

**DRAFT ANNUAL BUDGET
MTERF FOR
2026/2027-2028/2029**



MATATIELE

LOCAL MUNICIPALITY

ANNUAL BUDGET OF
MATATIELE LOCAL
MUNICIPALITY

2026/2027 TO 2028/29
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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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

Honourable Speaker,
Chief Whip of Council,
Honourable Councillors,
Municipal Manager and Senior Management,

Management Team,
Distinguished Stakeholders present,
Members of the public in the gallery,

Honourable Speaker, thank you very much for the opportunity to address this Special Council Meeting.

Members of the Council, I rise on behalf of the Executive Committee to formally present a set of reports for consideration, deliberation, and decision by this Council, in accordance with the agenda before us

These reports have been thoroughly considered by the Executive Committee and are now submitted to Council to:

- Exercise its oversight role,
- Apply policy judgment, and
- Take resolutions that will guide the administration and service delivery of the municipality.

Honourable Councillors,

We meet at a significant moment in our national calendar.

The month of March, which we are concluding, is **Human Rights Month** a period that reminds us of the historic sacrifices made to secure dignity, equality, and justice for all South Africans.

For local government, the meaning of Human Rights must extend beyond commemoration. It must be reflected in the daily lived experiences of our communities through:

- Access to basic services such as electricity, sanitation, and refuse removal,
- Infrastructure that enables mobility and access to opportunities, and
- Governance systems that are responsive, accountable, and inclusive.

In essence, service delivery is the practical expression of human rights at a local level.

As we transition into **Freedom Month**, we are called upon to reflect not only on how far we have come as a country, but also on the extent to which freedom is being translated into improved living conditions, particularly in rural and underdeveloped areas such as ours.

This reflection must be honest, grounded, and forward-looking.

Honourable Councillors,

We are now entering the final phase of this Council term, and the matters before Council today must therefore be understood within a transitional governance and development context.

The budget, plans, and reports we are presenting must:

- Consolidate the work undertaken during this Council term,
- Respond decisively to immediate service delivery pressures, and
- Lay a firm, credible, and implementable foundation for the incoming Council.

This requires decisions that are not only compliant, but also strategic, responsible, and sustainable.

Honourable Councillors,

Through our ongoing engagements with communities, traditional leadership, and stakeholders across all wards, there is a clear and consistent message emerging.

Communities are raising pressing concerns relating to:

- The deteriorating condition of **roads and access infrastructure**, particularly in rural and hard-to-reach areas;
- Delays and frustrations in **housing delivery**, including stalled projects and contractor-related challenges; and
- Persistent challenges relating to **water provision**, especially in areas experiencing supply interruptions.

These challenges are not isolated they are interconnected and reflect broader structural realities, including:

- The predominantly rural and dispersed settlement patterns of the municipality,
- Historical infrastructure backlogs, and
- Limited financial resources to meet increasing demand.

In response to these realities, the municipality will, from 31 March to 02 April 2026, embark on the IDP and Budget Outreach Programme.

This programme is a critical component of our governance system, as it enables the municipality to:

- Engage directly with communities,
- Present the draft IDP and budget in a transparent manner, and
- Confirm development priorities based on community inputs.

This process strengthens participatory democracy and ensures that municipal planning remains inclusive, responsive, and aligned with community needs.

BUDGET AND TREASURY OFFICE

DRAFT MTREF 2026/27–2028/29

Honourable Councillors,

The Medium-Term Revenue and Expenditure Framework before Council is not merely a financial document it is a strategic instrument that links planning, budgeting, and service delivery.

It reflects the municipality's attempt to balance:

- Limited financial resources,
- Increasing service delivery demands, and
- The need to maintain institutional sustainability.

The municipality is projecting total revenue of approximately **R679.4 million**, which reflects a decline compared to the previous financial year, primarily due to reduced grant allocations

This reduction has a direct impact on the municipality's ability to:

- Expand infrastructure programmes,
- Address service delivery backlogs, and
- Accelerate development interventions.

As a result, the municipality is required to:

- Prioritise spending carefully,
- Focus on high-impact interventions, and
- Strengthen coordination with other spheres of government.

Budget Overview and Financial Position

Honourable Councillors,

The total draft budget for the 2026/2027 financial year amounts to approximately **R739.3 million**, reflecting a decrease from the current financial year due to reduced grant allocations, particularly in equitable share and disaster recovery funding

Revenue Position

The municipality is projecting total revenue of approximately **R679.4 million**, which is a decrease of about **R45.9 million** compared to the previous financial year

Of this amount:

- Approximately **R419.7 million** is derived from transfers and grants,
- Indicating a continued reliance on intergovernmental funding.

This highlights the need to:

- Strengthen own revenue collection, and
- Improve financial sustainability.

Operating Budget

Operating expenditure is projected at approximately **R597.6 million**, ensuring that the municipality can continue delivering essential services

Key cost drivers include:

- **Employee-related costs** at approximately **R186.7 million**,
- **Bulk electricity purchases** at approximately **R99 million**, and
- General operational and maintenance costs.

These allocations sustain:

- Daily municipal operations,
- Service delivery continuity, and
- Institutional functionality.

Capital Budget

The capital budget is projected at approximately **R141.7 million**, a significant decrease from the previous year

It is funded through:

- **Municipal Infrastructure Grant** – R67.2 million
- **Disaster Recovery Grant** – R14.5 million
- **Capital Reserves** – R59.8 million

This budget supports:

- Infrastructure development,
- Electrification projects, and
- Asset maintenance.

Key Funding Reality

Honourable Councillors,

The reduction in funding means that:

- The municipality cannot address all infrastructure needs at once,
- Greater prioritisation is required, and
- Strong coordination with other spheres of government becomes essential.

Service Delivery Projects and Interventions

Honourable Councillors,

In order to demonstrate how this budget translates into tangible outcomes, it is important to highlight key service delivery projects and interventions.

Electrification Projects

The municipality will implement electrification projects in:

- Gwadana households in Ward 21,
- Hebrone households in Ward 21, and
- Sijoka households and associated link line in Ward 10

These projects are significant because they:

- Improve household safety and quality of life,
- Enable access to modern energy, and
- Support local economic activity.

Infrastructure Maintenance

The municipality continues to prioritise the maintenance of existing infrastructure through:

- Maintenance of internal roads and access routes,
- Maintenance of electricity infrastructure, and
- Maintenance of municipal fleet, buildings, and operational systems.

These interventions are essential to:

- Preserve existing assets,
- Reduce long-term costs associated with infrastructure deterioration, and
- Ensure uninterrupted service delivery.

Community Services

Provision has been made for:

- Refuse removal and landfill management,
- Public participation and customer care programmes, and
- Community support initiatives.

These services contribute directly to:

- Public health and environmental sustainability, and
- Strengthening trust between the municipality and its communities.

Local Economic Development

The municipality continues to support local economic development through:

- Tourism development initiatives,
- Agricultural support programmes, and
- SMME development interventions.

These initiatives aim to:

- Stimulate local economic activity,
- Support livelihoods, and
- Contribute to job creation within the municipality.

Intergovernmental Reality and Coordination

Honourable Councillors,

It is important to recognise that service delivery responsibilities are shared across different spheres of government.

Roads

While the municipality is responsible for maintaining internal roads, many key road networks fall under **provincial and district authorities**.

The municipality will therefore:

- Escalate road-related challenges through Intergovernmental Relations structures,
- Advocate for targeted investment, and
- Strengthen coordination to ensure improved outcomes.

Water Services

Water services fall under the responsibility of the **Alfred Nzo District Municipality**.

The role of the municipality is to:

- Coordinate and escalate service delivery challenges,
- Facilitate urgent interventions, and
- Ensure accountability through structured engagement.

Housing

Housing delivery is a **provincial competency**, and challenges such as project delays and contractor payment issues continue to affect communities.

The municipality will:

- Engage with the relevant department,
- Escalate issues affecting project delivery, and
- Facilitate coordination to unblock implementation.

Climate and Infrastructure Pressures

Honourable Councillors,

Climate variability is increasingly affecting municipal infrastructure through:

- Damage to roads and access routes,
- Increased maintenance requirements, and
- Reduced infrastructure lifespan.

This requires a shift towards:

- More resilient infrastructure planning, and
- Alignment with disaster response and recovery funding.

Tariffs and Financial Sustainability

Honourable Councillors,

In developing this budget, the municipality has adopted a balanced and pro-poor approach to tariffs.

Accordingly:

- No increases are proposed on property rates,

- No increases are proposed on refuse removal, and
- Most tariffs remain unchanged.

The only proposed adjustment relates to **electricity tariffs**, which remains subject to approval by NERSA.

This approach seeks to:

- Protect households from financial pressure, while
- Ensuring the sustainability of municipal services.

Budget-Related Policies

Honourable Councillors,

Council is also requested to consider and approve a suite of **budget-related policies**, which are critical to ensuring that the budget is implemented effectively.

These policies provide the framework for:

- Financial management,
- Revenue collection,
- Procurement processes, and
- Infrastructure delivery.

They ensure that the municipality operates within a system that is:

- Compliant with legislation,
- Transparent and accountable, and
- Capable of delivering on its commitments.

Election Year Context

Honourable Councillors,

As we approach the end of this Council term in **2026**, communities will assess this administration based on **visible outcomes and tangible improvements**.

It is therefore important that we:

- Demonstrate progress,
- Strengthen accountability, and
- Leave a credible foundation for the future.

Conclusion on Budget

This budget reflects a careful balance between:

- **Affordability for residents**, and
- **Financial sustainability of the municipality**.

Ultimately, every allocation must translate into:

- Improved service delivery, and
- Better living conditions for our communities.

Conclusion

Honourable Councillors,

The matters before Council reflect the realities of local governance—where:

- Resources are limited,
- Needs are significant, and
- Coordination is essential.

Our responsibility is to ensure that we:

- Take informed and responsible decisions,

- Strengthen governance and accountability, and
- Deliver meaningful and sustainable development.

Closing

As we conclude this Council term, let us ensure that we leave behind a municipality that is:

Responsive, accountable, and development-oriented.

“Unlocking Opportunities for Growth and Development.”

I thank you.

1.2. Council Resolutions

Council considers the following,

1. That, the draft budget of the municipality for the year 2026/2027; and its indicative for the two projected outer years 2027/2028 and 2028/2029 as outlined on the report be tabled as set out in the following:
2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved .
3. The revenue budget is anticipated to be R679, 404, 557 in the 2026/27 budget year. The adjusted budget for 2025/26 was R725, 377, 402. This is a decrease of R45,972,845 from the current adjustment budget mainly due to decreased grants allocations. Revenue budget for the indicative years 2027/28 and 2028/29 is anticipated to be R653,441,244 and R687,326,280 respectively.
4. For the 2026/2027 budget the municipality will receive both conditional and unconditional grants of R419, 7million, a decrease of R43,9 million from R463,6 million on the 2025/26 allocations as Gazetted on Division of Revenue Act (DoRA) and provincial allocations.
5. The draft operating expenditure budget is anticipated to be R597, 606, 051 in the 2026/27 financial year. The adjusted budget for 2025/26 was R595,301,647. This is an increase of R2,304,404 from the current adjustments budget. For the two outer years 2027/28 and 2028/29 the operating expenditure budget is anticipated to be R617,327,050 and R639,191,310 respectively.
6. The capital expenditure budget is anticipated to be R141,768,300 in the 2026/27 financial year. The adjusted budget for 2025/26 was R210, 964, 617, this is a decrease of R69,196,317 from the adjustment budget with the following funding sources;
 - Municipal infrastructure grant R67,208,700
 - Disaster recovery grant R14,585,600.
 - Capital replacement reserves R59,874,000.
 - Library Support grant R100,000

The capital expenditure budget for the 2027/2028 and 2028/2029 budget is forecasted to be R104,707,350 and R101,725,150 respectively.

7. Employee related costs have been budgeted at R186,7 million with an increase of 4.45% provided for, this is CPI of 3.7%, 0,75% as per agreement and 2,5% increase for employees progressing to the next notch.
8. An increase of 4.7% and been provided for Remuneration of Councilors with a budget of R25million.
9. The council approves the following draft tariff increases for the 2026/27 financial year.
 - Property rates tariff increase of 0% and first R190 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.

- No increase of Refuse tariffs. Electricity tariffs increase with 9.1% subject to approval by NERSA.
- That all other municipal tariffs will not be increased.

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

- 10.1. Budget policy,
- 10.2. Cash management policy,
- 10.3. Cash shortage policy,
- 10.4. Credit control and debt collection policy,
- 10.5. Cost containment policy ,
- 10.6. Customer care policy,
- 10.7. Customer incentive scheme policy,
- 10.8. Data backup policy,
- 10.9. Debt capacity policy,
- 10.10. Donor finance policy,
- 10.11. Electricity token policy,
- 10.12. Entertainment & refreshments policy,
- 10.13. Fleet Management Policy ,
- 10.14. Unclaimed deposits policy,
- 10.15. Fraud prevention plan,
- 10.16. Gifts policy for officials,
- 10.17. Grants & donation policy,
- 10.18. GRAP framework policy,
- 10.19. Impairment and write off policy,
- 10.20. Cash-up Policy,
- 10.21. Fixed Assets Policy,
- 10.22. Payment Policy,
- 10.23. Petty Cash Policy,
- 10.24. Rates Policy,
- 10.25. Special Services Policy,
- 10.26. Strategy to improve Debtor policy,

- 10.27. Supply Chain Management Policy,
- 10.28. Tariff Policy,
- 10.29. Use of Credit Card Policy and
- 10.30. Virement Policy.
- 10.31. Infrastructure procurement and delivery management policy.
- 10.32. Indigent Policy
- 10.33. Banking and Investments Policy
- 10.34. Use of Consultants Policy

1.3 Executive Summary

Budget process plan

On 29th July 2025, 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.

DP review

As per the approved plan, the municipality on the 20 – 23 October 2025, 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 2026/27 to 2028/29 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public.

DRAFT BUDGET 2026/2027– 2028/29 MTREF

Budgeted Financial Performance (revenue)

REVENUE SOURCE	APPROVED BUDGET 2025/2026	ADJUSTMENTS BUDGET 2025/2026	DRAFT BUDGET 2026/2027	BUDGET 2026/27 ALLOCATION	BUDGET YEAR +2027/2028	BUDGET YEAR +2028/2029	2026/27 Increase
Property Rates	61 936 751	61 936 751	63 250 000	9%	65 337 250	67 493 379	1 313 248,98
Service Charges	106 833 628	106 833 628	110 615 684	16%	114 266 002	118 036 780	3 782 056
Rental Of Facilities & Equipment	2 220 000	2 220 000	2 250 000	0%	2 324 250	2 400 950	30 000
Interest - Outstanding Debtors	26 470 000	26 470 000	22 200 000	3%	22 932 600	23 689 376	-4 270 000
Interest - External Investment	28 812 996	28 812 996	28 812 996	4%	29 763 825	30 746 031	-
Fines , Penalties and Forfeits	3 048 000	3 048 000	3 048 000	0%	3 148 584	3 252 487	-
Agency Fees	1 800 000	1 800 000	1 800 000	0%	1 859 400	1 920 760	-
Licences & Permits	4 459 108	4 459 108	4 161 000	1%	4 298 313	4 440 157	-298 108
Transfers & Subsidies Operational	331 654 050	332 332 050	323 868 577	48%	316 010 650	338 622 850	-8 463 473
Transfers & Subsidies Capital	82 489 950	130 089 617	81 794 300	12%	64 707 350	66 725 150	-48 295 317
Other Revenue	27 375 252	27 375 252	37 604 000	6%	28 793 021	29 998 359	10 228 748
Total Revenue	677 099 735	725 377 402	679 404 557	100%	653 441 244	687 326 280	-45 972 845

Remarks:

- The revenue is anticipated to be R679, 404, 557 in the 2026/27 budget year. The adjusted budget for 2025/26 was R725, 377, 402. This is a decrease of R45,972,845 from the current adjustment budget mainly due to decreased grants allocations. Revenue budget for the indicative years 2027/28 and 2028/29 is anticipated to be R653,441,244 and R687,326,280 respectively.

- The property rates budget of R R63,250,000 is calculated from the current valuation roll which was implemented from the 01st July 2024, there is no proposed increase on the property rates tariffs for the draft budget 2026/2027.
- An increase of 9.1% has been applied in this draft budget for electricity, subject to NERSA approval, registered indigents will be granted 50 kWh per 30-day period as a free basic service.
- It should be noted that both operating and capital transfers and subsidies have decreased due to decreased grants allocation for the equitable share and the disaster response grant.

Transfers and grant receipts

Description	2025-2026 Budget		2026-2027 Medium Term Revenue & Expenditure Framework		
	Approved Budget Year	Adjustment Budget	Draft Budget Year 2026/27	Draft Budget Year +2027/28	Draft Budget Year 2028/29
RECEIPTS:					
Operating Transfers and Grants					
National Government:	347 687	347 687	351 289	336 915	360 472
Local Government Equitable Share	319 324	319 324	312 797	310 405	332 811
Expanded Public Works Programme Integrated Grant	2 980	2 980	2 988	-	-
Local Government Financial Management Grant	1 800	1 800	2 000	2 200	2 300
Integrated National Electrification Programme	20 549	20 549	29 967	20 904	21 849
Municipal Infrastructure Grant (MIG)	3 034	3 034	3 537	3 406	3 512
Provincial Government:	2 616	3 144	1 278	-	-
Capacity Building and Other : Library	950	978	1 278	-	-
Human Settlement	-	500	-	-	-
DEDEAT	1 666	1 666	-	-	-
District Municipality:	-	150	-	-	-
IDP roadshows	-	150	-	-	-
Total Operating Transfers and Grants	350 303	350 981	352 567	336 915	360 472
Capital Transfers and Grants	82 490	112 704	67 209	64 707	66 725
Municipal Infrastructure Grant (MIG)	57 647	57 647	67 209	64 707	66 725
Disaster Response Grant	24 543	54 757	-	-	-
Capacity Building and Other : Library	300	300	-	-	-
Total Capital Transfers and Grants	82 490	112 704	67 209	64 707	66 725
TOTAL RECEIPTS OF TRANSFERS & GRANTS	432 793	463 685	419 776	401 622	427 197

Remarks;

- For the 2026/2027 budget the municipality will receive both conditional and unconditional grants of R419,7 million, a decrease of R43,9 million from R463,6 million on the 2025/26 allocations as Gazetted on Division of Revenue Act (DoRA) and provincial allocations.
- 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 with R6,5 million from the current financial year's allocation.

- Conditional operational grants (EPWP, Library support Grant & FMG) are appropriated to fund expenditures relating to the Expanded Public Works Programme, library programmes and financial reforms respectively as per grants stipulated conditions.
- The Expanded public works incentive has been allocated a budget of R2,988,000, which is an increase of R8,000 for the next budget year.
- The finance management grant has been allocated a budget of R2,000,000 for the next budget year, which is an increase of R200,000.
- Conditional capital grants (Municipal Infrastructure grant and the integrated national electrification grant) are appropriated to fund capital expenditure of roads construction, rural electrification, and local economic development projects).
- The Municipal Infrastructure grant has increased by R10, million to an allocation of R70,3 million for the next budget.
- The Integrated National electrification grant has increased by R9, million to an allocation of R29,9 million for the next budget year.

Budgeted Financial Performance (operating expenditure)

REVENUE SOURCE	APPROVED BUDGET 2025/2026	ADJUSTMENTS BUDGET 2025/2026	DRAFT BUDGET 2026/2027	BUDGET 2026/27 ALLOCATION	BUDGET YEAR +2027/2028	BUDGET YEAR +2028/2029	2026/27 Increase
Employee Related Costs	186 700 555	186 700 555	190 012 280	32%	196 282 685	202 563 731	3 311 725
Remuneration of Councillors	24 665 901	24 665 901	25 082 140	4%	25 909 850	25 741 176	416 239
Bad Debt Written Off	6 500 000	6 500 000	6 500 000	1%	6 714 500	6 962 313	-
Depreciation	22 321 875	22 321 875	22 321 875	4%	23 058 497	30 673 806	-
Bulk Purchases	98 000 000	98 000 000	99 000 000	17%	102 267 000	104 970 250	1 000 000
Contracted Services	170 618 329	170 796 329	170 987 608	29%	176 630 199	176 359 390	191 279
Other Material	7 032 600	7 462 600	6 716 800	1%	6 938 454	7 069 425	-745 800
Other Expenditure	78 784 387	78 854 387	76 985 348	13%	79 525 864	84 851 219	-1 869 039
Total Expenditure	594 623 647	595 301 647	597 606 051	100%	617 327 050	639 191 310	2 304 404

Remarks;

The draft operating expenditure is anticipated to be R597, 606, 051 in the 2026/27 financial year. The adjusted budget for 2025/26 was R595,301,647. This is an increase of R2,304,404 from the current adjustments budget. For the two outer years 2027/28 and 2028/29 the operating expenditure budget is anticipated to be R617,327,050 and R639,191,310 respectively.

- The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is five-year, the agreement was effective from 1st July 2024, to 30 June 2029. In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.
- Employee related costs have been budgeted at R186,7 million with an increase of 4.45% provided for, this is CPI of 3.7%, 0,75% as per agreement and 2,5% increase for employees progressing to the next notch.
- Included in the budget for employee related costs is an allocation of R 12,133,317 for the Expanded Public Works Programme.
- An Increase of 4.7% and been provided for Remuneration of Councilors with a budget of R25 million.
- Bulk electricity purchases have been budgeted for RR99, million after considering the anticipated NERSA increases.
- Depreciation and asset impairment have been allocated a budget of R 22, million.
- The contracted services budget includes but not limited to the following;
 - Electrification of Gwadana Households R10,5million in ward 21.
 - Electrification of Hebrone Households R7, million in ward 21.
 - Electrification of Sijoga Households and Link line R12,7 million in ward 10
 - Maintenance Municipal Fleet & Plant - R3,800,000.
 - Maintenance of ICT Infrastructure - R6,736,000.
 - Maintenance of Building and Facilities -R3,740,000.
 - Maintenance of road sidewalks -R5,276,800.
 - Maintenance of Electricity Infrastructure -R10,100,000.
 - Refuse Removal and Landfill site -R13,500,000.
 - Planning, Survey and Spatial Development -R6,750,000.
 - Tourism, Agriculture and SMME support -R11,050,000.
 - Communications and SPU programmes -R 7,787,038.
 - Legal Cost: Legal Advice and Litigation -R5,500,000.
 - Internal Audit Services -R1,200,000.
 - Performance and Risk Management -R3,000,000.
 - Property valuation, Debt collection and vending -R13,186,800.

- Free basic and indigent services -R1,500,000.
- Employee wellness and Assistance programmes -R1,980,000.
- Public Participation and Customer Care -R1,050,000.
- Safeguard and Security Services -R 22, 669,608.
- Accounting, Assets and Professional Services -R15,590,000.
- Other expenditure has been provided a budget of R76,9 million which includes all operating expenses for running the municipality and community programmes e.g. Travelling and accommodation expenses, learnership and internship programmes ,hiring costs, advertising and publications, audit fees, indigent services, insurance services, fuel costs, telephone and communications, remuneration of ward committees and registration fees etc.

2026/2027 DRAFT CAPITAL EXPENDITURE PER VOTE AND FUNDING SOURCES

DEPARTMENT/MUNICIPAL VOTE	APPROVED BUDGET 2025/2026	ADJUSTMENTS BUDGET 2025/26	DRAFT BUDGET 2026/2027	BUDGET +2027/2028	BUDGET +2028/2029	2026/2027 INCREASE
Municipal Manager's Office	627 000	627 000	3 384 000	-	-	2 757 000
Budget & Treasury	3 770 000	3 770 000	3 222 000	1 070 188	1 105 504	-548 000
Corporate Services	3 240 000	3 240 000	6 788 000	4 311 742	4 454 029	3 548 000
Community Services	8 000 000	8 000 000	11 546 000	8 160 700	1 493 925	3 546 000
Economic Development Planning	18 855 000	18 855 000	7 842 000	-	-	-11 013 000
Infrastructure	128 872 950	176 472 617	108 986 300	91 164 720	94 671 692	-67 486 317
TOTAL CAPITAL PER MUNICIPAL VOTE	163 364 950	210 964 617	141 768 300	104 707 350	101 725 150	-69 196 317
Funding Sources						
Capital Replacement reserves	80 875 000	80 875 000	59 874 000	40 000 000	35 000 000	-21 001 000
Municipal Disaster Grant	24 543 000	72 142 667	14 585 600	-	-	-57 557 067
Municipal Infrastructure Grant	57 646 950	57 646 950	67 208 700	64 707 350	66 725 150	9 561 750
Library Support Grant	300 000	300 000	100 000	-	-	-200 000
TOTAL CAPITAL FUNDING	163 364 950	210 964 617	141 768 300	104 707 350	101 725 150	-69 196 317

Remarks;

Capital expenditure is the expenditure appropriated for items to be utilised over a period of time longer than 12 months to generate future income and derive economic benefit for the municipality.

- The capital expenditure budget is anticipated to be R141,768,300 in the 2026/27 financial year. The adjusted budget for 2025/26 was R210, 964, 617, this is a decrease of R69,196,317 from the adjustment budget with the following funding sources;
 - Municipal infrastructure grant R67,208,700
 - Disaster recovery grant R14,585,600.
 - Capital replacement reserves R59,874,000.
 - Library Support grant R100,000

The capital expenditure budget for the 2027/2028 and 2028/2029 budget is forecasted to be R104,707,350 and R101,725,150 respectively.

The capital budget per municipal departments is tabulated as below,

BUDGET AND TREASURY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
FINANCE GOVERNANCE			50 000	-	-	50 000	-	-	-
Furniture and Office Equipment	New	Admin	50 000	-	-	50 000	-	-	-
REVENUE AND EXPENDITURE			1 036 000	-	-	1 036 000	-	-	-
Laptops	New	Admin	36 000	-	-	36 000	-	-	-
Indigent system	New	Admin	1 000 000	-	-	1 000 000	-	-	-
SUPPLY CHAIN MANAGEMENT			2 136 000	-	-	2 136 000	-	-	-
SUpply Chain Management	New	Admin	2 000 000	-	-	2 000 000	-	-	-
Tender Box	New	Admin	100 000	-	-	100 000	-	-	-
Laptops	New	Admin	36 000	-	-	36 000	-	-	-
Financial Reporting & Assets Management			-	-	-	-	-	-	-
TOTAL BUDGET & TREASURY			3 222 000	-	-	3 222 000	-	-	-

Remarks;

- The total proposed budget for budget and treasury is R3,2 million to be funded from the capital replacement reserves.

MUNICIPAL MANAGER'S OFFICE

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
INTERNAL AUDIT			2 036 000	-	-	2 036 000	-	-	-
Laptops	New	All	36 000	-	-	36 000	-	-	-
Internal audit software	New	All	2 000 000	-	-	2 000 000	-	-	-
LEGAL SERVICES			41 500	-	-	41 500	-	-	-
Laptops	New	All	41 500	-	-	41 500	-	-	-
RISK AND STRATEGIC GOVERNANCE UNIT			41 500	-	-	41 500	-	-	-
Laptops	New	All	41 500	-	-	41 500	-	-	-
SPU AND COMMUNICATIONS			1 265 000	-	-	1 265 000	-	-	-
Sound System	New	Admin	50 000	-	-	50 000	-	-	-
Wireless microphone	New	Admin	15 000	-	-	15 000	-	-	-
Electronic billboard	New	Admin	1 200 000	-	-	1 200 000	-	-	-
TOTAL MUNICIPAL MANAGER'S OFFICE			3 384 000	-	-	3 384 000	-	-	-

Remarks;

- The total proposed budget for the office of the Municipal manager amounts to R3,3 million to be funded from capital replacement reserves.

CORPORATE SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
HUMAN RESOURCES			258 000	-	-	258 000	-	-	-
Laptop (x5)	New	Admin	108 000	-	-	108 000	-	-	-
Furniture (Chairs/ Tables - x3 Sub units)	New	Admin	150 000	-	-	150 000	-	-	-
ICT SERVICES			5 850 000	-	-	5 850 000	-	-	-
Surveillance Cameras	New	Admin	500 000	-	-	500 000	-	-	-
Public Wi-Fi	New	Various	450 000	-	-	450 000	-	-	-
Uninterrupted Power Supply	Upgrade	Admin	150 000	-	-	150 000	-	-	-
Laptops(Ward Councillors)	New	Admin	2 700 000	-	-	2 700 000	-	-	-
Network Rewiring (Main office)	Upgrade	Admin	250 000	-	-	250 000	-	-	-
Server Upgrade	Upgrade	Admin	1 200 000	-	-	1 200 000	-	-	-
Network Cabling (pound & Mountain Lake office)	Upgrade	19	600 000	-	-	600 000	-	-	-
COUNCIL SUPPORT			200 000	-	-	200 000	-	-	-
Furnitue and Equipment (Wards)	New		200 000	-	-	200 000	-	-	-
ADMIN SUPPORT			480 000	-	-	480 000	-	-	-
Minite taking Equipment	New	Admin	250 000	-	-	250 000	-	-	-
Security monitors	New	Admin	80 000	-	-	80 000	-	-	-
Old Council Chamber furniture	New	Admin	150 000	-	-	150 000	-	-	-
TOTAL CORPORATE SERVICES			6 788 000	-	-	6 788 000	-	-	-

Remarks;

- The total proposed budget for corporate services is R6,7 million to be funded from the municipal reserves.

ECONOMIC DEVELOPMENT AND PLANNING

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
PLANNING			3 520 000	-	-	3 520 000.00	-	-	-
Furniture (Executive chairs x 5)	New	Admin	20 000	-	-	20 000.00	-	-	-
Urban renewal- (STR Precinct areas)	New	Admin	3 500 000	-	-	3 500 000.00	-	-	-
LOCAL ECONOMIC DEVELOPMENT			2 072 000	-	-	2 072 000.00	-	-	-
Hawker Stalls		19	2 000 000	-	-	2 000 000.00	-	-	-
Laptop		Admin	72 000	-	-	72 000.00	-	-	-
HUMAN SETTLEMENTS AND BUILDING CONTROL			2 100 000	-	-	2 100 000.00	-	-	-
Town Hall		19	500 000	-	-	500 000.00	-	-	-
Municipal Store Fencing		Admin	500 000	-	-	500 000.00	-	-	-
Pounds Borehole		19	250 000	-	-	250 000.00	-	-	-
Maluti office borehole		2	250 000	-	-	250 000.00	-	-	-
Installation of airconditioners		Admin	500 000	-	-	500 000.00	-	-	-
Working Tool (Jack Hammer & Wacker)		Admin	100 000	-	-	100 000.00	-	-	-
EDP GOVERNANCE			150 000	-	-	150 000.00	-	-	-
Boardroom Furniture		Admin	150 000	-	-	150 000.00	-	-	-
ECONOMIC DEVELOPMENT AND PLANNING			7 842 000	-	-	7 842 000.00	-	-	-

Remarks;

- The proposed budget for economic development and planning is R7,8 million to be funded from the municipal reserves.

COMMUNITY SERVICES

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
PUBLIC AMENITIES			746 000	-	-	646 000	-	100 000	-
Laptops	New	Admin	36 000	-	-	36 000	-	-	-
Cedarville Toilets Fencing	New	26	150 000	-	-	150 000	-	-	-
Harry Gwala Toilets Fencing	New	20	150 000	-	-	150 000	-	-	-
Furniture	New	Admin	60 000	-	-	60 000	-	-	-
Stadiums borehole north End	New	20	100 000	-	-	100 000	-	-	-
Fencing of Coffee Pot Rank	New	19	150 000	-	-	150 000	-	-	-
Laptops (Library)	New	Admin	100 000	-	-	-	-	100 000	-
PUBLIC SAFETY			7 650 000	-	-	7 650 000	-	-	-
Construction of Licensing Offices	Upgrade	Admin	5 000 000	-	-	5 000 000	-	-	-
Furniture Chairs	New	Admin	100 000	-	-	100 000	-	-	-
Procurement of Fire Engen Equipment	New	Admin	2 000 000	-	-	2 000 000	-	-	-
Roadblock Trailor	New		400 000	-	-	400 000	-	-	-
Procurement of 8 Hand Guns and equipment	New	Admin	150 000	-	-	150 000	-	-	-
ENVIROMMENT AND SOLID WASTE			3 150 000	-	-	3 150 000	-	-	-
Nature reserve fence	New	20	1 500 000	-	-	1 500 000	-	-	-
Mountain lake Jetty	New	19	250 000	-	-	250 000	-	-	-
Cemetery development	New	19.2	1 400 000	-	-	1 400 000	-	-	-
TOTAL COMMUNITY SERVICES			11 546 000	-	-	11 446 000	-	100 000	-

Remarks ;

- The total proposed budget for community services is R11,5 million, to be funded from the capital replacement reserves and R100,000 from the library support grant.

INFRASTRUCTURE**PROJECT OPERATIONS AND MAINTENANCE**

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Mvenyane Access and Bridge (2025/2026)	Upgrade	21	1 000 000	-	-	-	-	-	1 000 000
Lugada Mahlathini Bridge (2024/2025)	Upgrade	15-17	1 500 000	-	-	-	-	-	1 500 000
Tlakanelo Access Road & Bridge	Upgrade	13	3 299 728	-	-	-	-	-	3 299 728
Sifolweni Access Road & Bridge	Upgrade	7	2 130 650	-	-	-	-	-	2 130 650
Motsing Access Road	Upgrade	14	1 472 232	-	-	-	-	-	1 472 232
Rholweni Access Road	Upgrade	22	2 272 000	-	-	-	-	-	2 272 000
Sekhutlong Access Road	Upgrade	12	1 474 990	-	-	-	-	-	1 474 990
Tsita-Pehong Access Road	Upgrade	8	1 436 000	-	-	-	-	-	1 436 000
Mphotshongweni Bridge (Rashule)	Upgrade	9	5 500 000	-	-	5 500 000	-	-	-
Lunda Access Road	Upgrade	10	2 500 000	-	-	2 500 000	-	-	-
Tlakanelo Access Road & Bridge			1 050 000	-	-	1 050 000	-	-	-
Laptops*2	New	Admin	72 000	-	-	72 000	-	-	-
Furniture	New	Admin	120 000	-	-	120 000	-	-	-
Water Pump and Air compressor	New	Admin	150 000	-	-	150 000	-	-	-
			23 977 600	-	-	9 392 000	-	-	14 585 600

Remarks;

- The total capital budget for the operations and maintenance unit is R23,9 million, the Municipal disaster relief grant will fund R14,5 million of the budget and R9, 3 million will be funded from the capital reserves.

PROJECT MANAGEMET

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
Construction of Cedarville Internal Streets Phase 4	New	26	10 000 000	-	-	-	10 000 000	-	-
Installation of 5 High Masts in Maluti	New	1	6 500 000	-	-	-	6 500 000	-	-
Installation of 5 High Masts with 200 streetlights in Ceda	New	26	1 500 000	-	-	-	1 500 000	-	-
Rehabilitation of Cedarville Internal Streets Phase 2 (Khc	New	26	6 832 919	-	-	-	6 832 919	-	-
Rehabilitation of Matatiele Internal Streets Cluster 2	New	19	6 669 250	-	-	-	6 669 250	-	-
Chibini-Goxe Access Road	New	5	8 679 354	-	-	-	8 679 354	-	-
Mgubho Access Road	New	17	5 342 650	-	-	-	5 342 650	-	-
Maphokong Access Road & bridge	New	4	6 811 043	-	-	-	6 811 043	-	-
Mhlomendlini Access Road	New	10	2 108 148	-	-	-	2 108 148	-	-
Mottsekoa Access Road & bridge	New	27	1 765 336	-	-	-	1 765 336	-	-
Upgrading of Mahangwe Sports facility	New	6	10 000 000	-	-	-	10 000 000	-	-
Planning of Mountain Lake Road	Upgrade	18	1 000 000	-	-	-	1 000 000	-	-
			67 208 700	-	-	-	67 208 700	-	-

Remarks;

- The capital budget for project management unit is proposed to be R67,2 million, to be funded from the Municipal infrastructure grant,

ELECTRICITY

PROJECT DESCRIPTION	NEW OR UPGRADE OF EXISTING	REGION /WARD	BUDGET 2026/2027	BUDGET 2027/2028	BUDGET 2028/2029	CAPITAL REPLACEMENT RESERVES	MIG	LIBRARY SUPPORT	MDRG
	Upgrade of								
Refurbishment of Matatiele Substation No 1	Existing	19	5 000 000	-	-	5 000 000	-	-	-
Transformers and Switch Gears	New	19	9 000 000	-	-	9 000 000	-	-	-
Cable Fault Locator -Thumber Trailor	new	19	3 800 000	-	-	3 800 000	-	-	-
			17 800 000	-	-	17 800 000	-	-	-

- The capital budget for Electricity unit is proposed to be R17,8 million, to be funded from the capital reserves.

TOTAL BUDGET 2026/27-2028/29

Description	Current Budget		2026/2027 Medium Term Revenue & Expenditure Framework		
	APPROVED BUDGET 2025/2026	ADJUSTMENTS BUDGET 2025/2026	BUDGET 2026/2027	BUDGET +2027/2028	BUDGET +2028/2029
Operating Budget	594 623 647	595 301 647	597 606 051	614 126 065	634 413 439
Capital Budget	163 364 950	210 964 617	141 768 300	92 124 250	93 866 630
Total Budget	757 988 597	806 266 264	739 374 351	706 250 315	728 280 069

Remarks:

- The total draft budget is proposed to be R739,374,351, it should be noted that this is a decrease of R66,891,913 from the current adjustments budget, the decrease is mainly as a result of decreased disaster recovery grant and equitable share allocation.
The total budget for 2027/2028 and 2028/2029 is anticipated to be R706,250,315 and R728,280,069 respectively.

PROPOSED TARIFF INCREASES AND BUDGET ASSUMPTIONS**Property Rates**

No increase is proposed on Property rates tariff for the 2026/27 financial year as follows;

	DESCRIPTION	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026	Proposed Increase for 2026/2027	New Tariff VAT Excluded 2026/2027
11	<i>Residential</i> First R190 000 Exemption 40% Rebate	0%	0.010878	0%	0.010878
11.2	<i>Vacant Land</i>	0%	0.02176	0%	0.02176
11.3	<i>Commercial</i> 15% Rebate	0%	0.013054	0%	0.013054
11.4	Government 0 Rebates	0%	0.02176	0%	0.02176
11.5	<i>Farms</i> 70% Rebate EXCLUDING STATE OWNED FARMS (GOVERNMENT)	0%	0.0027195	0%	0.0027195
11.6	<i>Industrial</i> 15% Rebate	0%	0.013054	0%	0.013054
11.4	<i>Municipal</i> 100% discount	0%	0.013054	0%	0.013054

Service Charges

- The electricity tariff is proposed to increase by 9.1% subject to approval from NERSA.
- No increase is proposed for the Refuse tariffs and all other tariffs.

Employee related costs and Remuneration of Councillors

- The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is five-year agreement effective from July 1, 2024, to June 30, 2029. In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.
- Employee related costs have been budgeted at R186,7 million with an increase of 4.45% provided for, this is CPI of 3.7%, 0,75% as per agreement and 2,5% increase for employees progressing to the next notch.
- An Increase of 4.7% and been provided for Remuneration of Councillors with a budget of R25, million.

Budget Related Policies

The following budget related policies have been reviewed for the 2026/27 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

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 2026/2027 MTREF (classified by main revenue source):

Table 1 -Summary of revenue classified by main revenue source

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	58,114	67,647	77,914	91,308	91,308	91,308	65,669	95,616	98,771	102,030
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11,713	11,499	11,793	15,526	15,526	15,526	7,917	15,000	15,495	16,006
Sale of Goods and Rendering of Services	2	870	1,014	926	621	621	621	517	882	911	941
Agency services	2	-	-	1,539	1,800	1,800	1,800	1,115	1,800	1,859	1,921
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1,313	1,657	1,636	2,200	2,200	2,200	1,532	2,200	2,273	2,348
Interest earned from Current and Non Current Assets	2	19,146	24,861	15,316	28,813	28,813	28,813	13,149	28,813	29,164	30,146
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	206	327	303	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,237	1,294	1,317	2,220	2,220	2,220	1,277	2,250	2,324	2,401
Licence and permits	2	3,596	3,969	2,470	4,434	4,434	4,434	1,346	4,126	4,262	4,403
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	40,250	36,429	26,264	25,849	25,849	25,849	20,038	35,267	26,379	27,505
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	264	635	518	905	905	905	199	1,455	1,503	1,553
Non-Exchange Revenue											
Property rates	2	48,116	50,849	56,360	61,937	61,937	61,937	53,171	63,250	65,337	67,493
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	2,754	2,288	2,127	3,048	3,048	3,048	1,173	3,048	3,149	3,252
Licences or permits	2	64	28	31	25	25	25	(0)	35	36	37
Transfer and subsidies - Operational	2	293,763	316,426	330,510	331,654	332,332	332,332	329,973	323,869	316,011	338,623
Interest	2	14,956	16,571	23,294	24,270	24,270	24,270	12,694	20,000	20,660	21,342
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	104	-	-	-	-	-	-	-	-	-
Other Gains	2	(21)	-	1,148	-	-	-	-	-	-	-
Discontinued Operations	2	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		496,046	533,492	553,463	594,610	595,286	595,286	506,769	597,610	586,734	620,601

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 2024 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year #1 2027/28	Budget Year #2 2028/29
RECEIPTS:										
Operating Transfers and Grants										
National Government:		345,491	405,237	383,485	327,138	327,138	371,987	321,322	316,011	338,623
Expanded Public Works Programme Integrated Grant		4,810	3,974	3,800	2,960	2,960	2,960	2,988	-	-
Integrated National Electrification Programme Grant		-	41,000	-	-	-	-	-	-	-
Local Government Financial Management Grant		1,650	1,700	1,700	1,800	1,800	1,800	2,000	2,200	2,300
Municipal Infrastructure Grant		52,723	54,593	57,584	3,034	3,034	47,883	3,037	3,406	3,512
Equitable Share		286,308	303,970	320,321	319,324	319,324	319,324	312,797	310,405	332,811
Provincial Government:		-	-	-	4,516	4,516	-	2,546	-	-
Specify (Add grant description)		-	-	-	2,850	2,850	-	2,546	-	-
Specify (Add grant description)		-	-	-	1,666	1,666	-	-	-	-
District Municipality:		-	100	150	-	150	-	-	-	-
Specify (Add grant description)		-	100	150	-	150	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	345,491	405,237	383,635	331,654	331,604	371,987	323,869	316,011	338,623
Capital Transfers and Grants										
National Government:		48,539	32,706	24,542	82,190	129,790	54,757	81,794	64,707	66,725
Municipal Disaster Relief Grant		2,251	32,706	-	-	-	-	14,586	-	-
Municipal Infrastructure Grant		-	-	-	57,647	57,647	-	67,209	64,707	66,725
Integrated National Electrification Programme Grant		46,288	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	24,542	24,543	72,143	54,757	-	-	-
Provincial Government:		-	3,981	4,316	300	826	2,944	-	-	-
Specify (Add grant description)		-	3,331	3,066	-	-	1,666	-	-	-
Specify (Add grant description)		-	-	-	-	500	-	-	-	-
Specify (Add grant description)		-	650	1,250	300	326	1,278	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	48,539	36,687	28,858	82,490	130,618	57,701	81,794	64,707	66,725
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	394,030	442,024	412,493	414,144	462,222	429,688	405,663	380,718	405,348

The municipality operational grants budget amounts to R 323,8 million for 2026/27 year, capital transfers will amount to R81,9 million .

Table 3 Comparison of rated levies for the 2026/27 financial year

	DESCRIPTION	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026	Proposed Increase for 2026/2027	New Tariff VAT Excluded 2026/2027
11	<i>Residential</i> First R190 000 Exemption 40% Rebate	0.000000	0.010878	0%	0.010878
11.2	<i>Vacant Land</i>	0.000000	0.02176	0%	0.02176
11.3	<i>Commercial</i> 15% Rebate	0.000000	0.013054	0%	0.013054
11.4	Government 0 Rebates	0.000000	0.02176	0%	0.02176
11.5	<i>Farms</i> 70% Rebate EXCLUDING STATE OWNED FARMS (GOVERNMENT)	0.0000000	0.0027195	0%	0.0027195
11.6	<i>Industrial</i> 15% Rebate	0.000000	0.013054	0%	0.013054
11.4	<i>Municipal</i> 100% discount	0.000000	0.013054	0%	0.013054

Table 4 Comparison between current electricity charges and increases

	DESCRIPTION	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026	Proposed Increase for 2026/2027	New Tariff VAT Excluded 2026/2027
1	REFUSE REMOVAL CHARGES				
1.1	<i>Domestic Removals</i>				
	(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	0%	139.19
1.2	<i>Commercial Removals</i>				
	(a) Each individual/separate business shall be charged a basic service charge per month.	-	208.77	0%	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	0%	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	<i>Removal from Separate Consumers on same Premises</i>				
	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	<i>Availability Charge</i>				
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	-	235.94	0%	235.94
	A availability fee , is charged to any vacant domestic erven located in the town areas of Cedarville, Matatiele and Maluti.	-	117.97	0%	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 2026/27 budget year.

1.1.1 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Randicent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		323.00	356.00	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	118.00	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%	--	--
2											
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		323.00	356.00	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	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		--	--	--	--	--	--	0.00%	--	--	--
Water: Consumption		--	--	--	--	--	--	0.00%	--	--	--
Sanitation		--	--	--	--	--	--	0.00%	--	--	--
Refuse removal		51.00	118.00	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				
3											
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	191.8%	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	191.8%	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 2026/27 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 2026/27 budget and MTREF (classified per main type of operating expenditure):

Table 7 Summary of operating expenditure by standard classification item

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Expenditure											
Employee related costs	2	148,840	164,213	182,964	186,701	186,701	186,701	(132,367)	190,012	192,948	199,309
Remuneration of councillors	2	22,872	22,380	24,244	24,966	24,666	24,666	(17,194)	25,082	25,910	26,785
Bulk purchases - electricity	2	56,340	74,157	87,487	96,000	96,000	96,000	(67,625)	99,000	102,267	105,642
Inventory consumed	2.8	5,748	5,526	5,212	7,033	7,463	7,463	(3,538)	6,717	6,938	7,167
Debt impairment	2.3	13,361	24,017	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment	2	56,483	58,753	59,793	22,322	22,322	22,322	(32,628)	22,322	23,058	23,819
Interest, Dividends and Rent on Land	2	134	3,544	3,829	-	-	-	(1,955)	-	-	-
Contracted services	2	134,380	139,772	138,140	170,618	170,796	170,796	(96,604)	170,988	176,630	182,539
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	12,447	6,500	6,500	6,500	-	6,500	6,714	6,936
Operational costs	2	59,620	66,966	62,519	78,784	78,854	78,854	(40,512)	78,985	79,660	82,236
Disposal of Fixed and Intangible Assets	2	8,911	12,212	1,065	-	-	-	-	-	-	-
Other Losses	2	-	335	27	-	-	-	-	-	-	-
Total Expenditure		587,962	571,854	557,728	594,624	595,362	595,362	(386,458)	597,896	614,126	634,413
Surplus/(Deficit)		(8,855)	(36,382)	(4,263)	(14)	(14)	(14)	895,219	4	(25,382)	(13,812)
Transfers and subsidies - capital (monetary allocations)	E	62,065	68,664	82,541	82,490	130,090	130,090	66,897	81,794	64,707	66,725
Transfers and subsidies - capital (in-kind)	E	-	5,349	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52,206	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		52,206	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Share of Surplus/Deficit attributable to Joint Ventures		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		52,206	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Share of Surplus/Deficit attributable to Associates		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		52,206	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913

The budgeted allocation for employee related costs for the 2026/27 financial year totals to R 190, million, which equals 32 per cent of the total operating expenditure.

The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is five-year agreement effective from July 1, 2024, to June 30, 2029. In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.

Employee related costs have been budgeted at R186,7 million with an increase of 4.45% provided for , this is CPI of 3.7%, 0,75% as per agreement and 2,5% increase for employees progressing to the next notch.

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 2026/27 financial year this amount equates to R 6,5 million and escalates to R 7 million by 2028/29. 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 2026/2027 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 other materials for maintenance.

For 2026/27 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 2026/27.

1.1.2 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2026/27 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% 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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE OTHER ITEMS		71,228	77,817	78,766	59,572	46,862	46,862	44,555	46,826	47,545
Depreciation	7	56,483	56,753	59,793	22,322	22,322	22,322	23,058	23,058	23,819
Repairs and Maintenance by Asset Class	3:	14,743	18,265	16,973	28,258	23,760	23,760	22,234	22,967	23,725
Roads Infrastructure		205	3,824	1,980	3,100	3,150	3,150	3,777	3,901	4,030
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		266	3,624	1,980	3,100	3,150	3,150	3,777	3,901	4,858
Community Facilities		1,064	784	1,080	2,780	1,650	1,650	480	506	523
Sport and Recreation Facilities		7,434	7,664	6,753	9,700	9,180	9,180	9,200	9,504	9,817
Community Assets		8,488	8,448	7,833	12,400	18,830	18,830	8,680	18,070	18,348
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		393	1,185	552	4,080	2,880	2,880	2,350	2,428	2,598
Housing		-	-	-	-	-	-	-	-	-
Other Assets		393	1,185	552	4,080	2,880	2,880	2,350	2,428	2,598
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1,358	825	2,933	4,888	2,488	2,488	2,617	2,783	2,792
Transport Assets		4,297	4,782	3,675	4,588	4,588	4,588	1,888	3,925	4,055
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		71,228	77,817	78,766	59,572	46,862	46,862	44,555	46,826	47,545

For the 2026/27 financial year repairs and maintenance is budgeted at R 22,2 million this equates to 4% 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 11 039 or more indigent households during the 2026/27 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.

1.2 Capital expenditure

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

Table 09 2026/27 Medium-term capital budget per vote

Vote Description	R (thousands)	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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		-	64	53	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		3,447	3,322	1,797	4,397	4,397	4,397	-	4,570	1,070	1,106
Vote 3 - Corporate		1,704	1,983	1,685	3,240	3,240	3,240	-	6,788	2,209	2,281
Vote 4 - Development and Planning		-	116	4,124	18,855	18,855	18,855	-	7,842	-	-
Vote 5 - Community		2,787	5,715	9,333	8,000	8,000	8,000	-	11,548	8,181	1,494
Vote 6 - Infrastructure		91,727	118,710	115,330	128,673	176,473	176,473	-	108,986	91,185	94,672
Vote 7 - Internal Audit		-	46	-	-	-	-	-	2,036	2,103	2,173
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		96,664	129,596	132,323	163,365	219,965	219,965	-	141,768	164,787	161,725
Total Capital Expenditure - Vote		96,664	129,596	132,323	163,365	219,965	219,965	-	141,768	164,787	161,725

1.3 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
R thousands										
Financial Performance										
Property rates	48,716	50,849	56,360	61,937	61,937	61,937	53,171	63,250	65,337	67,493
Service charges	70,828	79,146	89,707	106,834	106,834	106,834	73,586	110,516	114,266	118,037
Investment revenue	19,146	24,861	15,316	28,813	28,813	28,813	13,149	28,813	29,764	30,746
Transfer and subsidies - Operational	293,763	316,426	330,510	331,654	332,332	332,332	328,973	323,869	316,011	338,623
Other own revenue	65,594	64,211	61,572	65,372	65,372	65,372	39,891	71,063	63,356	65,702
Total Revenue (excluding capital transfers and contributions)	498,046	535,492	563,465	594,610	595,288	595,288	508,769	597,610	588,734	620,601
Employee costs	146,840	164,213	162,964	186,701	186,701	186,701	(132,367)	190,012	192,948	199,309
Remuneration of councillors	22,872	22,360	24,244	24,666	24,666	24,666	(17,194)	25,082	25,910	26,765
Depreciation, amortisation and impairment	56,483	58,753	59,793	22,322	22,322	22,322	(32,626)	22,322	23,068	23,819
Interest, Dividends and Rent on Land	134	3,544	3,829	-	-	-	(1,955)	-	-	-
Inventory consumed and bulk purchases	64,088	79,683	92,699	105,033	105,463	105,463	(71,192)	105,717	109,205	112,809
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	217,485	243,302	214,199	255,903	256,151	256,151	(131,116)	254,473	263,005	271,711
Total Expenditure	507,902	571,854	557,728	594,624	595,302	595,302	(386,450)	597,606	614,126	634,413
Surplus/(Deficit)	(9,855)	(36,362)	(4,263)	(14)	(14)	(14)	895,219	4	(25,392)	(13,812)
Transfers and subsidies - capital (monetary allocations)	62,065	68,464	82,541	82,490	130,090	130,090	66,897	81,794	64,707	66,725
Transfers and subsidies - capital (in-kind)	-	5,349	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Associates	52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Share of Surplus/(Deficit) attributable to Associates surplus/(deficit) for the year	52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Capital expenditure & funds sources										
Capital expenditure	99,664	129,956	132,323	163,365	210,965	210,965	92,508	141,768	104,707	101,725
Transfers recognised - capital	50,769	60,493	70,274	82,490	130,090	130,090	58,763	81,894	64,707	66,725
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	48,525	69,463	62,048	80,875	80,875	80,875	33,745	59,874	40,000	35,000
Total sources of capital funds	99,294	129,956	132,323	163,365	210,965	210,965	92,508	141,768	104,707	101,725
Financial position										
Total current assets	387,248	392,755	415,875	430,240	430,240	430,240	584,507	454,862	412,616	377,649
Total non current assets	976,523	1,034,090	1,101,668	1,275,562	1,323,161	1,323,161	1,161,550	1,387,142	1,468,791	1,345,602
Total current liabilities	127,063	164,004	176,837	201,988	201,988	(201,988)	(216,136)	232,154	253,319	233,819
Total non current liabilities	36,325	40,325	43,933	22,501	22,501	(22,501)	(43,933)	29,345	29,345	29,345
Community wealth/Equity	1,191,839	1,222,517	1,296,773	1,481,313	1,528,913	(1,528,913)	(1,434,352)	1,580,506	1,598,744	1,460,087
Cash flows										
Net cash from (used) operating	390,840	391,510	438,045	131,401	179,000	179,000	179,000	99,170	57,347	71,540
Net cash from (used) investing	(143,199)	(167,906)	(130,245)	(163,365)	(210,965)	(210,965)	(210,965)	(141,768)	(104,707)	(101,725)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end:	484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205
Cash backing/surplus reconciliation										
Cash and investments available	484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205
Application of cash and investments	526,171	556,857	554,417	194,829	194,829	3,428	(726,875)	173,724	241,042	164,943
Balance - surplus (shortfall)	(41,799)	(78,466)	11,527	36,008	36,008	227,408	957,711	83,026	(31,652)	14,262
Asset management										
Asset register summary (WDV)	901,477	835,175	965,429	1,134,258	1,135,751	1,135,751	-	1,387,142	1,468,791	1,345,602
Depreciation	56,483	58,753	59,793	22,322	22,322	22,322	-	22,322	23,068	23,819
Renewal and Upgrading of Existing Assets	35,604	41,715	46,334	36,255	79,328	79,328	-	27,636	11,861	12,253
Repairs and Maintenance	14,743	18,265	16,973	28,250	23,760	23,760	-	22,234	22,967	23,725
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	(20,865)	(20,865)	(20,865)	-	-	(16,300)	(16,838)
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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		372,020	399,813	419,376	437,220	437,370	437,370	428,480	430,040	456,421
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		372,020	399,813	418,776	437,220	437,370	437,370	428,480	430,040	456,421
Internal audit		-	-	600	-	-	-	-	-	-
Community and public safety		12,997	11,452	12,147	17,474	17,502	17,502	16,707	11,542	11,923
Community and social services		6,664	5,230	6,076	8,646	8,674	8,674	8,079	2,629	2,716
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6,334	6,222	6,072	8,828	8,828	8,828	8,628	8,913	9,207
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		56,977	57,821	86,431	90,736	138,836	138,836	91,079	74,050	76,370
Planning and development		(5,170)	(4,127)	3,592	5,502	6,002	6,002	5,737	5,926	6,122
Road transport		62,147	61,748	82,839	85,234	132,834	132,834	85,342	68,123	70,248
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118,729	140,419	118,053	131,870	131,870	131,870	143,139	137,810	142,613
Energy sources		106,919	120,443	103,037	114,257	114,257	114,257	127,983	122,154	126,440
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11,810	19,977	15,015	17,413	17,413	17,413	15,156	15,656	16,173
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	560,723	600,305	636,007	677,100	725,377	725,377	679,405	653,441	687,326
Expenditure - Functional										
Governance and administration		213,137	284,448	280,423	270,868	275,768	275,768	281,264	290,680	300,300
Executive and council		30,685	30,455	33,134	33,755	33,755	33,755	33,721	34,833	35,983
Finance and administration		178,881	249,834	222,724	232,129	237,144	237,144	242,532	250,670	258,970
Internal audit		3,571	4,159	4,564	4,984	4,869	4,869	5,011	5,176	5,347
Community and public safety		46,585	62,581	53,082	58,193	59,835	59,835	55,659	54,410	56,205
Community and social services		24,580	40,265	28,657	28,268	32,046	32,046	26,844	24,643	25,456
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		21,984	22,296	24,425	29,925	27,789	27,789	28,816	29,766	30,749
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		126,179	78,160	90,390	96,110	93,272	93,272	84,572	87,114	89,983
Planning and development		19,784	31,604	47,955	45,203	47,400	47,400	36,699	37,911	39,162
Road transport		106,395	46,556	42,435	50,908	45,873	45,873	47,872	49,204	50,821
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		130,851	173,256	157,855	168,452	168,427	168,427	176,111	181,922	187,926
Energy sources		114,148	151,294	134,169	142,991	141,301	141,301	152,174	157,195	162,383
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16,804	21,961	23,686	26,461	25,126	25,126	23,937	24,727	25,543
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	516,832	588,424	581,751	584,624	595,302	595,302	597,606	614,126	634,413
Surplus/(Deficit) for the year		43,891	10,881	74,256	82,476	130,076	130,076	81,799	39,315	52,913

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 of 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
R thousand										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		371,565	399,412	418,368	436,870	437,020	437,020	427,580	429,110	455,460
Vote 3 - Corporate		454	401	408	350	350	350	900	930	960
Vote 4 - Development and Planning		(5,191)	(4,022)	3,592	5,502	6,002	6,002	5,737	5,926	6,122
Vote 5 - Community		24,807	31,429	27,163	34,887	34,915	34,915	31,863	27,198	28,095
Vote 6 - Infrastructure		169,087	182,086	185,877	199,491	247,091	247,091	131,530	125,570	129,963
Vote 7 - Internal Audit		-	-	600	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	560,723	609,305	636,007	677,100	725,377	725,377	597,610	588,734	620,601
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive Council		30,685	30,455	33,134	33,755	33,755	33,755	33,721	34,833	35,983
Vote 2 - Finance and Admin		106,392	170,966	130,136	132,658	138,003	138,003	136,904	141,556	146,255
Vote 3 - Corporate		72,489	78,868	92,588	99,471	99,140	99,140	105,628	109,114	112,715
Vote 4 - Development and Planning		19,940	31,604	47,955	45,203	47,400	47,400	36,699	37,911	39,162
Vote 5 - Community		63,368	84,522	76,789	84,654	84,961	84,961	79,596	79,136	81,748
Vote 6 - Infrastructure		220,387	197,850	176,604	193,899	187,174	187,174	200,046	206,399	213,204
Vote 7 - Internal Audit		3,571	4,159	4,564	4,984	4,869	4,869	5,011	5,176	5,347
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	516,832	598,424	561,751	594,624	595,302	595,302	597,606	614,126	634,413
Surplus/(Deficit) for the year	2	43,891	10,881	74,256	82,476	130,076	130,076	4	(25,392)	(13,812)

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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	59,114	67,647	77,914	91,308	91,308	91,308	65,669	95,616	98,771	102,030
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11,713	11,499	11,793	15,526	15,526	15,526	7,917	15,000	15,495	16,006
Sale of Goods and Rendering of Services	2	870	1,014	925	621	621	621	517	882	911	941
Agency services	2	-	-	1,539	1,800	1,800	1,800	1,115	1,800	1,859	1,921
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1,313	1,657	1,636	2,200	2,200	2,200	1,532	2,200	2,273	2,348
Interest earned from Current and Non Current Assets	2	19,146	24,861	15,316	28,813	28,813	28,813	13,149	28,813	29,764	30,746
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	206	327	303	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,237	1,294	1,317	2,220	2,220	2,220	1,277	2,250	2,324	2,401
Licence and permits	2	3,596	3,969	2,470	4,434	4,434	4,434	1,346	4,126	4,262	4,403
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	40,250	36,429	26,264	25,849	25,849	25,849	20,038	35,267	26,379	27,505
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	264	635	518	905	905	905	199	1,455	1,503	1,553
Non-Exchange Revenue											
Property rates	2	48,716	50,849	56,360	61,937	61,937	61,937	53,171	63,250	65,337	67,493
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	2,754	2,288	2,127	3,048	3,048	3,048	1,173	3,048	3,149	3,252
Licences or permits	2	64	28	31	25	25	25	(0)	35	36	37
Transfer and subsidies - Operational	2	293,763	316,426	330,510	331,654	332,332	332,332	328,973	323,869	316,011	338,623
Interest	2	14,956	16,571	23,294	24,270	24,270	24,270	12,694	20,000	20,660	21,342
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	104	-	-	-	-	-	-	-	-	-
Other Gains	2	(21)	-	1,148	-	-	-	-	-	-	-
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)		498,046	535,492	553,465	594,610	595,288	595,288	508,769	597,610	588,734	620,601
Expenditure											
Employee related costs	2	146,840	164,213	162,964	186,701	186,701	186,701	(132,367)	190,012	192,948	199,309
Remuneration of councillors	2	22,872	22,960	24,244	24,666	24,666	24,666	(17,194)	25,082	25,910	26,765
Bulk purchases - electricity	2	58,340	74,157	87,487	98,000	98,000	98,000	(67,655)	99,000	102,267	105,642
Inventory consumed	2,8	5,748	5,526	5,212	7,033	7,463	7,463	(3,538)	6,717	6,938	7,167
Debt impairment	2,3	13,361	24,017	-	-	-	-	-	-	-	-
Depreciation, amortisation and impairment	2	56,483	58,753	59,793	22,322	22,322	22,322	(32,626)	22,322	23,058	23,819
Interest, Dividends and Rent on Land	2	134	3,544	3,829	-	-	-	(1,955)	-	-	-
Contracted services	2	134,393	139,772	138,140	170,618	170,796	170,796	(90,604)	170,988	176,630	182,539
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	12,447	6,500	6,500	6,500	-	6,500	6,714	6,936
Operational costs	2	59,820	66,966	62,519	78,784	78,854	78,854	(40,512)	76,985	79,660	82,236
Disposal of Fixed and Intangible Assets	2	9,911	12,212	1,065	-	-	-	-	-	-	-
Other Losses	2	-	335	27	-	-	-	-	-	-	-
Total Expenditure		507,902	571,854	557,728	594,624	595,302	595,302	(386,450)	597,606	614,126	634,413
Surplus/(Deficit)		(9,855)	(36,362)	(4,263)	(14)	(14)	(14)	895,219	4	(25,392)	(13,812)
Transfers and subsidies - capital (monetary allocations)	6	62,065	68,464	82,541	82,490	130,090	130,090	66,897	81,794	64,707	66,725
Transfers and subsidies - capital (in-kind)	6	-	5,349	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	52,209	37,451	78,278	82,476	130,076	130,076	962,116	81,799	39,315	52,913

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

- Total revenue is R 597,6 million (excluding capital and escalates to R 620.6 million by 2028/29).
- Revenue to be generated from property rates is R 63,9 million in the 2025/26 financial year and increases to R 67,3 million by 2028/29 which represents 11 per cent of the own operating revenue base of the Municipality and therefore remains a significant funding source for the municipality's own revenue.
- Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R 110,6 million for the 2026/27 financial year and increasing to R 114,2 million by 2028/29. For the 2025/26 financial year services charges amount to 18 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 99 million and increases to R 105 million for 2028/29. 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year #1 2027/28	Budget Year #2 2028/29
R thousand	1										
Capital expenditure - Vote	2										
Multi-year expenditure to be appropriated											
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		-	64	53	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		3,447	3,322	1,797	4,387	4,397	4,397	-	4,570	1,070	1,106
Vote 3 - Corporate		1,704	1,983	1,685	3,240	3,240	3,240	-	6,788	2,209	2,281
Vote 4 - Development and Planning		-	116	4,124	18,855	18,855	18,855	-	7,842	-	-
Vote 5 - Community		2,787	5,715	9,333	8,000	8,000	8,000	-	11,546	8,161	1,494
Vote 6 - Infrastructure		91,727	118,710	115,330	128,873	176,473	176,473	-	108,986	91,165	94,672
Vote 7 - Internal Audit		-	46	-	-	-	-	-	2,036	2,103	2,173
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		99,664	129,356	132,323	163,365	210,965	210,965	-	141,768	104,707	101,725
Total Capital Expenditure - Vote		99,664	129,356	132,323	163,365	210,965	210,965	-	141,768	104,707	101,725
Capital Expenditure - Functional											
Governance and administration		5,151	5,415	3,535	7,637	7,637	7,637	756	13,394	5,382	5,560
Executive and council		-	64	53	-	-	-	-	-	-	-
Finance and administration		5,151	5,305	3,482	7,637	7,637	7,637	756	11,358	3,279	3,387
Internal audit		-	46	-	-	-	-	-	2,036	2,103	2,173
Community and public safety		2,456	4,346	4,849	5,150	5,150	5,150	924	8,396	5,165	-
Community and social services		743	851	832	2,350	2,350	2,350	610	746	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		1,713	3,495	4,017	2,800	2,800	2,800	314	7,650	5,165	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		88,739	100,693	109,385	133,308	180,908	180,908	78,052	99,028	72,971	75,878
Planning and development		-	116	4,124	18,855	18,855	18,855	2,290	7,842	-	-
Road transport		88,739	100,577	105,261	114,453	162,053	162,053	75,762	91,186	72,971	75,878
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		3,318	19,503	14,554	17,270	17,270	17,270	10,729	20,950	21,189	20,288
Energy services		2,987	18,133	10,069	14,420	14,420	14,420	10,406	17,800	18,193	18,794
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		330	1,369	4,485	2,850	2,850	2,850	323	3,150	2,996	1,494
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	99,664	129,356	132,323	163,365	210,965	210,965	90,461	141,768	104,707	101,725
Funded by:											
National Government		50,769	60,493	69,645	82,190	129,790	129,790	57,529	81,794	64,707	66,725
Provincial Government		-	-	629	300	300	300	169	100	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Net / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	50,769	60,493	70,274	82,490	130,090	130,090	57,698	81,894	64,707	66,725
Borrowing	6										
Internally generated funds		48,525	69,463	62,048	80,875	80,875	80,875	32,763	59,874	40,000	35,000
Total Capital Funding	7	99,294	129,919	132,323	163,365	210,965	210,965	90,461	141,768	104,707	101,725

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	R thousand	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	254,787	258,145	269,900	230,836	230,836	230,836	385,929	256,750	209,390	179,205
Short term investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	(27,588)	(43,578)	(47,211)	54,254	54,254	54,254	(35,679)	52,592	68,061	47,486
Receivables from non-exchange transactions	3	143,549	154,305	158,812	125,528	125,528	125,528	198,065	128,338	118,972	127,730
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	1,605	4,413	3,832	3,784	3,784	3,784	3,537	3,109	3,109	3,109
VAT Receivable	6	9,577	12,924	24,677	10,438	10,438	10,438	26,790	6,228	5,239	12,273
Other current assets	7	5,319	6,546	5,866	5,400	5,400	5,400	5,866	7,845	7,845	7,845
Total current assets		387,248	392,755	415,875	430,240	430,240	430,240	584,507	454,862	412,616	377,649
Non current assets											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960	4,960
Property, plant and equipment	10	969,109	1,027,015	1,094,788	1,267,568	1,315,568	1,315,568	1,154,671	1,377,287	1,455,837	1,335,545
Biological assets	11	911	573	377	1,491	1,091	1,091	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
Intangible assets	14	-	-	-	-	-	-	-	3,352	6,451	3,553
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		976,523	1,034,090	1,101,668	1,275,562	1,323,161	1,323,161	1,161,550	1,387,142	1,468,791	1,345,602
TOTAL ASSETS		1,363,771	1,426,845	1,517,543	1,705,802	1,753,401	1,753,401	1,746,058	1,842,005	1,881,407	1,723,251
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	-	-	-	-	-	-	-	-	-	-
Consumer deposits	19	1,636	1,780	1,803	528	528	(528)	(1,871)	489	489	489
Trade and other payables from exchange transactions	20	58,561	59,923	68,936	65,900	65,900	(65,900)	(61,965)	126,107	138,318	126,996
Trade and other payables from non-exchange transactions	21	52,080	75,532	81,915	91,610	91,610	(91,610)	(128,116)	48,500	48,500	48,500
Provision	22	14,776	26,769	24,184	43,950	43,950	(43,950)	(24,184)	45,300	45,300	45,300
VAT Payable	23	-	-	-	-	-	-	-	11,757	20,711	12,533
Other current liabilities	24	-	-	-	-	-	-	-	-	-	-
Total current liabilities		127,053	164,004	176,837	201,988	201,988	(201,988)	(216,136)	232,154	253,319	233,819
Non current liabilities											
Financial liabilities	25	-	-	-	-	-	-	-	-	-	-
Provision	26	21,827	23,768	26,005	22,501	22,501	(22,501)	(26,005)	29,345	29,345	29,345
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	14,497	16,556	17,928	-	-	-	(17,928)	-	-	-
Total non current liabilities		36,325	40,325	43,933	22,501	22,501	(22,501)	(43,933)	29,345	29,345	29,345
TOTAL LIABILITIES		163,378	204,329	220,770	224,489	224,489	(224,489)	(260,069)	261,498	282,663	263,164
NET ASSETS		1,200,394	1,222,517	1,296,773	1,481,313	1,528,913	1,528,913	1,528,913	1,580,506	1,598,744	1,460,087
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	826,076	838,147	912,403	1,400,438	1,448,038	(1,448,038)	(1,049,982)	1,520,632	1,558,744	1,425,087
Reserves and funds	30	365,760	384,370	384,370	80,875	80,875	(80,875)	(384,370)	59,874	40,000	35,000
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	1,191,836	1,222,517	1,296,773	1,481,313	1,528,913	(1,528,913)	(1,434,352)	1,580,506	1,598,744	1,460,087

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	R thousand	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year #1 2027/28	Budget Year #2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		43,708	52,679	67,797	52,646	52,646	52,646	52,646	67,617	69,849	72,154
Service charges		70,126	85,259	96,292	90,809	90,809	90,809	90,809	94,023	97,126	100,331
Other revenue		21,974	22,975	22,800	84,321	84,321	84,321	84,321	49,637	41,223	42,839
Transfers and Subsidies - Operational	1	293,564	346,670	336,711	331,654	330,332	332,332	332,332	323,869	316,011	338,623
Transfers and Subsidies - Capital	1	119,841	114,964	179,429	82,490	130,090	130,090	130,090	81,794	64,707	66,725
Interest		18,991	24,009	24,647	55,283	55,283	55,283	55,283	51,013	52,696	54,435
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(177,363)	(205,046)	(291,732)	(565,802)	(566,480)	(566,480)	(566,480)	(568,784)	(584,285)	(603,567)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM (USED) OPERATING ACTIVITIES		398,840	391,510	438,045	131,401	179,000	179,000	179,000	99,170	57,347	71,540
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(142,199)	(167,906)	(130,245)	(163,385)	(210,965)	(210,965)	(210,965)	(141,768)	(104,707)	(101,725)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM (USED) INVESTING ACTIVITIES		(142,199)	(167,906)	(130,245)	(163,385)	(210,965)	(210,965)	(210,965)	(141,768)	(104,707)	(101,725)
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		247,641	223,604	307,800	(31,984)	(31,964)	(31,964)	(31,964)	(42,599)	(47,360)	(30,185)
Cash/cash equivalents at the year begin:	2	236,732	254,787	258,145	262,801	262,801	262,801	262,801	299,340	256,750	269,390
Cash/cash equivalents at the year end:	2	484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205

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 2026/27 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. The estimated surplus for the 2026/27 MTREF is based on enhancing the going concern principle of the municipality, the cash and cash equivalents is estimated at R 256,7 million and R 179,2 million in 2028/29 outer year.

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

Description	R#	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Cash and investments available											
Cash/cash equivalents at the year end	1	484,373	478,391	568,945	230,836	230,836	230,836	230,836	256,750	209,390	179,256
Other current investments - 90 days		--	--	--	--	--	--	--	--	--	--
Non-current investments	1	--	--	--	--	--	--	--	--	--	--
Cash and investments available:		484,373	478,391	568,945	230,836	230,836	230,836	230,836	256,750	209,390	179,256
Application of cash and investments											
Unspent conditional transfers		4,804	21,038	20,481	29,800	29,800	(29,800)	(64,852)	48,500	48,900	48,500
Unspent borrowing		--	--	--	--	--	--	--	--	--	--
Statutory requirements	2	122,173	126,144	121,332	51,372	51,372	51,372	(121,052)	700,338	172,462	100,042
Other working capital requirements	3	18,526	18,173	23,689	(11,168)	(11,168)	(142,868)	(152,058)	(80,257)	(95,211)	(63,908)
Other provisions		14,776	26,789	24,194	43,950	43,950	43,950	(24,104)	46,300	46,300	46,300
Long term investments controlled	4	--	--	--	--	--	--	--	--	--	--
Reserves to be backed by cash/investments	5	264,732	364,732	264,732	80,870	80,870	80,870	(364,732)	59,874	40,900	35,058
Total Application of cash and investments:		526,171	556,831	554,417	194,829	194,829	3,429	(726,875)	173,234	241,842	184,943
Surplus/(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(41,798)	(78,440)	11,527	36,980	36,980	227,488	957,711	83,826	(31,832)	14,262
Creditors transferred to Debt Relief - Non-Current portion		--	--	--	--	--	--	--	--	--	--
Surplus/(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(41,798)	(78,440)	11,527	36,980	36,980	227,488	957,711	83,826	(31,832)	14,262

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 2026/27 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	R thousand	2023/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	84,261	88,241	85,988	127,110	181,887	181,887	114,133	92,848	88,472
Roads Infrastructure		44,575	53,801	54,743	80,648	84,348	84,348	50,709	48,725	50,832
Storm water Infrastructure		-	-	-	2,000	2,000	2,000	-	-	-
Electrical Infrastructure		5,239	10,308	2,530	4,101	3,643	3,643	8,000	7,350	7,790
Water Supply Infrastructure		-	459	-	150	150	150	800	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	650	1,853	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		343	221	-	500	250	250	1,000	-	-
Infrastructure		51,156	65,259	58,926	87,499	94,391	94,391	66,359	56,275	58,638
Community Facilities		-	-	2,198	1,800	1,800	1,800	5,150	1,250	-
Sport and Recreation Facilities		92	5,904	482	3,500	3,500	3,500	13,500	10,000	10,330
Community Assets		92	5,904	2,980	5,300	5,300	5,300	18,850	11,548	10,338
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		2,498	1,053	2,771	10,600	10,292	10,292	6,900	6,811	1,494
Housing		-	-	-	-	-	-	-	-	-
Other Assets		2,498	1,053	2,771	10,600	10,292	10,292	6,900	6,811	1,494
Biological or Cultivated Assets		-	-	-	-	-	-	250	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	871	1,000	600	600	3,000	3,000	3,201
Intangible Assets		-	-	871	1,000	600	600	3,000	3,000	3,201
Computer Equipment		1,767	2,402	1,938	3,080	4,642	4,642	6,608	1,808	1,688
Furniture and Office Equipment		226	678	422	3,737	3,882	3,882	1,100	617	634
Machinery and Equipment		8,208	4,894	8,889	8,694	9,081	9,081	12,215	9,666	9,871
Transport Assets		4,760	8,386	11,113	7,300	7,600	7,600	8,200	3,781	3,866
Land		370	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	4,488	14,297	30,998	550	17,938	17,938	2,500	1,015	1,048
Roads Infrastructure		4,450	14,297	30,998	550	17,938	17,938	2,500	1,015	1,048
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		4,450	14,297	30,998	550	17,938	17,938	2,500	1,015	1,048
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		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
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	81,186	27,418	15,988	95,705	61,882	61,882	25,138	10,847	11,204
Roads Infrastructure		25,477	15,815	8,189	38,785	54,759	54,759	19,035	5,881	5,880
Storm water Infrastructure		-	-	493	-	-	-	-	-	-
Electrical Infrastructure		1,295	4,029	1,749	-	-	-	5,000	5,165	5,335
Water Supply Infrastructure		-	-	-	920	920	920	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-

Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	20,472	22,848	16,431	29,708	55,679	55,679	24,636	16,847	11,204
Community Facilities	-	-	752	6,000	5,713	5,713	500	-	-
Sport and Recreation Facilities	2,663	4,443	3,317	-	-	-	-	-	-
Community Assets	2,663	4,443	4,069	6,000	5,713	5,713	500	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	130	836	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	136	836	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
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	86,864	129,958	132,323	183,386	210,866	210,866	141,788	104,707	101,725
Roads Infrastructure	75,521	85,714	93,030	109,883	157,043	157,043	72,844	55,422	57,740
Storm water Infrastructure	-	-	493	2,000	2,000	2,000	-	-	-
Electrical Infrastructure	6,234	14,338	4,279	4,101	3,643	3,643	13,000	12,715	13,134
Water Supply Infrastructure	-	459	-	1,070	1,070	1,070	600	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	650	1,053	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	343	221	-	600	250	250	1,000	-	-
Infrastructure	84,098	102,392	100,355	117,754	164,005	164,005	87,444	68,138	70,883
Community Facilities	-	-	2,950	7,800	7,513	7,513	5,950	1,550	-
Sport and Recreation Facilities	2,754	10,347	3,779	3,500	3,500	3,500	13,500	10,000	10,330
Community Assets	2,754	10,347	6,729	11,300	11,013	11,013	19,150	11,549	10,330
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	2,496	1,182	3,607	10,600	10,292	10,292	6,900	6,011	1,494
Housing	-	-	-	-	-	-	-	-	-
Other Assets	2,496	1,182	3,607	10,600	10,292	10,292	6,900	6,011	1,494
Biological or Cultivated Assets	-	-	-	-	-	-	260	-	-
Services	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	671	1,000	600	600	3,000	3,099	3,201
Intangible Assets	-	-	671	1,000	600	600	3,000	3,099	3,201
Computer Equipment	1,767	2,402	1,038	3,080	4,542	4,542	5,608	1,608	1,658
Furniture and Office Equipment	226	673	422	3,737	3,882	3,882	1,100	617	634
Machinery and Equipment	5,208	4,894	8,889	8,694	8,081	8,081	12,215	8,666	8,671
Transport Assets	4,760	8,986	11,110	7,800	7,600	7,600	6,200	3,701	3,656
Land	870	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	86,864	129,958	132,323	183,386	210,866	210,866	141,788	104,707	101,725

ASSET REGISTER SUMMARY - PPE (MDV)	5	901,477	835,175	995,429	1,134,298	1,135,751	1,135,751	1,284,298	1,284,291	1,289,724
Roads Infrastructure		515,316	555,395	587,023	(10,515)	(10,515)	(10,515)	(10,300)	(33,040)	(17,447)
Storm water Infrastructure		(2,282)	(2,282)	(2,282)	-	-	-	-	-	-
Electrical Infrastructure		(31,895)	(42,288)	(38,771)	7,319	7,777	7,777	14,000	28,402	14,939
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		12,071	11,558	11,944	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		371	371	371	-	-	-	850	850	-
Infrastructure		493,591	522,754	587,384	(8,195)	(8,737)	(8,737)	(1,506)	(3,928)	(2,508)
Community Assets		141,059	178,748	179,433	1,127,525	1,127,525	1,127,525	1,295,741	1,297,187	1,292,335
Heritage Assets		1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543
Investment properties		4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900	4,900
Other Assets		180,607	26,654	115,779	(20)	(20)	(20)	(20)	(41)	(21)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		911	573	377	1,491	1,091	1,091	3,352	5,451	3,553
Computer Equipment		17,382	11,442	11,477	1,304	2,038	2,038	5,443	5,883	1,488
Furniture and Office Equipment		(3,764)	(3,098)	(3,292)	2,937	3,132	3,132	1,100	1,617	534
Machinery and Equipment		6,067	7,887	(1,225)	2,075	2,403	2,403	3,315	3,523	213
Transport Assets		23,220	28,654	43,031	1,619	1,819	1,819	384	(1,933)	(2,373)

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Land		55,901	55,901	55,901	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (MDV)	5	901,477	835,175	995,429	1,134,298	1,135,751	1,135,751	1,284,298	1,284,291	1,289,724
EXPENDITURE OTHER ITEMS		71,226	77,017	78,798	60,672	48,082	48,082	44,656	48,028	47,646
Depreciation	7	50,463	58,753	59,793	22,322	22,322	22,322	22,322	23,058	23,810
Repairs and Maintenance by Asset Class	3	14,748	18,265	18,978	28,350	28,760	28,760	22,234	22,987	23,725
Roads Infrastructure		205	3,024	1,980	3,100	3,150	3,150	3,777	3,901	4,030
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		205	3,024	1,980	3,100	3,150	3,150	3,777	3,901	4,030
Community Facilities		1,054	754	1,080	2,790	1,950	1,950	490	505	523
Sport and Recreation Facilities		7,434	7,654	8,753	9,700	9,180	9,180	9,200	9,504	9,817
Community Assets		8,498	8,448	7,837	12,490	10,830	10,830	8,890	10,010	10,340
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		393	1,185	552	4,080	2,880	2,880	2,350	2,428	2,508
Housing		-	-	-	-	-	-	-	-	-
Other Assets		392	1,185	552	4,080	2,880	2,880	2,350	2,428	2,508
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		1,360	825	2,893	4,080	2,400	2,400	2,817	2,703	2,792
Transport Assets		4,287	4,782	3,875	4,600	4,600	4,600	3,800	3,925	4,056
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		71,226	77,017	78,798	60,672	48,082	48,082	44,656	48,028	47,646
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		35.7%	32.1%	35.0%	22.2%	37.5%	37.8%	19.5%	11.3%	12.0%
<i>Renewal and upgrading of Existing Assets as % of deprec</i>		63.0%	71.0%	77.5%	182.4%	305.4%	302.4%	123.8%	51.4%	51.4%
<i>R&M as a % of PPE & Investment Property</i>		1.6%	2.2%	1.8%	2.5%	2.1%	2.1%	1.7%	1.8%	1.9%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>		5.8%	7.2%	6.8%	5.7%	9.1%	9.1%	3.9%	2.7%	2.8%

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.

- 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	R#	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year #1 2026/27	Budget Year #1 2027/28	Budget Year #2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		--	--	--	--	--	--	--	--	--
Piped water inside yard (but not in dwelling)	2	--	--	--	--	--	--	--	--	--
Using public tap (at least min.service level)	3	--	--	--	--	--	--	--	--	--
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/sewage:										
Flush toilet (connected to sewerage)		--	--	--	--	--	--	--	--	--
Flush toilet (with septic tank)		--	--	--	--	--	--	--	--	--
Chemical toilet		--	--	--	--	--	--	--	--	--
PI 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 (0 kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (free sanitation 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 (0 kilolitre 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 (0 kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (0 kilolitre per household per month)		--	--	--	--	--	--	--	--	--
Sanitation (Rand per household per month)		--	--	--	--	--	--	--	--	--
Electricity (kwh per household per month)		--	--	--	--	--	--	--	--	--
Refuse (average litres per week)		--	--	--	--	--	--	--	--	--
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MFPA)		--	--	--	--	--	--	--	--	--
Property rates: exemptions, reductions and rebates and impermissible values in excess of section 17 of MFPA		--	--	--	(20,865)	(20,865)	(20,865)	(16,300)	(16,826)	
Water (in excess of 0 kilolitre per indigent household per month)		--	--	--	--	--	--	--	--	--
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		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Total revenue cost of subsidised services provided		--	--	--	(20,865)	(20,865)	(20,865)	(16,300)	(16,826)	

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 11 093 households to be registered as indigent in 2026/27 and therefore entitled to receiving Free Basic Services. The number is to be maintained at 11 093 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 5,3 million in 2026/27, increasing to R 6 million in 2028/2029. 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 2025, 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.

DP review

As per the approved plan, the municipality on the 20 – 23 October 2025, 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 2026/27 to 2028/29 (MTREF) for consideration. The tabled draft budget will then be subjected for comments and suggestions by stakeholders and public.

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.

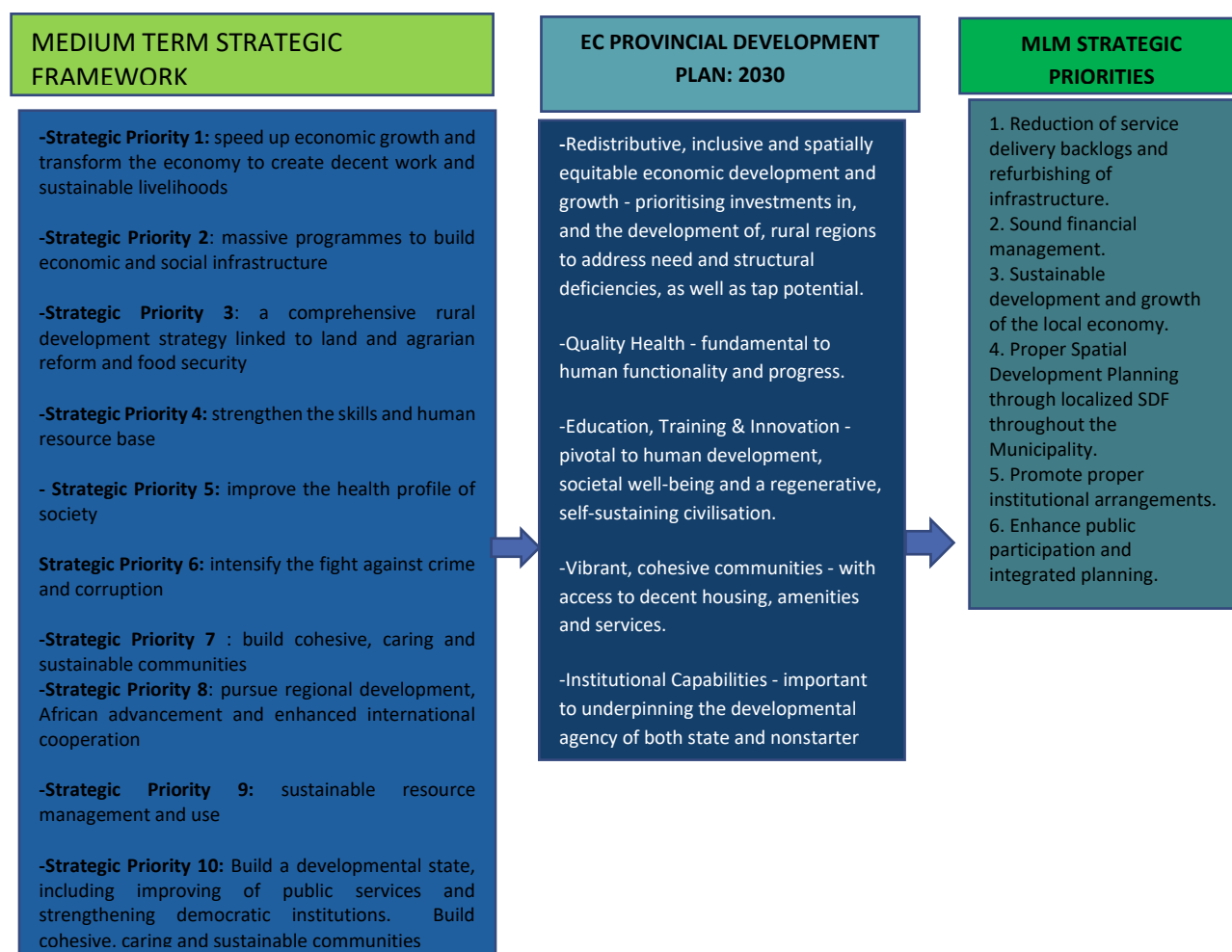
The national and provision priorities, policies

- 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	MTDP Service Outcome	IUDF	R thousand	2023/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Ensure full compliance with										293,347	271,492	280,451
To promote safer, informed and improve revenue enhancement through broadening revenue base										8,079	6,340	8,021
Improve access to sports and										2,240	2,314	2,390
Build and strengthen the										405,738	371,290	395,864
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	678,405	653,441	687,326

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

Strategic Objective	MTDP Service Outcome	IUDF	RMB	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Provide support to indigent households with the municipality										5,300	5,475	5,650
Improve the provision basic services to rural and urban communities in the municipality.										3,500	3,616	3,735
Achieve sound environmental management and land use conservation management										13,700	14,152	14,619
Ensure full compliance with legislative requirements of MFMA, MPRSA and financial relevant regulations and national treasury										102,891	106,079	109,580
Improve revenue enhancement through broadening revenue base and improving revenue collection										3,500	3,616	3,735
create a favorable environment for promoting a growing and sustainable local economy										15,433	15,943	16,469
Improve support and investment in agriculture										4,910	5,072	5,239
Support the development of SMEs to participate in a diversified and growing economy										1,850	1,911	1,974
Promote and Market Matatiele as a Destination of choice through show-casting tourism events.										3,410	3,523	3,639
To Provide Land for Residential, Commercial and Industrial Development										10,341	10,682	11,035
To ensure implementation of LSDP AND LUMS in line with the GDP										700	723	747
Build and strengthen the administrative and Institutional Capacity of the Municipality										5,300	5,475	5,650
To Strengthen integrated planning, performance monitoring and evaluation of municipal programmes										7,800	7,851	8,110
Promote Good Governance in providing Efficient administrative support to council, council committees and management										407,821	418,078	431,895
Protect the interests of the municipality and ensure compliance with legal requirements										5,500	5,682	5,869
Promote a coherent and interactive communication and participation with customers and stakeholders around service Allocations to other priorities										6,250	6,250	6,458
Allocations to other priorities												
Total Expenditure												
										597,803	614,128	634,418

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.

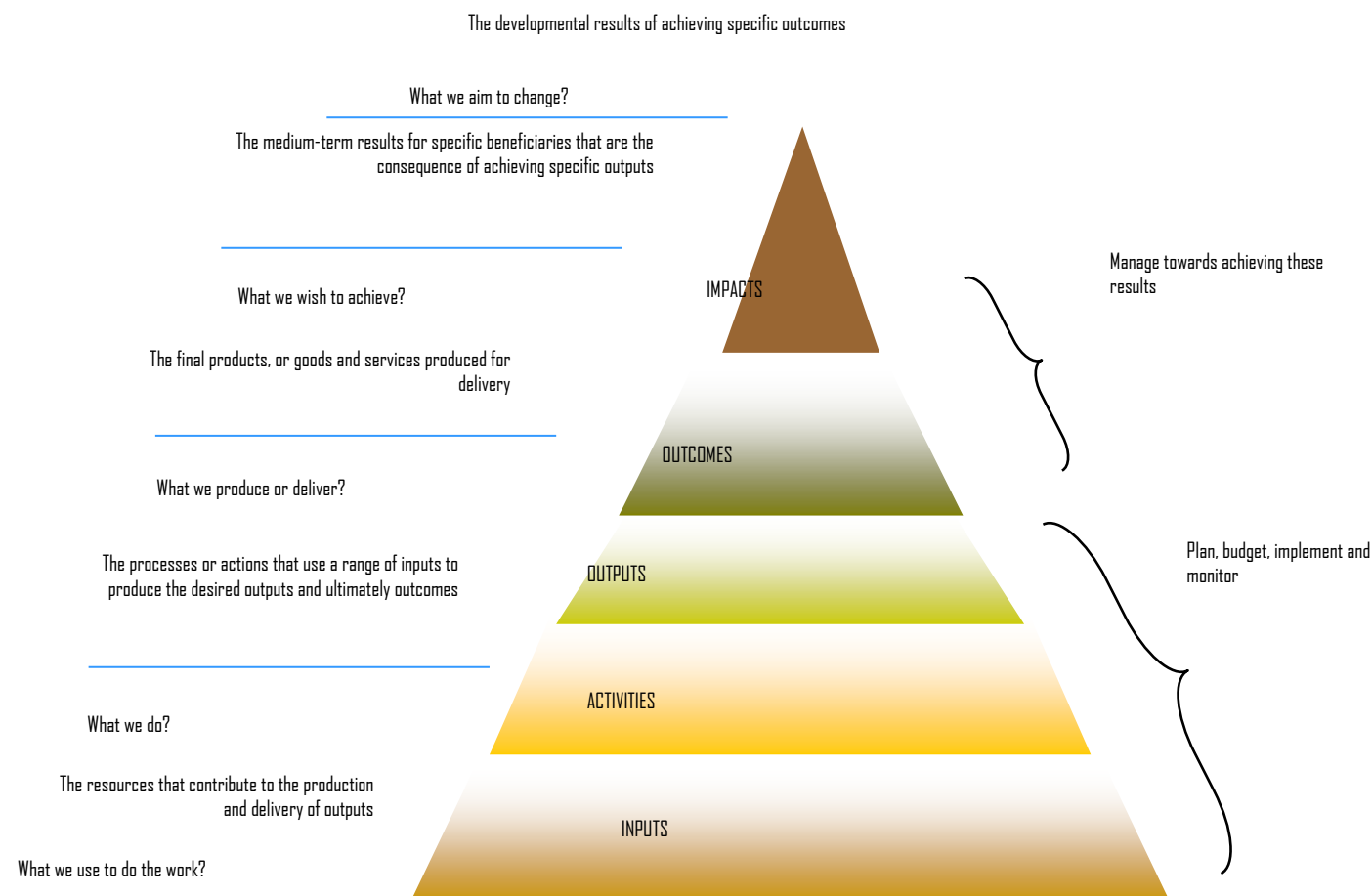


Figure 6 Definition of performance information concepts

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating	0.0%	0.6%	0.7%	0.0%	0.0%	0.0%	0.5%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & repayment of borrowing	0.0%	0.7%	0.7%	0.0%	0.0%	0.0%	-0.4%	0.0%	0.0%	0.0%
Borrowed funding of year/ capital expenditure	Borrowing/Capital expenditure excl. transfers	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%
Current Ratio	Current asset/current liabilities	3.0	2.4	2.4	2.1	2.1	(2.1)	(2.7)	2.6	1.8	1.8
Current Ratio adjusted for asset debtors	Current assets less debtors + 90 days/current	2.0	2.4	2.4	2.1	2.1	(2.1)	(2.7)	2.0	1.8	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.8	1.3	1.3	1.4	1.4	(1.4)	(1.8)	1.3	1.1	1.1
Debtors Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	158.8%	172.1%	181.2%	133.5%	133.5%	133.5%	183.6%	145.0%	145.0%
Current Debtors Collection Rate (Cash receipts % of Ratespayer & Other revenue)		158.8%	172.1%	181.2%	133.5%	133.5%	133.5%	183.6%	145.0%	145.0%	145.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	32.1%	33.0%	34.7%	24.3%	24.2%	24.2%	45.9%	23.9%	22.9%	23.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
Debtors System Efficiency	% of Creditors Paid Within Terms (within 15/30/45/60/90/120)										
Creditors to Cash and Investments		12.1%	12.5%	12.2%	28.5%	28.5%	-28.5%	-26.8%	49.1%	66.1%	70.9%
Water Distribution											
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
	Total Cost of Losses (Rand '000)										
Water Volumes System Input	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
	Water treatment works										
Water Distribution Losses (3)	Natural sources										
	Total Volume Losses (M)										
	Total Cost of Losses (Rand '000)										
Employee costs	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Remuneration	29.5%	30.7%	29.4%	31.4%	31.4%	31.4%	-26.0%	31.6%	32.8%	32.1%
	Provision for Pension	34.0%	34.3%	33.8%	35.5%	35.5%	35.5%	42.3%	36.0%	37.2%	36.4%
FDSD (Total Revenue - capital revenue)	FDSD/(Total Revenue - capital revenue)	3.0%	3.4%	3.1%	4.8%	4.0%	4.0%	4.4%	3.7%	3.9%	3.8%
	FDSD/(Total Revenue - capital revenue)	11.4%	11.8%	11.5%	3.8%	3.7%	3.7%	-4.8%	3.7%	3.9%	3.8%
	(Total Operating Revenue - Operating Costs) / (Available cash + investment) (monthly fixed)										
FDSD/(Total Revenue - capital revenue)		20.7	21.7	10.8	10.8	10.8	10.8	11.3	10.8	11.8	11.8
FDSD/(Total Revenue - capital revenue)		215.8%	214.1%	203.2%	127.9%	127.9%	127.9%	305.6%	121.5%	108.8%	118.4%

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 meet 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 2026/27 MTREF the current ratio is 2.11 in the 2028/29 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 20256/27 financial year 11 039 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

- 2026/27 – 4.45%
- 2026/27 – 4.05%
- 2027/28 – 3.95%

✚ 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 2026/27)
- Electricity (90% in 2026/27)
- Refuse (85% in 2026/27)

✚ 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 2026/27- 2028/29 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 3.3% 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	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	59,114	67,647	77,914	91,308	91,308	91,308	65,616	95,616	98,771	102,030
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	11,713	11,499	11,793	15,526	15,526	15,526	7,917	15,000	15,495	16,006
Sale of Goods and Rendering of Services	2	870	1,014	926	621	621	621	513	882	911	941
Agency services	2	-	-	1,539	1,800	1,800	1,800	1,115	1,800	1,859	1,921
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1,313	1,857	1,636	2,200	2,200	2,200	1,532	2,200	2,273	2,348
Interest earned from Current and Non Current Assets	2	19,146	24,861	15,316	28,813	28,813	28,813	13,149	28,813	29,764	30,746
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	206	327	303	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1,237	1,294	1,317	2,220	2,220	2,220	1,277	2,250	2,324	2,401
Licence and permits	2	3,596	3,969	2,470	4,434	4,434	4,434	1,346	4,126	4,262	4,403
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	40,250	36,429	26,264	25,849	25,849	25,849	20,038	35,267	26,379	27,505
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	264	635	518	905	905	905	199	1,455	1,503	1,553
Non-Exchange Revenue											
Property rates	2	48,716	50,849	56,360	61,937	61,937	61,937	53,171	63,250	65,337	67,493
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	2,754	2,288	2,127	3,048	3,048	3,048	1,173	3,048	3,149	3,252
Licences or permits	2	64	28	31	25	25	25	(0)	35	36	37
Transfer and subsidies - Operational	2	293,763	316,426	330,510	331,654	332,332	332,332	328,973	323,869	316,011	338,623
Interest	2	14,956	16,571	23,294	24,270	24,270	24,270	12,684	20,000	20,680	21,342
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	104	-	-	-	-	-	-	-	-	-
Other Gains	2	(21)	-	1,148	-	-	-	-	-	-	-
Discontinued Operations	2	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		498,046	535,492	553,465	594,610	595,288	595,288	508,713	597,610	588,734	620,601

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 2026/27 MTREF on the different revenue categories are:

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026	Proposed Increase for 2026/2027	New Tariff VAT Excluded 2026/2027
1	REFUSE REMOVAL CHARGES					
1.1	<i>Domestic Removals</i>					
(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	0%	139.19
1.2	<i>Commercial Removals</i>					
(a)	Each individual/separate business shall be charged a basic service charge per month.	208.77	-	208.77	0%	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	0%	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	<i>Removal from Separate Consumers on same Premises</i>					
	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	<i>Availability Charge</i>					
	A availability fee , is charged to any vacant commercial erven located in the town areas of Cedarville, Matatiele and Maluti.	235.94	-	235.94	0%	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	0%	117.97

	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 m². This calculation 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 80m².	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 Building Regulations and Building 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	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026	Proposed Increase for 2026/2027	New Tariff VAT Excluded 2026/2027
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.	15.90%	846.60	9.10%	923.64
	0-50	15.90%	1.88	9.10%	2.05
	51-350	15.90%	2.44	9.10%	2.66
	351-600	15.90%	3.45	9.10%	3.77
	600 over	15.90%	4.14	9.10%	4.51
(b)	Scale 2: Commercial & Other Consumers				
	Basic charge of consumers with the following kVA installed per month				
	0 - 25 KVA	15.90%	938.81	9.10%	1024.24
	Commercial unit charge:	15.90%	3.68	9.10%	4.01
	26 - 64 KVA	15.90%	3 499.71	9.10%	3818.19
	Commercial unit charge:	15.90%	3.74	9.10%	4.08
	65 KVA and more	15.90%	20 477.56	9.10%	22341.02
	Commercial unit charge:	15.90%	3.74	9.10%	4.08
(c)	Scale 3: Pre-Paid Metre Units				
	Domestic:				
	That a flat rate per kWh				
	0-50	15.90%	1.86	9.10%	2.03
	51-350	15.90%	2.42	9.10%	2.64
	351-600	15.90%	3.44	9.10%	3.75
	600 over	15.90%	4.12	9.10%	4.49
	Commercial Prepaid				
	That a flat rate per kWh				
	0 - 2000 kWh	15.90%	3.75	9.10%	4.09
(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,	15.90%	675.40	9.10%	736.86
	Plus the following charger per kWh per month				
	0 - 2000 kWh	15.90%	2.54	9.10%	2.77
	2000 - and more	15.90%	2.54	9.10%	2.77
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% pm. 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 R155.97 excl. VAT in addition to all other outstanding charges.	15.90%	142.96	9.10%	155.97
(c)	Consumers shall be responsible for obtaining statements of their accounts so as to enable them to effect payment thereof within the prescribed period.				
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	15.90%	5 952.62	9.10%	6494.31
(b)	Small power consumers with installation not exceeding 25 KVA	15.90%	14 881.56	9.10%	16235.78
(c)	Medium power consumers with a demand exceeding 25kVA but not exceeding 64 Kva	15.90%	26 042.73	9.10%	28412.62
(d)	Large power consumers with a demand exceeding 65KVA to supply a bank guarantee equal to two months estimated average usage.				

	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	<i>Burial Plots - Charge per Burial Plot</i>			
	A non-refundable charge of:	184.32	-	184.32
7.2	<i>Burial Fees</i>			
(a)	Adult	305.06	-	305.06
(b)	Child	305.06	-	305.06
7.3	<i>Miscellaneous Charges</i>			
(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	<i>Town Hall (Matatiele)</i>			
(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	<i>Town Hall (Maluti Civic Centre)</i>			
(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
	<i>Town Hall (Cedarville)</i>			
(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	<i>Harry Gwala Park Community Hall</i>			
(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	<i>Nokhwezi & Msingizi Community Hall</i>			
(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	<i>Library Hall (Matatiele)</i>			
(a)	Hall per 12 hour period per day	238.14	-	238.14
8.6	<i>Library Hall (Cedarville)</i>			
(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	<i>Equipment</i>			
	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	<i>Community Halls</i>			
	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 occasion	80.00	-	80.00

	DESCRIPTION	New Tariff VAT Excluded 2024/2025	Increase for 2025/2026	New Tariff VAT Excluded 2025/2026
9 MISCELLANEOUS SERVICES				
<i>Sundry Charges</i>				
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 Impounded vehicles not released within 90 (ninety) days will be sold.	224.41	-	224.41
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)			
	Drill			
	Welding Machine (220 amp)			
	Welding Machine (250 amp)			
	Compressor (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 applicant	79.13	-	79.13
15.2	Ground Signs			
	non refundable application fee per board/sign (annually)	272.17	-	272.17
	+ Approval fee per applicant	43.48	-	43.48
15.3	Wall Sign - Flat			
	non refundable application fee per board/sign (annually)	489.57	-	489.57
	+ Approval fee per applicant	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

Investments by Maturity	Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate %	Commission Paid (Rand)	Commission Recipient	Supply date of investment	Opening Balance	Interest to be received	Profit / (Loss) on investment (R)	Investment Top-Up	Closing Balance
Bank Investments														
CALL ACC SVF		CALL	100	Fixed						188,746,382.00	28,708.61	(10,241)	60,000	218,208
CALL ACC FIB		MONEY MARKET	100	Fixed						4,888,188.00	42,342.01	(4,288)	--	5,278
RES BANK 90 DAY CALL		90 DAY	100	Fixed	4%	no	no			9,868,328.00	382,676.55	(5,265)	--	10,241
RES BANK		DAILY CALL	100	Fixed	5%	no	no			22,228,522.10	46,174.37	(19,907)	--	9,332
RES BANK 90		DAILY CALL	100	Fixed	7%	no	no			388,328.00	6,032.99	(761)	67,000	451,597
RES BANK 300		DAILY CALL	100	Fixed	7%	no	no			1,148,871.41	70,864.67	(868)	28,000	1,518,868
RES BANK 180		DAILY CALL	100	Fixed	7%	no	no			24,482,178.33	944.60	(19,888)	--	24,462,290
RES BANK 180		MONEY MARKET	100	Fixed	7%	no	no			262,688.00	6,032.82	(247)	--	262,441
RES BANK 180		MONEY MARKET	100	Fixed	5%	no	no			2,488,158.44	2,994.21	(1,468)	--	2,486,690
RES BANK 180		MONEY MARKET	100	Fixed	3%	no	no			198,328.00	2,842.02	(368)	--	197,960
RES BANK ACC		CURRENT	100	Fixed	4%	no	no			--	167.67	--	--	167
TERMINATION GUARANTEE		DAILY CALL	100	Fixed		no	no			160,648.00	32,831.88	(87)	--	193,470
ACCOUNT GUARANTEE		DAILY CALL	100	Fixed	7%	no	no			9,252,888.00	4.62	(8,721)	--	9,244,167
POWER MANAGEMENT		DAILY CALL	100	Fixed	7%	no	no			1,208.57	123,816.64	(1)	--	125,024
COMASTER MANAGEMENT		DAILY CALL	100	Fixed	7%	no	no			10,347,508.24	--	--	--	10,347,508
RESERVE INTEREST														
Municipality sub-total										104,201	714	(24,886)	124,000	104,201
Other														
Other sub-total														
TOTAL INVESTMENTS AND INTEREST										104,201	714	(24,886)	124,000	104,201

2.6.2 Medium-term outlook: capital revenue

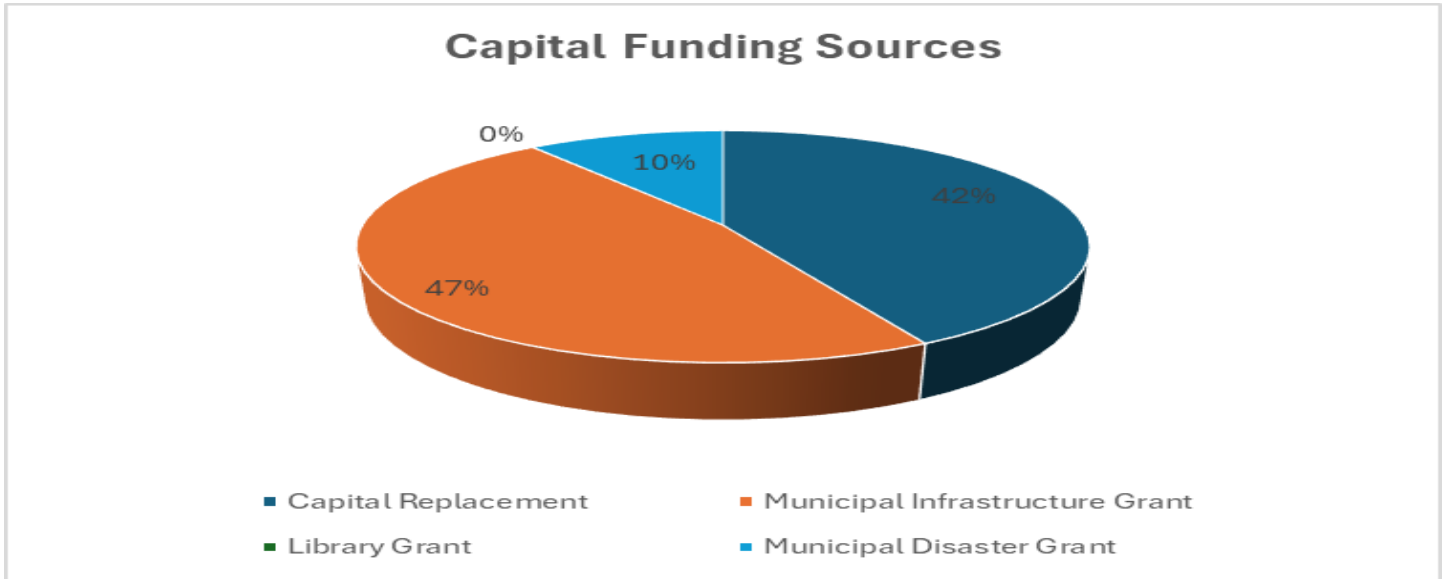
The following table is a breakdown of the funding composition of the 2026/27 medium-term capital programme:

Sources of capital revenue for the 2026/2027 financial year

FUNDING OF CAPITAL BUDGET	2026/27
Municipal Disaster Grant	14,585,600
Municipal Infrastructure Grant (MIG)	67,208,700
Capital Replacement Reserve (CRR)	59,874,000
Library Support Grant	100,000
TOTAL	141,768,300

The above table is graphically represented as follows for the 2026/27 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 2026/27 as we have no long term debt.

Table 2MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by 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										
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 - Categorized 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		345,491	405,237	383,485	327,138	327,138	371,987	321,322	316,011	338,623
Expanded Public Works Programme Integrated Grant		4,810	3,974	3,880	2,980	2,980	2,980	2,988	-	-
Integrated National Electrification Programme Grant		-	41,000	-	-	-	-	-	-	-
Local Government Financial Management Grant		1,650	1,700	1,700	1,800	1,800	1,800	2,000	2,200	2,300
Municipal Infrastructure Grant		52,723	54,593	57,584	3,034	3,034	47,883	3,537	3,406	3,512
Equitable Share		286,308	303,970	320,321	319,324	319,324	319,324	312,797	310,405	332,811
Provincial Government:		-	-	-	4,516	4,516	-	2,546	-	-
Specify (Add grant description)		-	-	-	2,850	2,850	-	2,546	-	-
Specify (Add grant description)		-	-	-	1,666	1,666	-	-	-	-
District Municipality:		-	100	150	-	150	-	-	-	-
Specify (Add grant description)		-	100	150	-	150	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	345,491	405,337	383,635	331,654	331,804	371,987	323,869	316,011	338,623
Capital Transfers and Grants										
National Government:		48,539	32,706	24,542	82,190	129,790	54,757	81,794	64,707	66,725
Municipal Disaster Relief Grant		2,251	32,706	-	-	-	-	14,586	-	-
Municipal Infrastructure Grant		-	-	-	57,647	57,647	-	67,209	64,707	66,725
Integrated National Electrification Programme Grant		46,288	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	24,542	24,543	72,143	54,757	-	-	-
Provincial Government:		-	3,981	4,316	300	828	2,944	-	-	-
Specify (Add grant description)		-	3,331	3,066	-	-	1,666	-	-	-
Specify (Add grant description)		-	-	-	-	500	-	-	-	-
Specify (Add grant description)		-	650	1,250	300	328	1,278	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	48,539	36,687	28,858	82,490	130,618	57,701	81,794	64,707	66,725
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	394,030	442,024	412,493	414,144	462,422	429,688	405,663	380,718	405,348

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	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		43,708	52,679	67,797	52,646	52,646	52,646	52,646	67,617	69,849	72,154
Service charges		70,126	85,259	96,392	90,809	90,809	90,809	90,809	94,023	97,126	100,331
Other revenue		21,974	22,975	22,800	84,321	84,321	84,321	84,321	49,637	41,223	42,839
Transfers and Subsidies - Operational	1	293,564	346,670	338,711	331,654	332,332	332,332	332,332	323,869	316,011	338,623
Transfers and Subsidies - Capital	1	119,841	114,964	179,429	82,490	130,090	130,090	130,090	81,794	64,707	66,725
Interest		18,991	24,009	24,647	55,283	55,283	55,283	55,283	51,013	52,696	54,435
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(177,363)	(255,046)	(291,732)	(565,802)	(566,480)	(566,480)	(566,480)	(568,784)	(584,265)	(603,567)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		390,840	391,510	438,045	131,401	179,000	179,000	179,000	99,170	57,347	71,540
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(143,199)	(167,906)	(130,245)	(163,365)	(210,965)	(210,965)	(210,965)	(141,768)	(104,707)	(101,725)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(143,199)	(167,906)	(130,245)	(163,365)	(210,965)	(210,965)	(210,965)	(141,768)	(104,707)	(101,725)
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		247,641	223,604	307,800	(31,964)	(31,964)	(31,964)	(31,964)	(42,599)	(47,360)	(30,185)
Cash/cash equivalents at the year begin:	2	236,732	254,787	258,145	262,801	262,801	262,801	262,801	299,349	256,750	209,390
Cash/cash equivalents at the year end:	2	484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205

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	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		484,373	478,391	565,945	230,836	230,836	230,836	230,836	256,750	209,390	179,205
Application of cash and investments											
Unspent conditional transfers		4,904	21,039	20,481	29,800	29,800	(29,800)	(64,850)	48,500	48,500	48,500
Unspent borrowing											
Statutory requirements	2	122,173	126,144	121,332	51,372	51,372	51,372	(121,052)	100,336	172,452	100,042
Other working capital requirements	3	19,586	18,173	23,689	(11,168)	(11,168)	(142,968)	(152,058)	(80,287)	(65,211)	(63,900)
Other provisions		14,776	26,769	24,184	43,950	43,950	43,950	(24,184)	45,300	45,300	45,300
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	364,732	364,732	364,732	80,875	80,875	80,875	(364,732)	59,874	40,000	35,000
Total Application of cash and investments:		526,171	556,857	554,417	194,829	194,829	3,428	(726,875)	173,724	241,042	164,943
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		(41,799)	(78,466)	11,527	36,008	36,008	227,408	957,711	83,026	(31,652)	14,262
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		(41,799)	(78,466)	11,527	36,008	36,008	227,408	957,711	83,026	(31,652)	14,262

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 7.3 and then increase slightly to 9 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 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		292,768	353,504	328,603	327,138	327,138	326,850	321,322	316,011	338,623
Expanded Public Works Programme Integrated Grant		4,810	3,974	3,880	2,980	2,980	4,478	2,988	-	-
Integrated National Electrification Programme Grant		-	41,000	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	1,631	-	-	-	-	-	-
Local Government Financial Management Grant		1,650	1,700	1,700	1,800	1,800	691	2,000	2,200	2,300
Municipal Infrastructure Grant		-	2,860	1,071	3,034	3,034	2,357	3,537	3,406	3,512
Equitable Share		286,308	303,970	320,321	319,324	319,324	319,324	312,797	310,405	332,811
Provincial Government:		345	3,646	3,560	4,516	5,044	2,123	2,546	-	-
Specify (Add grant description)		345	0	-	-	500	349	-	-	-
Specify (Add grant description)		-	315	466	2,850	2,878	288	2,546	-	-
Specify (Add grant description)		-	3,331	3,095	1,666	1,666	1,486	-	-	-
District Municipality:		-	100	150	-	150	-	-	-	-
Specify (Add grant description)		-	100	150	-	150	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		293,113	357,250	332,313	331,654	332,332	328,973	323,869	316,011	338,623
Capital expenditure of Transfers and Grants										
National Government:		108,353	68,592	80,137	82,190	129,790	66,728	81,794	64,707	66,725
Municipal Disaster Relief Grant		-	16,858	6,604	-	-	-	-	-	-
Municipal Infrastructure Grant		62,065	51,733	56,513	57,647	57,647	46,837	67,209	64,707	66,725
Integrated National Electrification Programme Grant		46,288	0	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		-	-	17,020	24,543	72,143	19,891	14,586	-	-
Provincial Government:		-	48	601	300	300	(10,382)	-	-	-
Specify (Add grant description)		-	-	-	300	300	-	-	-	-
Specify (Add grant description)		-	-	(29)	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	(10,551)	-	-	-
Specify (Add grant description)		-	48	629	-	-	169	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		108,353	68,640	80,738	82,490	130,090	56,346	81,794	64,707	66,725
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		401,465	425,889	413,051	414,144	462,422	385,319	405,663	380,718	405,348

Table 49 MBRR SA24–Summary of personnel numbers

Summary of Personnel Numbers	###	2024/25			Current Year 2025/26			Budget Year 2026/27		
		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	–	–	–	6	3	2	6	5	1
Other Managers	7	5	–	5	21	2	19	3	19	2
Professionals		63	56	–	498	498	–	498	498	–
<i>Finance</i>		40	35	–	36	36	–	36	36	–
<i>Spatial/town planning</i>		14	13	–	4	4	–	4	4	–
<i>Information Technology</i>		9	8	–	9	9	–	9	9	–
<i>Roads</i>		–	–	–	67	67	–	67	67	–
<i>Electricity</i>		–	–	–	19	19	–	19	19	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	363	363	–	363	363	–
Technicians		2	2	–	32	32	–	32	32	–
<i>Finance</i>		–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>		–	–	–	–	–	–	–	–	–
<i>Information Technology</i>		–	–	–	–	–	–	–	–	–
<i>Roads</i>		–	–	–	–	–	–	–	–	–
<i>Electricity</i>		–	–	–	–	–	–	–	–	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	2	2	–	2	2	–
<i>Other</i>		2	2	–	30	30	–	30	30	–
Clerks (Clerical and administrative)		–	66	2	65	65	–	65	65	–
Service and sales workers		–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers		–	–	–	–	–	–	–	–	–
Craft and related trades		–	–	–	–	–	–	–	–	–
Plant and Machine Operators		3	3	–	11	11	–	11	11	–
Elementary Occupations		178	157	–	96	96	–	96	96	–
TOTAL PERSONNEL NUMBERS	9	308	284	64	786	707	78	768	726	60
% increase					155.2%	148.9%	21.9%	(2.3%)	2.7%	(23.1%)
Total municipal employees headcount	6, 10	–	–	–	363	363	–	363	363	–
Finance personnel headcount	8, 10	–	–	36	35	35	–	35	35	–
Human Resources personnel headcount	8, 10	–	–	16	13	13	–	13	13	–

2.9 Monthly targets for revenue, expenditure and cash flow

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
R thousand																
Revenue																
Exchange Revenue																
Service charges - Electricity		7,968	7,968	7,968	7,968	7,968	7,968	7,968	7,968	7,968	7,968	7,968	95,616	98,771	102,030	
Service charges - Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - Waste Management		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	15,495	16,006	
Sale of Goods and Rendering of Services		74	74	74	74	74	74	74	74	74	74	74	882	911	941	
Agency services		150	150	150	150	150	150	150	150	150	150	150	1,800	1,859	1,921	
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables		183	183	183	183	183	183	183	183	183	183	183	2,200	2,273	2,348	
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	28,813	29,764	30,746	
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets		188	188	188	188	188	188	188	188	188	188	188	2,250	2,324	2,401	
Licence and permits		344	344	344	344	344	344	344	344	344	344	344	4,126	4,262	4,403	
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Construction Contract Revenue		2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939	35,267	26,379	27,505	
Development Charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		121	121	121	121	121	121	121	121	121	121	121	1,455	1,503	1,553	
Non-Exchange Revenue																
Property rates		5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271	5,271	63,250	65,337	67,493	
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		254	254	254	254	254	254	254	254	254	254	254	3,048	3,149	3,252	
Licences or permits		3	3	3	3	3	3	3	3	3	3	3	35	36	37	
Transfer and subsidies - Operational		26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	323,869	316,011	338,623	
Interest		1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	20,660	21,342	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	597,810	588,734	620,801	
Expenditure																
Employee related costs		15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	190,012	192,948	199,309	
Remuneration of councillors		2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	25,082	25,910	26,765	
Bulk purchases - electricity		8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	99,000	102,267	105,642	
Inventory consumed		560	560	560	560	560	560	560	560	560	560	560	6,717	6,938	7,167	
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation, amortisation and impairment		1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	1,860	22,322	23,058	23,819	
Interest, Dividends and Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	170,988	176,630	182,539	
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written off		542	542	542	542	542	542	542	542	542	542	542	6,500	6,714	6,936	
Operational costs		6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	76,985	79,660	82,236	
Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	597,806	614,126	634,413	
Surplus/(Deficit)		0	0	0	0	0	0	0	0	0	0	0	4	(25,392)	(13,812)	
Transfers and subsidies - capital (monetary allocations)		6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,794	64,707	66,725	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,799	39,315	52,913	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after income tax		6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,799	39,315	52,913	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,799	39,315	52,913	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year	1	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,799	39,315	52,913	

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

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand																
Revenue by Vote																
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		35,632	35,632	35,632	35,632	35,632	35,632	35,632	35,632	35,632	35,632	35,632	35,632	427,580	429,110	455,460
Vote 3 - Corporate		75	75	75	75	75	75	75	75	75	75	75	75	900	930	960
Vote 4 - Development and Planning		478	478	478	478	478	478	478	478	478	478	478	478	5,737	5,926	6,122
Vote 5 - Community		2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	2,655	31,863	27,198	28,095
Vote 6 - Infrastructure		10,961	10,961	10,961	10,961	10,961	10,961	10,961	10,961	10,961	10,961	10,961	10,961	131,530	125,570	129,963
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	597,610	588,734	620,601
Expenditure by Vote to be appropriated																
Vote 1 - Executive Council		2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	2,810	33,721	34,833	35,983
Vote 2 - Finance and Admin		11,409	11,409	11,409	11,409	11,409	11,409	11,409	11,409	11,409	11,409	11,409	11,409	136,904	141,556	146,255
Vote 3 - Corporate		8,802	8,802	8,802	8,802	8,802	8,802	8,802	8,802	8,802	8,802	8,802	8,802	105,628	109,114	112,715
Vote 4 - Development and Planning		3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	3,058	36,699	37,911	39,162
Vote 5 - Community		6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	6,633	79,596	79,136	81,748
Vote 6 - Infrastructure		16,671	16,671	16,671	16,671	16,671	16,671	16,671	16,671	16,671	16,671	16,671	16,671	200,046	206,399	213,204
Vote 7 - Internal Audit		418	418	418	418	418	418	418	418	418	418	418	418	5,011	5,176	5,347
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	49,801	597,606	614,126	634,413
Surplus/(Deficit) before assoc.		0	0	0	0	0	0	0	0	0	0	0	0	4	(25,392)	(13,812)
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	0	0	0	0	0	0	0	0	0	0	0	0	4	(25,392)	(13,812)

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

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand																
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		381	381	381	381	381	381	381	381	381	381	381	381	4,570	1,070	1,106
Vote 3 - Corporate		566	566	566	566	566	566	566	566	566	566	566	566	6,788	2,209	2,281
Vote 4 - Development and Planning		654	654	654	654	654	654	654	654	654	654	654	654	7,842	-	-
Vote 5 - Community		962	962	962	962	962	962	962	962	962	962	962	962	11,546	8,161	1,494
Vote 6 - Infrastructure		9,082	9,082	9,082	9,082	9,082	9,082	9,082	9,082	9,082	9,082	9,082	9,082	108,986	91,165	94,672
Vote 7 - Internal Audit		170	170	170	170	170	170	170	170	170	170	170	170	2,036	2,103	2,173
Vote 8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	141,768	104,707	101,725
Total Capital Expenditure	2	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	141,768	104,707	101,725

Table 6MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand															
Cash Receipts By Source													1		
Property rates	5,635	5,635	5,635	5,635	5,635	5,635	5,635	5,635	5,635	5,635	5,635	5,635	67,617	69,849	72,154
Service charges - electricity revenue	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773	6,773	81,273	83,955	86,726
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	1,063	12,750	13,171	13,605
Rental of facilities and equipment	188	188	188	188	188	188	188	188	188	188	188	188	2,250	2,324	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	29,764	30,746
Interest earned - outstanding debtors	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	1,850	22,200	22,933	23,689
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	254	254	254	254	254	254	254	254	254	254	254	254	3,048	3,149	3,252
Licences and permits	345	345	345	345	345	345	345	345	345	345	345	345	4,136	4,272	4,413
Agency services	150	150	150	150	150	150	150	150	150	150	150	150	1,800	1,859	1,921
Transfers and Subsidies - Operational	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	26,989	323,869	316,011	338,623
Other revenue	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	38,403	29,618	30,851
Cash Receipts by Source	48,847	48,847	48,847	48,847	48,847	48,847	48,847	48,847	48,847	48,847	48,847	48,847	586,159	576,905	608,382
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	6,816	81,794	64,707	66,725
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, 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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	55,663	55,663	55,663	55,663	55,663	55,663	55,663	55,663	55,663	55,663	55,663	55,663	667,954	641,613	675,107
Cash Payments by Type															
Employee related costs	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	15,834	190,012	192,948	199,309
Remuneration of councillors	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	2,090	25,082	25,910	26,765
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	99,000	102,267	105,642
Contracted services	560	560	560	560	560	560	560	560	560	560	560	560	6,717	6,938	7,167
Transfers and subsidies - other municipalities	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	14,249	170,988	176,630	182,539
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415	76,985	79,572	82,146
Cash Payments by Type	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	568,784	584,265	603,567
Other Cash Flows/Payments by Type															
Capital assets	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	11,814	141,768	104,707	101,725
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	59,213	59,213	59,213	59,213	59,213	59,213	59,213	59,213	59,213	59,213	59,213	59,213	710,552	688,973	705,292
NET INCREASE/(DECREASE) IN CASH HELD	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(3,550)	(42,599)	(47,360)	(30,185)
Cash/cash equivalents at the month/year begin:	299,349	295,799	292,249	288,699	285,149	281,599	278,049	274,499	270,950	267,400	263,850	260,300	299,349	256,750	209,390
Cash/cash equivalents at the month/year end:	295,799	292,249	288,699	285,149	281,599	278,049	274,499	270,950	267,400	263,850	260,300	256,750	256,750	209,390	179,205

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 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
		Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	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 draft stage and will be aligned with the budget 2026/27 MTREF directly aligned and informed by the IDP .

5. Annual Report

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, Nokhanyo Nosisa Zembe, the Acting Municipal Manager of Matatiele Local Municipality do hereby certify that-

The draft annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: Nokhanyo Nosisa Zembe

Acting Municipal Manager of Matatiele Local Municipality

Signature: _____



Date: _____

24/03/2026