp	(165 867.33)	(165 867.33)	-	-	-	-	-	-	New SLA being signed with DRDAR for scheme ops
New	Game Farming - Agency Fee Expenditure	-	-	-	(80 347.50)	-	-	-	-	
2000>002	Crop value chains expansion	(400 000.00)	(400 000.00)	(1 000 000.00)	-	(175 000.00)	(200 000.00)	(200 000.00)	(200 000.00)	Fodder/lucerne and vegetable prod / third party p/ships
2000>003	Livestock development programme	(1 500 000.00)	(800 000.00)	(550 000.00)	(410 000.00)	(175 000.00)	(200 000.00)	(200 000.00)	(200 000.00)	Breeding support - AI/ feedlot exp/ third party p/ships
NEW	Agribusiness development	-	-	-	-	-	-	-	-	Molteno biltong factory impairment delays any project movement
2000>004	Grain value chain expansion	-	-	(1 500 000.00)	-	-	-	-	-	
2000>005	Mining Value Chains	(250 000.00)	(500 000.00)	(500 000.00)	-	-	-	-	-	
2105>000	Mechanisation center expenditure (R & M- Fleet)	(1 000 000.00)	(745 724.00)	-	-	-	-	-	-	Under R+M costs of agency
2100>005	Mechanisation Center- Own Revenue Exp	(2 500 000.00)	(700 000.00)	(1 250 000.00)	(850 000.00)	(500 000.00)	(750 000.00)	(750 000.00)	(750 000.00)	Revision to QMC business model - tariffs/cost-structure
2115>000	Social facilitation	(586 742.33)	(586 742.33)	-	-	-	-	-	-	SocFac employed since 12/2023
2220>002	Skills Development and Career Exhibitions	(100 000.00)	(100 000.00)	(100 000.00)	(100 000.00)	(300 000.00)	(145 000.00)	(150 000.00)	(155 000.00)	Internal progs, seminars, roadshows and school readiness
2220>003	Skills Development, Work placement and internships	(200 000.00)	(760 000.00)	(360 000.00)	(360 000.00)	-	(500 000.00)	(500 000.00)	(50 000.00)	Internal internship/job creation programme
2230>000	CHDA SMME Development initiatives	-	(200 000.00)	(200 000.00)	(282 750.00)	-	-	-	-	Reduced to nil
2250>007	Consulting	(150 000.00)	(250 000.00)	-	(100 000.00)	-	-	-	-	Phasing out of use of consultants
2231>000	CHDM_Agency Fee Revenue Exp	(631 000.00)	(1 433 773.20)	(960 000.00)	(1 525 000.00)	-	-	-	-	SLA ended 11/2023 - not renewed
2232>000	CHDA Investment Promotion	-	(300 000.00)	(700 000.00)	(300 000.00)	-	-	-	-	Inv costs driven by funding mobilisation funds
2233>000	RAFI Production input support	(737 500.00)	-	-	-	-	-	-	-	
2234>000	Fruit cluster development	(470 000.00)	(913 600.00)	(1 000 000.00)	(276 800.00)	(150 000.00)	(200 000.00)	(200 000.00)	(200 000.00)	Shiloh and Pomec support/ wages / inputs
2247>000	Technical studies, research and planning	(800 000.00)	(400 000.00)	(250 000.00)	(200 000.00)	(240 000.00)	-	-	-	Internal resource - GIS/land mapping and Geo/Enviro
2248>000	Establishment of waste economy	(400 000.00)	(707 000.00)	(200 000.00)	-	-	-	-	-	Reduced to nil - look at funding mobilisation
3600>000	Sponsorships & Donations Expenditure	-	(254 276.25)	-	-	-	-	-	-	
TOTAL INTERNALLY FUNDED PROGRAMME EXPENDITURE		(9 891 109.66)	(9 216 983.11)	(8 570 000.00)	(4 484 897.50)	(1 540 000.00)	(1 995 000.00)	(2 000 000.00)	(1 555 000.00)	LIMITED OWN INCOME SOURCES TO COVER SHORTFALL IN OPS - HIGH RELAINCE ON GRANT - NEED TO DEVELOP AN OWN REVENUE ENHANCEMENT STRATEGY TO FUND DEBT, AND LOOK AT CONDITIONAL GRANT SOURCES FOR LED PROJECTS

SURPLUS / (DEFICIT) ON INTERNAL FUNDS

1 187 496.94 2 264 917.33 3 609 947.50 386 547.50 576 307.50 1 230 543.50

Additional adjustments:

1. The CHDA has signed a new multi-year agreement to generate agency fees from joint training/solar geyser rollout in EMLM and other LM's - the agency will get a minimal fee, and partner will secure implementation funds from applicable departments. the role of CHDA is facilitation, and mobilisation to get LM's on board - **IMPACT = +R250k revenue, no additional expenditure identified at this stage as utilisation of existing internal project reosources - additional R250k to budget surplus**

2. The planned asset disposal and auction may yield some position revenue potential towards QMC recapitalisation and repairs in the new year - **IMPACT = +R2.5m revenue, and +R2m capex movement**

CHRIS HANI DEVELOPMENT AGENCY
APPROVED BUDGET 2024/2025 MTREF
OPERATIONAL SUBSIDY AND OPEX
30-May-24

CPIX est 5.30% 5.30% 4.80% 4.80% 4.80% 4.80%

SAGE EVO GL ACCOUNT	ACCOUNT DESCRIPTION	ORIGINAL BUDGET 2022/2023	ADJUSTED BUDGET 2022/2023	APPROVED BUDGET 2023/2024	ADJUSTED BUDGET 2023/2024	DRAFT BUDGET 2024/2025	DRAFT BUDGET 2025/2026	DRAFT BUDGET 2026/2027	DRAFT BUDGET 2027/2028	COMMENTS ON BUDGET
GRANT INCOME										
1000/001	CHDA - Operational Grant	27 500 000.00	27 500 000.00	28 975 500.00	28 975 500.00	30 376 418.00	31 834 486.06	33 362 541.40	34 963 943.38	Ops subsidy adjusted upwards by estimated 4.8% CPI per NT budget guidelines
TOTAL GRANT INCOME		27 500 000.00	27 500 000.00	28 975 500.00	28 975 500.00	30 376 418.00	31 834 486.06	33 362 541.40	34 963 943.38	AGENCY IS STILL AT RISK OF HAVING UNFUNDED OPS - HIGH RELAINCE ON LIMITED OPS GRANT IN ABSENCE OF OTHER FUNDING SOURCES AND OWN REVENUE. COST-CONTAINMENT MEASURES AND FOCUS ON BUILDING A LEAN ORG STRUCTURE INEVITABLE
OPERATIONAL EXPENDITURE - GRANT FUNDED										
GENERAL AND ADMINISTRATIVE EXPENSES										
3000/008	Board - Secretariat and Admin	(650 000.00)	(500 000.00)	(750 000.00)	(550 000.00)	(750 000.00)	(750 000.00)	(750 000.00)	(750 000.00)	Shared service option cancelled by CEO
3000/005	Board - Fees	(590 000.00)	(890 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	
3000/007	Board training and development	(100 000.00)	-	(250 000.00)	-	-	-	-	-	Planned ethics training for board
3000/006	Board travel and other	(160 000.00)	(210 000.00)	(200 000.00)	(200 000.00)	(50 000.00)	(50 000.00)	(50 000.00)	(50 000.00)	
3555/000	Board tools of trade	(55 000.00)	(44 417.00)	(100 000.00)	(50 000.00)	(52 400.00)	(54 915.20)	(57 551.13)	(60 313.58)	
3000/001	Accounting Fees / MSCOA	-	-	-	-	(210 000.00)	-	-	-	MSCOA / budget reporting resource
3000/003	Audit Fees - Internal	(1 000 000.00)	(900 000.00)	(1 000 000.00)	(1 250 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	(1 000 000.00)	Shared service option cancelled by CEO
3000/002	Audit Fees - External / AG	(1 400 000.00)	(1 506 325.00)	(1 586 160.23)	(1 456 100.00)	(1 500 000.00)	(1 572 000.00)	(1 647 456.00)	(1 726 533.89)	
3000/014	Legal Expenses	(1 000 000.00)	(800 000.00)	(500 000.00)	(500 000.00)	-	-	-	-	Legal costs included in Coscec - internal resource
3000/004	Bank Charges	(50 000.00)	(50 000.00)	(52 650.00)	(60 000.00)	(62 880.00)	(65 898.24)	(69 061.36)	(72 376.30)	
3000/013	Interest and penalties paid	-	-	-	-	-	-	-	-	
2250/001	Annual Report	(65 000.00)	(60 000.00)	(75 000.00)	-	-	-	-	-	Limit use of external design firms
2250/002	Strategic Projects	(200 000.00)	(250 000.00)	(250 000.00)	(50 000.00)	-	-	-	-	Adjusted to nil - savings for tax debt
2250/006	Strategic Planning and Review	(100 000.00)	(100 000.00)	(200 000.00)	(78 000.00)	(20 000.00)	(20 000.00)	(20 000.00)	(20 000.00)	Rely on sister orgs - no external facilitators
2250/005	Stakeholder Engagement	(80 000.00)	(50 000.00)	(52 650.00)	(50 000.00)	-	-	-	-	Social facilitation - internal programmes
3150/002	Telephone and Fax	(105 000.00)	(105 000.00)	(110 565.00)	(80 000.00)	(83 840.00)	(87 864.32)	(92 081.81)	(96 501.73)	Adjusted by inflation-costs kept low due to VOIP
3150/005	PABX Rental	(100 000.00)	(100 000.00)	(85 000.00)	(124 000.00)	(129 952.00)	(136 189.70)	(142 726.80)	(149 577.69)	Adjusted by inflation
3150/003	Internet and ADSL	(210 000.00)	(310 000.00)	(280 000.00)	(220 000.00)	(220 000.00)	(220 000.00)	(220 000.00)	(220 000.00)	Fixed over contract agreement
3150/001	Courier and Postage	(6 000.00)	(6 000.00)	(6 318.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	Fixed over budget period - minimla usage
3150/006	Photocopier Rental	(165 000.00)	(165 000.00)	(173 745.00)	(258 300.00)	(270 698.40)	(283 691.92)	(297 309.14)	(311 579.97)	Adjusted by inflation - existing ops lease
3150/004	IT Support Expenditure	(35 000.00)	(35 000.00)	(200 000.00)	(100 000.00)	(50 000.00)	(50 000.00)	(50 000.00)	(50 000.00)	Reliance limited - internal resource on payroll
3150/011	Licensing Fees Software	(600 000.00)	(500 000.00)	(600 000.00)	(450 000.00)	(590 000.00)	(834 400.00)	(878 643.20)	(920 818.07)	Adjusted by MSCOA - no new systems
3000/015	Printing and Consumables	(135 000.00)	(255 000.00)	(268 515.00)	(150 000.00)	(150 000.00)	(150 000.00)	(150 000.00)	(150 000.00)	Fixed over contract agreement
3150/008	Website Maintenance and Hosting	(10 000.00)	(6 975.00)	(7 344.68)	(3 150.00)	(3 301.20)	(3 459.66)	(3 625.72)	(3 799.76)	Adjusted by inflation
3250/007	Security Expenses - Office	(210 000.00)	(147 000.00)	(154 791.00)	(200 000.00)	(169 600.00)	(177 740.80)	(186 272.36)	(195 213.43)	Adjusted by inflation
3250/003	Rates - Office	(100 000.00)	(25 000.00)	(26 325.00)	(26 325.00)	(27 588.60)	(28 912.85)	(30 300.67)	(31 755.10)	Adjusted by inflation
3250/001	Electricity and Water	(125 000.00)	(155 000.00)	(163 215.00)	(230 000.00)	(241 040.00)	(252 609.92)	(264 735.20)	(277 442.49)	Adjusted by inflation
3000/010	Cleaning stores and materials	(135 000.00)	(255 000.00)	(350 000.00)	(350 000.00)	(200 000.00)	(150 000.00)	(150 000.00)	(200 000.00)	Fixed - reliance on generator limited-solar
3200/001	Advertising (SCM)	(15 000.00)	-	(20 000.00)	(22 550.77)	(20 000.00)	(35 000.00)	(40 000.00)	(45 000.00)	Planned tenders for SCM compliance
3200/002	Brand Promotion	(45 000.00)	-	(150 000.00)	(150 000.00)	(130 000.00)	(130 000.00)	(130 000.00)	(130 000.00)	Adjusted by inflation
3000/027	Fuel Expenditure	(165 000.00)	(215 000.00)	(350 000.00)	(170 000.00)	(180 000.00)	(188 640.00)	(197 694.72)	(207 184.07)	Adjusted by inflation - relaince on agency fleet
3004/001	Domestic Daily Allowance	(10 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	(2 000.00)	S+T for outside CHD travel
3000/012	Insurance Expense	(210 000.00)	(310 000.00)	(326 430.00)	(386 000.00)	(300 000.00)	(330 000.00)	(363 000.00)	(399 300.00)	Escalation - after disposal
3300/003	Recruitment Costs	(150 000.00)	(150 000.00)	(200 000.00)	(25 500.00)	(10 000.00)	(30 000.00)	-	(50 000.00)	No planned immediate recruitment
3300/017	Relocation of staff	(50 000.00)	-	(100 000.00)	-	-	-	-	-	No planned immediate recruitment
3300/009	Occupational Health and safety	(10 000.00)	(20 000.00)	(21 060.00)	(10 000.00)	(15 000.00)	(15 000.00)	(15 000.00)	(15 000.00)	OHS committee and related
3300/008	Staff Training and Development	(100 000.00)	(200 000.00)	-	-	-	-	-	-	LGSETA funds used for staff capcipation
3000/020	Travel and Accomodation	(100 000.00)	(100 000.00)	(400 000.00)	(100 000.00)	(150 000.00)	(156 750.00)	(164 274.00)	(172 159.15)	Provision for local travel - engagements
3610>000	Conference and visits	-	(10 000.00)	-	(12 500.00)	-	-	-	-	Reduced provision for conference/visits
3000/028	Entertainment / office tea/coffee expenses	-	(16 000.00)	-	(10 000.00)	-	-	-	-	Phasing out of refreshments - cost cont
3000/017	Subscriptions	-	(11 000.00)	-	(10 000.00)	-	-	-	-	Phasing out DSTV office connection
TOTAL GENERAL AND ADMINISTRATIVE EXPENDITURE		(8 241 000.00)	(8 459 717.00)	(10 011 768.91)	(8 336 425.77)	(7 590 300.20)	(7 777 072.61)	(7 973 732.09)	(8 308 555.23)	25% OF OPERATIONAL BUDGET THE AGENCY IS STILL RELYING ON OUTSOURCED SERVICES, AND THERE IS MINIMAL OTHER COST-CONTAINMENT ON GENERAL SPENDING THAT CAN BE ACHIEVED
REPAIRS AND MAINTENANCE COSTS										
3150/010	Repairs & maintenance- Office equipment	(10 000.00)	(10 000.00)	-	(2 000.00)	-	-	-	-	Equipment on lease

3000/026	Repairs and Maintenance - Vehicles	(132 863.50)	(67 863.50)	(200 000.00)	(50 000.00)	(55 000.00)	(30 000.00)	(31 440.00)	(32 949.12)	Reduction due to planned Capex / MV
3150/009	Repairs and Maintenance - Computers	(26 680.50)	(19 000.00)	-	(10 000.00)	-	-	-	-	Investigating computer lease options to reduce asset costs
3250/005	Repairs and Maintenance - Furn / Fittings	-	-	-	-	-	-	-	-	Old furniture to be disposed
3250/006	Repairs and maintenance - Machinery	-	-	(1 000 000.00)	(375 000.00)	-	-	-	-	Looking at Chdm assessment report/EM
3250/004	Repairs and Maintenance - Buildings	(99 956.00)	(49 956.00)	(550 000.00)	(250 000.00)	(250 000.00)	-	-	-	Initial office build R+M adjusted down
TOTAL REPAIRS AND MAINTENANCE		(269 500.00)	(146 819.50)	(1 750 000.00)	(687 000.00)	(305 000.00)	(280 000.00)	(31 440.00)	(32 949.12)	1% OF OPERATIONAL BUDGET ANTICIPATED CHANGES IN QMC BUSINESS MODEL MAY CHANGE HOW R+M IS PROCESSED FROM OWN INCOME IF CENTER BECOMES VIABLE
DEPRECIATION AND AMORTISATION										
3700/001	CHDA Depreciation - Office Equipment	(21 000.00)	(11 000.00)	-	(7 000.00)	-	-	-	-	Equipment fully depreciated - no planned capex
3700/004	CHDA Depreciation - Intangibles	(165 000.00)	(5 000.00)	-	(10 000.00)	-	-	-	-	Intangibles fully depreciated - no planned capex
3700/003	CHDA Depreciation - Vehicles	(264 000.00)	-	-	(30 000.00)	-	-	(333 333.33)	(333 333.33)	Planned MV capital expend on fleet upgrade
3700/002	CHDA Depreciation - Computer Equipment	(393 000.00)	(143 000.00)	(86 000.00)	(86 000.00)	(60 000.00)	(60 000.00)	-	-	Computers to leasing options - no planned capex
New	CHDA Depreciation - Land	-	-	-	-	-	-	-	-	No depn on land
3700/006	CHDA Depreciation - Building	(657 000.00)	(557 000.00)	(537 810.60)	(588 000.00)	(588 000.00)	(588 000.00)	(588 000.00)	(588 000.00)	Existing office building
3700/005	CHDA Depreciation- furniture and fittings	-	(120 000.00)	(45 000.00)	(30 000.00)	(100 000.00)	(100 000.00)	(100 000.00)	(100 000.00)	Installation of solar fittings
3700/007	CHDA Depreciation- Machinery	-	(1 000 000.00)	(250 000.00)	(2 500 000.00)	(2 000 000.00)	-	-	-	Existing QMC equipment - lowbed planned capex
3700/00868:7	CHDA Depreciation- Molteno Buildings	-	(75 000.00)	(75 000.00)	(70 000.00)	-	-	-	-	Molteno - impairment so negligible depn
TOTAL DEPRECIATION AND AMORTISATION EXPENSE		(1 500 000.00)	(1 911 000.00)	(993 810.60)	(3 321 000.00)	(2 748 000.00)	(748 000.00)	(1 021 333.33)	(1 021 333.33)	9% OF OPERATIONAL BUDGET REDUCTION DUE TO ENVISAGED ASSET DISPOSAL BEFORE END 06/2024 - AND HIGH VALUE OF ITEMS IN FAR OF NIL VALUE
CAPEX EXPENDITURE - ASSET FINANCE RESERVE										
6250/010	Computers	(270 000.00)	(100 000.00)	-	-	(20 000.00)	-	-	-	Computers to leasing options - no planned capex
New	Alternative Power Solution	-	-	-	-	(1 000 000.00)	-	-	-	Solar installation delayed
New	Machinery	-	-	-	-	(2 000 000.00)	-	-	(4 000 000.00)	Proceeds from asset disposal - minimal estimate
6350/010	Furniture and Fittings	(316 500.00)	(66 500.00)	-	-	(40 000.00)	-	-	-	Improve security inhouse
6200/010	Vehicles	(913 500.00)	-	-	-	-	-	(1 000 000.00)	-	Expansion of agency fleet to reduce S+T and enable ops
CAPEX / TOTAL ASSET FINANCE RESERVE		(1 500 000.00)	(166 500.00)	-	-	(3 060 000.00)	-	(1 000 000.00)	(4 000 000.00)	10% OF OPERATIONAL BUDGET THIS IS IN RESPONSE TO RECAPITALISATION ON REVENUE GENERATING ASSETS, AS WELL AS RISK MITIGATION ON UNRELIABLE POWER SOURCE
EMPLOYEE COSTS										
3300/004	Salaries and Wages - CTC	(15 723 390.92)	(13 723 390.92)	(15 167 491.60)	(15 167 491.60)	(17 677 131.20)	(18 525 633.49)	(19 414 863.90)	(20 346 777.37)	CPI applied - existing positions-delayed recruit-org review
3300/014	Acting Allowance Expense	(50 000.00)	(100 000.00)	(50 000.00)	(155 000.00)	-	-	-	-	Phase out acting - review and streamline organogram
3300/013	Leave Pay Expenses	-	(300 000.00)	(500 000.00)	(500 000.00)	(200 000.00)	(200 000.00)	(200 000.00)	(200 000.00)	Prov for leave payout on termination/exits
	Performance Bonuses	-	-	-	-	-	-	-	-	
3300/020	Long service award	-	(10 000.00)	(20 000.00)	(20 000.00)	(10 000.00)	(10 000.00)	(10 000.00)	(10 000.00)	Existing contractual obligation
3300/010	Staff Benefits - Medical Aid	(856 240.20)	(806 240.20)	(850 000.00)	(850 000.00)	-	-	-	-	Benefits in CTC - reduce admin of payroll function
3300/011	Staff Benefits - Provident / Pension	(641 361.58)	(879 361.58)	(850 000.00)	(850 000.00)	-	-	-	-	Benefits in CTC - reduce admin of payroll function
3300/007	Statutory - COID Levies	-	-	-	(35 000.00)	(35 000.00)	(35 000.00)	(35 000.00)	(35 000.00)	Compensation fund to DOL
3300/006	Statutory - UIF Levies	(70 654.45)	(60 654.45)	(151 674.92)	(75 000.00)	(75 000.00)	(75 000.00)	(75 000.00)	(75 000.00)	Limits on UIF applied per employee
3300/005	Skills-SDL Levies	(128 272.32)	(128 272.32)	(151 674.92)	(151 674.92)	(176 771.31)	(185 256.33)	(194 148.64)	(203 467.77)	SDL at 1% of total CTC costs
TOTAL EMPLOYEE COSTS		(17 469 919.47)	(16 007 919.47)	(17 740 841.44)	(17 804 166.52)	(18 173 902.51)	(19 030 889.83)	(19 929 012.54)	(20 870 245.14)	60% OF OPERATIONAL BUDGET
TOTAL OPERATIONAL EXPENDITURE										
TOTAL SUBSIDY FUNDED OPERATIONAL AND GENERAL EXPENDITURE		(28 980 419.47)	(26 691 955.97)	(30 496 420.95)	(30 148 592.29)	(31 877 202.71)	(27 835 962.44)	(29 955 517.97)	(34 233 082.83)	
SURPLUS / (DEFICIT) ON SUBSIDY FUNDS			808 044.03	- 1 520 920.95	- 1 173 092.29	- 1 500 784.71	3 998 523.63	3 407 023.43	730 860.55	Further cost-cutting in OPEX to free up funds towards SARS debt reduction plan, and allow for funding towards outsourced services for CS/IA - initial shared service option with nil cost revised