

2025/2026



# UThukela Economic Development Agency

2025-2026 DRAFT BUDGET

## Budget Overview

	2024/2025	2025/2026	2026/2027	2027/2028
	ADJUSTMENT BUDGET	ORIGINAL BUDGET	ORIGINAL BUDGET	ORIGINAL BUDGET
Total Operating Revenue	7,580,779.60	9,590,000	10,165,400	10,813,064
Total Operating Expenditure	7,460,779.60	8,827,297	9,356,935	9,918,351
Surplus/deficit	120,000.00	762,703	808,465	894,713
Total Capital Expenditure	120,000.00	762,703	808,465	846,585
Total Budget	7,580,779.60	9,590,000	10,165,400	10,764,936

## Operating Revenue

The UThukela Economic Development Agency currently relies on grants from its parent Municipality for funding. To achieve financial independence, the Agency aims to diversify its income streams through the provision of various services. These services include conducting auctions, offering transportation services, providing assistance with CIPC (Companies and Intellectual Property Commission) matters, OSS (One Stop Shop) services, CSD (Central Supplier Database) registrations, handling tax-related issues, offering SMME (Small, Medium, and Micro Enterprises) training, creating business plans, and renting out boardrooms. This strategic approach aims to reduce dependence on grants and enhance the Agency's financial sustainability.

## Operating Expenditure

In the 2023/2024 Audit, the Auditor General (SA) spent a large amount of hours auditing the Agency's financial statements and performance under the new management hence the decrease from the adjustment budget to the draft budget amount. Salaries are increasing in anticipation of the upcoming advertising and appointment of managerial positions during the 2025/2026 financial year. Board Emoluments are expected to increase to cover the payments of board sitting, portfolio committee sittings and emoluments. The essential functions of the Agency, revolving around programs and projects aimed at fostering local economic development, are budgeted at R1,500,000.00 to ensure effective operation.

## Capital Expenditure

With the growing staff numbers, the Agency will need additional office furniture and computer equipment as part of its capital expenditure. Currently, the entire office relies on a single motor vehicle

UTHUKELA ECONOMIC DEVELOPMENT AGENCY DRAFT BUDGET 2025/2026			
	2025/2026	2026/2027	2027/2028
OPERATING REVENUE	ORIGINAL BUDGET	ORIGINAL BUDGET	ORIGINAL BUDGET
SUBSIDY	7,000,000	7,420,000	7,865,200
TRANSFER EXPENDITURE	1,590,000	1,685,400	1,786,524
INTEREST INCOME	250,000	265,000	325,000
OTHER REVENUE	600,000	636,000	667,800
SERVICES REVENUE	150,000	159,000	168,540
<b>TOTAL REVENUE</b>	<b>9,590,000</b>	<b>10,165,400</b>	<b>10,813,064</b>
<b>OPERATING EXPENDITURE</b>			
AUDIT FEES + CIPC ANNUAL RETURN FEES	400,000	424,000	449,440
ADVERTISEMENT & MARKETING	80,000	84,800	89,888
BANK CHARGES	16,500	17,490	18,539
PRINTING AND STATIONERY	85,000	90,100	95,506
CLEANING MATERIAL	85,000	90,100	95,506
BOARD ALLOWANCES & EMOLUMENTS	750,000	795,000	842,700
CAPACITY BUILDING & TRAINING	60,000	63,600	67,416
SUBSISTENCE & TRAVELLING EXPENSES	40,000	42,400	44,944
INSURANCE EXPENSES	100,000	106,000	112,360
TRANSFER EXPENDITURE	1,590,000	1,685,400	1,786,524
FUEL, OIL, SERVICE AND OTHER	55,000	58,300	61,798
SALARIES	2,796,720	2,964,523	3,142,395
SDL	27,967	29,645	31,424
PROGRAMMES AND PROJECTS	1,500,000	1,590,000	1,685,400
TEAM BUILDING & STRATEGIC PLANNING	250,000	265,000	280,900
CONSULTANCY	25,000	26,500	28,090
ACCOMODATION	25,000	26,500	28,090
RENTAL	672,750	713,115	755,902
OFFICE WATER UTILITY	12,720	13,483	14,292
OFFICE ELECTRICITY	50,000	53,000	56,180
DEPRECIATION	205,640	217,978	231,057
<b>SUBTOTAL</b>	<b>8,827,297</b>	<b>9,356,935</b>	<b>9,918,351</b>
<b>CAPITAL EXPENDITURE</b>			
OFFICE FURNITURE	62,703	66,465	70,453
MOTOR VEHICLE	650,000	689,000	720,694
COMPUTER EQUIPMENT	50,000	53,000	55,438
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>762,703</b>	<b>808,465</b>	<b>846,585</b>
<b>TOTAL OPERATIONAL, GRANT AND CAPITAL EXPENDITURE</b>	<b>9,590,000</b>	<b>10,165,400</b>	<b>10,764,936</b>
<b>SUPPLUS/(DEFICIT)</b>	<b>0</b>	<b>0</b>	<b>48,128</b>

## SERVICES REVENUE RATES FOR 2025/2026 FINANCIAL YEAR

The UThukela Economic Development Agency relies on grants and is funded by its parent, the UThukela District Municipality. However, in the upcoming 2025/2026 financial

year, the Agency will continue to offer the following services as part of its strategy to generate its revenue.

SERVICES REVENUE	2025/2026 RATES
Auctions	5% of total sales
Transportation services	R6.50 per km
CIPC services	50% of CIPC fee, Maximum R200
OSS services	R100.00
CSD registrations	R100.00
Tax matters	R100.00
SMME Training	R200.00 per training
Business Plans	R400.00
Boardroom rental – Agency	R800.00 per day R100 per hour
Boardroom Rental – UThukela (Executive)	R1000.00 per day R150.00 per hour

#### **PROGRAMMES AND PROJECTS FOR THE 2025/2026 FINANCIAL YEAR**

UThukela Economic Development Agency and UThukela District Municipality have entered into a memorandum of understanding that sets up the following objectives:

- To create an enabling and conducive environment for both local and international businesses to thrive.
- To facilitate, coordinate and monitor all district economic development projects.
- To restore business confidence, stakeholder engagements and establishment of the economic development working groups.
- To mobilize and promote the use of local resources and skills thus ensuring maximum local economic development.

FINANCE & INVESTMENT	LED PROGRAMMES
◦ SMME training initiatives	◦ Tourism Stakeholder engagement
◦ Business Services	◦ Development of Tourism routes
◦ Support for businesses operated by disabled persons.	◦ Rural and township development
◦ Financial Support for SMMEs	◦ Market for souvenirs
◦ Financial System for the Agency	◦ Tourism Destination Marketing
◦ Business Retention	◦ Accreditation of UEDA
	◦ Tourism web office
	◦ Livestock auctions and agricultural show
	◦ Development of Agricultural Markets
	◦ Chicken abattoir and Agricultural Market
	◦ Groundnut, Bean and Chicory Production
	◦ Cannabis Industry Development

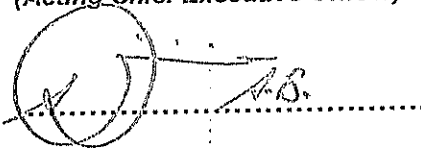
I, S.B Sibisi, Acting Chief Executive Officer of UThukela Economic Development Agency, hereby certify that this draft annual budget for 2025/2026 has been prepared per the Municipal Finance Management Act and the regulations made under this Act.

Name:

Mr. S.B Sibisi

*(Acting Chief Executive Officer)*

Signature:



Date:

31 January 2025