ANNUAL BUDGET MTERF FOR

2025/2026-2027/2028

UNITED WE PROGRESS

MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF

MATATIELE LOCAL MUNICIPALITY

2025/2026 TO 2027/28
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

Copies of this document can be viewed:

- In the foyers of all municipal buildings
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Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CM	Municipality Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DORA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act Programme
MIG	Municipal Infrastructure Grant
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership

PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises
Mscoa	Municipal standard chart of accounts

Part 1 – Annual Budget

1.1 Mayor's report

To present to Council the annual MTREF report for 2025/26 and two outer years 2026/27 and 2027/28 for consideration and recommendations for approval by Council before start of the 2025/2026 financial year. The Budget was prepared according to the Zero Based Method. In terms of the method all votes and line items were reduced to zero and every amount allocated had to be motivated. General Managers were requested to hand their requests to the Chief Financial Officer for inclusion on the budget. The information was requested to reach the Chief Financial Officer by the 31st January 2025.

As required by the Municipal Finance Management Act (MFMA) and other relevant legislations, regulations and guidelines, the municipality started the processes of budget preparation from July 2025 to March 2025 as follows:

On 30th July 2024, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

As per the approved plan, the municipality on the 21 – 23 October 2024, conducted its public consultative meetings with all 27 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the draft

budget for 2025/26 to 2027/28 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public.

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2024/2025	ADJUSTMENTS BUDGET 2024/2025	ANNUAL BUDGET 2025/2026	BUDGET 2025/26 % ALLOCATION	BUDGET YEAR 2026/2027	BUDGET YEAR 2027/2028	2025/26 Increase
Property Rates	61,936,752	61,936,752	61,936,752	9%	67,596,528	70,300,389	-
Service Charges	91,971,672	91,971,672	106,833,629	16%	111,106,974	115,551,253	14,861,957
Rental Of Facilities & Equipment	2,027,532	2,027,532	2,220,000	0%	2,308,800	2,401,152	192,468
Interest - Outstanding Debtors	2,199,996	26,469,996	26,470,000	4%	27,528,800	28,629,952	4
Interest - External Investment	28,812,996	28,812,996	28,812,996	4%	29,965,516	31,164,136	-
Fines , Penalties and Forfeits	25,890,000	1,620,000	3,048,000	0%	3,169,920	3,296,717	1,428,000
Agency Fees	-	3,000,000	1,800,000	0%	1,872,000	1,946,880	-1,200,000
Licences & Permits	4,547,100	1,547,100	4,459,108	1%	4,637,472	4,822,971	2,912,008
Transfers & Subsidies Operational	380,244,200	334,046,582	331,654,050	49%	324,159,550	338,918,900	-2,392,532
Transfers & Subsidies Capital	98,747,180	98,295,530	82,489,950	12%	62,539,449	65,377,100	-15,805,580
Other Revenue	6,838,260	33,836,264	27,375,252	4%	27,099,302	28,287,275	-6,461,012
Total Revenue	**681,215,688**	**683,564,424**	**677,099,736**	**100%**	**661,984,311**	**690,696,726**	**-6,464,687**

Remarks;

- The revenue is anticipated to be R 677,099, 736 in the 2025/26 financial year. The adjusted budget for 2024/25 was R 683,564, 424. This is a decrease of R 6,464,687 from the current adjustment budget mainly due to decrease grants allocations. Revenue budget for the indicative years 2026/27 and 2027/28 is anticipated to be R 661,984,312 and R 690,696,725 respectively.
- The property rates amount is calculated from the current valuation roll to be implemented from 01st July 2025.
- It should be noted that capital and operating transfers and subsidies have decreased due to decreased grants allocation for the disaster response grant, equitable share, expanded public works programme and the wattle clearing grant.

Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		342,334	345,491	405,237	355,428	328,780	383,485	327,138	322,910	337,613
Expanded Public Works Programme Integrated Grant		4,887	4,810	3,974	3,880	3,880	3,880	2,980	-	-
Integrated National Electrification Programme Grant		-	-	41,800	26,648	-	-	-	-	-
Local Government Financial Management Grant		1,650	1,650	1,700	1,700	1,700	1,700	1,800	2,000	2,200
Municipal Infrastructure Grant		76,971	52,723	54,593	2,879	2,879	57,584	3,034	3,292	3,441
Equitable Share		258,826	286,308	303,970	320,321	320,321	320,321	319,324	317,618	331,972
Provincial Government:		-	-	-	4,816	5,116	-	2,850	1,250	1,306
Specify (Add grant description)		-	-	-	1,750	2,050	-	2,850	1,250	1,306
Specify (Add grant description)		-	-	-	3,066	3,066	-	-	-	-
District Municipality:		-	-	100	-	150	-	-	-	-
Specify (Add grant description)		-	-	100	-	150	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	342,334	345,491	405,337	360,244	334,047	383,485	329,988	324,160	338,919
Capital Transfers and Grants										
National Government:		97,778	48,539	32,706	95,797	97,346	48,669	82,190	62,539	65,377
Municipal Disaster Relief Grant		-	2,251	32,706	41,092	42,641	-	-	-	-
Municipal Infrastructure Grant		-	-	-	54,705	54,705	-	57,647	62,539	65,377
Integrated National Electrification Programme Grant		97,778	46,288	-	-	-	24,127	-	-	-
Municipal Disaster Recovery Grant		-	-	-	-	-	24,542	24,543	-	-
Provincial Government:		650	-	3,981	950	950	4,316	1,966	-	-
Specify (Add grant description)		-	-	-	950	950	-	-	-	-
Specify (Add grant description)		-	-	3,331	-	-	3,066	1,666	-	-
Specify (Add grant description)		650	-	650	-	-	1,250	300	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	98,428	48,539	36,687	96,747	98,296	52,985	84,156	62,539	65,377
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	440,762	394,030	442,024	456,991	432,342	436,470	414,144	386,699	404,296

Remarks;

- The municipality will receive both conditional and unconditional grants of R 414,1 million, a decrease of R 42,8 million from R 456,9 million on the 2025/26 from the allocations as gazetted on Division of Revenue Act (DoRA) inclusive of provincial allocations and funds anticipated to be unspent for the Library grant of R 1900,000.
- The equitable share allocation is appropriated to fund municipal delivery of services through day-to-day operations and strategic social development programs, the allocation for equitable share has decreased by R 997,000 from the current financial year's allocation.
- Conditional operational grants (EPWP, Wattle clearing Grant & FMG) are appropriated to fund expenditures relating to EPWP programs and financial reforms respectively as per grants stipulated conditions.

- The Expanded public works incentive has been allocated a budget of R 2,980,000, which is a decrease by R 900,000 for the next budget year.
- The finance management grant has been allocated a budget of R 1,800,000, which is an increase of R 100 000 for the next budget year.
- The library support grant has been allocated a budget of R 1,250,000, which is an increase of R 50,000 for the next budget year, included in this budget is an amount of R 1,900,000 which is anticipated to be unspent from the current financial year.
- The wattle clearing grant has been allocated a budget of R 1,666,000, which is a decrease of R 1,400,000 for the next budget year.
- Conditional capital grants (Municipal Infrastructure grant and the Municipal Disaster relief grant are appropriated to fund capital expenditure of roads construction, maintenance of roads affected by disaster and local economic development projects.
- The allocation for the municipal infrastructure grant amounts to R 60,681,000, which is an increase of R 3,097,000 from the current year's allocation.
- The allocation for integrated national electrification programme amounts to R 20,549,000 and has decreased by R 6,099,00 from the current year's allocation.
- The allocation for the Municipal Disaster relief grant has been maintained at an allocation of R 24,543,00 for this budget.

Budgeted Financial Performance (operating expenditure)

REVENUE SOURCE	APPROVED BUDGET 2024/2025	ADJUSTMENTS BUDGET 2024/2025	ANNUAL BUDGET 2025/2026	BUDGET 2025/26 % ALLOCATION	BUDGET YEAR 2026/2027	BUDGET YEAR 2027/2028	2025/26 Increase
Employee Related Costs	174,999,456	174,999,456	186,700,550	31%	194,013,356	198,930,749	11,701,094
Remuneration of Councillors	26,401,344	26,401,344	24,665,902	4%	25,113,342	25,741,176	-1,735,442
Bad Debt Written Off	6,294,000	6,294,000	6,500,000	1%	6,792,500	6,962,313	206,000
Depreciation	52,789,752	32,839,752	22,321,875	4%	29,925,665	30,673,806	-10,517,877
Bulk Purchases	76,245,564	90,545,564	98,000,000	16%	102,410,000	104,970,250	7,454,436
Contracted Services	160,781,520	167,726,906	170,618,329	29%	171,627,199	176,359,390	2,891,423
Other Material	6,897,036	6,893,032	7,032,600	1%	6,897,000	7,069,425	139,568
Other Expenditure	80,057,640	79,566,644	78,784,388	13%	82,635,326	84,851,219	-782,256
Total Expenditure	**584,466,312**	**585,266,698**	**594,623,644**	**100%**	**619,414,388**	**635,558,328**	**9,356,946**

- The annual operating expenditure is anticipated to be R 594,623,644 in the 2025/26 financial year. The adjusted budget for 2024/25 was R 585,266,698. This is an increase of R 9,356,946 from the current adjustment budget. For the two outer years 2026/27 and 2027/28 the operating expenditure budget is anticipated to be R 619,414,388 and R 635,558,328 respectively.
- An increase of 4.3% has been affected on employee related costs.
- Included in the budget for employee related costs is an allocation of R 8,980,000 for the Expanded Public Works Programme, R 1,583,400 for the wattle clearing programme .
- Included on contracted service is electrification of Motsekuoa B at an allocation of R 20,549,000 to be funded from the integrated electrification grant.
- Repairs and maintenance have been allocated R 28,620,000 as follows;
  - Maintenance Municipal Fleet & Plant - R 4,500,000.
  - Maintenance of ICT Infrastructure - R 3,400,000.
  - Maintenance of Machinery and Equipment -R1 830 ,000.
  - Maintenance of Building and Facilities -R 5,690,000.
  - Maintenance of road sidewalks -R 3,000,000.
  - Electrical Maintenance -R 10,200,000.
- Communications, marketing and special programmes have been allocated budget of R 7,286,436
- Local Economic Development has been allocated budget as follows ;
  - Cropping and Household food security -R 4,000,000.
  - Livestock Improvement -R 1,500,000.
  - Tourism -R 5,070,000
  - SMME Support Programmes -R 4,900,000
- Indigent support budget of R 5,400,000 million has been provided for gas and solar maintenance, electricity and refuse.

2025/2026 CAPITAL EXPENDITURE PER VOTE AND FUNDING SOURCES

DEPARMENT/MUNICIPAL VOTE	APPROVED BUDGET 2024/25	ADJUSTMENTS BUDGET 2024/25	BUDGET 2025/2026	BUDGET YEAR +2026/2027	BUDGET YEAR 2027/2028	Increase/ (Decrease)
Executive and Council	50,000	50,000	-	-	-	-50,000
Municipal Manager's Office	705,000	705,000	627,000	-	-	-78,000
Budget & Treasury	2,560,000	2,560,000	3,770,000	-	-	1,210,000
Corporate Services	3,920,000	3,920,000	3,240,000	-	-	-680,000
Community Services	16,360,000	16,360,000	8,000,000	8,000,000	8,000,000	-8,360,000
Economic Development Planning	8,705,000	8,705,000	18,855,000	21,584,800	23,686,280	10,150,000
Infrastucture	150,682,979	152,231,342	128,872,950	62,539,450	65,377,100	-23,358,392
TOTAL CAPITAL PER MUNICIPAL VOTE	**182,982,979**	**184,531,342**	**163,364,950**	**92,124,250**	**97,063,380**	**-21,166,392**
Funding Sources						
Capital Replacement reserves	86,235,799	86,235,799	80,875,000	29,584,800	31,686,280	-5,360,799
Municipal Disaster Grant	41,092,380	42,640,743	24,543,000	-	-	-18,097,743
Municipal Infrastructure Grant	54,704,800	54,704,800	57,646,950	62,539,450	65,377,100	2,942,150
Library Support Grant	950,000	950,000	300,000	-	-	-650,000
TOTAL CAPITAL FUNDING	**182,982,979**	**184,531,342**	**163,364,950**	**92,124,250**	**97,063,380**	**-21,166,392**

Remarks;

- Capital expenditure is the expenditure appropriated for items to be utilised over a period longer than 12 months to generate future income and derive economic benefit for the municipality.
- The capital expenditure is anticipated to be R 163,364, 950 in the 2025/26 financial year. The adjusted budget for 2025/26 was R 184, 531, 342. This is a decrease of R 21,166,392 from the adjustment budget. For the two outer years 2026/27 and 2027/28 capital expenditure is anticipated to be R 92,124,250 and R 97,063,380 respectively.
    - The capital allocation from the Municipal Infrastructure has increased slightly by R 2,942,150 to a budget of R 57,646,950
    - Municipal reserves funding has been decreased by R 5,360,799 to an allocation of R 80,785,000.
    - Municipal disaster recovery grant has been decreased by R 18,097,743 to a budget of R 24,543,000.
    - Library Support grant funding capital expenditure has been decreased by R 650,000 to an allocation of R 300,000 for this budget.

The capital budget per municipal departments is tabulated as below.

BUDGET AND TREASURY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Budget Planning & Investments			80,000	80,000	-	-	
Laptop		Admin	80,000	80,000	-	-	-
Revenue & Expenditure Management			1,000,000	1,000,000	-	-	
Indigent system	New	Admin	1,000,000	1,000,000	-	-	-
Supply Chain Management			2,660,000	2,660,000	-	-	
Municipal Fleet (Double Cabs x 4)	New	Admin	2,000,000	2,000,000	-	-	
Rails and Canopies for Electricity Vehicles	New	Admin	300,000	300,000			
Laptops x2	New	Admin	60,000	60,000			
Tender Documents Shelves	New	Admin	300,000	300,000			
Financial Reporting & Assets Management			30,000	30,000	-	-	-
Laptop	New	Admin	30,000	30,000	-	-	-
TOTAL BUDGET & TREASURY			3,770,000	3,770,000	-	-	-

Remarks;

- The total budget for budget and treasury is R 3,7 million to be funded from the capital replacement reserves.

MUNICIPAL MANAGER'S OFFICE

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
SPU & Communications			627,000	627,000	-	-	
Sound System	New	Admin	50,000	50,000	-	-	-
Desktops x 2	New	Admin	40,000	40,000	-	-	-
Tripod	New	Admin	30,000	30,000	-	-	-
Camera, Camera stabilizer and flashlight	New	Admin	50,000	50,000	-	-	-
Video Camera and its stabilizer	New	Admin	110,000	110,000	-	-	-
Drone	New	Admin	32,000	32,000	-	-	-
Podium	New	Admin	50,000	50,000	-	-	-
Banner stands	New	Admin	20,000	20,000	-	-	-
Folding table	New	Admin	5,000	5,000	-	-	-
Multi-media box for streaming and podcast	New	Admin	150,000	150,000	-	-	-
Camera LED video light kit	New	Admin	60,000	60,000	-	-	-
Wireless microphone, covers and stands	New	Admin	15,000	15,000	-	-	-
Internal Flag Stand	New	Admin	15,000	15,000	-	-	-
Total Municipal Manager's Office			627,000	627,000	-	-	-

Remarks;

- The total budget for the office of the Municipal manager amounts to R 627,000 to be funded from capital replacement reserves.

CORPORATE SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
			490 000	490 000	-	-	
Human Resources							
Laptop	New	Admin	150 000	150 000	-	-	-
			150 000	150 000	-	-	
ICT SERVICES							
SURVEILLANCE CAMERAS	Upgrade	Ward 19	600 000	600 000	-	-	-
PUBLIC WI FI	Upgrade	Ward 27	300 000	300 000	-	-	-
UNINTERIPTED POWER SUPPLY (ups)	Upgrade	Admin	150 000	150 000	-	-	-
SERVER UPGRADE	Upgrade	Admin	900 000	900 000			
IT EQUIPMENT	Upgrade	Admin	100 000	100 000	-	-	-
Furniture & Equipment	Upgrade	Admin	100 000	100 000	-	-	-
NETWORK Rewiring	Upgrade	Admin	450 000	450 000	-	-	-
			2 600 000	2 600 000	-	-	
TOTAL CORPORATE SERVICES			3 240 000	3 240 000	-	-	

Remarks;

- The total budget for corporate services is R 3,2 million to be funded from the municipal reserves.

ECONOMIC DEVELOPMENT AND PLANNING

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Planning							
5 x Laptops	New	Admin	160,000	160,000	-	-	-
Urban Renewal	New	Admin	3,500,000	3,500,000			
survey equipment	New	Admin	580,000	580,000	-	-	-
			4,240,000	4,240,000			
Local Economic Development							
laptops	New	Admin	60,000	60,000	-	-	-
Completion of Silo facilities	New	19	3,000,000	3,000,000	-	-	-
Furniture & Equipment	New	Admin	50,000	50,000	-	-	-
			3,110,000	3,110,000	-	-	
Human Settlements			11,505,000	11,505,000	-	-	-
Furniture		Admin	120,000	120,000	-		
Tools & Equipment		Admin	375,000	375,000	-		
Laptop		Admin	90,000	90,000	-		
Town hall		19	6,000,000	6,000,000	-		
Upgrade Water Supply at Maggie Resha Tsiu		Admin	920,000	920,000			
Main office		Admin	4,000,000	4,000,000	-		
ECONOMIC DEVELOPMENT AND PLANNING			18,855,000	18,855,000	-	-	-

Remarks.

- The budget for economic development and planning is R 18,5 million to be funded from the municipal reserves.

COMMUNITY SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Public Amenities			**2,200,000**	**1,900,000**	-	**300,000**	-
3 X LAPTOPS	New	Admin	100,000	100,000			
Cedarville and Harry Gwala Fencing	Upgrade	20,26	500,000	500,000			
Furniture	New	Admin	50,000	50,000	-	-	-
Furniture (Library)	New	Admin	300,000	-		300,000	
Stadiums borehole	New and upgrade	19	150,000	150,000	-	-	-
Fencing of Coffee Pot Rank	Upgrade	19	800,000	800,000	-	-	-
Community halls heavy duty plastic chairs	NEW	All Wards	300,000	300,000			
					-	-	-
Public Safety			**2,800,000**	**2,800,000**	-	-	-
Construction of Licensing Offices	Upgrade	Admin	2,800,000	2,800,000	-	-	-
				-	-	-	
Solid Waste & Enviroment			**2,850,000**	**2,850,000**	-	-	
Cemetery Establishment	New	1,19,26	800,000	800,000			
Waste Receptical	New	1,19,20,26	500,000	500,000			
Nature reserve fence	New	20	500,000	500,000			
Grass cutting Machines	New	1,19,20,26	800,000	800,000			
Laptops	New	Admin	200,000	200,000	-	-	-
furniture	New	Admin	50,000	50,000	-	-	-
				-	-	-	-
Community Governace			**150,000**	**150,000**			
Laptops x 1	New	Admin	50,000	50,000	-	-	-
Ofiice Furniture	New	Admin	50,000	50,000			
Printer	New	Admin	50,000	50,000	-	-	-
TOTAL COMMUNITY SERVICES			**8,000,000**	**7,700,000**	-	**300,000**	-

Remarks ;

- The total budget for community services is R 8 million, R7,7 million to be funded from the capital replacement reserves and R 300,000 to be funded from the Library Support grant.

INFRASTRUCTURE

PROJECT OPERATIONS AND MAINTENANCE

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
			38,521,000	**13,978,000**	-	-	**24,543,000**
Rhashule Bridge	New	9	2,000,000	2,000,000	-	-	-
Lunda Access Road	New	10	1,400,000	1,400,000			
Nkululekweni Access Road	New	3	3,500,000	3,500,000	-	-	-
Maloto Access Road	New	11	3,798,000	3,798,000			
Baxton Park Bridge	New	19	1,800,000	1,800,000			
Lugada Mahlabathini AR	New	17	10,308,000	550,000			9,758,000
Mdeni Bridge	New	3	550,000	550,000			
Mvenyane Access Road and Bridge	New	21	14,785,000	-			14,785,000
Tar spray, Concrete Mixer and Tar cutter	New	01,19,26	300,000	300,000	-	-	
Laptops	New	Admin	80,000	80,000	-	-	
				-	-	-	-
			38,521,000	**13,978,000**	-	-	**24,543,000**

Remarks;

- The total capital budget for the operations and maintenance unit is R 38,5 million, the Municipal disaster relief grant will fund R 24,5 million of the budget and R 13, 9 million will be funded from the capital reserves.

PROJECT MANAGEMET

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
							-
Cedarville Internal Streets Phase 4	New	26	20,000,000	-	20,000,000	-	-
Maluti iteranl streets phase 5	New	1	20,000,000	-	20,000,000	-	-
Mahasheng Access Road & Bridge	New	14	3,547,736	-	3,547,736	-	-
Lekhalong Via Magema to outspan Access road	New	27	2,116,564	-	2,116,564	-	-
Mafube to Nkosana Access Road &Bridge	New	8	3,982,650	-	3,982,650	-	-
Harry Gwala Internal Streets	New	20	6,000,000	-	6,000,000		
Harry Gwala Internal Streets (CRR)	New	20	6,000,000	6,000,000	-	-	-
Procurement of Specialised Vehicles	New	Whole Of Municipality	2,000,000	-	2,000,000		
Phalane to Mbizweni AR	New	22	3,725,000	3,725,000		-	-
Motsekua Access Road	New	27	2,880,000	2,880,000		-	-
Mapateng Access Road	New	2	3,590,000	3,590,000		-	-
Upgrading of Stormwater	Upgrade	19	2,000,000	2,000,000		-	-
Laptops x2	New	Admin	90,000	90,000			
			75,931,950	18,285,000	57,646,950	-	-

Remarks;

- The capital budget for project management unit is R 75,9 million, a portion of R 57,6 million will be funded from the Municipal infrastructure grant and R 18,32 million will be funded from the capital.

ELECTRICITY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2025/2026	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
4 Transfomers , 1 RMU	New/Upgrade	19&20	7,319,410	7,319,410	-	-	-
Procurement of 1 Cherry Picker Truck	New	19&20	3,000,000	3,000,000	-	-	-
FM Towerline	Upgrade	19	2,600,590	2,600,590	-	-	-
Landfill site Electrification	Upgrade	19	1,500,000	1,500,000	-	-	-
			14,420,000	14,420,000	-	-	-

- The capital budget for electricity unit is R 14,4 million, to be funded from the capital reserves.

TOTAL BUDGET 2025/26-2027/28

Description	Current Budget		2025/26 Medium Term Revenue & Expenditure Framework		
	APPROVED BUDGET 2024/2025	ADJUSTMENTS BUDGET 2024/2025	BUDGET 2025/2026	BUDGET +2026/2027	BUDGET +2027/2028
Operating Budget	584,466,312	585,266,698	594,623,647	619,414,388	635,558,328
Capital Budget	182,982,979	184,531,342	163,364,950	92,124,250	97,063,380
Total Budget	**767,449,291**	**769,798,040**	**757,988,597**	**711,538,638**	**732,621,708**

Remarks;

- The total annual budget is R 757,988,597; it should be noted that this is a decrease of R 11,809,443 from the current adjustments budget. The decrease is mainly as a result of decreased allocation in capital grants.

PROPOSED TARIFF INCREASES AND BUDGET ASSUMPTIONS

Property Rates

Property rates tariff is proposed to increase by 0% for the 2025/26 financial year as follows;

Categories	Rate Randages /Rand Value – c/R	Ratio in relation to residential property
Residential property	0.010878	1:1
Farm property as defined in Section 8(2) (d)(i) and 8 (2) (f) (i) of the Act (being Farm property used for agricultural purposes and smallholdings used for agricultural purposes)	0.0027195	1: 0.25
Agricultural property used predominantly for commercial and / or industrial purposes	0.0027195	1:0.25
Smallholdings used predominantly for commercial and / or industrial purposes	0.0027195	1: 0.25

Commercial / Business properties	**0.013054**	**1: 1.2**
Industrial properties	**0.013054**	**1:1.2**
Public Service Infrastructure properties	**0.0027195**	**1:0.25**
Municipal properties	**0.013054**	**1:1.2**

Residential **First R190 000 exempt** **40% Rebate**	**0.010878**	**0%**
Vacant Land	**0.02176**	**0%**
Commercial **15% exempt**	**0.013054**	**0%** **0%**
Government	**0.02176**	**0%**
Farms **70% rebate excluding State Owned farms (Government)**	**0.0027195**	**0%**
Industrial **15% rebate**	**0.013054**	**0%**
Municipal **100% rebate**	**0.013054**	**0%**

New Tariffs 2025/26

The following are new tariffs for outdoor advertising ;

	DESCRIPTION	New Tariff VAT Excluded 2025/2026
	Outdoor advertising	
	Monthly rental for ground and streetpoles advertising on Municipal land/property	347.83
	Monthly rental for billbards advertising (on Municipal land/property)	2608.7
	Payable annually for ground,wall, roof advertising on privately owned land/property	434.79
	Payable annually for billboard advertising on privately owned land/property	869.57

Service Charges

- The electricity tariff is proposed to increase by 11-16% subject to approval from NERSA.
- No increase is proposed for the Refuse tariffs and all other tariffs

Remuneration of Councillors and Employee related costs

- The municipality has provided for a 4.3% increase on both remunerations of councillors and Employee related costs as per the SALGBC salary and wage increase agreement.

Budget Related Policies

The following budget related policies have been reviewed for the 2025/26 budget,

1. Budget policy,
2. Cash management policy,
3. Cash shortage policy,
4. Credit control and debt collection policy,
5. Cost containment policy ,
6. Customer care policy,
7. Customer incentive scheme policy,
8. Data backup policy,
9. Debt capacity policy,
10. Donor finance policy,
11. Electricity token policy,
12. Entertainment & refreshments policy,

13. Fleet Management Policy ,
14. Unclaimed deposits policy,
15. Fraud prevention plan,
16. Gifts policy for officials,
17. Grants & donation policy,
18. GRAP framework policy,
19. Impairment and write off policy,
20. Cash-up Policy,
21. Fixed Assets Policy,
22. Payment Policy,
23. Petty Cash Policy,
24. Rates Policy,
25. Special Services Policy,
26. Strategy to improve Debtor policy,
27. Supply Chain Management Policy,
28. Tariff Policy,
29. Use of Credit Card Policy and
30. Virement Policy.
31. Infrastructure procurement and delivery management policy.
32. Indigent Policy
33. Banking and Investments Policy
34. Use of Consultants Policy

1.2 Council Resolutions

Council approves the following,

1. That, the annual budget of the municipality for the year 2025/26; and its indicative for the two projected outer years 2026/2027 and 2027/2028 as outlined on the report as set out in the following:
2. The revenue is anticipated to be R 677,099, 736 in the 2025/26 financial year. The adjusted budget for 2024/25 was R 683,564, 424. This is a decrease of R 6,464,687 from the current adjustment budget mainly due to decrease grants allocations. Revenue budget for the indicative years 2026/27 and 2027/28 is anticipated to be R 661,984,312 and R 690,696,725 respectively.
3. The municipality will receive both conditional and unconditional grants of R 432,7 million, a decrease of R 39,8 million from R 472,6 million on the 2025/26 from the allocations as gazetted on Division of Revenue Act (DoRA) inclusive of provincial allocations.
4. The annual operating expenditure is anticipated to be R 594,623,644 in the 2025/26 financial year. The adjusted budget for 2024/25 was R 585,266,698. This is an increase of R 9,356,946 from the current adjustment budget. For the two outer years 2026/27 and 2027/28 the operating expenditure budget is anticipated to be R 619,414,388 and R 635,558,328 respectively.
5. The capital expenditure is anticipated to be R 163,364, 950 in the 2025/26 financial year. The adjusted budget for 2025/26 was R 184, 531, 342. This is a decrease of R 21,166,392 from the adjustment budget. For the two outer years 2026/27 and 2027/28 capital expenditure is anticipated to be R 92,124,250 and R 97,063,380 respectively.

- The capital allocation from the Municipal Infrastructure has increased slightly by R 2,942,150 to a budget of R 57,646,950
- Municipal reserves funding has been decreased by R 5,360,799 to an allocation of R 80,785,000.
- Municipal disaster recovery grant has been decreased by R18,097,743 to a budget of R 24,543,000.
- Library Support grant funding capital expenditure has been decrease by R650,000 to an allocation of R 300,000 for this budget.

6. The council approves the employee costs of R 186,700,550 and remuneration of Councillors of R 24,665,902 with salary increase of 4.3% for both Councillors and Employees for the 2025/2026 budget.

7. The council approves the following tariff increases for the 2025/26 financial year ;
   Property rates tariff increase of 0% and first R 190 000 property values as exemption, 40% rebates on all residential properties, 15% rebates on all commercial and government properties, 70% on farm properties, 15% rebates on industrial properties and 100% rebates to all municipal properties.
8. No increase of Refuse tariffs has been affected.
9. Electricity tariff increase with 11 – 16% subject to approval by NERSA.
10. That all other municipal tariffs will not be increased.
11. That Council approved the following new tariffs ;

    12. That Council approved the following new tariffs ;

	DESCRIPTION	New Tariff VAT Excluded 2025/2026
	Outdoor advertising	
	Monthly rental for ground and streetpoles advertising on Municipal land/property	347.83
	Monthly rental for billbards advertising (on Municipal land/property)	2608.7
	Payable annually for ground,wall, roof advertising on privately owned land/property	434.79
	Payable annually for billboard advertising on privately owned land/property	869.57

13. That, council tables the reviewed policies as listed below,

    13.1. Budget policy,
    13.2. Cash management policy,
    13.3. Cash shortage policy,
    13.4. Credit control and debt collection policy,
    13.5. Cost containment policy ,
    13.6. Customer care policy,
    13.7. Customer incentive scheme policy,
    13.8. Data backup policy,
    13.9. Debt capacity policy,
    13.10. Donor finance policy,
    13.11. Electricity token policy,
    13.12. Entertainment & refreshments policy,

13.13. Fleet Management Policy ,
13.14. Unclaimed deposits policy,
13.15. Fraud prevention plan,
13.16. Gifts policy for officials,
13.17. Grants & donation policy,
13.18. GRAP framework policy,
13.19. Impairment and write off policy,
13.20. Cash-up Policy,
13.21. Fixed Assets Policy,
13.22. Payment Policy,
13.23. Petty Cash Policy,
13.24. Rates Policy,
13.25. Special Services Policy,
13.26. Strategy to improve Debtor policy,
13.27. Supply Chain Management Policy,
13.28. Tariff Policy,
13.29. Use of Credit Card Policy and
13.30. Virement Policy.
13.31. Infrastructure procurement and delivery management policy.
13.32. Indigent Policy
13.33. Banking and Investments Policy
13.34. Use of Consultants Policy

Operating Revenue Framework

For Matatiele 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 and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure 85 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- 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.

The following table is a summary of the 2025/26 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	56,530	59,114	67,647	76,445	76,446	76,446	66,166	91,308	94,980	98,739
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	11,615	11,713	11,499	15,526	15,526	15,526	9,794	15,526	16,147	16,793
Sale of Goods and Rendering of Services		923	41,120	37,443	5,946	32,944	32,944	1,854	26,470	26,184	27,335
Agency services		–	–	–	–	3,000	3,000	–	1,800	1,872	1,947
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		2,188	1,313	1,667	2,200	2,220	2,200	1,616	2,220	7,288	2,380
Interest earned from Current and Non Current Assets		9,599	19,166	26,661	28,813	28,813	28,813	18,278	28,813	29,966	31,164
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		146	306	327	–	–	–	–	–	–	–
Rental from Fixed Assets		1,280	1,237	1,294	2,028	2,028	2,028	1,607	2,220	2,309	2,401
Licence and permits		3,503	3,596	3,909	4,322	1,522	1,522	3,511	4,434	4,611	4,796
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		263	264	635	882	882	882	356	905	915	952
Non-Exchange Revenue											
Property rates	2	48,726	48,716	50,849	61,937	61,937	61,937	57,364	61,937	67,597	70,300
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2,058	2,784	2,298	25,890	1,620	1,620	1,804	3,048	3,170	3,297
Licences or permits		(96)	64	28	25	25	25	30	25	26	27
Transfer and subsidies - Operational		267,351	293,763	316,426	380,244	336,047	336,047	357,436	331,856	324,160	338,919
Interest		14,820	14,956	16,571	–	24,270	24,270	13,733	24,270	25,241	26,250
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	104	–	–	–	–	–	–	–	–
Other Gains		(15)	381	–	–	–	–	1	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		416,870	498,666	535,492	584,409	585,289	585,289	533,533	594,640	599,445	625,330

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No.51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio to residential properties to be 1:025. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

These are statutory levies that are levied on the properties within the jurisdiction of Matatiele Local Municipality. The rates that are applicable to a particular property are determined using the valuation roll by multiplying property market value with the Council approved tariff per category. Residential property rates are levied on a valued that is in excess of R 190 000.

Rates are determined in accordance with the Municipal Property Rates Act No. 6 of 2004 as amended in 2014.
The municipality is currently making use of the 2023 General valuation roll to levy rates from 01 July 2024 to 30 June 2029.

• 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

• For pensioners, physically and mentally disabled persons, a minimum total rebate of 40 per cent will be granted to owners of rateable property if the total gross income of the applicant and/or his/her spouse, if any, is the following:
- Income not exceeding R 10,000.00

In this regard the following stipulations are relevant:
- The rate-able property concerned must be occupied only by the applicant and his/her spouse.
- The applicant must submit proof of his/her age, identity and also proof of the annual income from a social pension;
- The applicant's account must be paid in full, or if not, an arrangement to the debt should be in place; and
- The property must be categorized as residential.

Additional:
-Residential properties a 40% rebate
-Properties categorized commercial 15% rebate on rates.
-Farms/ Smallholdings used for agricultural purposes 70% rebates.
• The municipality may award a 100 per cent grant in aid on the assessment rates of rate-able properties of certain classes such as churches, registered welfare organizations, institutions or organizations performing charitable work,Sports grounds used for purposes of amateur sport.

In considering changes in property rates, cognizance was taken of the local economic conditions such as the gradual recovery in the property market, trends in household incomes and unemployment. Excessive increases in property rates and other tariffs are likely to be counterproductive, resulting in higher levels of non-payment and increased bad debts.

Table 2- Transfers and Grant Receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		342,334	345,491	405,297	355,428	326,780	363,485	327,138	322,910	337,613
Expanded Public Works Programme Integrated Grant		4,667	4,810	3,974	5,800	3,860	3,860	2,980	–	–
Integrated National Electrification Programme Grant		–	–	41,800	28,646	–	–	–	–	–
Local Government Financial Management Grant		1,800	1,650	1,700	1,700	1,700	1,700	1,800	2,000	2,200
Municipal Infrastructure Grant		79,971	52,725	54,893	2,879	2,879	37,584	3,034	3,292	3,441
Equitable Share		256,836	286,306	303,970	320,321	320,321	320,321	319,324	317,618	331,972
Provincial Government:		650	–	3,981	4,816	5,116	4,316	4,516	1,250	1,306
Library Grant		650	–	650	1,750	2,050	1,250	2,850	1,250	1,306
Dedeat Grant		–	–	3,331	3,066	3,066	3,066	1,666	–	–
District Municipality:		–	–	100	–	150	–	–	–	–
Specify (Add grant description)		–	–	100	–	150	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	342,984	345,491	409,318	360,244	334,047	367,801	331,654	324,160	338,919
Capital Transfers and Grants										
National Government:		97,778	48,539	32,706	95,797	97,346	48,659	82,190	62,539	65,377
Municipal Disaster Relief Grant		–	2,281	32,706	41,092	42,641	–	–	–	–
Municipal Infrastructure Grant		–	–	–	54,705	54,705	–	57,647	62,539	65,377
Integrated National Electrification Programme Grant		97,778	46,258	–	–	–	24,127	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	24,542	24,543	–	–
Provincial Government:		–	–	–	950	950	–	300	–	–
Library Grant		–	–	–	950	950	–	300	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	97,778	48,539	32,706	96,747	98,296	48,669	82,490	62,539	65,377
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	440,762	394,030	442,024	456,991	432,342	436,470	414,144	386,699	404,296

The municipality operational grants budget amounts to R 331,7 million for 2025/26 year, the operational grants budget equates to 49% of the total revenue budget.

Table 3 Comparison of rated levies for the 2025/26 financial year

CATEGORY	CURRENT TARIFF	TARIFF (EFFECTIVE FROM 1ST JULY 2025)
Residential		
Residential First R190 000 Exempted 40% Rebate	0.010878	0.010878
Vacant Land	0.02176	0.02176
Commercial 15% Rebate	0.013054	0.013054
Government 0 Rebates	0.02176	0.02176
Farms 70% Rebate Excluding State owned Farms (Government)	0.0027195	0.0027195
Industrial 15% Rebate	0.013054	0.013054
Municipal 100% discount	0.013054	0.013054

Table 4 Comparison between current electricity charges and increases

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	New Tariff Including VAT 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
1	**REFUSE REMOVAL CHARGES**				
1.1	*Domestic Removals*				
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	139.19	R 160.07	0.00%	139.19
1.2	*Commercial Removals*				
(a)	Each individual/separate business shall be charged a basic service charge per month.	208.77	R 240.09	0.00%	208.77
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	208.77	R 240.09	0.00%	208.77
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.				
1.5	*Removal from Separate Consumers on same Premises*				
	Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.				
1.6	*Availability Charge*				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	235.94	R 271.33	0.00%	235.94
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	117.97	R 135.66	0.00%	117.97

Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as fuel and oil and the employee related cost.
No increase on the waste tariff is proposed from for the 2025/26 budget year.

1.2.1 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 6 EC441 MATATIELE LOCAL MUNICIPALITY Table SA14 – Household bills

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		323.00	365.00	356.00	412.00	412.00	412.00	3.20%	425.00	425.00	425.00
Electricity: Basic levy		219.00	248.00	248.00	–	254.00	287.00	0.00%	322.00	322.00	322.00
Electricity: Consumption		660.00	745.00	745.00	–	765.00	865.00	0.00%	968.00	968.00	968.00
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		51.00	116.00	132.00	139.00	139.00	139.00	3.60%	144.00	144.00	144.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		1,253.00	1,467.00	1,481.00	551.00	1,570.00	1,703.00	237.4%	1,859.00	1,859.00	1,859.00
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total large household bill:		1,253.00	1,467.00	1,481.00	551.00	1,570.00	1,703.00	237.4%	1,859.00	1,859.00	1,859.00
% increase/-decrease		–	17.1%	1.0%	(62.8%)	184.9%	8.5%	(99.8%)	9.2%	–	–
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		323.00	365.00	365.00	412.00	412.00	412.00	3.20%	425.00	425.00	425.00
Electricity: Basic levy		219.00	248.00	248.00	258.00	291.00	291.00	26.40%	326.00	326.00	326.00
Electricity: Consumption		660.00	745.00	745.00	775.00	876.00	876.00	26.60%	981.00	981.00	981.00
Water: Basic levy		–	–	–	–	–	–	6.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		51.00	116.00	132.00	139.00	139.00	139.00	3.60%	144.00	144.00	144.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		1,253.00	1,467.00	1,481.00	1,584.00	1,718.00	1,718.00	18.4%	1,876.00	1,876.00	1,876.00
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		1,253.00	1,467.00	1,481.00	1,584.00	1,718.00	1,718.00	18.4%	1,876.00	1,876.00	1,876.00
% increase/-decrease		–	17.1%	1.0%	7.0%	8.5%	–	(100.0%)	9.2%	–	–
				-0.94	6.29	0.22	-1.00				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		30,000.00	30,000.00	55,000.00	65,000.00	65,000.00	65,000.00	192.30%	190,000.00	190,000.00	190,000.00
Electricity: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Electricity: Consumption		50.00	50.00	50.00	50.00	50.00	50.00	0.00%	50.00	50.00	50.00
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		–	–	–	–	–	–	0.00%	–	-	-
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		72,814.00	76,454.00	132.00	139.00	139.00	139.00	3.60%	144.00	144.00	144.00
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		102,864.00	106,504.00	55,182.00	65,189.00	65,189.00	65,189.00	191.9%	190,194.00	190,194.00	190,194.00
VAT on Services		–	–	–	–	–	–	0.00%	–	-	-
Total small household bill:		102,864.00	106,504.00	55,182.00	65,189.00	65,189.00	65,189.00	191.9%	190,194.00	190,194.00	190,194.00
% increase/-decrease		–	3.5%	(48.2%)	18.1%	–	–	(100.0%)	191.8%	–	–

Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 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;
- Strict adherences to the principle of no project plan no budget.
- Cost containment regulations .

The following table is a high level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

EC441 Matatiele - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	128,507	145,840	158,279	174,999	174,999	174,999	137,960	186,701	194,013	198,931
Remuneration of councillors		21,444	22,873	22,360	25,401	25,401	25,401	20,254	24,686	25,113	25,741
Bulk purchases - electricity	2	58,161	58,349	74,187	76,245	90,546	90,546	66,924	95,000	102,410	104,970
Inventory consumed	8	6,075	5,748	5,531	6,897	6,893	6,893	4,602	7,033	6,897	7,099
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		56,094	65,413	89,273	52,790	32,840	32,840	31,765	22,322	29,926	30,674
Interest		35	134	1,529	-	-	-	-	-	-	-
Contracted services		180,450	134,393	139,811	180,782	167,727	167,727	116,806	178,618	171,627	176,359
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17,651	13,361	24,017	6,294	6,294	6,294	-	6,500	6,792	6,962
Operational costs		48,557	59,820	47,003	80,058	79,567	79,567	52,718	78,784	82,635	84,851
Losses on disposal of Assets		78,219	9,813	13,459	-	-	-	-	-	-	-
Other Losses		-	-	284	-	-	-	-	-	-	-
Total Expenditure		516,193	516,832	603,703	584,466	585,267	585,267	431,041	604,624	619,414	635,598

The budgeted allocation for employee related costs for the 2025/26 financial year totals

R 186,7 million, which equals 31 per cent of the total operating expenditure. The municipality has affected an increase of 4.3 % for the 2025/2026 budget year.

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.

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt Write-off Policy of the Municipality. For the 2025/26 financial year this amount equates to R 6,5 million and escalates to R 7 million by 2027/28.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 R 22,3 million for the 2025/2026 financial and equates to 4 per cent of the total operating expenditure.

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 provisions. The expenditures include distribution losses.

Other material comprises of amongst others materials for maintenance.
For 2025/26 budget year the appropriation against this group of expenditure is by 1 per cent and is maintained at 1 per cent for the two outer years.

Other expenditure comprises of various line items relating to the daily operations of the municipality. The appropriation for this group of expenditures equates to 13 per cent for 2025/26.

1.2.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services.

Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value) is 2.6% which is below the norm of 8%, the municipality will strive to allocate more budget to the upgrading and maintenance of infrastructure.

The table below provides a breakdown of the repairs and maintenance in relation expenditure items:

Table 8 Repairs and maintenance by expenditure item

EC441 Matatiele - Table A9 Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE OTHER ITEMS		74,826	71,226	82,187	81,270	60,730	60,730	50,572	58,862	60,772
Depreciation	7	54,936	56,483	63,882	52,790	32,840	32,840	22,322	29,926	30,674
Repairs and Maintenance by Asset Class	3	[illegible]	14,743	18,305	[illegible]	27,890	27,890	28,250	[illegible]	[illegible]
Roads Infrastructure		4,513	205	3,025	3,500	3,500	3,500	3,100	3,230	3,320
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		4,513	205	3,025	3,500	3,500	3,500	3,100	3,230	3,320
Community Facilities		1,401	1,054	800	2,550	2,550	2,550	2,790	3,494	3,557
Sport and Recreation Facilities		7,523	7,434	7,685	8,500	8,500	8,500	9,700	10,137	10,390
Community Assets		8,914	[illegible]	8,485	11,050	11,050	11,050	12,490	13,631	13,947
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		715	393	1,185	4,750	4,610	4,610	4,080	2,404	2,464
Housing		–	–	–	–	–	–	–	–	–
Other Assets		715	393	1,185	4,750	4,610	4,610	4,080	2,404	2,464
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,277	1,350	825	3,700	3,330	3,330	[illegible]	4,254	4,370
Transport Assets		3,576	4,297	4,784	5,400	5,400	5,400	[illegible]	6,399	5,997
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		74,826	71,226	82,187	81,270	60,730	60,730	50,572	58,862	60,772

For the 2025/26 financial year repairs and maintenance is budgeted at R 28,3 million this equates to 5% of the total operating budget.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 12 039 or more indigent households during the 2025/26 financial year, a process reviewed annually.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 09 2025/26 Medium-term capital budget per vote

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate		–	–	–	–	–	–	–	–	–	–
Vote 4 - Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure		–	–	–	–	–	–	–	–	–	–
Vote 7 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council		74	–	64	90	90	90	25	–	–	–
Vote 2 - Finance and Admin		562	3,867	3,322	3,225	3,225	3,225	1,779	4,397	–	–
Vote 3 - Corporate		4,696	1,704	1,983	3,920	3,920	3,920	1,014	3,240	–	–
Vote 4 - Development and Planning		163	–	116	8,705	8,705	8,705	2,095	18,855	–	–
Vote 5 - Community		2,484	2,787	5,715	16,360	16,360	16,360	2,937	8,000	–	–
Vote 6 - Infrastructure		181,979	91,727	118,710	150,683	152,231	152,231	81,838	128,873	92,124	97,063
Vote 7 - Internal Audit		–	–	46	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		189,960	100,084	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063
Total Capital Expenditure - Vote		189,960	100,084	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063

1.4 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

MBRR Table A1 - Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 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 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	48,726	48,716	50,849	61,937	61,937	61,937	61,937	61,937	67,597	70,300
Service charges	68,146	70,828	79,146	91,972	91,972	91,972	91,972	106,834	111,107	115,551
Investment revenue	9,399	19,146	24,861	28,813	28,813	28,813	28,813	28,813	29,966	31,164
Transfer and subsidies - Operational	267,351	293,763	316,426	360,244	334,047	334,047	334,047	331,654	334,160	338,919
Other own revenue	24,248	66,296	64,211	41,503	68,501	68,501	68,501	65,372	65,616	69,385
Total Revenue (excluding capital transfers and contributions)	418,070	498,658	535,492	584,469	585,269	585,269	585,269	594,610	599,445	625,320
Employee costs	128,507	146,840	166,279	174,999	174,999	174,999	174,999	186,701	194,013	198,931
Remuneration of councillors	21,444	22,872	22,360	26,401	26,401	26,401	26,401	24,666	25,113	25,741
Depreciation and amortisation	56,094	66,413	69,273	52,790	32,840	32,840	32,840	22,322	29,926	30,674
Interest	35	134	1,529	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	64,236	64,088	79,688	83,143	97,439	97,439	97,439	105,033	109,307	112,040
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	245,877	217,485	244,574	247,133	253,586	253,586	253,586	255,933	261,055	268,173
Total Expenditure	516,193	516,832	603,703	584,466	585,267	585,267	585,267	594,624	619,414	635,558
Surplus/(Deficit)	(98,124)	(18,174)	(68,210)	2	2	2	2	(14)	(19,970)	(10,239)
Transfers and subsidies - capital (monetary allocations)	165,532	62,066	68,464	96,747	98,296	98,296	60,472	82,490	62,539	65,377
Transfers and subsidies - capital (in-kind)	–	–	7,380	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	67,408	43,891	7,633	96,749	98,298	98,298	60,474	82,476	42,570	55,138
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	67,408	43,891	7,633	96,749	98,298	98,296	60,474	82,476	42,570	55,138
Capital expenditure & funds sources										
Capital expenditure	189,960	100,084	129,966	182,983	184,531	184,531	89,648	163,366	92,124	97,063
Transfers recognised - capital	141,845	50,769	60,403	96,747	98,296	98,296	51,666	82,490	62,539	65,377
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	47,709	48,945	69,463	86,236	86,236	86,236	37,981	80,875	29,585	31,686
Total sources of capital funds	189,554	99,714	129,866	182,983	184,531	184,531	89,648	163,366	92,124	97,063
Financial position										
Total current assets	420,246	387,248	382,990	481,343	461,383	461,383	486,686	430,240	512,356	576,097
Total non current assets	980,825	985,962	1,050,646	988,611	1,010,110	1,010,110	1,108,528	1,275,562	1,337,760	1,404,150
Total current liabilities	150,317	127,144	164,413	198,386	198,386	198,386	162,025	201,988	218,654	235,987
Total non current liabilities	43,429	44,880	40,325	38,250	38,280	38,280	40,325	22,501	22,501	22,501
Community wealth/Equity	1,207,325	1,201,186	1,238,898	1,232,317	1,233,866	1,233,866	1,400,591	1,481,313	1,608,961	1,721,759
Cash flows										
Net cash from (used) operating	340,998	380,840	391,510	177,947	157,245	157,245	157,245	151,401	88,824	102,363
Net cash from (used) investing	(188,241)	(143,199)	(167,906)	(182,983)	(184,531)	(184,531)	(184,531)	(163,388)	(92,124)	(97,063)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	377,179	484,373	478,391	290,162	267,912	267,912	267,912	230,836	227,536	232,836
Cash backing/surplus reconciliation										
Cash and investments available	236,732	254,787	258,146	290,162	267,912	267,912	334,015	230,836	227,536	232,836
Total Application of cash and investments	492,514	529,794	560,314	210,973	196,022	196,022	(504,953)	72,582	(39,823)	(80,553)
Balance - surplus (shortfall)	(255,782)	(275,007)	(302,169)	79,189	71,890	71,890	838,968	158,255	267,359	313,388
Asset management										
Asset register summary (WDV)	905,956	910,916	928,644	842,540	863,422	863,422	863,422	1,134,258	1,104,732	1,074,059
Depreciation	54,936	56,488	63,882	52,790	32,840	32,840	32,840	22,322	29,926	30,674
Renewal and Upgrading of Existing Assets	32,993	35,604	41,715	75,243	77,103	77,103	77,103	96,255	2,805	3,086
Repairs and Maintenance	19,089	14,743	18,335	28,480	27,890	27,890	27,890	28,250	29,938	30,098
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	20,127	20,127	20,127	20,127	20,865	21,700	22,568
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
        iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently, Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2025/26, when a small surplus is reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		333,981	372,020	399,813	438,117	440,124	440,124	437,220	443,540	463,051
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		333,981	372,020	399,813	438,117	440,124	440,124	437,220	443,540	463,051
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		11,464	12,997	13,483	14,604	13,047	13,047	17,474	13,048	13,576
Community and social services		6,057	6,664	7,261	8,904	7,347	7,347	8,646	3,867	4,027
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		5,407	6,334	6,222	5,700	5,700	5,700	8,828	9,181	9,548
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		68,038	56,977	57,621	104,188	106,097	106,097	90,736	71,563	74,780
Planning and development		171	(5,170)	(4,127)	5,502	5,862	5,862	5,502	5,722	5,951
Road transport		67,867	62,147	61,748	98,686	100,235	100,235	85,234	65,841	68,829
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		170,119	118,729	140,419	124,307	124,307	124,307	131,670	133,833	139,290
Energy sources		156,620	106,919	120,443	105,494	105,494	105,494	114,257	117,456	122,258
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		13,499	11,810	19,977	18,813	18,813	18,813	17,413	16,377	17,032
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	583,602	560,723	611,336	681,216	683,564	683,564	677,100	661,984	690,657
Expenditure - Functional										
Governance and administration		241,964	213,137	283,925	256,861	264,711	264,711	270,868	283,651	290,728
Executive and council		28,897	30,685	30,467	35,348	35,348	35,348	33,755	34,223	35,051
Finance and administration		208,687	178,881	249,298	216,649	224,499	224,499	232,129	243,840	249,875
Internal audit		4,380	3,571	4,159	4,864	4,864	4,864	4,984	5,588	5,802
Community and public safety		35,002	46,565	64,187	55,502	52,353	52,353	58,193	58,355	59,002
Community and social services		15,738	24,580	41,891	29,281	25,781	25,781	28,268	26,577	26,709
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		19,264	21,984	22,296	26,221	26,571	26,571	29,925	31,778	32,293
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		72,266	126,179	83,452	115,059	103,179	103,179	96,110	108,688	111,474
Planning and development		19,907	19,784	31,604	48,686	48,536	48,536	45,203	48,160	49,364
Road transport		52,359	106,395	51,848	66,373	54,643	54,643	50,908	60,529	62,110
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		166,961	130,961	172,140	157,044	165,024	165,024	169,452	168,720	174,354
Energy sources		141,882	114,148	150,153	131,098	140,428	140,428	142,991	142,913	147,937
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		25,079	16,824	21,987	25,946	24,596	24,596	26,461	25,806	26,418
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	516,193	516,832	603,703	584,466	585,267	585,267	594,624	619,414	635,558
Surplus/(Deficit) for the year		67,409	43,891	7,633	96,749	98,298	98,298	82,476	42,570	55,138

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333,448	371,565	399,412	437,767	439,774	439,774	436,879	443,176	462,673
Vote 3 - Corporate		533	454	401	350	350	350	350	364	379
Vote 4 - Development and Planning		283	(5,191)	(4,022)	5,502	5,852	5,852	5,502	5,722	5,951
Vote 5 - Community		24,963	24,837	33,460	33,416	31,860	31,860	34,887	29,424	30,607
Vote 6 - Infrastructure		224,375	169,087	182,086	204,180	205,729	205,729	199,491	183,298	191,087
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583,682	560,723	611,336	681,216	683,564	683,564	677,108	661,984	690,697
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		28,897	30,686	30,467	35,348	35,348	35,348	33,755	34,223	35,051
Vote 2 - Finance and Admin		144,926	106,392	167,602	125,287	130,737	130,737	132,658	143,183	148,356
Vote 3 - Corporate		63,761	72,489	81,696	91,362	93,762	93,762	99,471	100,657	101,519
Vote 4 - Development and Planning		20,957	19,940	31,604	48,686	48,536	48,536	45,203	48,160	49,364
Vote 5 - Community		60,081	63,368	86,174	81,448	76,949	76,949	84,654	84,163	85,420
Vote 6 - Infrastructure		193,191	220,387	202,000	197,471	195,071	195,071	193,899	203,441	210,046
Vote 7 - Internal Audit		4,380	3,571	4,159	4,864	4,864	4,864	4,984	5,588	5,802
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	516,193	516,432	603,703	584,466	585,267	585,267	594,624	619,414	635,558
Surplus/(Deficit) for the year	2	67,489	43,991	7,633	96,749	98,298	98,298	82,476	42,570	55,139

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	56,530	59,114	67,647	76,445	76,445	76,445	66,158	91,308	94,960	98,759
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11,615	11,713	11,499	15,526	15,526	15,526	9,794	15,526	16,147	16,793
Sale of Goods and Rendering of Services		923	41,120	37,443	5,946	32,644	32,644	1,854	26,470	25,184	27,335
Agency services		-	-	-	-	3,000	3,000	-	1,800	1,872	1,947
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2,168	1,313	1,657	2,200	2,200	2,200	1,616	2,200	2,288	2,380
Interest earned from Current and Non Current Assets		9,569	19,146	24,881	28,813	28,813	28,813	18,278	28,813	29,966	31,164
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		144	206	327	-	-	-	-	-	-	-
Rental from Fixed Assets		1,260	1,237	1,294	2,028	2,028	2,028	1,697	2,220	2,309	2,401
Licence and permits		3,503	3,596	3,969	4,522	1,522	1,522	3,511	4,434	4,611	4,796
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		283	264	635	882	882	882	354	880	915	952
Non-Exchange Revenue											
Property rates	2	48,726	48,716	50,849	61,937	61,937	61,937	57,364	61,937	67,597	70,300
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2,058	2,754	2,288	25,880	1,620	1,620	1,884	3,048	3,170	3,297
Licences or permits		(96)	64	28	25	25	25	30	25	26	27
Transfer and subsidies - Operational		267,351	290,763	316,428	309,244	334,047	334,047	357,436	331,884	324,380	338,919
Interest		14,920	14,956	16,571	-	24,278	24,278	13,733	24,278	25,241	26,258
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	104	-	-	-	-	-	-	-	-
Other Gains		(15)	391	-	-	-	-	1	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		416,870	498,668	535,482	584,469	585,269	585,299	533,533	594,618	599,445	625,320
Expenditure											
Employee related costs	2	128,507	146,840	166,279	174,999	174,999	174,999	137,360	186,781	194,013	190,931
Remuneration of councillors		21,444	22,872	22,360	26,401	26,401	26,401	20,264	24,666	25,113	25,741
Bulk purchases - electricity	2	56,161	58,340	74,157	76,246	90,546	90,546	66,924	98,000	102,410	104,970
Inventory consumed	4	6,075	5,748	5,531	6,807	6,893	6,893	4,602	7,033	6,897	7,089
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		56,094	66,413	86,273	52,790	32,840	32,840	31,765	22,322	29,926	30,674
Interest		35	134	1,529	-	-	-	-	-	-	-
Contracted services		100,450	134,393	139,811	160,782	167,727	167,727	116,808	170,618	173,627	176,399
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17,691	13,361	24,017	6,256	6,256	6,256	-	6,500	6,792	6,982
Operational costs		49,557	59,820	87,003	80,058	79,567	79,567	52,718	78,784	82,635	84,851
Losses on disposal of Assets		70,219	9,911	13,459	-	-	-	-	-	-	-
Other Losses		-	-	284	-	-	-	-	-	-	-
Total Expenditure		515,193	516,832	603,703	584,466	585,267	585,267	431,861	594,634	619,414	635,558
Surplus/(Deficit)		(98,124)	(18,174)	(68,210)	2	2	2	102,492	(14)	(19,970)	(10,239)
Transfers and subsidies - capital (monetary	6	165,532	62,066	68,464	96,747	98,296	98,296	60,472	82,490	62,536	65,377
Transfers and subsidies - capital (in-kind)	6	-	-	7,380	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67,408	43,891	7,633	96,749	98,298	98,298	162,965	82,476	42,576	55,138
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67,408	43,891	7,633	96,749	98,298	98,298	162,965	82,476	42,576	55,138
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67,408	43,891	7,633	96,749	98,298	98,298	162,965	82,476	42,576	55,138
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	67,408	43,891	7,633	96,749	98,298	98,298	162,965	82,476	42,576	55,138

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R 594,6 million (excluding capital and escalates to R 625.3 million by 2027/28.
2. Revenue to be generated from property rates is R 61,9 million in the 2025/26 financial year and increases to R 70,3 million by 2027/28 which represents 9 per cent of the own operating revenue base of the Municipality and therefore remains a significant funding source for the municipality's own revenue.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 106,8 million for the 2025/26 financial year and increasing to R 115,6 million by 2027/28. For the 2025/26 financial year services charges amount to 16 per cent of the total operating revenue base. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The percentage share of this revenue source increases each year as per the allocations on the DORA.
5. Bulk purchases amount to R 98 million and increases to R 105 million for 2027/28. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–	–	–	–
Vote 3 - Corporate		–	–	–	–	–	–	–	–	–	–
Vote 4 - Development and Planning		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community		–	–	–	–	–	–	–	–	–	–
Vote 6 - Infrastructure		–	–	–	–	–	–	–	–	–	–
Vote 7 - Internal Audit		–	–	–	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure to be appropriated	2										
Vote 1 - Executive Council		74	–	64	90	90	90	25	–	–	–
Vote 2 - Finance and Admin		952	3,867	3,322	3,225	3,225	3,225	1,779	4,397	–	–
Vote 3 - Corporate		4,698	1,704	1,983	3,920	3,920	3,920	1,014	3,240	–	–
Vote 4 - Development and Planning		163	–	116	8,705	8,705	8,705	2,055	18,855	–	–
Vote 5 - Community		2,484	2,787	5,715	16,300	16,300	16,300	2,937	8,000	–	–
Vote 6 - Infrastructure		141,979	91,727	118,710	150,683	152,231	152,231	81,838	128,873	92,124	97,063
Vote 7 - Internal Audit		–	–	46	–	–	–	–	–	–	–
Vote 8 -		–	–	–	–	–	–	–	–	–	–
Vote 9 -		–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		189,960	100,084	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063
Total Capital Expenditure - Vote		189,960	100,084	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063
Capital Expenditure - Functional											
Governance and administration		5,334	5,571	5,415	7,236	7,236	7,236	2,818	7,637	–	–
Executive and council		74	–	64	90	90	90	25	–	–	–
Finance and administration		5,260	5,571	5,305	7,146	7,145	7,146	2,792	7,637	–	–
Internal audit		–	–	46	–	–	–	–	–	–	–
Community and public safety		1,366	2,456	4,346	10,410	10,557	10,557	910	5,150	–	–
Community and social services		166	743	851	2,510	2,857	2,857	702	2,350	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–	–
Public safety		1,199	1,713	3,495	7,900	7,700	7,700	208	2,800	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		84,209	88,739	100,693	149,738	149,232	149,232	76,251	133,308	92,124	97,063
Planning and development		163	–	116	8,705	8,705	8,705	2,055	18,855	–	–
Road transport		84,047	88,739	100,577	141,033	140,527	140,527	74,196	114,453	92,124	97,063
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		99,051	3,318	19,503	15,600	17,507	17,507	9,581	17,279	–	–
Energy sources		97,933	2,987	18,133	9,650	11,704	11,704	7,643	14,429	–	–
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		1,119	330	1,369	5,950	5,803	5,803	1,938	2,850	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	189,960	100,084	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063
Funded by:											
National Government		141,845	50,769	60,493	95,797	97,346	97,346	51,119	82,190	62,539	65,377
Provincial Government		–	–	–	950	950	950	547	300	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	141,845	50,769	60,493	96,747	98,296	98,296	51,666	82,490	62,539	65,377
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		47,709	48,945	69,463	86,236	86,236	86,236	37,981	80,875	29,585	31,686
Total Capital Funding	7	189,554	99,714	129,956	182,983	184,531	184,531	89,648	163,365	92,124	97,063

Notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from capital and provincial grants and transfers, public contributions and donations and internally generated funds from current year surpluses. These funding sources are further discussed in detail in 2.6 (Overview of Budget Funding).

MBRR Table A6 -Budgeted Financial Position

Explanatory notes to Table A6 - Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		236,732	254,787	258,145	290,162	287,912	287,912	334,015	230,836	227,536	232,836
Trade and other receivables from exchange transactions	1	(20,836)	(27,588)	(43,578)	126,504	128,804	128,804	(34,013)	54,354	86,684	118,454
Receivables from non-exchange transactions	1	126,487	143,549	154,385	37,651	37,751	37,751	173,374	125,528	130,767	136,255
Current portion of non-current receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	1,874	1,635	4,413	3,041	3,041	3,041	4,332	3,784	3,784	3,784
VAT		71,028	9,577	13,159	18,836	18,836	18,836	12,928	10,438	59,175	79,368
Other current assets		4,961	5,319	6,546	5,048	5,048	5,048	5,048	5,400	5,400	5,400
Total current assets		420,245	387,248	392,990	481,343	481,393	481,393	495,685	430,240	512,356	576,097
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
Property, plant and equipment	3	974,789	978,548	1,043,570	991,457	1,002,355	1,002,365	1,101,535	1,267,358	1,329,767	1,396,156
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		679	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
Intangible assets		306	911	573	692	1,262	1,262	491	1,491	1,491	1,491
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		980,935	985,962	1,050,645	998,541	1,010,119	1,010,119	1,108,528	1,275,562	1,337,760	1,404,150
TOTAL ASSETS		1,401,072	1,373,210	1,443,636	1,469,954	1,471,502	1,471,502	1,604,213	1,705,802	1,850,116	1,980,247
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		1,678	1,636	1,780	472	472	472	1,700	528	528	528
Trade and other payables from exchange transactions	4	54,869	58,832	60,097	126,890	126,890	126,890	36,163	65,900	65,900	65,900
Trade and other payables from non-exchange transactions	5	12,348	4,906	21,039	20,746	20,746	20,746	43,979	29,800	29,800	29,800
Provision		11,386	11,616	23,809	29,993	29,993	29,993	26,700	43,950	43,950	43,950
VAT		68,021	47,176	54,728	20,283	20,285	20,288	54,385	61,810	78,476	95,809
Other current liabilities		2,961	2,961	2,981	-	-	-	-	-	-	-
Total current liabilities		150,317	127,144	164,413	198,386	198,385	198,386	162,025	201,988	218,654	235,987
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	28,828	30,382	23,768	39,250	39,250	39,250	23,768	22,501	22,501	22,501
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		14,601	14,497	16,556	-	-	-	16,556	-	-	-
Total non current liabilities		43,429	44,880	40,325	39,250	39,250	39,250	40,325	22,501	22,501	22,501
TOTAL LIABILITIES		193,746	172,024	204,737	237,637	237,637	237,637	202,350	224,489	241,155	258,487
NET ASSETS		1,207,325	1,201,186	1,238,898	1,232,317	1,233,866	1,233,866	1,401,863	1,481,313	1,608,961	1,721,759
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	811,942	835,426	843,059	1,146,080	1,147,630	1,147,630	1,004,782	1,400,438	1,579,376	1,690,073
Reserves and funds	9	395,384	365,760	395,839	86,236	86,236	86,236	395,809	80,875	29,585	31,685
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	1,207,325	1,201,186	1,238,898	1,232,317	1,233,866	1,233,866	1,400,591	1,481,313	1,608,961	1,721,759

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table A7 - Budgeted Cash Flow Statement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		36,420	43,708	52,679	52,646	52,646	52,646	52,646	52,646	57,457	59,755
Service charges		82,021	70,126	85,259	80,376	78,176	78,176	78,176	90,609	94,441	98,219
Other revenue		15,705	21,974	22,975	84,903	87,131	87,131	87,131	84,321	75,429	78,222
Transfers and Subsidies - Operational	1	266,302	293,564	346,670	360,244	334,047	334,047	334,047	331,654	324,160	338,919
Transfers and Subsidies - Capital	1	174,749	119,841	114,964	96,747	96,296	96,296	96,296	82,490	62,539	65,377
Interest		4,385	18,991	24,009	26,813	53,083	53,083	53,083	55,285	57,494	59,794
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(218,685)	(177,969)	(255,045)	(529,393)	(546,133)	(546,133)	(546,133)	(565,602)	(582,696)	(597,922)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		340,906	398,540	391,510	177,947	157,245	157,245	157,245	131,401	88,824	102,363
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(188,241)	(143,199)	(167,906)	(182,983)	(184,531)	(184,531)	(184,531)	(163,365)	(92,124)	(97,063)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188,241)	(143,199)	(167,906)	(182,983)	(184,531)	(184,531)	(184,531)	(163,365)	(92,124)	(97,063)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		152,757	247,641	223,604	(5,036)	(27,286)	(27,286)	(27,286)	(31,964)	(3,300)	5,300
Cash/cash equivalents at the year begin:	2	224,422	236,732	254,787	295,199	295,199	295,199	295,199	262,800	230,836	227,536
Cash/cash equivalents at the year end:	2	377,179	484,373	478,391	290,162	267,912	267,912	267,912	230,836	227,536	232,836

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2025/26 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2025/26 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R 230,8 million and R 232,8 million in 2027/28 outer year.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	377,179	404,373	478,391	290,162	267,912	267,912	267,912	230,836	227,536	232,836
Other current investments > 90 days		(140,447)	(229,586)	(220,247)	–	–	–	66,103	(0)	(0)	(0)
Non current investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		236,732	254,787	258,145	290,162	267,912	267,912	334,015	230,836	227,536	232,836
Application of cash and investments											
Unspent conditional transfers		12,340	4,904	21,038	20,746	20,746	20,746	43,979	29,800	29,800	29,800
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	77,577	122,173	125,143	1,449	1,449	1,449	(126,032)	51,372	19,301	16,440
Other working capital requirements	3	23,354	23,206	21,631	72,549	57,598	57,598	(31,399)	(133,415)	(162,459)	(202,430)
Other provisions		14,310	14,776	28,769	29,963	29,963	29,963	(28,769)	43,950	43,950	43,950
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	364,732	364,732	364,732	86,236	86,236	86,236	(364,732)	80,875	29,585	31,686
Total Application of cash and investments:		492,514	529,794	560,314	210,973	196,022	196,022	(504,953)	72,582	(39,823)	(80,553)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(255,782)	(275,007)	(302,169)	79,189	71,890	71,890	838,968	158,255	267,359	313,389
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(255,782)	(275,007)	(302,169)	79,189	71,890	71,890	838,968	158,255	267,359	313,389

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Considering the requirements of section 18 of the MFMA, it can be concluded that the tabled 2025/26 MTREF is funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

A9 - Asset Management

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CAPITAL EXPENDITURE										
Total New Assets	1	106,967	64,481	88,341	107,748	107,428	107,428	127,114	80,319	93,978
Roads Infrastructure		47,311	44,575	53,601	80,044	59,914	59,914	40,648	80,319	93,978
Storm water Infrastructure		–	–	–	1,000	1,000	1,000	2,000	–	–
Electrical Infrastructure		97,236	6,230	10,308	2,650	2,650	2,650	4,101	–	–
Water Supply Infrastructure		–	–	460	400	400	400	150	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	680	1,700	1,663	1,663	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		898	343	221	980	580	580	600	–	–
Infrastructure		145,445	51,156	65,259	88,344	88,167	88,167	47,400	80,319	93,978
Community Facilities		907	–	–	2,535	2,735	2,735	1,800	–	–
Sport and Recreation Facilities		1,634	92	5,904	1,185	681	681	3,500	–	–
Community Assets		2,541	92	5,904	3,720	3,416	3,416	5,300	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		2,464	2,918	1,053	6,900	6,250	6,250	10,600	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		2,464	2,918	1,053	6,900	6,250	6,250	10,600	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		50	–	–	300	900	900	1,000	–	–
Intangible Assets		50	–	–	300	900	900	1,000	–	–
Computer Equipment		4,328	1,757	2,482	4,110	3,600	3,600	3,000	–	–
Furniture and Office Equipment		301	225	573	1,475	1,316	1,316	3,737	–	–
Machinery and Equipment		1,837	3,283	4,004	7,000	10,828	10,828	8,394	–	–
Transport Assets		–	4,700	8,365	17,811	14,893	14,893	7,300	–	–
Land		–	370	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	4,460	14,297	51,292	53,241	53,241	560	665	665
Roads Infrastructure		–	4,460	14,297	51,292	53,241	53,241	560	665	665
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	4,460	14,297	51,292	53,241	53,241	560	665	665
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–

Total Upgrading of Existing Assets	6	32,993	31,135	27,418	23,951	23,862	23,862	35,705	2,200	2,420
Roads Infrastructure		32,536	26,477	18,816	14,413	13,913	13,913	28,785	2,200	2,420
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		240	1,995	4,029	1,600	2,011	2,011	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	920	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		217	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		32,993	28,472	22,845	16,013	15,925	15,925	29,705	2,200	2,420
Community Facilities		-	-	-	1,500	1,500	1,500	6,000	-	-
Sport and Recreation Facilities		-	2,663	4,443	4,438	4,438	4,438	-	-	-
Community Assets		-	2,663	4,443	5,938	5,938	5,938	6,000	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	130	2,000	2,000	2,000	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	130	2,000	2,000	2,000	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	189,960	100,084	129,956	182,983	184,531	184,531	163,365	92,124	97,063
Roads Infrastructure		79,847	75,521	85,714	125,749	127,068	127,068	109,983	92,124	97,063
Storm water Infrastructure		-	-	-	1,000	1,000	1,000	2,000	-	-
Electrical Infrastructure		97,476	8,234	14,338	4,280	4,661	4,661	4,101	-	-
Water Supply Infrastructure		-	-	466	400	400	400	1,070	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		217	-	650	1,700	1,653	1,653	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		890	343	221	550	550	550	600	-	-
Infrastructure		178,430	84,098	102,392	133,680	135,332	135,332	117,754	92,124	97,063
Community Facilities		907	-	-	4,035	4,235	4,235	7,800	-	-
Sport and Recreation Facilities		1,634	2,754	10,347	5,623	5,118	5,118	3,500	-	-
Community Assets		2,541	2,754	10,347	9,658	9,353	9,353	11,300	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2,464	2,918	1,182	8,900	8,250	8,250	10,800	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,464	2,918	1,182	8,900	8,250	8,250	10,800	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		90	-	-	300	900	900	1,000	-	-
Intangible Assets		90	-	-	300	900	900	1,000	-	-
Computer Equipment		4,338	1,757	2,482	4,110	3,660	3,660	3,000	-	-
Furniture and Office Equipment		361	225	573	1,475	1,315	1,315	3,737	-	-
Machinery and Equipment		1,837	3,283	4,694	7,000	10,838	10,838	8,594	-	-
Transport Assets		-	4,760	8,365	17,811	14,893	14,893	7,300	-	-
Land		-	376	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		189,960	100,084	129,956	182,983	184,531	184,531	163,365	92,124	97,063

ASSET REGISTER SUMMARY - PPE (WDV)	5	905,954	910,916	938,644	842,540	863,422	863,422	1,134,258	1,104,732	1,074,659
Roads Infrastructure		496,896	515,316	535,802	(33,474)	(24,674)	(24,674)	(16,815)	(40,372)	(64,626)
Storm water Infrastructure		(2,282)	(2,282)	(2,282)	–	–	–	–	–	–
Electrical Infrastructure		(3,436)	(31,895)	(38,909)	(7,700)	2,254	2,254	7,319	7,319	7,319
Water Supply Infrastructure		–	–	–	(1,000)	0	0	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		12,896	12,871	11,558	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		371	371	371	230	230	230	–	–	–
Infrastructure		504,074	463,881	505,739	(41,924)	(22,170)	(22,170)	(9,196)	(33,053)	(57,507)
Community Assets		124,852	141,009	178,746	864,614	864,514	864,514	1,127,525	1,127,525	1,127,525
Heritage Assets		870	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
Investment properties		4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
Other Assets		167,085	100,607	123,858	510	510	510	(20)	(41)	(62)
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		205	911	973	682	1,282	1,252	1,491	1,491	1,491
Computer Equipment		23,316	17,382	11,202	3,402	2,937	2,937	1,324	1,465	1,405
Furniture and Office Equipment		5,800	5,895	4,678	657	1,157	1,157	2,937	2,937	2,937
Machinery and Equipment		2,512	6,067	7,138	1,280	2,792	2,792	2,076	2,223	2,169
Transport Assets		30,085	23,220	31,247	16,846	16,926	16,926	1,619	(4,318)	(10,403)
Land		52,734	55,951	55,951	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	905,956	910,916	938,644	842,540	863,422	863,422	1,134,258	1,104,732	1,074,659
EXPENDITURE OTHER ITEMS		74,826	71,226	82,187	81,274	60,730	60,730	50,572	50,862	60,772
Depreciation	7	54,936	56,483	63,882	52,790	32,840	32,840	22,322	29,926	30,674
Repairs and Maintenance by Asset Class	3	19,889	14,743	18,305	28,400	27,890	27,890	28,250	29,936	30,098
Roads Infrastructure		4,513	205	3,025	3,500	3,900	3,900	3,100	3,239	3,330
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		4,513	205	3,025	3,500	3,900	3,900	3,100	3,239	3,330
Community Facilities		1,491	1,054	800	2,550	2,550	2,550	2,790	3,494	3,557
Sport and Recreation Facilities		7,523	7,434	7,686	8,500	8,500	8,500	9,700	10,137	10,390
Community Assets		9,014	8,488	8,486	11,050	11,050	11,050	12,490	13,631	13,947
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		718	393	1,185	4,750	4,610	4,610	4,000	2,404	2,464
Housing		–	–	–	–	–	–	–	–	–
Other Assets		715	393	1,185	4,750	4,610	4,610	4,000	2,404	2,464
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		1,277	1,359	825	3,780	3,330	3,330	4,680	4,264	4,376
Transport Assets		3,570	4,297	4,794	5,400	5,400	5,400	4,580	6,399	5,997
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		74,826	71,226	82,187	81,270	60,730	60,730	50,572	50,862	60,772
Renewal and upgrading of Existing Assets as % of total capex		17.4%	35.6%	32.1%	41.1%	41.8%	41.8%	22.2%	3.0%	3.2%
Renewal and upgrading of Existing Assets as % of deprecn		60.1%	63.0%	65.3%	142.5%	234.8%	234.8%	162.4%	9.4%	10.1%
R&M as a % of PPE		2.1%	1.6%	2.0%	3.4%	3.2%	3.2%	2.6%	2.7%	2.8%
Renewal and upgrading and R&M as a % of PPE		5.8%	5.6%	6.5%	12.3%	12.2%	12.2%	5.7%	3.0%	3.1%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 19 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	50	50	50	50	50	50
Refuse (average litres per week)		–	–	–	–	–	–	130	130	130
Revenue cost of subsidised services provided (R'000)	9	–	–	–	15,854	15,854	15,854	30,308	30,308	30,308
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	20,127	20,127	20,127	20,896	21,730	22,648
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		–	–	–	20,127	20,127	20,127	20,896	21,730	22,648

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The budget provides for 12 093 households to be registered as indigent in 2025/26 and therefore entitled to receiving Free Basic Services. The number is to be maintained at 12 093 households given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
3. It is anticipated that these Free Basic Services will cost the municipality R 5,4 million in 2025/26, increasing to R 9 million in 2027/2028. This is covered by the municipality's equitable share allocation from national government and Interest receivables from electricity.

2 Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

On 29th July 2024, the IDP and Budget process plan as required by section 21 of the MFMA was submitted and approved by Council to ensure that municipality does not fail to prepare and approve its credible budget within the legislated time frames.

IDP review

As per the approved plan, the municipality on the 21 – 23 October 2024, conducted its public consultative meetings with all 27 wards to review IDP for 2022-2027. The reviewed IDP has been used by the municipality to inform the draft budget for 2025/26 to 2027/28 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public. The Municipal Departments are aligned with the 5 Local Government Key Performance Areas. The Department's strategies are therefore linked to the 5 KRA's Details of the Budgets allocated to the various departments are reflected in schedules SA4-6.

The Departmental SDBIP contains projects and programmes listed in the IDP. The General Manager's performances plan is linked to the Departmental SDBIP.

The SDBIP marries the Performance Management System with the budget and the IDP. Thus the strategic Direction mapped out in the IDP is matched with financial resources and delivery of services as specified in the PMS.

The SDBIP allows the budget to be implemented fully as it identifies:

- The Strategic Imperative – Through link with the IDP.
- The Financial Imperative – Through links with the Budget
- The Performance Imperative – Through links to the PMS

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South Africa society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A Municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst other, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with Nation and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality, strategically complies with the key national and provincial priorities.

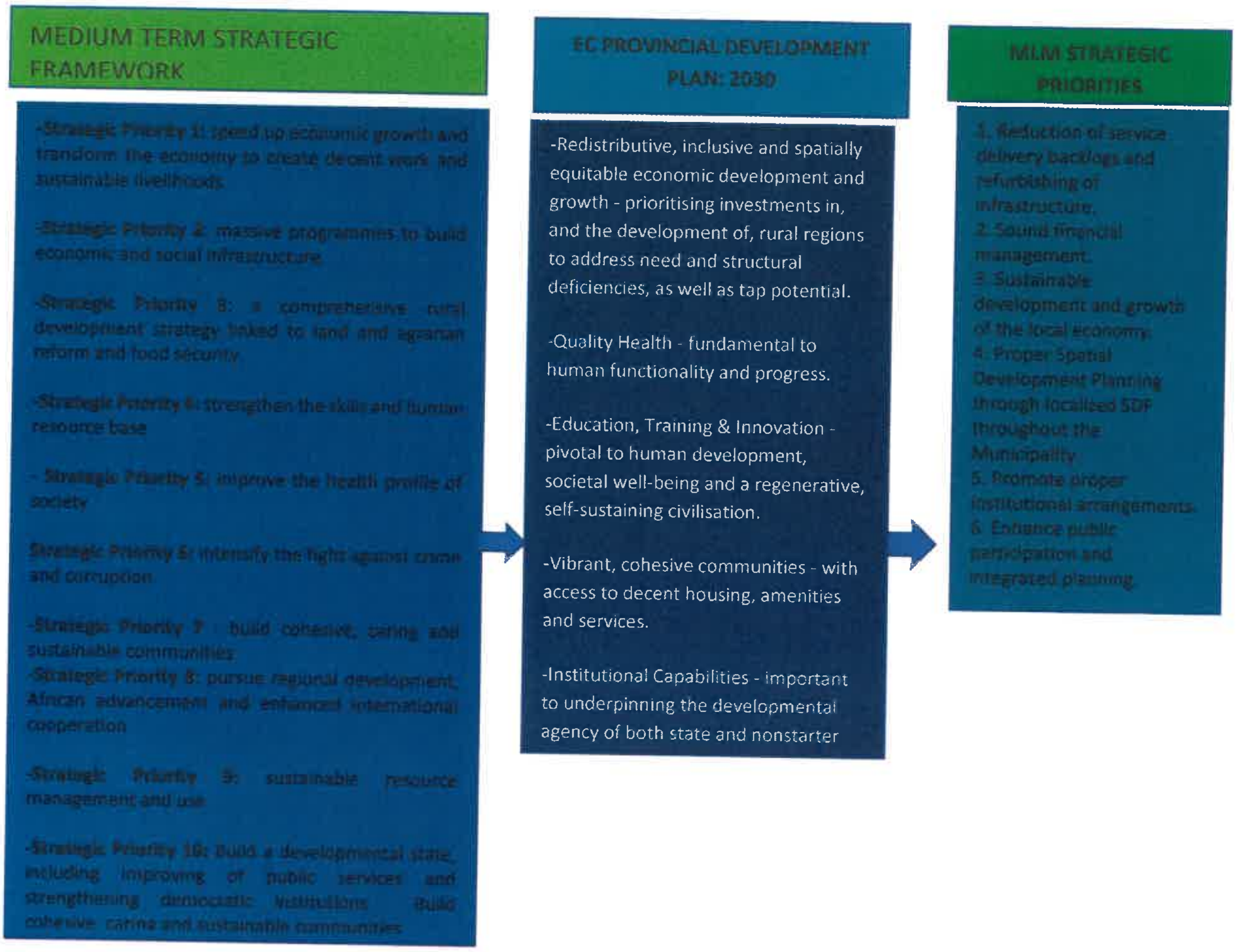
The aim of the revision cycle was develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provision priorities, policies

- Green Paper on National Strategic
- Government Programme of Action
- Development Facilitation Act of
- Provincial Growth and Development
- National and Provincial Spatial Development Perspectives;
- Relevant Sector plans such as transportation, Legislation and policy;
- National Key Performance Indicators (NKPI's);
- Accelerated and Shared Growth
- National Spatial Development
- The National Priority Outcomes

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2022/2027 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives



In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget with that of national and provincial government. All spheres of government place a high priority on infrastructure development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic service and infrastructure which includes, amongst others:
    - Provide Electricity
    - Provide Water
    - Provide Sanitation
    - Provide Waste Removal
    - Provide Housing
    - Provide Roads and Storm Water
    - Provide Public Transport
    - Provide City Planning Service; and

- Maintaining the Infrastructure of the municipality

2. Economic growth and development that leads to sustainable job creation by:
   - Ensuring there is a clear structural plan for the municipality;
   - Ensuring planning processes function in accordance with set timeframes;
   - Facilitating the use of labour-intensive approaches in the delivery of services and the building of infrastructure.

3. Fight poverty and build clean, healthy, safe and sustainable communities:
   - Effective implementation of the Indigent Policy;
   - Working with the Provincial Department of Health to provide primary health care services;
   - Extending waste removal services and ensuring effective cleansing;
   - Ensuring safe working environments by effective enforcement of building and health regulations;
   - Promote viable, sustainable communities through proper zoning; and
   - Promote environmental sustainability by protecting wetlands and key open spaces.

3.1 Integrated Social Services for empowered and sustained communities
   - Work with Provincial Departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
   - Optimising effective community participation in the ward committee system; and
   - Implementing Batho Pele in the Revenue Management Strategy.

5.1 Promote sound governance through:
   - Publishing the outcomes of all tender processes on the municipal website

5.2 Ensure financial sustainability through:
   - Reviewing the use of contracted services
   - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan

4.3 Optimal institutional transformation to ensure capacity to achieve set objectives
   - Review of the organizational structure to optimize the use of personal;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated scrotal plans and strategies, and the allocation of resources of the Municipality's and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building Social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals

Lessons learned with Previous IDP revision planning cycles as well as changing environments were taken into consideration in the compilation for the fourth revised IDP, including;

- Strengthening the analysis and strategic planning processes of the Municipality's;
- Initiating zoned planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2021/22 Audited Outcome	2022/23 Audited Outcome	2023/24 Audited Outcome	Current Year 2024/25 Original Budget	Current Year 2024/25 Adjusted Budget	Current Year 2024/25 Full Year Forecast	2025/26 Medium Term Revenue & Expenditure Framework Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand												
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guides and reforms to improve financial management and its viability	sustain a Financially viable institution that is sustainable and complies with statutes			483,893	483,893		481,643	414,207	414,207	480,954	488,392	489,382
To promote safer, informed and secure communities	Realize sustainable communities in a safe and Healthy environment			3,798	3,798		5,291	386	386	5,409	5,625	5,850
Improve revenue enhancement through broadening revenue base and improving revenue collection	sustain a Financially viable institution that is sustainable and complies with statutes			94,286	94,255		208,346	237,710	251,986	178,638	185,773	165,204
Improve access to sports and recreational facilities in rural and urban areas within the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification			1,481	1,481		2,028	31,292	31,292	2,103	2,195	2,281
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	583,438	583,438	–	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Table 20MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Provide suitable and conducive working conditions for municipal staff and councillors	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification	001					222,469	36,703	36,703	234,551	235,345	246,523
Ensure full compliance with legislative requirements of MFMA, MPRA and financial relevant regulations and national treasury guidelines	Sustain a Financially viable institution that is sustainable and complies with statutes	002		73,238	78,782		66,691	139,356	139,054	69,940	72,425	75,322
Achieve sound environmental management and land use conservation management	Realize sustainable communities in a safe and healthy environment	003		30,222	40,536		74,687	61,315	61,310	35,369	38,853	38,575
Provide support to indigent households with the municipality	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		21,473	23,880		38,899	61,695	61,446	20,900	21,892	22,497
Improve the provision basic services to rural and urban communities in the municipality.	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		270,913	330,407		318,666	304,371	403,376	307,199	234,141	223,791
Maintain municipal infrastructure and public amenities;	Improve access to services in rural areas through sustainable road network and buildings infrastructure and electrification.	001		39,187	38,908		35,649	39,259	39,320	35,967	38,967	39,100
Allocations to other priorities												
Total Expenditure			1	436,912	613,411	-	684,466	686,207	684,298	684,854	619,414	656,668

2.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

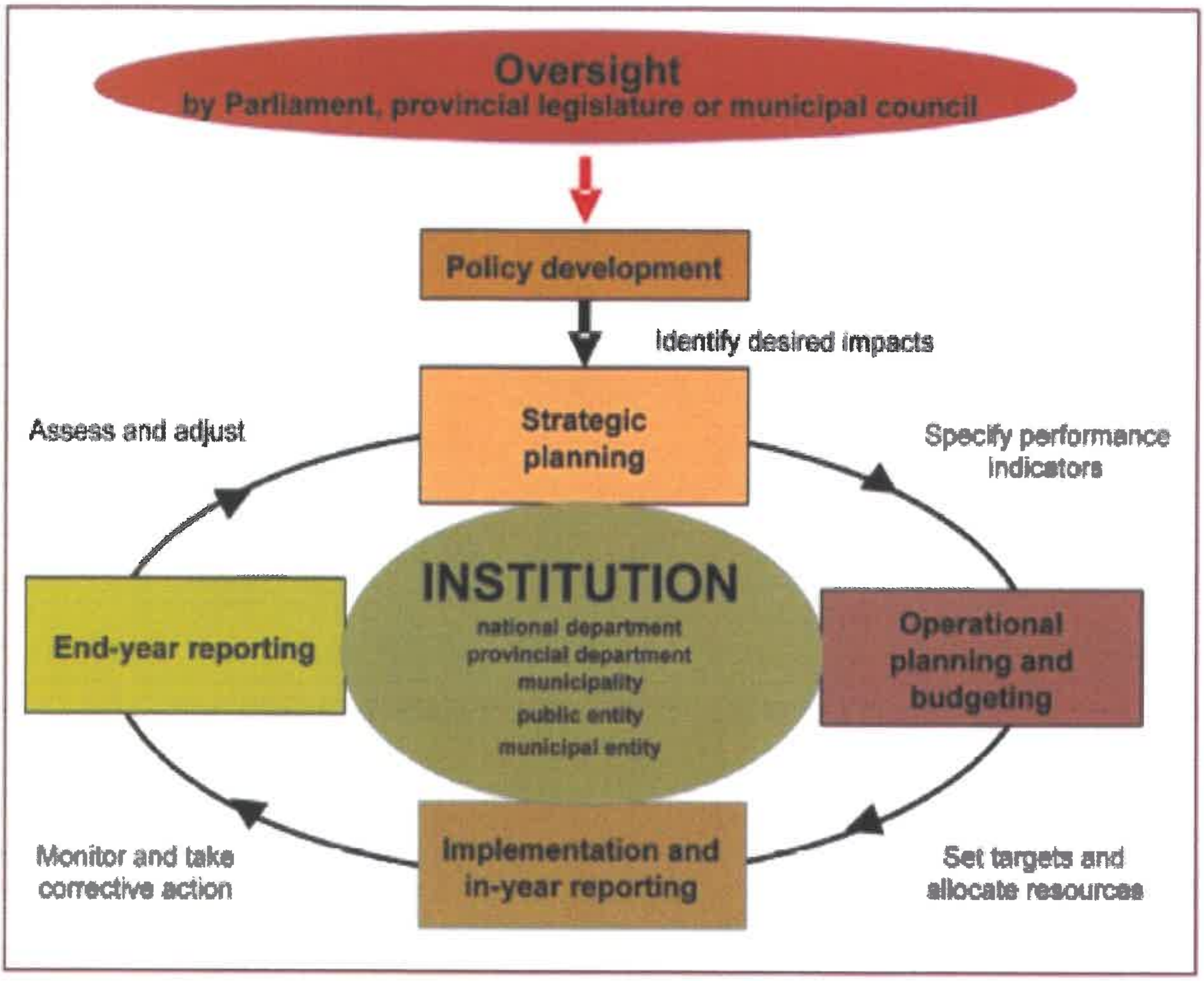


Figure 5 Planning, Budgeting and Reporting Cycle

The performance of the Municipality relates directly to the extent to which it has achieves success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitor and checking on the progress against plan);
- Measurement (indicators of success)
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (marking changes where necessary)

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the Framework of Managing Programme Performance Information issued by the National Treasury:

Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

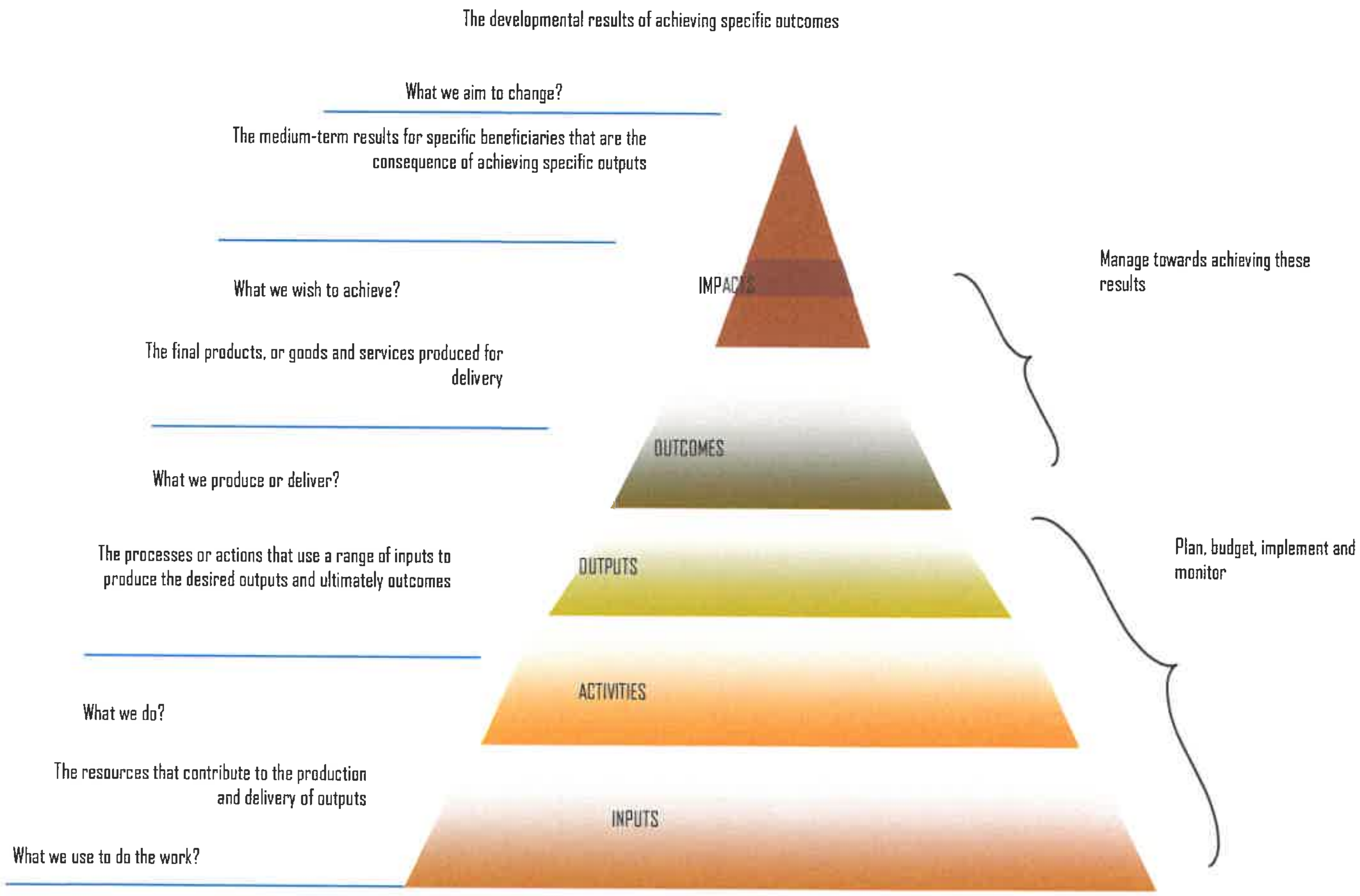


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.8	3.8	2.4	2.4	2.3	2.3	3.4	2.1	2.3	2.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.8	3.5	2.4	2.4	2.3	2.3	3.1	2.1	2.3	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	1.6	1.3	2.1	2.0	2.0	1.9	1.4	1.4	1.5
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	142.8%	101.7%	0.0%	135.0%	104.7%	104.7%	100.1%	107.0%	110.0%	110.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		142.8%	101.7%	116.3%	135.0%	104.7%	104.7%	100.1%	107.0%	110.0%	110.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	46.8%	33.0%	33.0%	11.0%	11.0%	11.0%	36.7%	34.3%	33.1%	35.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		3.3%	1.8%	4.4%	7.3%	7.3%	7.2%	18.4%	12.8%	13.1%	12.8%
Other indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)				1900000	1900000	1900000	1900000	1900000	1900000	1900000
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase				1500000	1500000	1500000	1500000	1500000	1500000	1500000
Water Volumes: System input	Water treatment works				1900000	1900000	1900000	1900000	1900000	1900000	1900000
	Natural sources				1500000	1500000	1500000	1500000	1500000	1500000	1500000
	Total Volume Losses (kl)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	30.7%	29.4%	31.1%	29.9%	29.9%	28.9%	26.4%	31.4%	32.4%	31.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35.0%	34.0%	36.2%	34.5%	34.4%	34.4%	38.8%	35.5%	36.0%	35.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.6%	3.0%	3.4%	4.8%	4.8%	4.8%	5.3%	4.8%	5.0%	4.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	13.4%	13.1%	17.0%	0.0%	5.0%	5.0%	6.9%	3.8%	5.0%	4.8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within year	95.3	56.3	22.1	20.3	11.0	11.0	18.1	10.6	10.4	10.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	580.5%	136.2%	147.4%	40.8%	46.9%	46.8%	245.0%	183.4%	178.2%	181.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13.7	44.9	13.3	7.4	6.5	6.5	8.8	5.4	5.2	5.1

2.2.1 Performance indicators and benchmarks

2.2.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Matatiele Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayment. The structure of the Municipality's debt portfolio is dominated by annuity loans.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meets its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.2.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets.

- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.2.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2025/26 MTREF the current ratio is 2.11 in the 2027/28 financial year 2.34 and 2.44 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately.

2.2.1.4 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

2.2.1.5 Creditors Management

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.2.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.

- Repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased slightly from the previous financial years as part of the Municipality's strategy to ensure the management of its asset base.

2.2.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2025/26 financial year 12 039 registered indigents have been provided for in the budget with this figured increasing to 10 000 by 2027/28. In terms of the Municipality's indigent policy registered households are entitled to 50 kWh of electricity and free waste removal as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement)

2.4 OVERVIEW OF BUDGET RALATED POLICIES

As listed hereunder are all the budget related policies that were reviewed;

Matatiele Local Municipality. All these policies can be viewed on the official municipal website www.matatiele.gov.za

1. Budget policy,
2. Cash management policy,
3. Cash shortage policy,
4. Credit control and debt collection policy,
5. Cost containment policy ,
6. Customer care policy,
7. Customer incentive scheme policy,
8. Data backup policy,
9. Debt capacity policy,
10. Donor finance policy,
11. Electricity token policy,
12. Entertainment & refreshments policy,
13. Fleet Management Policy ,
14. Unclaimed deposits policy,
15. Fraud prevention plan,
16. Gifts policy for officials,
17. Grants & donation policy,
18. GRAP framework policy,
19. Impairment and write off policy,
20. Cash-up Policy,
21. Fixed Assets Policy,
22. Payment Policy,
23. Petty Cash Policy,
24. Rates Policy,
25. Special Services Policy,
26. Strategy to improve Debtor policy,
27. Supply Chain Management Policy,
28. Tariff Policy,
29. Use of Credit Card Policy and
30. Virement Policy.
31. Infrastructure procurement and delivery management policy.
32. Indigent Policy
33. Banking and Investments Policy
34. Use of Consultants Policy

Overview of Budget Assumptions

Arising from the above Overview of Economic Analysis, the following Budget Assumptions were made and are affected in the 2025/26 budget:

- Estimate Salary Increases

- 2025/26 – 4.3%
- 2026/27 – 4,3%
- 2027/28 – 4,0%

- Debt Impairment: the overall collection levels are estimate around 85% overall for the MLM. Payment levels for the following revenue streams have been estimated as follows:

- Property Rates (85% in 2025/26)
- Electricity (85% in 2025/26)
- Refuse (85% in 2025/26)

- Other expenditure: In order to accommodate the increases in salaries, bulk purchases, debt Impairment and depreciation, it means that all other expenditure will increase at a reduced rate or maintained at the current levels;

- The Budget is based on current service levels.
- Government grants for the years 2025/26- 2027/28 are as per the Division of Revenue Act, assuming that all allocations will be received;

- Growth in staff related costs has been provided for in the budget at 4.3% per annum, growth in the remaining expense items range from 0% to 10%;

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Breakdown of the operating revenue over the medium-term

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	56,530	59,114	67,647	76,446	76,446	76,446	66,168	91,308	94,960	98,759
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	11,615	11,713	11,499	15,526	15,526	15,526	9,794	15,526	16,147	16,793
Sale of Goods and Rendering of Services		923	41,120	37,443	5,946	32,944	32,944	1,854	26,470	26,184	27,335
Agency services		–	–	–	–	3,000	3,000	–	1,800	1,872	1,947
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		2,169	1,313	1,687	2,200	2,200	2,200	1,416	2,200	2,288	2,380
Interest earned from Current and Non Current Assets		9,599	19,146	24,961	28,813	28,813	28,813	18,278	28,813	29,966	31,164
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		144	205	327	–	–	–	–	–	–	–
Rental from Fixed Assets		1,260	1,237	1,294	2,028	2,028	2,028	1,697	2,220	2,309	2,401
Licence and permits		3,583	3,596	3,969	4,922	1,522	1,522	3,511	4,434	4,611	4,796
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		283	264	636	892	892	892	354	905	915	952
Non-Exchange Revenue											
Property rates	2	48,726	48,716	50,849	61,937	61,937	61,937	57,364	61,937	67,597	70,300
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2,058	2,784	2,288	25,890	1,820	1,820	1,894	3,048	3,170	3,297
Licences or permits		(96)	64	28	25	25	25	30	25	26	27
Transfer and subsidies - Operational		267,351	293,763	316,426	360,244	334,047	334,047	357,436	331,856	324,180	338,919
Interest		14,920	14,956	16,571	–	24,270	24,270	13,733	24,270	25,261	26,250
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	104	–	–	–	–	–	–	–	–
Other Gains		(15)	991	–	–	–	–	1	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		418,079	498,668	536,402	584,469	586,269	586,269	533,533	584,618	599,485	625,330

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

- The revenue strategy is a function of key components such as:
- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of 85 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The tariff has 0% increases for the 2025/26 MTREF on the different revenue categories are:

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
1	**REFUSE REMOVAL CHARGES**			
1.1	*Domestic Removals*			
(a)	Every owner or occupier of premises from which refuse is removed twice weekly shall pay the Council a fee of per bag per month.	139.19	-	139.19
1.2	*Commercial Removals*			
(a)	Each individual/separate business shall be charged a basic service charge per month.	208.77	-	208.77
1.3	In addition to 1.2 every owner or occupier of business premises from which refuse is removed, shall pay the Council a fee of per bag per month, removal twice weekly.	208.77	-	208.77
1.4	Provided that Council may at any time conclude separate agreements with commercial users who require that refuse be removed more than twice a week. The above tariff shall be the applicable tariff.			
1.5	*Removal from Separate Consumers on same Premises* Where refuse is removed from shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the removal of refuse shall be as prescribed in applicable scales.			
1.6	*Availability Charge* A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	235.94	-	235.94
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	117.97	-	117.97
2	**BUILDING PLAN FEES**			
2.1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. **Building Cost is calculated at R2 500 per m^2.This caluculation is used to calculate the building plan fees for buildings in excess of 100m2 and major alterations to existing buildings.**			
2.1.1	**Building less than 80m^2.**	813.39	-	813.39
2.1.2	**Building less than 100m2.**	2 051.23	-	2 051.23
2.1.3	**Building more than 100m2.** Tariff 2.1 is applicable			
2.1.4	**Hoarding Permit**			
	Commercial (for 3 months)	264.02	-	264.02
	Residential (for 3 months)	234.57	-	234.57
	Industrial (for 3 months)	455.94	-	455.94
	CBD Buildings (for 3 months)	714.89	-	714.89
2.1.5	**Demolishing fee for all buildings**	433.09	-	433.09

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
2	**BUILDING PLAN FEES**			
2.1	The fees payable for plans of any building submitted in terms of the building regulations shall be calculated at R6.00 per R1 000 or part thereof in respect of total estimated cost of the work, subject to a minimum charge of R1 000. **Building Cost is calculated at R2 500 per m^2.This caluculation is used to calculate the building plan fees for buildings in excess of 100m2 and major alterations to existing buildings.**			
2.1.1	**Building less than 80m^2.**	813.39	-	813.39
2.1.2	**Building less than 100m2.**	2 051.23	-	2 051.23
2.1.3	**Building more than 100m2.** Tariff 2.1 is applicable			
2.1.4	**Hoarding Permit**			
	Commercial (for 3 months)	264.02	-	264.02
	Residential (for 3 months)	234.57	-	234.57
	Industrial (for 3 months)	455.94	-	455.94
	CBD Buildings (for 3 months)	714.89	-	714.89
2.1.5	**Demolishing fee for all buildings**	433.09	-	433.09
2.1.6	**Copy of Building Plan**			
	A4	6.10	-	6.10
	A3	13.20	-	13.20
	A2	26.41	-	26.41
	A1	39.60	-	39.60
	A0	51.79	-	51.79
2.1.7	**Boundary Wall**			
	Boundary Wall (Brick or Blocks) 1800mm high	784.95	-	784.95
	Boundary Wall (Precast) 1800mm high	784.95	-	784.95
	Boundary Wall (Palisade Fencing) 1800mm high.	784.95	-	784.95
	Identification of site beacons must be done by professional land surveyor. The Municipality will provide technical advice only.			
2.1.8	**Minor Works** in terms of section 13 of the act (valid for 6 months only)			
	Residential	411.26	-	411.26
	None Residential	715.90	-	715.90
2.1.9	**Temporal Structures**			
	Tent	324.95	-	324.95
	Carport	780.89	-	780.89
	Container for site office or site storage during construction only	780.89	-	780.89
2.1.10	**Building Plan Fee**			
	Pre- Scrutiny Plan	289.41	-	289.41
	Swimming Pool	784.95	-	784.95
	Occupational Certificate	194.97	-	194.97
	Second call site Inspection for the same inspection stage	259.96	-	259.96
2.2	***Builders Deposits*** The following deposits must be paid by building contractors/owners in a developed area, prior to the commencement of any work:			
(a)	Extensions less than 100m^2 or part thereof as determined by the Building Inspector but not more than	250.00	-	250.00
(b)	Extensions more than 100m^2 but less than 200m^2 or part thereof	1 135.00	-	1 135.00
(c)	Extensions more than 200m^2 but less than 500m^2	4 725.00	-	4 725.00
(d)	Extensions more than 500m^2 or part thereof	6 615.00	-	6 615.00
2.3	***Penalty*** Deposits will be forfeited after 7 days from date of completion certificate, should the Developer/Contractor not have the sidewalk/pavement cleared within such period.			
2.4	***Exemption Certificate***			
	Fee payable for minor building work as contemplated in Section 13 of the National Buidling Regulations and Buidling Standards Act, 1977(Act 103 of 1977) as amended	115.76	-	115.76
3	**POUND FEES**			
3.1	**Schedule B:** Rate of Compensation for all animals delivered to the pound, per head.	21.33	-	21.33
3.2	**Schedule C:** Trespass on private land Description of animal			
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	17.26	-	17.26
	Sheep and goats per head per day	12.18	-	12.18
3.3	**Schedule E:** Pound Fees Description of animal			
	Donkeys, Horses, Cattle, Pigs and Ostriches,	17.26	-	17.26
	Sheep and Goats.	12.18	-	12.18
3.4	**Schedule F:** Sustenance fees Description of animal			
	Donkeys, Horses, Cattle, Pigs and Ostriches, per head per day	28.43	-	28.43
	Sheep and Goats, per head per day	17.26	-	17.26

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
6	ELECTRICITY CHARGES			
	Electricity tariff subject to National Electricity Regulator S.A approval			
	The charges payable by consumers for the supply of electricity shall be as follows:			
6.1	**Scale 1:** *Domestic Consumers*			
(a)	Basic charge, single or three phase per household per month. Plus the following kWh charges per month.	730.46	15.90%	846.60
	0-50	1.62	15.90%	1.88
	51-350	2.10	15.90%	2.44
	351-600	2.98	15.90%	3.45
	600 over	3.57	15.90%	4.14
(b)	Scale 2: *Commercial & Other Consumers*			
	Basic charge of consumers with the following kVA installed per month			
	0 - 25 KVA	810.02	15.90%	938.81
	Commercial unit charge:	3.17	15.90%	3.68
	26 - 64 KVA	3 019.60	15.90%	3 499.71
	Commercial unit charge:	3.23	15.90%	3.74
	65 KVA and more	17 668.30	15.90%	20 477.56
	Commercial unit charge:	3.23	15.90%	3.74
(c)	Scale 3: *Pre-Paid Metre Units*			
	Domestic:			
	That a flat rate per kWh			
	0-50	1.60	15.90%	1.86
	51-350	2.09	15.90%	2.42
	351-600	2.96	15.90%	3.44
	600 over	3.55	15.90%	4.12
	Commercial Prepaid			
	That a flat rate per kWh			
	0 - 2000 kWh	3.23	15.90%	3.75
(d)	Scale 4: *Schools/School Hostels*			
	"Schools defined as the majority of its Teachers paid for by the Government or State Education Department."			
	Basic Charges per month, ...	582.74	15.90%	675.40
	Plus the following charger per kWh per month			
	0 - 2000 kWh	2.19	15.90%	2.54
	2000 - and more	2.19	15.90%	2.54
6.2	*Special Agreements*			
	The Council reserves the right in special circumstances to enter into special agreements subject to the approval of the Premier of the supply of electrical energy to consumers.			
6.3	*Change of Scale*			
	Where a consumer elects to change from any one scale to any other scale, he shall notify the Municipal Manager in writing at least 30 days prior to the date on which the elected scale shall take effect, and shall remain on such elected scale for a period of not less than 12 months.			
6.4	*Supply to Separate Consumers on same Premises*			
	Where electricity is supplied to shops and dwellings or flats situated on the same premises such shops and dwellings or flats shall be regarded as separately occupied buildings, and the charges for the supply of electricity shall be as prescribed in applicable scales.			
6.5	*Payment of Accounts*			
(a)	All accounts for the supply of electricity shall become due and payable on demand but not later than the last working day of the month following the month to which such accounts relate. Any account which remains unpaid after such date shall be subject to a penalty of 1,5%. Please note that a portion of a month shall be deemed a full month.			
(b)	The Council may disconnect the supply of electricity where any account remains unpaid at the end of the month following the month in respect of which such account was rendered and the supply of electricity shall only be resumed on payment of a charge of R123.35 excl. VAT in addition to all other outstanding charges.	123.35	15.90%	142.96
(c)	Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.			

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
6.6	***Deposits***			
	Every consumer shall when making application for a supply of electricity deposit with the Council the applicable amount as tabled hereunder.			
(a)	Domestic consumers	5 136.00	15.90%	5 952.62
(b)	Small power consumers with installation not exceeding 25 KVA	12 840.00	15.90%	14 881.56
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	22 470.00	15.90%	26 042.73
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.			
6.7	*Connection Fees and other Charges*			
(a)	Commercial and other consumers electricity connection fees and be charged at cost of materials, labour, supervision plus 10% payable in advance.			
(b)	Domestic consumers electricity connection fees payable in advance.			
	Cost plus 10% provided that the cost be taken from the boundary of the Erf per property of the applicant.			
(c)	For a connection after a disconnection at consumers request, or in case of a faulty installation exc vat payable in advance.	682.89	15.90%	791.47
(d)	For the testing of a metre cost plus 10%			
(e)	For a special reading of metre R50.00 payable in advance.			
(f)	For an investigation to establish the cause of a defect in consumers installation - R77.55 plus VAT payable in advance. (Call out fee)	77.55	15.90%	89.88
(g)	For each inspection and testing of an installation after failure to pass the first inspection and test - R120.39 payable in advance.	129.25	15.90%	149.80
(h)	*Conversion*			
	On application from a consumer to convert from the conventional electricity metre to a pre-paid metre the following fee is applicable:	8 536.08	15.90%	9 893.32
(i)	On application from a consumer to convert from the conventional electricity metre or any other meter to a pre-paid metre the following fee is applicable on condition that such application and payment is made before 30 September 2004. After 30 September 2004 - (h) apply.			
(j)	Where supply has been disconnected as a result of unauthorized reconnection, illegal bypassing of meter or for tampering; per disconnection and adiditional sum for units stolen.	10 913.27	15.90%	12 648.48
	Tampering for second time	21 826.55	15.90%	25 296.97
	Tampering for 3rd time			
	NOTE: In addition to the amounts contained in item (i), reconnection shall only occur once any arrears consumption charges; estimated charges for unmetered consumption and/or additional deposits owed by the consumer have been paid.			

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
7	**CEMETERY CHARGES**			
	The following fees shall be payable to the Council in respect of burials and other services in the public cemetery.			
7.1	*Burial Plots - Charge per Burial Plot*			
	A non-refundable charge of:	184.32	-	184.32
7.2	*Burial Fees*			
(a)	Adult	305.06	-	305.06
(b)	Child	305.06	-	305.06
7.3	*Miscellaneous Charges*			
(a)	Exhumation of body	2 307.13	-	2 307.13
(b)	Widening or deepening of grave	311.42	-	311.42
(c)	Permit to erect a memorial	126.94	-	126.94
7.4	Fees for non-residents of the municipal area shall be the prescribed fees in (7.1) and (7.2) above, **plus 50%**			
7.5	After hours burial request as in (7.1) **plus 100%**			
7.6	At least 16 working hours notice must be given of a burial			
7.7	Pauper burial fees	508.75	-	508.75
7.8	Internment of ashes in excising graves	40.62	-	40.62

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
8	**PUBLIC HALLS TARIFF**			
8.1	*Town Hall (Matatiele)*			
(a)	Main hall and kitchen per 12 hour period per day.	4 374.72	-	4 374.72
(b)	Main hall and kitchen per function exceeding 12 hour.	5 091.35	-	5 091.35
8.2	*Town Hall (Maluti Civic Centre)*			
(a)	Main hall and kitchen per 12 hour period per day.	4 374.72	-	4 374.72
(b)	Main hall and kitchen per function exceeding 12 hour.	5 091.35	-	5 091.35
	Town Hall (Cedarville)			
(a)	Main hall and kitchen per 12 hour period per day.	1 653.75	-	1 653.75
(b)	Main hall and kitchen per function exceeding 12 hour.	2 386.91	-	2 386.91
(c)	Old Cedarville Boardroom	159.86	-	159.86
8.3	*Harry Gwala Park Community Hall*			
(a)	Main hall and kitchen per 12 hour period per day.	716.63	-	716.63
(b)	Main hall and kitchen per function exceeding 12 hour.	716.63	-	716.63
8.4	*Nokhwezi & Msingizi Community Hall*			
(a)	Hall per 12 hour period per day	716.63	-	716.63
(b)	Hall per kitchen per function exceeding 12 hours	716.63	-	716.63
8.5	*Library Hall (Matatiele)*			
(a)	Hall per 12 hour period per day	238.14	-	238.14
8.6	*Library Hall (Cedarville)*			
(a)	Hall per 12 hour period per day	207.27	-	207.27
8.7	Community Halls (Rural Area)			
(a)	Hall per 12 hour period per day	159.86	-	159.86
8.8	*Equipment* The public address system per day or part thereof	438.80	-	438.80
8.9	**In addition to 8.1 to 8.6 above the hirer shall purchase pre-paid electricity cards for the supply of electricity.**			
8.10	Where the hall is hired there shall first be deposited with the Chief Financial Officer the following amounts which amounts shall be refunded when the premises is handed over in satisfactory condition.			
	Town Hall (Matatiele)	4 535.00	-	4 535.00
	Town Hall (Cedarville)	1 790.00	-	1 790.00
	Harry Gwala Park Community Hall	735.00	-	735.00
	Nokhwezi & Msingizi Community Hall	735.00	-	735.00
	Library Hall (Matatiele)	245.00	-	245.00
	Library Hall (Cedarville)	192.00	-	192.00
8.11	*Community Halls*			
	The Municipal Manager has delegated Authority to hire the Community Halls to Matatiele Local Registered Non-Profit Organisations/Institutions and to resident members of the community for memorial/personal social activities at a variable charge not less than the following amount per occassion	80.00	-	80.00

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
9	**MISCELLANEOUS SERVICES**			
	Sundry Charges			
9.1	Search Fees			
(a)	Other than from the Minutes of proceedings of the Council. for any document or information required dated back:			
(b)	Between 1 to 12 months	41.00	-	41.00
(c)	More than 12 months but not more than 24 months.	81.24	-	81.24
(d)	24 Months or more but not more than 48 months.	152.32	-	152.32
(e)	48 months or more	304.64	-	304.64
9.2	Copy of valuation roll (Electronic only)	760.58	-	760.58
9.3	Copy of voters roll (per ward)	760.58	-	760.58
9.4	Rates and Service clearance certificates	81.24	-	81.24
	Deed Search Print out	31.96	-	31.96
	Title Deed Search	141.52	-	141.52
	SG Diagram Search per image (1page)	18.26	-	18.26
9.5	**Objections or Appeals to property valuations**	71.08	-	71.08
9.6	Services rendered by Council but not covered in tariffs of charges.			
9.7	Valuation Certificate	87.33	-	87.33
9.8	Copy of estimates	325.96	-	325.96
9.11	Amendments of conditions of approval (per condition)	286.36	-	286.36
9.12	Vehicle pound fees on all impounded vehicles per vehicle per day **plus tow-in costs**	224.41	-	224.41
	Impounded vehicles not released within 90 (ninety) days will be sold.			
9.13	Chemical toilet hire per toilet per day:			
	Fee	798.15	-	798.15
	Deposit per toilet	399.07	-	399.07
9.14	***Sports grounds rental***			
	Local clubs for practices per practice	89.36	-	89.36
	Local clubs per game	445.79	-	445.79
	Outside clubs per game	668.18	-	668.18
	Stadium hire for non sporting events.	570.69	-	570.69
	Tennis Court Rental			
	PER PRACTICE			
	Practice sessions maximum of 3 hours per session			
	Fees per team of 2 players – (below the age of 18)	26.09		26.09
	(18 and above)	95.65		95.65
	PER MATCH			
	Fees per Match team of 2 players– (below the age of 18)	104.35		104.35
	(18 and above)	182.61		182.61
	SEASON TICKETS (SIX MONTHS)			
	Fees per Practice per team of 2 – (below the age of 18)	191.30		191.30
	(18 and above)	573.91		573.91
	YEAR TICKETS (12 MONTHS)			
	Fees per Practice per team of 2 – (below the age of 18)	486.96		486.96
	(18 and above)	973.91		973.91
9.15	Pre-paid Electricity Metering cards to be purchased for the use of lights at the stadium at the Domestic Rates.			
9.16	A penalty will be charged for any dishonoured cheque.	200.04		200.04
9.17	Damage to any Council property	2 173.09	-	2 173.09
9.18	Cleaning of over grown property after failing to respond to councils instruction to clean this said property.	5 632.76	-	5 632.76
9.19	*Dog Licenses*			
	Dogs	22.34	-	22.34
9.20	*Library Fines*			
	Lost books + cost of the book.	30.47	-	30.47
	Book/s per day			
	Video/s per day			
	Photocopies per copy			
	Internet per 30 minutes			
	Internet E-Mail address per 6 months.			
9.21	*Transport & Plant Hire*			
	Bomag			
	NUF 4609 Grader			
	NCX 2721 Bobcat			
	NCX 2661 JCB			
	Bush Cutter			
	Petrol Saw			
	Wacker			
	Lawn Mower			
	Generator (without petrol)			
	Water Pump			
	Angle Grinder (230mm)			
	Dril			
	Welding Machine (220 amp)			
	Welding Machine (250 amp)			
	Conpressor (380 Volt)			
	High Pressure Washer			
	Extension Lead			
	Tar Spray			
9.22	Tender Documents			
	Tender that is less than R1 million (including VAT)			R 260.87
	Tender that is between R1 million and R10 million (including VAT)			R 434.79
	Tender that is above R10 million (Including VAT)			R 869.57
	The fee will increase according to the size of the tender document.			

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
10	**BUSINESS LICENSES**			
10.1	Food Vendors in caravans & carts or similar vessel	194.97	-	194.97
10.2	General Dealers	649.89	-	649.89
10.3	Supermarkets, Wholesalers & Butcheries	649.89	-	649.89
10.4	Restaurants, B&B's, Hotels, Guest Houses, Lodges	649.89	-	649.89
10.5	Spaza Shops	390.12	-	390.12
10.6	Funeral Parlours	649.89	-	649.89
10.7	Hawker License: Trucks & Bakkies	194.97	-	194.97
10.8	Hawker License: Street Vendors	104.35	-	104.35
10.8.1	Hawker License: Sheltered	156.52	-	156.52
10.9	Hawker License: (Special Application – Events)	389.94	-	389.94
10.10	Clothing Shops	649.89	-	649.89
10.11	Hardware	649.89	-	649.89
10.12	Garages	649.89	-	649.89
10.13	Livestock Sales	259.96	-	259.96
10.14	Car wash	259.96	-	259.96
10.15	Laundromat/Dry Cleaning	649.89	-	649.89
10.16	Financial Institution	649.89	-	649.89
10.17	Beauty Parlour: Hair Salons, Barber Shops etc	259.96	-	259.96
10.18	Furniture Shops	649.89	-	649.89
10.19	Legal Practice	649.89	-	649.89
10.20	Surgeries	649.89	-	649.89
10.21	Transport Industry	649.89	-	649.89
10.22	Liquor: Bottle Stores, Taverns	649.89	-	649.89
10.23	Book Shops	649.89	-	649.89
10.24	Brokers: Insurance, Estate agents etc	649.89	-	649.89

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
15	**ADVERTISING & SIGNAGE**			
15.1	**Billboards**			
	non refundable application fee per board/sign (annually)	2 956.52	-	2 956.52
	+ Approval fee per aplicant	79.13	-	79.13
15.2	**Ground Signs**			
	non refundable application fee per board/sign (annually)	272.17	-	272.17
	+ Approval fee per aplicant	43.48	-	43.48
15.3	**Wall Sign - Flat**			
	non refundable application fee per board/sign (annually)	489.57	-	489.57
	+ Approval fee per aplicant	43.48	-	43.48
15.4	**Roof, Veranda, Balcony, Canopy and Under awning Sign**			
	non refundable application fee per board/sign (annually)	489.57	-	489.57
15.5	**Estate Agent Boards**			
	non refundable application fee (annually)	652.17	-	652.17
	+ per board/sign (annually)	53.91	-	53.91
15.6	**Portable Boards / Collapsible Structures / Signs**			
	non refundable application fee per board/sign (annually)	272.17	-	272.17
15.7	**Aerial Advertisement**			
	non refundable application fee per board/sign (annually)	543.48	-	543.48
15.8	**Advertising Vehicles**			
	non refundable application fee per board/sign (annually)	1 304.35	-	1 304.35
15.9	**Temporary Signs (Posters, Flags & Others)**			
	non refundable application fee per board/sign	53.91	-	53.91
	+ non commercial fee per signs, posters, flags & others	3.48	-	3.48
	+ commercial fee per signs, posters, flags & others	5.22	-	5.22
15.10	**Banners**			
	non refundable application fee per board/sign	163.48	-	163.48

Table 1MBRR SA16 – Investment particulars by maturity

Investment type R thousand	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Securities - National Government								312,858	328,501	344,926
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	–	–	–	–	–	–	312,858	328,501	344,926
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		–	–	–	–	–	–	–	–	–
Consolidated total:		–	–	–	–	–	–	312,858	328,501	344,926

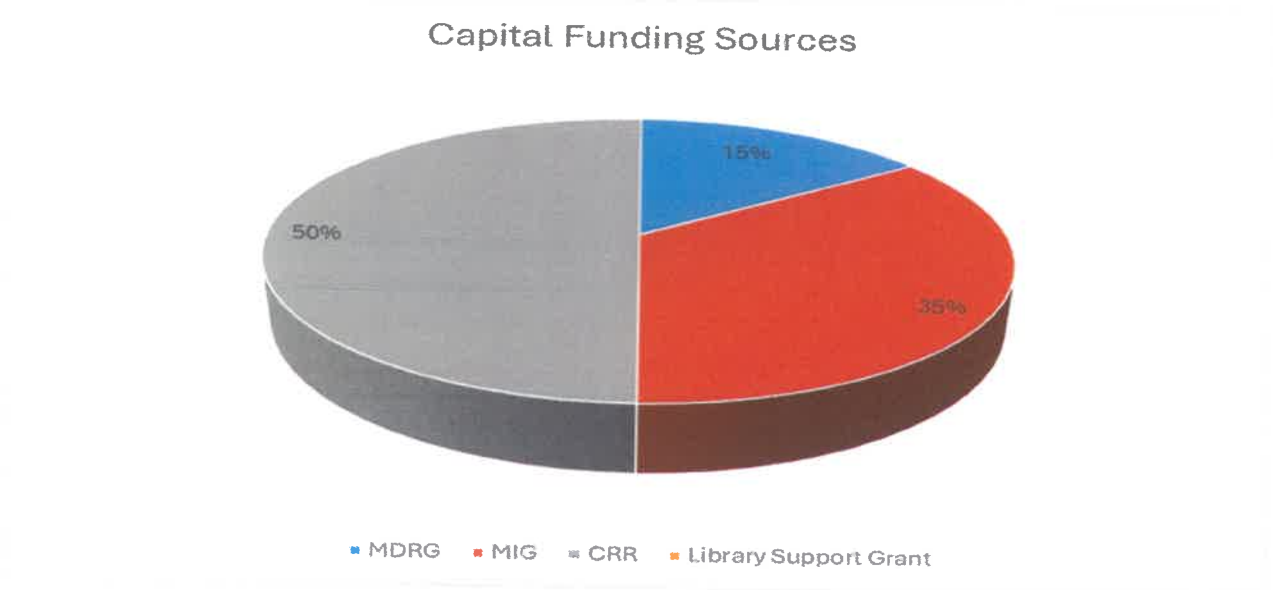
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2025/26 medium-term capital programme:

Sources of capital revenue for the 2025/26 financial year

FUNDING OF CAPITAL BUDGET	2025/26
Municipal Disaster Grant	24,543,000
Municipal Infrastructure Grant (MIG)	57,646,950
Capital Replacement Reserve (CRR)	80,875,000
Library Support Grant	300,000
TOTAL	**163,364,950**

The above table is graphically represented as follows for the 2025/26 financial year.



External grants as allocated on the DORA fill fund 50% of the capital expenditure budget .

The following table is of the Municipality's borrowing liability, which is not applicable for the 2025/26 as we have no long term debt.

Table 2MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

Table 41 MBRR Table SA 18 - transfers and grants receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		342,334	345,491	405,237	355,428	328,780	383,495	327,138	322,910	337,613
Expanded Public Works Programme Integrated Grant		4,887	4,810	3,974	3,880	3,880	3,880	2,980	–	–
Integrated National Electrification Programme Grant		–	–	41,000	26,648	–	–	–	–	–
Local Government Financial Management Grant		1,650	1,650	1,700	1,700	1,700	1,700	1,800	2,000	2,200
Municipal Infrastructure Grant		76,971	52,723	54,593	2,879	2,879	57,594	3,034	3,292	3,441
Equitable Share		258,826	286,308	303,970	320,321	320,321	320,321	319,324	317,618	331,972
Provincial Government:		650	–	3,981	4,816	5,116	4,316	4,516	1,250	1,306
Library Grant		650	–	650	1,750	2,050	1,250	2,850	1,250	1,306
Dedeat Grant		–	–	3,331	3,066	3,066	3,066	1,666	–	–
District Municipality:		–	–	100	–	150	–	–	–	–
Specify (Add grant description)		–	–	100	–	150	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	342,984	345,491	409,318	360,244	334,046	387,801	331,654	324,160	338,919
Capital Transfers and Grants										
National Government:		97,778	48,539	32,706	95,797	97,346	48,669	82,190	62,539	65,377
Municipal Disaster Relief Grant		–	2,251	32,706	41,092	42,641	–	–	–	–
Municipal Infrastructure Grant		–	–	–	54,705	54,705	–	57,647	62,539	65,377
Integrated National Electrification Programme Grant		97,778	46,288	–	–	–	24,127	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	24,542	24,543	–	–
Provincial Government:		–	–	–	950	950	–	300	–	–
Library Grant		–	–	–	950	950	–	300	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	97,778	48,539	32,706	96,747	98,296	48,669	82,490	62,539	65,377
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	440,762	394,030	442,024	456,991	432,342	436,470	414,144	386,699	404,296

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
    - Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
    - Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 42 MBRR Table A7 - Budget cash flow statement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		36,630	43,708	32,679	32,646	32,646	32,646	32,646	32,646	57,487	59,756
Service charges		82,021	70,128	86,259	88,370	78,176	78,176	78,176	90,809	94,441	98,219
Other revenue		15,705	21,974	22,975	84,803	87,134	87,134	87,134	64,321	75,429	78,222
Transfers and Subsidies - Operational	1	389,202	293,984	346,870	390,244	334,047	334,047	334,047	331,654	324,180	338,919
Transfers and Subsidies - Capital	1	174,749	119,841	114,964	98,747	98,295	98,295	98,295	82,490	62,838	65,377
Interest		4,305	18,901	24,009	28,813	58,083	58,083	58,083	55,283	57,484	59,794
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(218,683)	(177,363)	(255,046)	(525,383)	(546,133)	(546,133)	(546,133)	(565,602)	(582,695)	(597,522)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		340,998	390,840	391,510	177,947	157,245	157,245	157,245	131,401	88,824	102,363
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(188,241)	(143,199)	(167,906)	(182,983)	(184,531)	(184,531)	(184,531)	(163,365)	(92,124)	(97,063)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188,241)	(143,199)	(167,906)	(182,983)	(184,531)	(184,531)	(184,531)	(163,365)	(92,124)	(97,063)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		152,757	247,641	223,604	(5,036)	(27,286)	(27,286)	(27,286)	(31,964)	(3,300)	5,300
Cash/cash equivalents at the year begin:	2	224,422	236,732	254,787	295,199	295,199	295,199	295,199	262,801	230,836	227,536
Cash/cash equivalents at the year end:	2	377,179	484,373	478,391	290,162	267,912	267,912	267,912	230,836	227,536	232,836

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

What are the predicted cash and investments that are available at the end of the budget year?

- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 43 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	377,179	484,373	478,391	290,162	267,912	267,912	267,912	230,836	227,536	232,836
Other current investments > 90 days		(140,447)	(229,586)	(220,247)	-	-	-	66,103	(0)	(0)	(0)
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		236,732	254,787	258,145	290,162	267,912	267,912	334,015	230,836	227,536	232,836
Application of cash and investments											
Unspent conditional transfers		12,340	4,304	21,039	20,746	20,746	20,746	43,979	29,800	29,800	29,100
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	77,577	122,173	126,143	1,449	1,449	1,449	(126,032)	51,372	19,301	16,440
Other working capital requirements	3	23,554	23,208	21,631	72,549	57,598	57,598	(31,399)	(133,415)	(162,459)	(202,430)
Other provisions		14,310	14,776	25,769	29,993	29,993	29,993	(25,769)	43,950	43,950	43,950
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	364,732	364,732	364,732	86,236	86,236	86,236	(364,732)	80,875	29,585	31,686
Total Application of cash and investments:		492,514	529,794	560,314	210,973	196,022	196,022	(504,953)	72,582	(39,823)	(80,553)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(255,782)	(275,007)	(302,169)	79,189	71,890	71,890	838,968	158,255	267,359	313,389
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(255,782)	(275,007)	(302,169)	79,189	71,890	71,890	838,968	158,255	267,359	313,389

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 43, on page 84. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 *Monthly average payments covered by cash or cash equivalents*

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. It is especially important to consider the position should the municipality be faced with an expected disaster that threatens revenue collection such as rate boycotts. As part of the 2025/26 MTREF the municipalities improving cash position causes the ratio to move upwards to 4 and then increase slightly to 5 for outer years. As indicated above the Municipality aims to archive at least one month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.5.4 *Surplus/deficit excluding depreciation offsets*

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 *Property Rates/service charge revenue as a percentage increase less macro inflation target*

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

2.6.5.6 *Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 85 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 *Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 *Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 100 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been be excluded.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (Dora) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.10 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position Both measures show a relatively stable trend in line with the Municipality's policy of settling debtor's accounts within 30 days.

2.6.5.11 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

2.6.5.12 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

Table 45 MBRR SA19 - Expenditure on transfers and grant programmes

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		265,363	292,768	353,504	355,428	328,780	352,167	327,138	322,910	337,613
Expanded Public Works Programme Integrated Grant		4,687	4,810	3,974	3,880	3,880	8,994	2,980	–	–
Integrated National Electrification Programme Grant		–	–	41,000	26,648	–	21,173	–	–	–
Municipal Disaster Relief Grant		–	–	–	–	–	0	–	–	–
Local Government Financial Management Grant		1,650	1,650	1,700	1,700	1,700	1,130	1,800	2,000	2,200
Municipal Infrastructure Grant		–	–	2,860	2,879	2,879	549	3,034	3,292	3,441
Equitable Share		258,826	286,308	303,970	320,321	320,321	320,321	319,324	317,618	331,972
Provincial Government:		2,113	345	3,646	4,816	5,116	3,549	4,516	1,250	1,306
Specify (Add grant description)		2,113	345	0	–	–	–	–	–	–
Specify (Add grant description)		–	–	315	1,750	2,050	379	2,850	1,250	1,306
Specify (Add grant description)		–	–	3,331	3,066	3,066	3,170	1,666	–	–
District Municipality:		–	–	100	–	150	1,750	–	–	–
Specify (Add grant description)		–	–	100	–	150	1,750	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		267,476	293,113	357,250	360,244	334,047	357,465	331,654	324,160	338,919
Capital expenditure of Transfers and Grants										
National Government:		165,407	108,353	68,592	95,797	97,346	60,472	82,190	62,539	65,377
Municipal Disaster Relief Grant		–	–	16,858	41,092	42,641	2,286	–	–	–
Municipal Infrastructure Grant		67,629	62,065	51,733	54,705	54,705	42,943	57,647	62,539	65,377
Integrated National Electrification Programme Grant		97,778	46,288	0	–	–	–	–	–	–
Municipal Disaster Recovery Grant		–	–	–	–	–	15,243	24,543	–	–
Provincial Government:		–	–	48	950	950	(4,407)	300	–	–
Specify (Add grant description)		–	–	–	950	950	–	300	–	–
Specify (Add grant description)		–	–	–	–	–	(29)	–	–	–
Specify (Add grant description)		–	–	–	–	–	(4,379)	–	–	–
Specify (Add grant description)		–	–	48	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		165,407	108,353	68,640	96,747	98,296	56,065	82,490	62,539	65,377
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		432,883	401,465	425,889	456,991	432,342	413,530	414,144	386,699	404,296

2.8 Table 3MBRR SA23 - Summary of councillor and staff benefits

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4	–	571,063	42,831	254,153	–	–	868,047
Chief Whip		–	356,928	26,770	433,193	–	–	816,891
Executive Mayor		–	713,853	53,539	305,292	–	–	1,072,684
Section 79 Oversight Committee		–	477,991	86,031	237,459	–	–	801,471
Executive Committee		–	3,093,616	232,445	2,329,539	–	–	5,655,601
Total for all other councillors		–	8,641,413	601,132	6,208,662	–	–	15,451,207
Total Councillors	8	–	13,854,844	1,048,749	9,762,308			24,665,901
Senior Managers of the Municipality	5							
Municipal Manager (MM)		–	614,295	204,413	739,568	124,957	–	1,683,235
Chief Finance Officer		–	542,414	78,234	396,693	81,372	–	1,098,710
GM Community Services			284,842	69,765	924,834	113,724		1,392,365
GM Corporate Services			650,701	170,418	584,366	149,723		1,555,208
GM Planning			390,139	145,427	881,343	55,005		1,401,918
GM Infrastructure			390,139	145,453	851,306	55,009		1,401,956
List of each offical with packages >= senior manager								
Municipal Staff			124,146,662	29,416,273	15,288,916	9,305,262		178,157,163
Total Senior Managers of the Municipality	8,10	–	126,928,423	30,249,983	19,637,073	9,885,876		186,700,555
A Heading for Each Entity	6,7							
List each member of board by designation								
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	140,783,267	31,298,732	29,399,381	9,885,876		211,366,456

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers	[illegible]	2023/24			Current Year 2024/25			Budget Year 2025/26		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		57	–	57	57	–	57	57	–	57
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	–	–	–	–	–	–	–	–	–
Other Managers	7	5	–	5	5	–	5	6	5	1
Professionals		63	56	–	40	39	–	65	65	–
Finance		40	35	–	25	25	–	19	19	–
Spatial/town planning		14	13	–	4	4	–	4	4	–
Information Technology		9	8	–	3	3	–	2	2	–
Roads		–	–	–	7	7	–	5	5	–
Electricity		–	–	–	–	–	–	2	2	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	1	1	–
Other		–	–	–	1	–	–	32	32	–
Technicians		6	6	–	58	58	–	39	39	–
Finance		–	–	–	8	8	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		1	1	–	7	7	–	4	4	–
Roads		–	–	–	9	9	–	–	–	–
Electricity		3	3	–	3	3	–	3	3	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	1	1	–	2	2	–
Other		2	2	–	30	30	–	30	30	–
Clerks (Clerical and administrative)		–	66	2	65	65	–	70	70	–
Service and sales workers		–	44	1	–	–	–	50	50	–
Skilled agricultural and fishery workers		2	2	–	–	–	–	2	2	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		3	3	–	11	11	–	13	13	–
Elementary Occupations		178	157	–	96	96	–	79	79	–
TOTAL PERSONNEL NUMBERS	9	314	334	65	332	269	62	381	323	58
% increase					5.7%	(19.5%)	(4.6%)	14.8%	20.1%	(6.5%)
Total municipal employees headcount	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	36	33	3	36	33	3	40	39	1
Human Resources personnel headcount	8, 10	16	15	1	16	15	1	13	12	1

2.9 Monthly targets for revenue, expenditure and cash flow

Description	####	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue																
Exchange Revenue																
Service charges - Electricity		7,609	7,609	7,609	7,609	7,609	7,609	7,609	7,609	7,609	7,609	7,609	7,609	91 308	94,960	98,759
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	1,294	15 526	16,147	16,793
Sale of Goods and Rendering of Services		2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	26 470	26,184	27,335
Agency services		150	150	150	150	150	150	150	150	150	150	150	150	1 800	1,872	1,947
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		183	183	183	183	183	183	183	183	183	183	183	183	2 200	2,288	2,380
Interest earned from Current and Non Current Assets		2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	28 813	29,966	31,164
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		185	185	185	185	185	185	185	185	185	185	185	185	2 220	2,309	2,401
Licence and permits		370	370	370	370	370	370	370	370	370	370	370	370	4 434	4,611	4,796
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		75	75	75	75	75	75	75	75	75	75	75	75	905	915	952
Non-Exchange Revenue																
Property rates		5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	5,161	61 937	67,597	70,300
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		254	254	254	254	254	254	254	254	254	254	254	254	3,048	3,170	3,297
Licences or permits		2	2	2	2	2	2	2	2	2	2	2	2	25	26	27
Transfer and subsidies - Operational		27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	331,654	324,160	338,919
Interest		2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	2,023	24 270	25,241	26,250
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		49,551	49,551	49,551	49,551	49,551	49,551	49,551	49,551	49,551	49,551	49,551	49,551	594,618	599,445	625,320
Expenditure																
Employee related costs		15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	186,701	194,013	198,931
Remuneration of councillors		2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	24,666	25,113	25,741
Bulk purchases - electricity		8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	98,000	102,410	104,970
Inventory consumed		586	586	586	586	586	586	586	586	586	586	586	586	7,033	6,887	7,068
Debt impairment		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation and amortisation		1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	22,322	29,926	30,674
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services		14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	170 618	171,627	176,359
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		542	542	542	542	542	542	542	542	542	542	542	542	6,500	6,792	6,962
Operational costs		6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	78,784	82,836	84,851
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	594,624	619,414	635,558
Surplus/(Deficit)		(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(14)	(19,970)	(10,239)
Transfers and subsidies - capital (monetary allocations)		6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	82,490	62,538	65,377
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,579	55,138
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,579	55,138
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,579	55,138
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,579	55,138

Table 4MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		36,406	36,406	36,406	36,406	36,406	36,406	36,406	36,406	36,406	36,406	36,406	36,406	436,870	443,176	462,673
Vote 3 - Corporate		29	29	29	29	29	29	29	29	29	29	29	29	350	364	379
Vote 4 - Development and Planning		458	458	458	458	458	458	458	458	458	458	458	458	5,502	5,722	5,951
Vote 5 - Community		2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	34,887	29,424	30,607
Vote 6 - Infrastructure		16,624	16,624	16,624	16,624	16,624	16,624	16,624	16,624	16,624	16,624	16,624	16,624	199,491	183,298	191,087
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		56,425	56,425	56,425	56,425	56,425	56,425	56,425	56,425	56,425	56,425	56,425	56,425	677,100	661,984	690,697
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	2,813	33,755	34,223	35,051
Vote 2 - Finance and Admin		11,055	11,055	11,055	11,055	11,055	11,055	11,055	11,055	11,055	11,055	11,055	11,055	132,658	143,183	148,356
Vote 3 - Corporate		8,289	8,289	8,289	8,289	8,289	8,289	8,289	8,289	8,289	8,289	8,289	8,289	99,471	100,657	101,519
Vote 4 - Development and Planning		3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	3,767	45,203	48,160	49,364
Vote 5 - Community		7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055	7,055	84,654	84,163	85,420
Vote 6 - Infrastructure		16,158	16,158	16,158	16,158	16,158	16,158	16,158	16,158	16,158	16,158	16,158	16,158	193,889	203,441	210,046
Vote 7 - Internal Audit		415	415	415	415	415	415	415	415	415	415	415	415	4,984	5,588	5,802
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	49,552	594,624	619,414	635,558
Surplus/(Deficit) before assoc.		6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,570	55,138
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	6,873	82,476	42,570	55,138

Table 5MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		366	366	366	366	366	366	366	366	366	366	366	366	4,397	-	-
Vote 3 - Corporate		270	270	270	270	270	270	270	270	270	270	270	270	3,240	-	-
Vote 4 - Development and Planning		1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	1,571	18,855	-	-
Vote 5 - Community		667	667	667	667	667	667	667	667	667	667	667	667	8,000	-	-
Vote 6 - Infrastructure		10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739	10,739	128,673	92,124	97,063
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	163,365	92,124	97,063
Total Capital Expenditure	2	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	163,365	92,124	97,063

Table 6MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source													1		
Property rates	4,387	4,387	4,387	4,387	4,387	4,387	4,387	4,387	4,387	4,387	4,387	4,387	52,645	57,457	59,758
Service charges - electricity revenue	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	6,468	77,612	80,716	83,945
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	13,597	15,725	14,274
Rental of facilities and equipment	185	185	185	185	185	185	185	185	185	185	185	185	2,220	2,308	2,401
Interest earned - external investments	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	28,813	29,806	31,164
Interest earned - outstanding debtors	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	2,206	26,470	27,829	28,630
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	254	254	254	254	254	254	254	254	254	254	254	254	3,048	3,170	3,297
Licences and permits	372	372	373	372	372	372	372	372	372	372	372	372	4,490	4,637	4,823
Agency services	150	150	150	150	150	150	150	150	150	150	150	150	1,800	1,872	1,947
Transfers and Subsidies - Operational	27,638	27,638	27,636	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	27,638	331,884	324,180	338,919
Other revenue	6,056	6,056	6,056	6,056	6,056	6,056	6,056	6,056	6,056	6,056	6,056	6,056	72,794	63,441	65,754
Cash Receipts by Source	51,226	51,226	51,226	51,226	51,226	51,226	51,226	51,226	51,226	51,226	51,226	51,226	614,713	608,981	634,909
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	6,874	82,490	62,539	65,377
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	58,100	697,283	671,520	700,286
Cash Payments by Type															
Employee related costs	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	15,558	186,701	194,013	198,931
Remuneration of councillors	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	24,666	25,113	25,741
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	8,167	98,000	102,410	104,970
Acquisitions - water & other inventory	586	586	586	586	586	586	586	586	586	586	586	586	7,003	6,887	7,069
Contracted services	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	14,218	170,616	171,627	170,358
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	6,565	78,784	82,615	84,851
Cash Payments by Type	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	47,150	565,802	582,696	597,922
Other Cash Flows/Payments by Type															
Capital assets	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	13,614	163,365	92,124	97,063
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	60,764	60,764	60,764	60,764	60,764	60,764	60,764	60,764	60,764	60,764	60,764	60,764	729,167	674,820	694,986
NET INCREASE/(DECREASE) IN CASH HELD	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(2,664)	(31,964)	(3,300)	5,300
Cash/cash equivalents at the month/year begin:	262,801	260,137	257,473	254,810	252,144	249,482	246,819	244,155	241,491	238,827	236,164	233,500	262,801	230,836	227,536
Cash/cash equivalents at the month/year end:	260,137	257,473	254,810	252,146	249,482	246,819	244,155	241,491	238,827	236,164	233,500	230,836	230,836	227,536	232,836

10 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, there were no contracts awarded beyond the medium-term revenue and expenditure framework:-

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. **In year reporting**
   Reporting to National Treasury uploading financial and non-financial information on the portal was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.

2. **Internship programme**

   The Municipality is participating in the Municipal Financial Management Internship programme and has employed 3 interns undergoing training in various divisions of the Financial Services Department recruitment processes are still underway for the additional 2 interns to be placed under budget and treasury.

3. **Budget and Treasury Office**
   The Budget and Treasury Office has been established in accordance with the MFMA.

4. **Service Delivery and Implementation Plan**

   The detail SDBIP document is at a final stage and was adopted with the final budget 2025/26 MTREF directly aligned and informed by the 2025/26 MTREF.

5. **Annual Report**
   Annual report is compiled in terms of the MFMA and National Treasury requirements.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **LIZO MATIWANE**, Municipal Manager of **Matatiele Local Municipality**, hereby certify that the Final Annual Budget for the 2025/2026 MTREF and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name Lizo Matiwane

Municipal Manager of Matatiele Local Municipality (EC441)

Signature L. Mt

Date 28 |05 |2025