



**FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE
FINANCIAL YEAR**

2025/2026

Acronyms and abbreviations

BSC	Budget Steering Committee
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DoRA	Division of Revenue Act
EXCO	Executive Committee
FBS	Free basic services
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act (56 of 2003)
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
mSCOA	Municipal Standard Charts of Account
MTBPS	Medium Term Budget Policy Statement
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NDP	National Development Plan, 2030
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan

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1.1 Mayor's Report (Budget speech)

BUDGET SPEECH PRESENTED BY HONOURABLE MAYOR, CLLR GLORIA MODIEGI SELEKA IN A COUNCIL MEETING HELD ON THE 29TH of MAY 2025

Speaker of Council: Cllr Nelly Zikhali

Members of the Executive Committee

Chief Whip of the ruling party

All Councillors

The Municipal Manager and Senior Managers present here today

Representatives for Local Media

Community members and Organizations in the gallery

Ladies and Gentlemen

Good morning,

We are gathered here today as Council mandated by section 16(1) of the Local Government: Municipal Finance Management Act No. 56 of 2003 which states that "*the council of a municipality must for each financial year approve an annual budget for a municipality before the start of that financial year*" and Section 16 (2) which states that "*the Mayor must table a budget to Council at least 90 days before the start of the financial year*".

This is however not a malicious compliance exercise but a crucial final step to confirm the Municipal budgeting process. A series of steps and procedures were undertaken to plan, prepare and allocate financial resources for the forthcoming fiscal year. The Municipal budgeting process involves consultation with various stakeholders and follows a systematic approach to ensure transparency, accountability and effective utilization of Municipal funds.

Madam Speaker, Public budget is defined as a political instrument that weighs policy priorities against available financial resources. It specifies the ways and means of providing public programmes and services by reflecting how much to allocate and spend, what to prioritize on spending and how to finance the expenditure.

A budget is also an instrument by which the Municipality may be held accountable at the end of a

budget cycle or political term. A good budget is one which can satisfy basic services conditions and is formulated according to certain well-drawn principles guided by National treasury.

This 2025/26 Budget and the IDP seeks to address dynamic community needs in the next financial year and outer years taking into cognizance the scarcity of financial resources. Preferences had to be made on the needs that must be prioritised in form of essential projects. There is an opportunity cost of reprioritizing implementation of certain project over the other. Through exhaustive consultation with the community, we manage to reach consensus on priority projects that must be implemented efficiently and effectively. By so doing, we will be assisting our community to move nearer to their service delivery needs.

Both the Micro and Macro Economic factors were considered to ensure that this Budget and the IDP drives the Municipal development agenda amidst uncertain economic conditions influenced by the Geo-politics.

Prior presentation of the 2025/26 Mid-term Revenue Expenditure Framework it is important that I reflect on the achievements and highlights of the Municipality subsequent to approval of the 2024/25 budget and the IDP.

Madam Speaker the following infrastructure projects were completed in the 2024/25 financial year through the Water Infrastructure Service Grant and the Municipal Infrastructure Grant respectively.

1. The replacement of the 2 mega litres Steel Elevated Water Tank in Ward 8 at Pienaarsrivier.
2. The Upgrading of the Ext 6 Sewer Pump Station in Ward 6.
3. Development of Sports Facilities in Masakhane in Ward 9.

Sewerage spillages that were experienced some months back at the twin towers next to Khabele Primary School and constant blockages at Leseding and Settlers (Moloto street) pump stations will soon be a thing of the past. We have two projects under construction which are meant to resolve that problem for good. It is expected that the two projects will be completed at the end of the current 2024/25 financial year.

The projects that I am referring to are:

- 1) The Upgrading of the Leseding Sewer Pump Station in Ward 6 is under construction at 95% physical progress.

- 2) The upgrading of the sewer rising main from Leseding pump station to the Wastewater Treatment Works at 98% physical progress.

The municipality had performed exceedingly well in as far as MIG expenditure is concerned. As at mid-year, the MIG expenditure was over 70% which is above the acceptable norm of 40%. As a result of this outstanding performance the Municipality received additional R 8 000 000.00 (million) allocation which aided in bringing forward two projects namely Phase 2 road project construction at Mandela Village and construction of stormwater channel at Masakhane. A portion of the allocation was also directed to a project of constructing a new landfill site in Ward 2.

Noteworthy, the municipality received an additional allocation of R 11 500 000 (million) from the National Disaster Centre which has been allocated to the refurbishment of Roads and Stormwater in Limpopo Road in extension Six (6) and Mabunda Street at extension One (1).

Amidst the challenges in our community on our youth, we have managed to renovate sport facilities at the old community hall assisted by the Waterberg District Municipality in creating a facility for youth activities. The Waterberg District Municipality invited us to identify infrastructure project to be implemented in the current 2024/25 financial year which is labour intensive in line with Extended Public Works Program guidelines. In our respond to the invitation, we recommended renovation of the Netball, Basketball, Tennise and Netball courts at the sport centre. This was to preserve the history attached to the community hall and the sport facilities within its premises.

The municipality successfully applied for Eskom Debt Relief Program through the National Treasury. This program has alleviated the financial pressure and has yield positive results. The National Treasury appointed Cigecel JV Utilities World to install prepaid electricity meters. This has addressed and reduced the issues of faulty and conventional meters that contributed immensely to electricity losses. The newly installed meters generate real time report which puts the Municipality in an advantage to curb tampering of meters.

The Municipality also entered Eskom Active Partnering Program through which the Electrical Division personnel has been capacitated on first line maintenance and installation of bulk meters.

Madam Speaker, during Council inception in 2021, the Municipality debt owed to Magalies Water Board accumulated to a total amount of R 25 524 369, 75 (million).

I am pleased to announce that the owed debt has been settled, and we are currently servicing the current account. Our focus now is ensuring continuous servicing of accounts, and that Eskom debt is

also settled. We are committed to payment arrangement that we are honoring.

The Municipality has over the years managed to utilize various grants for infrastructure development. It is very unfortunate that these infrastructures are vandalised. There are numerous incidents of electrical infrastructure vandalism, particularly cable thefts which is brought to our attention recently. I wish to call upon members of the community to report the perpetrators to our law enforcement agencies to bring them to book. The Municipality is directing more financial resources on replacing stolen cables over again instead of directing the funds to other important service delivery programmes.

Madam Speaker, it is unfortunate that the Municipal audit opinion is stagnant over three consecutive financial years. Yet again we have received a Qualified audit opinion from Auditor General of South Africa for the 2023/24 audit cycle. However, it is important to note that there is improvement in number of qualification paragraphs. There is only Two (2) paragraphs on 2023/24 audit opinion as compared to Nine (9) 2022/23 audit cycle. Qualifying paragraphs are in relation to plant, property and equipment (PPE) and investment property.

The Audit action plan has been developed to address the findings. Audit Action Committee meetings are chaired by the Mayor to ensure that findings are duly addressed. We are aiming for unqualified audit opinion in the forthcoming audit cycle.

Lobbying and advocating for the rights of Special Focus groups remains a priority to the Municipality. The Municipality assisted the local community of persons with Disabilities to launch Disability Forum supported by the Office on the status of persons with disabilities from the Premiers Office. The Forum is a representative structure of persons with disabilities aimed at ensuring mainstreaming of issues of disability in both public and private institutions rendering services within the municipal jurisdiction.

The Municipality hosted Mayoral Matric Awards as a strategy to inculcate a culture of teaching and learning within the schools. This is an intervention which is recommended amongst other thematic areas by the National Youth Policy to be explored when addressing Youth Development. The awards were hosted to recognize outstanding achievements by class of 2024 matriculants, educators and schools. The Municipality secured sponsorships of goodies distributed to top achievers. The Municipality wishes to extend a word of appreciation to companies that supported the initiative. The awards are now a regular feature in the Municipal calendar that is contributing positively to the overall matric pass rate within the Bela- Bela circuit.

As much as education is not the Municipality performance area, we remain committed to create a conducive environment for education to thrive. The Municipality secured sponsorship of school

uniform from the private sector which were distributed to 100 learners from disadvantaged backgrounds enrolled at Albert Luthuli Primary School.

Madam Speaker, high unemployment rate levels remain a serious challenge that was intensively ventilated during the community engagements. Its impact has a negative effect on the well-being of the community as well as the Municipality's inability to collect revenue for the municipal services provided. The Municipality is duty bound to come up with strategies to address unemployment.

We must strive to create a favourable and conducive environment to attract and enable investors to invest in our town and surrounding areas.

Our distinctive competence is guiding us to create an investor-friendly environment focusing on tourism which is the main economic driver. We are largely an eco-tourism-oriented economy, and we need to build on this strength whilst we gradually diversify the same through value adding mechanisms. We must continue enhancing the tourism sector to ensure that it addresses unemployment within the municipal jurisdiction and beyond.

We embarked on Tourism Thursday initiative and Tourism Media Launch to expose tourism products and services in offer with an intention of encouraging more tourists to visit our town and ultimately create more job opportunities in the sector.

We have been able to create temporary employment opportunities through the Extended Public Works Program and all infrastructure projects implemented by the Municipality. We are truly fortunate that the South African National Road Agency (SANRAL) is implementing a major road maintenance project. While the project is beautifying the town's aesthetics, it has also created employment opportunity to a substantial number of our residents of which the majority is young people. It is contributing immensely on poverty alleviation.

Our people are living in difficult conditions aggravated by crime, HIV/AIDS, substance abuse, gender base violence and femicide, and other social ills. We will continue to partner with relevant government departments to implement initiatives aimed at addressing social issues affecting the well-being of the community.

Madam Speaker, the Bela-Bela Local Municipality adopted an effective culture in complying with the legislation. Intensive consultation with the residents in their respective wards were conducted. Structures of Civil Society together with public sector departments were also consulted. A draft IDP and 2025/26 Budget were presented explicitly in all the sessions held. We believe that we have done justice to the community in as far as that is concerned.

Our community needs are not impossible. Operational service delivery issues were mainly raised as challenges by the community during public participation engagements.

Our people need service delivery effectively and efficiently. There must be value for money in the manner at which we render our services.

We must adopt customer centric culture that prioritizes customers and their needs primarily. Placing them at the center of all decisions and actions.

Our 2025/26 draft budget (MTREF) has been subject to benchmarking assessment analysis by Limpopo Provincial Treasury. The assessment report confirms that our budget is fully funded. It is important to note that the budget is not cash backed, and we need to collect revenue to fund operations.

In as much as the Municipality is expected to render services, the community is expected to pay for services consumed.

We believe that we managed to incorporate the needs of our community within the IDP and Budget presented here today for implementation in the 2025/26 financial year.

I therefore present to you the Final Integrated Development Plan and the Medium-Term Revenue and Expenditure Framework 2025/26 with related Policies for Council approval as expressed in Item **MC149/05/2025** of the Council agenda.

I thank you.

1.2 Council Resolutions

MC 145/05/2025

FINAL INTEGRATED DEVELOPMENT PLAN & ANNUAL BUDGET (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2025/2026).

RESOLVED

1. **THAT** council approves the Final budget and Final IDP Document (MTREF) for 2025/202 financial year and indicative for the projected outer years 2026/27 and 2027/28 as set out in the annual budget tables in respect of the following schedules:

- 1 Council approves and adopt the final IDP Document - Annexure A for the 2025/26 financial year.
- 1.1 A Schedule and Supporting Tables as per Municipal Budget and Reporting regulations (MBRR) - Annexure B.
- 1.2 Council approves and adopt the final Tariff Book for services as per Annexure C with effect from 1 July 2025.
- 1.3 Council take note that tariffs in respect of Electricity increase is still subject to final approval by NERSA and that after NERSA issue the document, the tariffs will be updated based on the formal letter.
- 1.4 Council Approves and adopt the Procurement Plan for the 2025/26 financial year as per Annexure D.
- 1.5 Council Approves and adopt the Strategic Risk Register for the 2025/26 financial year as per Annexure E.
- 1.6 Council Approves and adopt the mSCOA road map as required in terms of the mSCOA regulations and guidelines issued by National Treasury- Annexure F.
- 1.7 Council Approves and adopt the valuation roll reconciliation as required in terms of the MFMA circular no 130 issued by National Treasury Annexure G.
- 1.8 Council Approves and adopt the NT tariff tool as required in terms of the MFMA circular no 130 issued by National Treasury Annexure H.
- 1.9 Council Approves and adopt the revenue assessment tool as required in terms of the MFMA circular no 130 issued by National Treasury Annexure I.
- 1.10 Council Approves and adopt the Revenue document submission checklist as required in terms of the MFMA circular no 130 issued by National Treasury Annexure J.
- 1.11 Council Approves and adopt the Virement budget report as required in terms of the MFMA circular no 130 issued by National Treasury Annexure K.

1.12 The council of Bela-Bela Local Municipality, acting in terms of Section 75A of the local Government systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025 the following budget related Policies: Annexure L.

- (i) Property Rates Policy
- (ii) Credit Control and Debt Collection Policy
- (iii) Budget Implementation and Monitoring Policy
- (iv) Supply Chain Management Policy
- (v) Indigent Management Policy
- (vi) Funding Reserves Policy
- (vii) Cash Management and Investment Policy
- (viii) Policy on Long term financial planning
- (ix) Principles and Policy on Tariffs
- (x) Borrowing Framework Policy
- (xi) Assets Management Policy
- (xii) Policy on Infrastructure Investment and Capital Projects
- (xiii) Prioritisation Model for Capital Assets Investment
- (xiv) Policy on provision for doubtful debts and writing off irrecoverable debts.
- (xv) Property rates by-law
- (xvi) Indigents support by-law
- (xvii) Credit control and debt collection by-law
- (xviii) Cost Containment Policy
- (xix) Expenditure Management Policy

2. THAT council approves the following tariff increases as set out in the 2025/2026 final Tariff Book

- (i) Property rates tariff for all classes of property will be increased by 3%.
- (ii) Refuse and Sanitation rates increased by 4.3%
- (iii) Water tariff estimated to be increased by 8.40%
- (iv) Electricity tariff be increased by 11.10% subject to NERSA approval.
- (v) Sundry Tariffs increased by 4.3%

3. THAT council approves the final 2025/2026 annual budget (MTREF) 's operating revenue budget of R 656 606 million for the 2025/2026 financial year as well as for the two outer years as depicted in table 2: Table A1 Budget Summary above.

4. THAT Council approves the final 2025/2026 annual budget (MTREF) 's operating expenditure budget of R 627 799 million for the 2025/2026 financial year as well as for the outer years as depicted in above table 2: Table A1 Budget Summary.

5. **THAT** Council approves the 2025/2026 annual budget (MTREF)'s capital expenditure of R152 011 million (R 131 349 grant funded and R 20 662 million own funded) as well as two outer year's expenditure as set out in above table 6: Table A5 Budgeted Capital Expenditure by vote, functional classification and funding.
6. **THAT** Council takes note that the tabled 2025/2026 operating budget realizes a budgeted surplus of R 28 807 million as reflected in table 2: Table A1 Budget Summary above.
7. **THAT** Council takes note of the total cost to municipality expenses for the salaries, allowances and benefits of The Mayor, Speaker, Chief Whip, Executive committee members, Subcommittee chairpersons, Ordinary councilors, Municipal Manager, Chief Financial Officer and other Senior managers as set out in the 2025/2026 annual budget (MTREF) report.
8. **THAT** a copy of the Final Annual Budget be submitted to National Treasury and Provincial Treasury.
9. **THAT** a copy of the Final IDP document be submitted to the office of MEC for Co-operative Governance Human Settlement and Traditional Affairs for comments within 10 days of its adoption as stipulated by the legislation – section 32 (1) (a) of the Systems Act, 2000.

1.3 Executive Summary

The 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) Budget document deals with the operating budget, tariffs, capital budget and funding sources to ensure that Bela-Bela Local Municipality renders services to the local Municipality in a financially sustainable manner.

The process of developing the municipality's annual budget is mostly guided by the strategic thrust and operational priorities of Bela-Bela's Integrated Development Plan (IDP) as well as the MTREF that sets out the expected annual revenue and projected expenditure for the budget year under consideration, plus the outer years.

National Treasury issued Circular number 129 on 10 December 2024 and subsequently Circular 130 on 21 March 2025, to provide guidance to municipalities with their compilation of the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). The circulars are linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strive to support municipalities' budget preparation processes so that the minimum requirements are achieved, previous budget circulars must also be considered in the preparation of the budget. A great emphasis is on ensuring that municipal budgets are funded, revenue management is optimized, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

In terms of MFMA Circular 130, National Treasury has revised South Africa's economic growth. The National Treasury forecasts economic growth (GDP) to an average of 1.8 per cent over the next three years, i.e., from 2025 to 2027 up from 1.2 per cent in the preceding three years.

The Consumer Price Index is forecasted to decrease and stabilize over next three years as indicated below:

Table 1: Macroeconomic performance and projections, 2023 – 2027

Fiscal year	2023/24	2024/25	2025/26	2026/27		2027/28
	Actual	Estimates	Forecast			
CPI Inflation	6.0%	4.4%	4.3%	4.6%		4.4%

Source: Municipal Budget Circular for the 2025/26 MTREF 21 March 2025

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

The IMF forecasts global growth at 1.6% for both 2025 and 2026, which is below the historical average of 3.7% while the World Bank expects growth to stabilize at 2.7% but warns that this may not be sufficient for sustained economic development.

South Africa's economy is projected to average 1.8 per cent from 2025 to 2027, with the continued recovery supported by improved investor confidence, stable electricity supply, lower interest rates and a declining risk premium. The United States has imposed significant tariff hikes, with a 10% baseline tariff on all imports and even higher tariffs on certain countries, and this could lead to disruptions in global trade.

The Service Delivery and Budget Implementation Plan (SDBIP) give effect to the IDP and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes that will be implemented by the administration for the financial period from 1 July 2025 to 30 June 2026 (Municipality's financial year). It includes the service delivery targets and performance indicators for each quarter which is linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non- financial performance of the municipality and allows the Municipal Manager to monitor the performance of the Senior Managers, the Mayor/Council to monitor the performance of the Municipal Manager, and the Community to monitor the performance of the Municipality as a whole. The process of cascading performance agreements to all employees of the municipality in terms of the Staff Regulation as promulgated in Government Gazette 45281 is being finalized.

Performance Report and Annual Financial Statements (AFS) for the 2023/24 financial year were duly prepared as required in terms of Section 121 and 122 of the Municipal Financial Management Act number 56 of 2003 MFMA. The municipality prepared the AFS in-house with the assistance of Waterberg District Municipality. Consultants were however used in the compilation of the fixed asset register as the municipality has limited capacity in that respect. The 2023/24 annual financial statements and the performance report were submitted to the Auditor General of South Africa (AGSA) on 31 August 2024 for audit as stipulated in section 126(1)(a) of MFMA.

The AGSA conducted the statutory audit of the municipality from 01 September 2024 to 30 November 2024 as stipulated in section 126(3) of MFMA. The municipality obtained a qualified audit opinion for 2023/24.

A detailed Audit Action Plan has been compiled to address 2023/2024 audit findings. Weekly Audit Action Plan Steering Committee meetings are held to monitor progress on the implementation of the Audit Action Plan resolutions/Actions.

The municipality was also pro-active in preparing the nine months interim financial statements in-house, these have been submitted to the internal audit office and the audit committee for review. Furthermore, the municipality has prepared a process plan in respect of the preparation of annual financial statements for 2024/2025 financial year. The above-mentioned initiatives are undertaken in an effort to improve the municipality's audit outcomes for the 2023/2024 financial year going forward.

The Municipality also embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. A critical review was also undertaken of non-core expenditure and 'nice to have' items and which led to implementation of cost containment measures. Fixed term service providers contracts are continually reviewed with a view to reduce the monthly fixed costs.

Before compilation of the 2025/26 to 2027/2028 planning and budget process, a review to the municipality's service delivery priorities were done. Strategic planning sessions were planning of the 2025/2026 budget was held during February 2025. The compilation of the 2025/26 budget was further guided by prescribed budget legislative, policy frameworks and budget circulars.

Section 24 (1) of the MFMA stipulates that the municipal council must consider the approval of the annual budget at least 30 days before the start of the budget year (by 31 May).

Section 24 (2) stipulates that the annual budget must be approved before the start of the budget year by the adoption by the council of a resolution.

The annual budget of Bela-Bela Local Municipality was approved by the municipal council on 29th May 2025 through resolution number MC...149/05/2025 as stated in section 1.2 above. Explanations are provided where increases are greater/less than the projected CPI of 4.3%

1.4 Legislative Requirements

The MTREF for 2025/26 was compiled in accordance with the requirements of the relevant legislation, of which the following are the most important –

- The Constitution of the Republic of South Africa, Act 108 of 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009.
- and
- The 2023 Division of Revenue Act.

1.4.1 The following budget principles and guidelines were considered for the compilation of the 2025/26 MTREF-

- National Treasury's MFMA Circulars number 129, 130 and previously issued circulars were used as guidelines in the compilation of the 2025/2026 MTREF;
- Headline inflation predictions;
- National outcomes and priorities as contained in the NDP, MTBPS, the President's State of the Nation Address and the 2025 National budget;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- The 2024/2025 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baseline for the 2025/2026 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective and should take into account the need to address infrastructure backlogs. In this vein, the municipality appointed specialists to remodel the water, electricity and sanitation tariffs to be cost reflective;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- An assessment of the relative human resources capacity to implement the Budget;
- The need to enhance the municipality's revenue base;

- All conditional grants should always be cash backed;
- Cash flow projections should be strictly maintained to ensure the municipality's ability to meet its obligations; and
- Implementation of Cost Containment measures to prioritise service delivery and infrastructure maintenance related expenditure, and limit non-essential expenditure;

During the compilation of 2025/2026 MTREF Municipality determined few challenges which will have an impact on the revenue and expenditure projections as follows:

- The on-going difficulties in the national and local economy;
- Maintaining revenue collection rates at the targeted levels (National norm of 95%);
- The increasing debtor balance as a result of non-payment;
- Aging and insufficiently funded maintenance for water, roads and electricity infrastructure;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the Municipality's cash position into account;
- The increased cost of bulk water and electricity (due to tariff increases from Magalies Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be a point where services will no-longer be affordable;
- Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources; and

1.4.2 Budget Overview for the 2025/26 MTREF

This section provides an overview of Bela-Bela Local Municipality's 2025/26 to 2026/27 MTREF. It focuses on the billing and revenue environment of the Municipality; the expenditure framework includes an assessment on the budget linkage with the national and provincial government contexts along with a review of the fiscal position of the municipality. As mentioned in the preceding paragraph, this budget continues to be assessed by both National and Provincial Treasuries during consultation and thereafter for:

- Credibility – revenue and expenditure estimates are realistic;
- Relevance – to the legislation (compliance), IDP and national government priorities; and
- Sustainability – the revenue, expenditure and cash flow estimates are achievable over the short to medium term.

1.4.2.1 Budget related By-Laws

Constitution of the Republic of South Africa sec 160, provide Local Councils powers, to pass laws in a form of By-Laws. By-Laws are local laws that are only applicable in the Jurisdiction of the Local Municipality.

Tariffs By-Law

The tariff By-Law give the Municipality powers to levy tariffs as outlined on the Municipal Systems Act. Tariffs that are levied by the Municipality includes the following services:

- Electricity services
- Water services
- Sanitation services
- Waste removal
- Cemetery services
- Other sundry tariffs as listed on the tariff book.

There only major change is the re-modelling of the electricity tariffs which will be based on the outcome of the Cost of Supply Studies as required by NERSA for tariff approval. Other tariffs will increase in line with the projected CPI as per Circular 130.

Property Rates By-Law

Property By-Law is adopted in terms of Local Government: Municipal Property Rates Act, 2004 to give effect to the implementation of its property rates policy; the by-laws may differentiate between the different categories of properties and different categories of owners of properties liable for the payment of rates.

Indigent's By-Law

The main objective of the Indigent By-Law is to ensure that the poor households within the Municipal jurisdiction receive access to basic services. The by-law also paves a way for the council to approve the Indigent policy which outlines the required qualification criteria and the quantity of free basic services that approved consumers receives monthly.

Credit control and debt collection By-Law

The credit control and debt collection by-law give the Municipal Council power to Final a Credit Control and Debt collection policy which guides the municipality on the frequency of billing for the services rendered, closing dates of accounts payments. The By-Laws also gives the Municipality powers to disconnect services in the event of misuse or non-payment.

1.4.2.2 Budget related policies

Council has a role to approve policies that are used on the administration of the Municipality.
The Municipal budget related policies are as follows:

- I. Credit Control and Debt Collection Policy
- II. Property Rates Policy
- III. Assets Management Policy
- IV. Indigent Policy
- V. Borrowing framework policy
- VI. Budget Implementation and Monitoring Policy
- VII. Cash Management and Investment Policy
- VIII. Funding Reserves Policy
- IX. Prioritisation Model for Capital Assets Investment
- X. Policy on Infrastructure Investment and Capital Projects
- XI. Policy on Long Term Financial Planning
- XII. Policy on Provision for doubtful debts and writing off of irrecoverable debts
- XIII. Principles and Policy on Tariffs
- XIV. Petty Cash Policy
- XV. Supply Chain Management Policy
- XVI. Tariff policy
- XVII. Cost Containment Policy

1.4.2.3 Operating Revenue Framework

Despite financial challenges experienced by Bela-Bela Local Municipality, the council intends to continue improving the quality of services provided to its citizens and generate the required revenue levels without creating heavy burden to the community. In these tough economic times, strong revenue management is fundamental to the financial sustainability of the municipality. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices and trade-off must 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:

- 1.4.2.3.1 Electricity tariff increases as approved by the National Electricity Regulator of SouthAfrica (NERSA);
- 1.4.2.3.2 Achievement of full cost recovery of specific user charges especially in

- relation to trading services;
- 1.4.2.3.3 Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
 - 1.4.2.3.4 The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
 - 1.4.2.3.5 Increase ability to extend new services and recover costs;
 - 1.4.2.3.6 The municipality's Indigent Policy and rendering of free basic services; and
 - 1.4.2.3.7 Tariff policies of the municipality
 - 1.4.2.3.8 National Treasury's guidelines and macroeconomic policy;
 - 1.4.2.3.9 Growth in the municipality and continued economic development;
 - 1.4.2.3.10 Efficient revenue management, which aims to ensure at least 95% annual collection rate for property rates and other key service charges;
 - 1.4.2.3.11 Continuous engagements with key stakeholders, particularly farmers and business, to collect outstanding debt and improve current collection levels;

The following table is a summary of the 2025/2026 MTREF (classified by main revenue source):

Table 2: Summary of revenue classified by main revenue source

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates Service charges	81 022	108 940	95 606	121 077	121 077	121 077	121 077	115 924	121 256	126 592
Investment revenue	189 393	189 890	220 633	253 529	252 375	252 375	252 375	277 130	289 878	302 633
Transfer and subsidies - Operational	89	1 432	2 752	2 350	4 230	4 230	4 230	5 000	5 230	5 460
Other own revenue	109 019	122 766	134 834	144 449	144 449	144 449	144 449	151 036	153 792	160 735
	64 324	90 327	94 020	73 062	87 249	87 249	87 249	107 516	111 987	106 124
Total Revenue (excluding capital transfers and contributions)	443 847	513 356	547 846	594 467	609 380	609 380	609 380	656 606	682 143	701 544
Employee costs Remuneration of councillors Depreciation and amortisation Interest	152 101	143 621	147 682	177 222	174 880	174 880	174 880	181 826	189 876	198 231
Inventory consumed and bulk purchases	7 248	7 835	8 810	9 236	9 432	9 432	9 432	9 715	10 161	10 609
Transfers and subsidies	51 160	41 711	41 847	39 862	42 393	42 393	42 393	44 944	47 011	49 079
Other expenditure Total	8 597	17 502	15 351	17 000	18 634	18 634	18 634	18 612	19 468	20 325
	151 075	138 503	161 452	196 364	197 618	197 618	197 618	214 539	224 408	234 282
	—	—	—	—	—	—	—	—	—	—
	113 580	118 625	172 188	131 771	146 115	146 115	146 115	158 164	165 753	173 047
	483 761	467 798	547 330	571 456	589 072	589 072	589 072	627 799	656 678	685 572
Expenditure	(39 914)	45 557	516	23 011	20 308	20 308	589 072	28 807	25 466	15 973
Surplus/(Deficit)	69 232	83 242	89 986	93 465	142 049	142 049	58 902	151 051	137 606	135 303
Transfers and subsidies - capital (monetary allocations)	—	—	16 744	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	29 318	128 800	107 246	116 476	162 358	162 358	79 210	179 858	163 071	151 275
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	29 318	128 800	107 246	116 476	162 358	162 358	79 210	179 858	163 071	151 275
Capital expenditure & funds sources										
Capital expenditure	57 010	71 163	110 703	97	136 155	136 155	57 677	152	138	136
Transfers recognised - capital	71 249	56 747	94 390	284	123 381	123 381	50 056	011	130	940
Borrowing	—	—	—	81 274	—	—	—	131 349	119 657	117 654
Internally generated funds	(14 834)	14 217	16 314	16 010	12 774	12 774	7 621	—	—	—
Total sources of capital funds	56 415	70 964	110 703	97 284	136 155	136 155	57 677	152 011	138 130	136 940
Financial position										
Total	203 124	263 835	317 714	502	404 007	404 007	569 079	482	540	572
current assets Total non current assets	1 110 356	919 439	991 469	980	1 084 668	1 084 668	1 018 718	780	749	470
liabilities	275 940	246 593	253 247	1 268 922	327 288	327 288	340 122	1 101 446	1 085 631	1 082 506
Total non current liabilities	124 758	151 647	163 647	365 244	348 912	348 912	163 647	380 844	384 003	400 313
Community wealth/Equity	906 141	785 486	892 079	194 901	812 476	812 476	1 064 896	173 982	163 647	163 647
				1 211 757				1 029 400	1 078 730	1 091 016
Cash flows										
Net cash from (used) operating	174 839	221 356	174 087	110 217	151 558	151 558	151 558	197 033	162 211	218 994
Net cash from (used) investing	(64 795)	(77 848)	(95 319)	(97 284)	(141 141)	(141 141)	(141 141)	(152 011)	(138 130)	(136 940)
Net cash from (used) financing	—	(915)	(2 730)	—	(0)	(0)	(0)	—	—	—
Cash/cash equivalents at the year end	121 974	156 701	87 276	33 558	35 688	35 688	35 688	70 293	94 374	176 429
Cash backing/surplus reconciliation										
Cash and investments available:	14 108	11 261	25 270	33	35 688	35 688	147 081	70	94	176 429
Total Application of cash and investments:	146 218	79 989	44 112	558	84 864	84 864	87 622	293	374	(389)
Balance - surplus (shortfall)	(132 110)	(68 728)	(18 842)	92 168	(49 176)	(49 176)	59 459	(26 599)	(38 883)	176 818
				(58)				96	133	

				610)				892	257	
Asset management										
Asset register summary (WDV)	1 039 227	821 246	896 337	1 184 500	957 340	957 340	957 340	869	865	863
Depreciation	36 496	38 973	40 926	39 862	42 393	42 393	42 393	465	089	714
Renewal and Upgrading of Existing Assets	(11 384)	39 123	70 236	46 655	82 821	82 821	82 821	44	47	49
Repairs and Maintenance	6 779	7 805	9 370	14 630	15 663	15 663	15 663	944	011	079
								90	81	80
								015	702	543
								25	26	27
								040	192	344
Free services										
Cost of Free Basic Services provided	31 611	32 066	31 098	44 407	35 842	35 842	35 842	39 860	41 694	43 529
Revenue cost of free services provided	32 856	39 980	49 818	47 833	47 734	47 734	47 734	50 730	53 063	55 398
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

Table 2: Summary of revenue classified by main revenue source

The summative table is in line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit. Bela-Bela Local Municipal budget is financed through realistically anticipated revenue streams. Revenue generated from rates and services charges forms a significant percentage of the revenue vessel for the Municipality. Rates and service charge revenues comprise of 60% of the total revenue. The municipality anticipates generating total operating revenue of R656.606 million or 7.75% more than the 2024/2025 adjustments budget revenue of R609.380 million. Included in the total operating revenue are operating grants to an amount of R151.036 million. Most of the operating grants are allocations to the municipality in terms of the Division of Revenue Act, while the remaining portion related to transfers the municipality is entitled from other organs of the state such as Local Government SETA.

Total operating grants represents 23% of the total operating revenue budget. This clearly indicates that the municipality is not heavily grant dependent as it can generate sufficient cash inflows from service charges and property rates to fund its own operations. The municipality's own generated revenue constitutes 77 % of the total revenue mix. Capital grants increased from R91 220 million in 2023/24 adjustments budget to R131 349 million in 2025/2026. Overall services charges revenue increased by 8.9% from the 2024/2025 adjusted budget. The increase was driven by the inclusion of Extension 9 on the billing system and the collection of actual water readings from Masakhane and Pienaarsrivier. These factors will result in significant revenue increase.

2. Details analysis of revenue sources

Property rates revenue is budgeted to decrease by 4.45%, from R121.077 million in the 2024/2025 fiscal year to R115.924 million in 2025/2026. The year-to-date actual property rates revenue for 2024/2025 is R89.428 million as at the end of April 2024. The municipality therefore decided that the adjustment budget of R115.924 million was an overstatement, thus it cannot be utilized as a baseline for the 2025/2026 property rates budget as this would not result in revenue that is realistic and achievable (in line with Circular 28, issued by National Treasury on 12 December 2005). The municipality assessed that R115.924 million is a more realistic and achievable property rates revenue based on the outcomes of the most recent supplementary valuation roll and the property rates tariffs. The loss of revenue resulting from the demarcation of certain properties outside the municipal territory and the Section 78 outcome exempting certain properties from the imposition of property rates were also taken into consideration.

Service Charges-Electricity is anticipated to increase by 15.4% due to the inclusion of extension 9 on the billing system thereby increasing electricity sales. Additionally, NERSA approved an increase of 11.10% for electricity tariffs after the municipality concluded the Cost of Supply Studies. Noteworthy is that electricity revenue has a positive marginal year-to-date variance of 2% as at end of April 2024 implying that the municipality is earning marginally more electricity revenue than originally anticipated in the budget. The budget amount was arrived at by applying the new tariffs to the annualized actual consumption in the current year. The municipality is confident that the budgeted electricity revenue of R189.484 million is reasonable, realistic, and achievable in the 2025/2026 based on empirical evidence as discussed above.

Service Charges-Water is anticipated to increase by a marginal 2.4%. Including the projected CPI increase of 4.3% + 4.1% on the tariffs, as per MFMA Circular 130 resulting in 8.40% proposed tariff. Water revenue will decrease by R1.2 million more than previous financial year.

Sanitation - Waste management water decreases by 12% and Refuse - Waste management increase by 3% revenue is projected, the municipality adopted a conservative budgeting approach in determining all the budget figures in arriving at a realistic and achievable revenue budget considering year to date actuals in 2024/25 financial year.

Sale of goods and services increases by 3%, the municipality considered the actual revenue in respect of sale of goods and service as of 30 April 2025. This revenue item has a variance of positive 11% as at the end of April 2024 and this implies that the adjustments budget of R1.358 million was realistically estimated and can be relied on as reasonable baseline for determining a realistic and achievable budget amount for sale of goods and services in

2025/2026. It would be against budget principles to blindly apply 4.3% increase to the adjustment budget. The annualized actual revenue was utilized as the baseline for the sale of goods and services budget in 2025/2026. Additionally, these revenue sources are predominately consumption based which are due to the external factors such as economic conditions of the potential consumers.

Agency services revenue increases by 18% from adjustment budget of R4.906 million to R6.000 million.

Interest earned from Receivables is anticipated to increase by 15.9%. Despite the municipality's best efforts in implementing measures to improve the collection rate, the debtors balance has been consistently growing, as a result more interest is charged on municipal accounts in arrears. As of the end of April 2025, the revenue earned is R12.343 million while the adjusted budget is R12.933 million which reflects a positive variance of 21%. The implication is that more consumers are falling behind on their municipal accounts due to broad economic difficulties. Hence the municipality is anticipating earning more interest than the projected CPI. The annualized actual revenue was utilized to determine the interest earned from Receivables budget in 2025/2026.

Interest earned from Current and Non-Current Assets (i.e. bank and investments) increases by 15.4%, the municipality earned more interest than the adjusted budget as of the end of April 2025. The municipality concluded that the adjusted budget amount was realistic and is reflective of the municipality's financial status henceforth. The annualized actual revenue was utilized as the baseline for the interest earned from Current and Non-Current Assets budget in 2025/2026. The municipality will continue to implement good cash management principles to ensure that a positive cash balance is maintained, and substantial interest revenue is earned.

Rental from fixed Assets increased by 4% to achieve a realistic budget. Year-to-date actuals as at end of April 2025 indicate that the 2024/25 budget was realized and realistic. This implies that the adjusted budget amount was realistic and can be considered to be a reasonable baseline for the 2025/2026 rental revenue budget.

Operational revenue increases by 80% which is higher than the projected CPI. This is based on the amount the municipality is likely to earn in the 2025/26 financial year. Additionally, these revenue sources are predominately consumption based which are due to the external factors such as economic conditions of the potential consumers.

Licenses and permits increases by 29.6% from the adjustment budget of R2.425 million.

Operational Transfers and Subsidies increase by 22.4 % in line with the Division of Revenue

Bill published in Government Gazette No. 52381 of 25 March 2025.

Table 3: Property rates tariffs

RATING CATEGORY	2024/2025	2025/2026
	R/c	R/c
BUSINESS & COMMERCIAL	0.0185	0.0191
AGRICULTURAL	0.0036	0.0037
FARMS RESIDENTIAL	0.0148	0.0152
VACANT LAND	0.0185	0.0191
INDUSTRIAL	0.0185	0.0191
MUNICIPAL PROPERTY	0.0185	0.0191
PRIVATE OPEN SPACE	0.0148	0.0152
PUBLIC OPEN SPACE	0.0137	0.0141
PROPERTIES USED FOR PUBLIC BENEFIT ACTIVITIES	0.0036	0.0037
RESIDENTIAL	0.0148	0.0152
STATE-OWNED PROPERTY	0.0185	0.0191
ILLEGAL USE	0.0196	0.0202

Table 3: Property rates tariffs

The approved increase of 3% for property rates are in the rand for 2025/2026 the financial year.

Rates Exemptions and Rebates

All residential properties shall be granted R50 000 exemption on the market value and rebate of 10%. Indigents households shall be granted 100% rebate on property rates i.t.o Indigent Policy. Farms used for residential purpose shall be granted a R50 000 exemption on market value and further rebate of 30%. Bona Fide Farmers shall be granted rebate of 55% The council shall grant additional rebate of 30% to pensioners/disabled persons i.t.o Property Rates Policy.

Service charge: Electricity

With the Cost of Supply Studies finalized, NERSA has approved the increase of 11.10% in respect of electricity tariffs.

Indigent Subsidy related to electricity is 50kwh free on prepaid electricity i.t.o Indigent Policy.

Table 4: Electricity

DESCRIPTION	2024/2025			DESCRIPTION	2025/2026		
	Basic charge	Capacity charge	Energy charge		Basic Charge	Capacity Charge	Energy Charge
	Rand/ Month	R/ Amp/m	c/kWh		Rand/ Month	R/ Amp/m	c/kWh
Domestic Household Prepaid (Indigents)	0	0	282.34	Domestic Prepaid (Indigents)	0	0	313.68
Domestic Household Prepaid	0	0	282.34	Domestic Prepaid	0	0	313.68
Domestic Household Conventional	0	0	282.34	Domestic Conventional	0	0	313.68
Business Tariffs							
	Basic Charges	Capacity Charge	Energy Charge		Basic Charge	Capacity Charge	Energy Charge
	Rand/month	R/Amp/m	c/kWh		Rand/month	R/Amp/m	c/kWh
General Tariffs: Government, Business				General Tariffs: Government, Business			
General Tariffs Prepaid 30 Amp	0.00	0.00	362.60	General Tariffs Prepaid 30 Amp	0.00	0.00	402.85
General Tariffs Prepaid > 30Amp 1 Phase	102.82	28.21	244.23	General Tariffs Prepaid > 30Amp 1 Phase	114.23	31.34	271.34
General Tariffs Conventional Business and Government				General Tariffs Conventional Business and Government			
Single Phase:	102.82	28.21	244.23	Single Phase:	114.23	31.34	271.34
Three Phase:	154.24	28.22	229.94	Three Phase:	171.36	31.35	255.46
Reseller/Distributor Tariffs							
Industrial Tariffs							
	Basic Charge	Demand Charge	Energy Charge		Basic Charge	Demand Charge	Energy Charge
	Rand/month	R/KVA/M	c/kWh		Rand/Month	R/KVA/m	c/kWh
Low Voltage	2383.41	255.72	210.36	Low Voltage	2647.97	316.27	233.71
Medium Voltage	5647.10	294.04	207.45	Medium Voltage	6273.93	326.68	230.48
Agricultural Tariffs							
Agricultural Tariffs (Prepaid and Conventional)				Agricultural Tariffs (Prepaid and Conventional)			
	Basic Charges	Capacity Charge	Energy Charge		Basic Charge	Capacity Charge	Energy Charge
	Rand/month	R/Amp/m	c/kWh		Rand/month	R/Amp/m	c/kWh
Low Voltage	308.47	28.20	244.24	Low Voltage	342.71	31.33	271.35

Table 4: Electricity

Table 5: Water tariffs (Variable cost)

The increase on water is in line with Magalies Water tariff increase. The approved increase for the financial year 2025/26 is 8.40%. The resulted increase is in line with the projected CPI of 2025/26 budget year and Magalies bulk purchase increase.

The variable cost components are as follows:

Range	2024/2025		2025/2026	
	Rand		Rand	
	Residential, Churches, School, PBO, Hospitals – State	Commercial, Government, hotels, Resorts and Other	Residential, Churches, School, PBO, Hospitals – State	Commercial, Government, hotels, Resorts and Other
	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)	Rate (R/kl)
0 kl - 30 kl	21.17	31.76	22.95	34.43
31 kl - 50 kl	25.40	38.11	27.53	41.31
51 kl - 80 kl	30.48	45.73	33.04	49.57
81kl – 100kl	33.51	50.29	36.32	54.51
101kl – 130kl	33.51	50.29	36.32	54.51
131kl – 210kl	33.51	50.29	36.32	54.51
211kl – more	33.51	50.29	36.32	54.51

Table 5: Water tariffs (Variable cost)

Table 6: Water tariffs (Fixed costs)

2024/2025		2025/2026	
Rand		Rand	
Residential, Churches, School, PBO, Hospitals – State	Commercial, Government, hotels, Resorts and Other	Residential, Churches, School, PBO, Hospitals - State	Commercial, Government, hotels, Resorts and Other
Rate per meter	Rate per meter	Rate per meter	Rate per meter
111.55	173.90	120.92	188.51

Table 6: Water tariffs (Fixed costs)

Table 7: Flat Rates (Rural RDP Standard for residential households)

2024/2025	2025/2026
Rand	Rand
314	357.01

Table 7: Flat Rates (Rural RDP Standard for residential households)

Sewerage (Sanitation)

The proposed increase in sanitation tariff for 2025/26 MTREF is 4.3%.

Table 8: Sanitation tariffs

DESCRIPTION	2024/2025	2025/2026
	Rand	Rand
a) Residential/Flats/ Security Villages	261	272
b) Commercial/Government/Resorts/Hotels and Other	522	544
c) Churches/Schools/PBO	261	272
d) Hospitals – State	261	272
e) Hospitals – Private	522	544

Table 8: Sanitation tariffs

Indigents households shall be granted full subsidy (100%) on sanitation charges in terms of the Indigent Policy

Refuse (Solid Waste)

The proposed increase on refuse for 2025/26 financial year is 4.3%.

Table 9: Refuse tariffs

DESCRIPTION	2024/2025	2025/2026
	Rand	Rand
a) Residential		
Smaller than 800m²	99	103
Larger than 800m²	229	239
b) Commercial	456	476
c) Security Villages (per container)	4470	4662
d) Churches	229	239
e) Schools – State	456	476
f) Hospitals – State	456	476

Table 9: Refuse tariffs

NB: -CENTS ROUNDED OFF

-FLATS ARE CHARGED RESIDENTIAL TARIFFS

Indigents households shall be granted full subsidy (100%) on refuse charges in terms of terms Indigent Policy

Sundry Service

The proposed sundry tariff increase for 2025/2026 is 4.3%

Table 10: Cemetery

Description		2024/2025		2025/2026	
Item		Adults (per grave)	Children (per grave)	Adults (per grave)	Children (per grave)
		Rands	Rands	Rands	Rands
a)	Cemetery A	1657	1561	1728	1628
b)	Cemetery B	1657	1561	1728	1628
c)	Cemetery C	1657	1561	1728	1628
d)	Cemetery D (Muslim Section)	1657	1561	1728	1628
e)	Cemetery E	742	604	774	629
f)	Cemetery F (Masakhane)	742	604	774	629
g)	Non-Residents	3096	2784	3229	2903
h)	To open grave for second burial	808		842	
i)	Booking on Friday for same weekend	1030		1074	
j)	Exhumation	1030		1074	
k)	Burial of Ashes	808		842	
l)	Tombstones (permission)	413		431	
m)	Enlarging of graves (double graves compulsory)	Double applicable tariff per section		Double applicable tariff per section	
n)	Use of TLB for burial purposes	235		245	

Table 10: Cemetery

NB: Cent rounded off.

NB: Booking of graves can be done from Mondays- Thursdays between 08h00 and 16h00, Fridays between 08:00 and 12:00 for burials taking place on the immediate weekend. There will be an additional fee of R874 charged for bookings made on Friday after 12:00 for burials taking place on the immediate weekend.

3. Conclusion remarks on tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were considered to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs, and other charges as low as possible. Municipalities must justify in their budget documentation all increases more than CPI.

Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment and community unrest. It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol, and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals cement, etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

Grants

Bela-Bela Local Municipality had in the past financial period met all condition as per the allocated grant. The municipality further anticipate implementing proposed 2025/2026 projects within the time frame as stipulated in the grant conditions. The following table provides a breakdown of the various capital and operating grants and subsidies allocated to the municipality over the medium term:

Table 11: Transfers and Grant Receipts (2025/26)

Grant allocation					
Operational Grants					
Grant Description	Grant Type	Budget Year 2025/26	Budget 2026/2027	Year +1	Budget Year +2 2027/28
Municipal Infrastructure Grant	DORA	R 1 541 650	R 1 661 150		R 1 730 400
Local Government Financial Management Grant	DORA	R 1 900 000	R 2 000 000		R 2 100 000
Expanded Public Works Programme Integrated Grant	DORA	R 1 560 000	R -		R -
Equitable Share	DORA	R 144 284 000	R 150 131 000		R 156 905 000
LGSETA Mandatory Grant	Non-DORA	R 250 000	R -		R -
LGSETA Discretionary Grant	Non-DORA	R 1 500 000	R -		R -
Sub-total		R 151 035 650	R 153 792 150		R 160 735 400

The total operational grants allocation amounts to R151.035 million, as per the DORA allocation schedule and non-DORA mandatory allocation.

Included in this amount is 5% of the total Municipal Infrastructure Grant allocation to fund the administration costs of the PMU unit.

Capital Grants				
Gran Description	Grant Type	Budget Year 2025/26	Budget Year +1 2026/2027	Budget Year +2 2027/28
Water Services Infrastructure Grant	DORA	R 93 000 000	R 91 044 000	R 91 973 000
Municipal Disaster Response Grant (Rollover)	DORA	R 10 760 000	R -	R -
Municipal Infrastructure Grant	DORA	R 29 291 350	R 31 561 850	R 32 877 600
Integrated National Electrification Programmer Grant	DORA	R 15 000 000	R 10 000 000	R 10 452 000
Energy Efficiency and Demand Side Management Grant	DORA	R 3 000 000	R 5 000 000	R -
Sub-total		R 151 051 350	R 137 605 850	R 135 302 600

The total capital grants amount to R151.051 million, which includes only 95% of the total MIG allocation, (Vat inclusive)

Table 12: Transfers and Grant Receipts (2025/26)

Operating grant dependence

Grant dependence ratio is sitting at 23% of total revenue of R656.606million. The ratio measures the extent to which the municipality's total operating expenditure is funded through internally generated funds or borrowings. The rate of 23% indicates that municipality is not significantly grant dependent regarding funding of operations. The municipality currently has no borrowings.

Debt Management

Bela-Bela Local Municipality debtors' book have in the past financial year slight increased. Majority of Municipality debtor's book relate to debt over 180 days. Further reason for steady collection to reduce old debts which have become difficult to collect, relate to difficulties in locating or tracing some of the debtors. The set collection rate during 2025/2026 is between 90%-95% of the projected bill revenue. Municipality had enforced the issue of credit control by making sure the credit control policy is fully implemented.

The Municipality has also promulgated the Credit Control and Debt Collection policy to strengthen the internal credit control and debt collection procedures through handing over of all debt over 60 days to the appointed debt collector. The debt collector is employed on a basis of performance and certain targets have been agreed to between the service provider and the municipality. If these performance targets are not met, the municipality will have to enforce all penalty clauses to debt collectors.

Commented [LM1]: Is this the current state, and do we have debt collectors

Further plans to reduce debt

Below are the current implementation strategies and activities applied to intensify credit control measures to increase collection:

- Regular meetings held by team 95% collection rate to ensure implementation of weekly plans to improve and enhance revenue collection.
- Cut off lists segmented according to quick wins (Areas likely to pay, business accounts, accounts with clearance certificate requests)
- Perform verification on business and government accounts in Pienaarsrivier and Bela-Bela to ensure accuracy and completeness of billing
- Identify privately owned properties with arrears in farm areas such as Mabalingwe, Zebula, Elements golf estate etc. and offer them incentives outlined in the policy
- Perform periodic spot checks on low purchases
- Perform periodic spot checks for illegal connections
- Introduce daily cut-off targets for officials
- Handing over Debtors-book to attorneys

Table 13: Operating Expenditure Framework

The following table is a high-level summary of the 2025/2026 budget and MTREF (classified per type of expenditure):

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Expenditure											
Employee related costs	2	152 101	143 621	147 682	177 222	174 880	174 880	130 927	181 826	189 876	198 231
Remuneration of councillors		7 248	7 835	8 810	9 236	9 432	9 432	7 613	9 715	10 161	10 609
Bulk purchases - electricity	2	117 551	111 942	136 246	166 550	166 550	166 550	128 219	178 230	186 428	194 631
Inventory consumed	8	33 524	26 561	25 206	29 814	31 068	31 068	23 788	36 309	37 979	39 650
Debt impairment	3	17 445	24 566	78 441	14 686	14 686	14 686	26 681	24 996	26 146	27 296
Depreciation and amortisation		51 160	41 711	41 847	39 862	42 393	42 393	30 428	44 944	47 011	49 079
Interest		8 597	17 502	15 351	17 000	18 634	18 634	605	18 612	19 468	20 325
Contracted services		39 777	40 570	49 074	56 493	76 034	76 034	48 843	84 683	88 578	92 476
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		50 013	14 365	—	—	—	—	—	—	—	—
Operational costs		31 338	37 190	41 667	58 593	53 395	53 395	40 794	48 485	51 029	53 274
Losses on disposal of Assets		60	1 936	3 006	—	—	—	—	—	—	—
Other Losses		(25 052)	—	—	2 000	2 000	2 000	—	—	—	—
Total Expenditure		483 761	467 798	547 330	571 456	589 072	589 072	437 897	627 799	656 678	685 572

Table 13: High-level summary of the 2025/2026 budget and MTREF (classified per type of expenditure)

Table 13: Summary of operating expenditure by type

The total anticipated operating expenditure for 2025/26 financial year amounts to R627.799 million, this is an increase of 6.7% from the R589.072 million in the 2024/25 adjustment budget.

Some of the key features of the expenditure framework are:

- Depreciation and amortization expense is increased by 5.67% in line with the projected CPI 4.3%+ 1.39%.
- Contracted services was increased by 9.4%, and operational costs by 11.07% from the 2024/2025 adjustment budget.
- Bulk Purchases-electricity increased by 6.55% comparative to prior year, while linked to the tariff hike of 11.10% by regulators as outline in MFMA circular 130.
- Total employee related costs increase by 3.8%.
- Debt impairment increased with 41.2%. Debt impairment methodology determined in terms of council policy. For detailed debt impairment methodology refer to the Credit Control and Debt collection policy.
- Balanced budget constraints (operating expenditure should not exceed operating revenue except for non-cash provisions) 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 theMFMA;

Employee costs

The budgeted allocation for employee related costs for the 2025/2026 financial year totals R181.826 million, which equals 29% of the total operating expenditure. MFMA circular 71 sets the norm between 25% and 40% of the total operating expenditure. The municipality is therefore within the required norm range.

This leaves around 71% of operating expenditure available for other major service delivery expenditure items suchas bulk water and electricity purchases, contracted services, and finance charges.

Salary and Wage Collection agreement, the municipality projects an increase of 5.01% (4.3% + 0.71) in line with the CPI forecast in Circulars 129 and 130. Noteworthy is that the municipality experienced some delays in filling most of the vacant positions that were budgeted for in the 2024/2025 financial year. The budget for these vacant positions remains mostly unutilized as these will likely be filled in 2025/2026 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). In this regard, the municipality projects an increase of 3% in line with the forecasted CPI in Circular 129 and 130.

Bulk Purchases

The total Electricity revenue budget increases by 13% after applying the 2025/26 proposed increase of 11.10% by NERSA. The project of replacement of conventional meters for indigents households of Installation and replacement on 7500 prepaid meters with smart meters through the National Treasury RT29 contract. This will result in improved prepaid electricity sales.

Repairs and maintenance

The National Treasury Municipal Budget Circular number 66 for the 2011/2012 MTREF stated that municipalities must “secure the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance. The municipality has, over the last two financial years, struggled to increase the investment in repairs and maintenance due to cash flow challenges. Municipality to be able to be within the norm, this means will need to budget at least R101.355 million in single year which will therefore represent huge spending to be incurred in a single year, which is simply unaffordable for the municipality. An amount of R25 million is allocated for repairs and maintenance in the 2025/2026 financial year. It is acknowledged that the amount is insufficient, however, the municipality is currently developing strategies to build up cash reserves to fund repairs and maintenance of assets sufficiently and sustainably in the mid-term.

Finance charges/Interest

Finance charges mainly relate to the year-end provisions e.g., provision for rehabilitation of landfill site. This is a non-cash item. No interest payments are anticipated in the MTREF as the municipality is currently paying creditors with 30 days, the municipality is complying with the ESKOM Debt Relief which has resulted in interest charges being halted and payment of arrears being suspended with the possibility of write-off in the mid-term if compliance is maintained. The municipality is also complying with the payment arrangement it has with Magalies Water, interest charges on arrears are halted and the municipality will fully settle the

outstanding debt in 2025/2026 in terms of the payment schedule of the agreement.

Contracted Services

Contracted service increased from R76.731 million in the 2024/25 adjustments budget to R84.683 million in 2025/26, this a incline of 9.38%. The municipality is gradually building internal capacity to reduce reliance on consultants.

Contracted services amount to 13.49% of the total operational expenditure budget for 2025/26.

Contracted services are above the norm of 5% as advised by National Treasury. Despite efforts by Municipality to reduce this spending to an acceptable norm of 5%, the municipality has insufficient capacity to carry out certain functions that are currently being outsourced. Services such security, traffic fines management, compilation of fixed asset register etc. are still being outsourced for the municipality to function optimally. The municipality is gradually building internal capacity to reduce reliance on consultants. It is important to note that 2023/234 financial statements were compiled internally with the assistance of the Waterberg District Municipality. This is a step in the right direction is reducing reliance on consultants and reducing contracted services.

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 number of households budgeted during the 2025/2026 MTREF is approximately 5000.

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.

The Municipality will provide free basic services as follows:

- Electricity – 50 kWh per month
- Water – 6 Kl per month
- Sanitation – 100% rebate
- Property rates – 100% Rebate
- Waste collection – 100% Rebate (four collections per month or once a week)

Depreciation

Depreciation for 2025/2026 is increased to R44.944 million from adjusted budget of R42.393 million. The increase was to ensure realistic estimate being achieved and avoid any unauthorized expenditure as experienced in the past financial years.

Inventory Consumed

A decrease of 14.4% is expected from an adjustment of R31.068 million to R36.309 million. The budget for water inventory is included in the inventory consumed.

Operational Cost

Operational expenditure was decreased from R52.698 million in the 2024/25 adjusted budget to R48.485 million in the 2025/26 budget year, this represents a decrease of 8.68%.

Table 14: Operating cash surplus/ deficit

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Total Revenue (excluding capital transfers and contrib		443 847	513 356	547 846	594 467	609 380	609 380	570 643	656 606	682 143	701 544
Total Expenditure		483 761	467 798	547 330	571 456	589 072	589 072	437 897	627 799	656 678	685 572
Surplus/(Deficit)		(39 914)	45 557	516	23 011	20 308	20 308	132 745	28 807	25 466	15 973
Transfers and subsidies - capital (monetary	6	89 232	83 242	89 986	93 465	142 049	142 049	58 902	151 051	137 606	135 303
Surplus/(Deficit) for the year	1	29 318	128 800	107 246	116 476	162 358	162 358	191 648	179 858	163 071	151 275

Table 14: Operating cash surplus/ deficit

Operational surplus for the 2025/26 is budgeted at R28.807 million excluding capital grants income. This is an increase of 29.5% from the 2024/25 surplus budget of R20.308 million and it is mainly attributable to the improved revenue base on water service charges and electricity service charges as discussed above in the detailed analysis of revenue.

The operating surplus will partially fund the acquisition of assets. The remaining surplus will be retained to build financial reserves that will be used for service delivery related programmes in the medium term.

Capital expenditure.

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

Table 15: 2025/26 Medium-Term Capital Budget per vote

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		594	2 937	8 888	3 580	2 574	2 574	1 488	3 580	2 918	2 621
Executive and council Finance and administration		—	—	—	—	—	—	—	—	—	—
Internal audit		594	2 937	8 888	3 580	2 574	2 574	1 488	3 280	2 197	2 453
Community and public safety Community and social services Sport and recreation		—	—	—	—	—	—	—	300	314	323
Public safety Housing Health		6 135	—	3 893	3 884	2 456	2 456	2 371	1 561	1 188	9 296
Economic and environmental services		6 135	—	41	685	153	153	153	411	1 199	3 490
Planning and development Road/transport		(0)	—	3 892	2 219	2 219	2 219	—	—	—	—
Environmental protection		—	—	—	160	85	85	—	1 150	—	—
Trading services Energy sources		—	—	—	—	—	—	—	—	—	—
Water management		40 139	8 732	24 896	10 374	21 488	21 488	6 224	28 950	26 612	19 676
Waste water management Waste management		—	(130)	—	1 000	(0)	(0)	—	500	—	—
Other		40 139	8 602	24 896	9 374	21 488	21 488	6 224	28 450	26 612	19 676
		—	—	—	—	—	—	—	—	—	—
		10 141	59 494	73 674	80 347	109 627	109 627	47 614	117 920	107 888	105 347
		1 321	11 421	6 887	25 665	23 715	23 715	7 830	25 752	23 608	20 118
		29 345	1 695	5 295	11 436	22 626	22 626	5 494	57 338	69 455	56 630
		21 032	29 720	50 083	30 195	44 941	44 941	23 321	28 213	14 432	23 400
		(41 557)	16 688	10 829	13 051	18 346	18 346	10 980	6 616	314	323
		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - functional	3	37 810	71 163	118 783	37 284	136 155	136 155	37 617	152 011	138 138	126 340
Funded by:											
National Government Provincial Government		71 249	56 747	77 946	81 274	123 381	123 381	50 056	131 349	119 657	117 654
District Municipality		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	—	—	—	—	—	—	—	—
		—	—	16 744	—	—	—	—	—	—	—
Transfers recognised - capital	4	71 249	56 747	94 380	81 274	123 381	123 381	50 056	131 349	119 657	117 654
Borrowing	6	—	—	—	—	—	—	—	—	—	—
Internally generated funds		(14 834)	14 217	16 314	16 010	12 774	12 774	7 621	20 682	18 472	19 285
Total Capital Funding	7	36 415	70 964	110 703	37 284	136 155	136 155	37 617	152 011	138 138	126 340

Table 15: 2025/26 Medium-Term Capital Budget per vote

The total capital expenditure for 2025/26 is projected at R152 011 million. The total expenditure depicted on the table above is exclusive of VAT. The municipality is a registered VAT vendor, therefore capital expenditure will be capitalized exclusive of the related VAT. The municipality will claim the VAT back from SARS as input tax/VAT. The capital expenditure funding comprises R131.349 million capital grants and R20 662 million internally generated funds.

Tables 16 below details the municipality's three-year consolidated MIG infrastructure investment program for 2025/26 to 2027/28.

Municipal Infrastructure Grant (MIG) allocation of R30 833 million including PMU cost for 2025/2026 will be allocated as follows:

Table 17: Capital programme MIG

Municipal Infrastructure Grant			
Segment Description	2025/2026	2026/2027	2027/2028
Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1	R 150 000	R 1 000 000	R 6 000 000
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2	R 150 000	R 1 277 150	R 4 022 850
Construction of Road Paving and Stormwater in Bela Bela X6B - Phase 4	R 150 000	R 750 000	R 2 762 118
Develop New Cemetery – Pienaarsrivier	R 300 000	R 1 198 424	R 10 501 576
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	R 690 908	R 26 336 276	R 9 591 056
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2	R 6 967 671	R -	R -
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	R 7 263 645	R -	R -
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	R 13 619 125	R 1 000 000	R -
PMU Cost	R 1 541 650	R 1 661 150	R 1 730 400
Total	R 30 833 000	R 33 223 000	R 34 608 000

Table 17: Capital programme MIG

Municipality is allocated R30 883 million on Municipal Infrastructure Grant (MIG), the municipality is allowed to utilize a maximum of 5% of the grant to fund the operational costs of the Project Management Unit. The municipality has allocated R1.542 million (5%) of the total grants for these operational costs.

Table 18: Capital Programme WSIG

Water Services Infrastructure Grant			
Segment Description	2025/2026	2026/2027	2027/2028
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-	R 39 406 483	R 4 602 234	R -
Upgrading of the Industrial outfall sewer line (Ward 2)	R 17 630 068	R -	R -
Water Supply Source Augmentation and the construction of the	R 15 181 113	R -	R -
Upgrading of the Settlers Sewer Pump Station (Ward 2)	R 10 690 676	R -	R -
Construction of Water Booster Pump Station and Upgrading of	R 4 591 660	R -	R -
Refurbishment of the Platrivier Dam (Ward 9)	R 500 000	R 9 500 000	R -
Refurbishment of the water reticulation network at the Old L	R 500 000	R 10 441 766	R 14 058 234
Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan	R 500 000	R 5 000 000	R 17 000 000
Refurbishment of the Bela-Bela Water Treatment Works (Ward 1)	R 500 000	R 1 441 766	R 24 058 234
Construction of Additional Aventura Sewer Pump Station (Ward	R 500 000	R 1 500 000	R 1 414 766
Upgrading of the Masakhane sewer pumpstation and Waste Water	R 500 000	R 4 808 234	R 19 691 766
Upgrading of the Steel Elevated Water Tank in Masakhane (War	R 500 000	R 9 500 000	R -
Water Supply Source Augmentation using SASSA Borehole and co	R 500 000	R 14 500 000	R -
Water Supply Source Augmentation using Showground Borehole a	R 500 000	R 14 500 000	R -
Construction of the Rapotokwane Water Package Plant Desludge	R 500 000	R 7 500 000	R 4 000 000
Upgrading of the Pienaarsrivier Sewer Pump Station and Waste	R 500 000	R 7 750 000	R 7 750 000
Replacement of AC Water Pipes in Bela-Bela Town - Gelofoe	R -	R -	R 1 000 000
Replacement of AC Water Pipes in Bela-Bela Town - Jinnah Par	R -	R -	R 1 000 000

Replacement of AC Water Pipes in Bela-Bela Town - Sering	R	-	R	-	R	1 000 000
Toilet Facilities:Construction of VIP Toilets in Rapotokwane	R	-	R	-	R	500 000
Toilet Facilities:Construction of VIP Toilets in Tsakane (Wa	R	-	R	-	R	500 000
Total	R	93 000 000	R	91 044 000	R	91 973 000

Table 18: Capital Programme WSIG

The above table depicts that capital projects amounting to R93 million will be funded by the Water Service Infrastructure Grant (WSIG). The grant is allocated for water and sanitation capital projects.

Table 19: INEP

Integrated National Electrification Programme Grant				
Segment Description	2025/2026		2026/2027	2027/2028
Bela-Bela Ext 5 (Sun Valley) (86HH)	R	-	R	-
Electrification Bela Bela X9 (135HH) - Phase 3	R	-	R	-
Electrification X 25 (Koppewaaai)(250 HH)	R	-	R	-
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 2	R	15 000 000	R	10 000 000
Total	R	15 000 000	R	10 000 000

Table 19: INEP

As depicted in the above table, an INEP allocation amount to R15 million for the 2025/26 financial year. The budget amounts include VAT.

Table 20: 2025/2026 MTREF Capital Expenditure – EEDSM Grant

Energy Efficiency and Demand Side Management Grant			
Segment Description	2025/2026	2026/2027	2027/2028
Retro fitting of Street Lights	R 3 000 000	R 5 000 000	R -

As depicted in the above table, an EEDSM allocation amount to R3 million for the 2025/26 financial year. The budget amounts include VAT

Table 21: 2025/2026 MTREF Capital Expenditure – MDR Grant

Municipal Disaster Response Grant			
Segment Description	2025/2026	2026/2027	2027/2028
Refurbishment of roads and stormwater in Limpopo road and Ma	R10 760 000	R-	R-

Table 21: OWN SOURCE

Internally Generated Funds (Own source)				
Segment Description	2025/2026		2026/2027	2027/2028
240litres Refuse Bins	R	300 000	R 313 800	R 327 607
Acquisition of office equipment (Ring Binder and Shredder)	R	80 000	R -	R -
Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors (R	1 100 000	R 1 150 600	R 1 201 226
Bullet Proof Vests	R	150 000	R -	R -

CCTV installation	R	500 000	R	-	R	-
Chainsaw compatible Stihl (45CC)	R	10 000	R	-	R	-
Cleaning Equipment (Carpet & Upholtry Cleaners and others)	R	100 000	R	-	R	-
Computer Equipment	R	1 500 000	R	1 569 000	R	1 638 036
Construction of Informal Training Stalls	R	500 000	R	-	R	-
DLTC Client waiting area	R	300 000	R	-	R	-
DLTC fence repairs	R	500 000	R	-	R	-
Drinking Water Quality Testing Kits and Instruments	R	100 000	R	104 600	R	109 202
Fire arms storage safes	R	50 000	R	-	R	-
Grass cutter with steel blades (X3).	R	12 000	R	-	R	-
Grass cutting and Trees pruning equipment	R	150 000	R	156 900	R	163 804
Internal and Risk Management system	R	300 000	R	313 800	R	327 607
Masakhane/ Radium Sewer Ponds and Pump Station: Procurement	R	200 000	R	209 200	R	218 405
Pienaarsrivier Sewer Ponds and Pump Station: Procurement of	R	150 000	R	156 900	R	163 804
PienaarsrivierPienaarsrivier:Procurement of Pumps and motors	R	50 000	R	52 300	R	54 601
Printers	R	300 000	R	313 800	R	327 607
Procurement of Council Chamber Audio	R	500 000	R	-	R	-
Procurement of New Aircons	R	200 000	R	209 200	R	218 405
Procurement of Office Furniture	R	300 000	R	313 800	R	327 607
Procurement of Pre-paid electricity meters	R	100 000	R	104 600	R	109 202
Procurement of Sewer Gas Monitor and Confined space Tripod w	R	150 000	R	-	R	-
Procurement of Transformers and Maniatures	R	4 500 000	R	4 707 000	R	4 914 108
RadiumRadium:Procurement of Pumps and motors	R	150 000	R	156 900	R	163 804
RapolokwaneRapolokwane:Procurement of Pumps and motors	R	200 000	R	209 200	R	218 405
Replacement of Water Meters	R	400 000	R	418 400	R	436 810
Road Marking Machine	R	150 000	R	-	R	-
SCADA for BB WWTW	R	600 000	R	627 600	R	655 214
Switch gear refurbishment	R	5 500 000	R	5 753 000	R	6 006 132
TsakaneTsakane:Procurement of Pumps and motors	R	200 000	R	209 200	R	218 405
Vingerkraal: Procurement of Pumps and motors (2025)	R	200 000	R	209 200	R	218 405
Warmbad WWTW and Pump Stations: Procurement of Pumps and mot	R	1 100 000	R	1 150 600	R	1 201 226
Wastewater Quality Testing Kits and Instruments (6 Sludge co	R	60 000	R	62 760	R	65 521
Total	R	20 662 000	R	18 472 360	R	19 285 143

Table 21: Own Source

Internally funded capital expenditure comprises mainly the acquisition of assets. The table above is a summary of the assets that will be acquired in 2025/26 through internally generated funds.

Annual Budget Table

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.

Table 22: MBRR TableA1 - Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										

Financial Performance										
Property rates	81 022	108 940	95 606	121 077	121 077	121 077	121 077	115 924	121 256	126 592
Service charges	189 393	189 890	220 633	253 529	252 375	252 375	252 375	277 130	289 878	302 633
Investment revenue	89	1 432	2 752	2 350	4 230	4 230	4 230	5 000	5 230	5 460
Transfer and subsidies - Operational	109 019	122 766	134 834	144 449	144 449	144 449	144 449	151 036	153 792	160 735
Other own revenue	64 324	90 327	94 020	73 062	87 249	87 249	87 249	107 516	111 987	106 124
Total Revenue (excluding capital transfers and contributions)	443 847	513 356	547 846	594 467	609 380	609 380	609 380	656 606	682 143	701 544
Employee costs	152 101	143 621	147 682	177 222	174 880	174 880	174 880	181 826	189 876	198 231
Remuneration of councillors	7 248	7 835	8 810	9 236	9 432	9 432	9 432	9 715	10 161	10 609
Depreciation and amortisation	51 160	41 711	41 847	39 862	42 393	42 393	42 393	44 944	47 011	49 079
Interest	8 597	17 502	15 351	17 000	18 634	18 634	18 634	18 612	19 468	20 325
Inventory consumed and bulk purchases	151 075	138 503	161 452	196 364	197 618	197 618	197 618	214 539	224 408	234 282
Transfers and subsidies	—	—	—	—	—	—	—	—	—	—
Other expenditure	113 580	118 625	172 188	131 771	146 115	146 115	146 115	158 164	165 753	173 047
Total Expenditure	483 761	467 798	547 330	571 456	589 072	589 072	589 072	627 799	656 678	685 572
Surplus/(Deficit)	(39 914)	45 557	516	23 011	20 308	20 308	20 308	28 807	25 466	15 973
Transfers and subsidies - capital (monetary allocations)	69 232	83 242	89 986	93 465	142 049	142 049	142 049	151 051	137 606	135 303
Transfers and subsidies - capital (in-kind)	—	—	16 744	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	29 318	128 800	107 246	116 476	162 358	162 358	162 358	179 858	163 071	151 275
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	29 318	128 800	107 246	116 476	162 358	162 358	162 358	179 858	163 071	151 275
Capital expenditure & funds sources										
Capital expenditure	57 010	71 163	110 703	97 284	136 155	136 155	57 677	152 011	138 130	136 940
Transfers recognised - capital	71 249	56 747	94 390	81 274	123 381	123 381	50 056	131 349	119 657	117 654
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	(14 834)	14 217	16 314	16 010	12 774	12 774	7 621	20 662	18 472	19 285
Total sources of capital funds	56 415	70 964	110 703	97 284	136 155	136 155	57 677	152 011	138 130	136 940

Table 22: MBRR TableA1 - Budget Summary

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 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. The operating surplus/deficit (after total expenditure and before capital spending) is positive over the MTREF.
4. The MTREF for 2025/26 depicts a surplus of R28.907 million after taking non-cash (depreciation) item into consideration

Table 23: MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard
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classification)

Functional Classification Description	###	2020/21	2021/22	2022/23	Current Year 2023/24			2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
R thousand	1									
Revenue - Functional										
Governance and administration		209 444	209 328	295 820	331 298	329 905	329 905	317 876	330 823	350 449
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		209 444	209 328	295 820	331 298	329 905	329 905	317 876	330 823	350 449
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		23 073	37 969	8 259	7 165	7 206	7 206	7 531	7 878	8 232
Community and social services		469	578	536	523	565	565	564	590	617
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		22 604	37 391	7 723	6 642	6 642	6 642	6 967	7 288	7 616
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		26 117	28 007	31 047	31 284	29 259	29 259	30 914	32 262	34 720
Planning and development		1 961	2 181	3 370	2 516	2 415	2 415	2 764	2 887	3 068
Road transport		24 156	25 825	27 676	28 768	26 844	26 844	28 150	29 375	31 652
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		233 535	237 876	254 836	270 640	280 551	280 551	331 611	349 001	364 711
Energy sources		127 384	126 546	119 391	134 128	134 282	134 282	182 206	186 338	187 126
Water management		75 529	81 034	102 798	102 182	109 469	109 469	111 288	124 338	135 167
Waste water management		20 847	20 662	21 952	23 580	25 563	25 563	26 740	26 426	29 473
Waste management		9 776	9 633	10 696	10 750	11 238	11 238	11 377	11 900	12 946
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	492 168	513 179	589 962	640 387	646 923	646 923	687 932	719 964	758 112
Expenditure - Functional										
Governance and administration		350 754	160 287	174 329	166 040	171 157	171 157	176 376	184 534	193 040
Executive and council		11 118	16 972	24 571	30 498	31 960	31 960	29 385	30 737	32 204
Finance and administration		336 589	140 546	140 265	132 154	135 376	135 376	142 887	149 504	156 346
Internal audit		3 048	2 770	9 493	3 387	3 821	3 821	4 104	4 293	4 490
Community and public safety		50 208	64 654	57 363	55 701	55 813	55 813	55 690	56 680	58 240
Community and social services		21 720	21 166	37 651	32 085	32 918	32 918	32 990	32 937	34 406
Sport and recreation		—	—	527	2 883	2 833	2 833	2 806	2 935	3 070
Public safety		28 488	43 488	19 185	20 734	20 062	20 062	19 894	20 809	21 765
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		26 082	41 039	39 397	48 159	43 550	43 550	47 381	49 560	51 814
Planning and development		12 772	25 672	10 381	17 307	13 880	13 880	15 877	16 606	17 368
Road transport		13 310	15 367	29 016	30 852	29 670	29 670	31 504	32 954	34 446
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		193 661	217 781	203 548	273 103	269 239	269 239	292 009	322 385	347 624
Energy sources		115 773	133 361	119 077	183 266	184 216	184 216	199 350	227 007	247 840
Water management		38 125	42 140	38 913	40 898	31 071	31 071	58 268	60 948	63 721
Waste water management		16 839	20 893	21 732	30 206	32 846	32 846	13 192	12 255	12 937
Waste management		22 923	21 386	23 826	18 733	21 107	21 107	21 199	22 174	23 126
Other	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	620 705	483 761	474 638	543 004	539 759	539 759	571 456	613 159	651 719
Surplus(Deficit) for the year		(128 537)	29 418	115 324	97 383	107 164	107 164	116 476	106 805	106 393

Table 23: MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

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 enable the National Treasury to compile 'whole of government' reports.
2. Table A2 was one of the budget tables which are re-aligned to comply with mSCOA.

Table 24: MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Budget and Treasury		200 417	279 569	289 320	316 597	327 034	327 034	341 972	354 818	359 820
Vote 2 - Corporate Services		8 810	12 598	1 566	1 279	1 408	1 408	1 505	1 313	1 370
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		822	9 003	7 697	1 282	1 295	1 295	3 890	4 069	4 248
Vote 7 - Social and Community Services		47 602	19 834	23 270	18 908	21 233	21 233	24 108	25 217	26 326
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		254 068	274 137	331 311	348 384	398 977	398 977	434 641	432 672	443 351
Vote 10 - Technical Services		1 360	1 457	1 413	1 482	1 482	1 482	1 542	1 661	1 730
Vote 11 -		—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	513 079	596 598	654 576	687 932	751 429	751 429	807 657	819 749	836 847
Expenditure by Vote to be appropriated	1									
Vote 1 - Budget and Treasury		78 965	121 917	80 993	94 033	96 157	96 157	84 604	88 496	92 389
Vote 2 - Corporate Services		56 576	28 877	28 953	43 168	48 022	48 022	48 575	50 810	53 045
Vote 3 - Mayor		1 115	1 057	1 203	4 117	2 453	2 453	3 422	3 579	3 737
Vote 4 - Municipal Manager		14 096	19 685	21 103	21 243	22 765	22 765	18 249	19 089	19 929
Vote 5 - Internal Audit		2 770	9 493	3 931	4 104	4 225	4 225	4 861	5 084	5 308
Vote 6 - Planning and Economic Development		11 732	6 760	7 846	12 025	13 267	13 267	15 228	15 928	16 629
Vote 7 - Social and Community Services		86 040	68 748	105 382	76 889	92 308	92 308	109 758	114 807	119 858
Vote 8 - Speaker		6 767	8 051	9 130	9 712	10 201	10 201	10 909	11 411	11 913
Vote 9 - Technical Services		211 762	199 590	286 029	302 314	296 424	296 424	329 774	344 944	360 121
Vote 10 - Technical Services		13 940	3 620	2 760	3 852	3 248	3 248	2 420	2 531	2 642
Vote 11 -		—	—	—	—	—	—	—	—	—
Vote 12 -		—	—	—	—	—	—	—	—	—
Vote 13 -		—	—	—	—	—	—	—	—	—
Vote 14 -		—	—	—	—	—	—	—	—	—
Vote 15 -		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	483 761	467 798	547 330	571 456	589 072	589 072	627 799	656 678	685 572
Surplus/(Deficit) for the year	2	29 318	128 800	107 246	116 476	162 358	162 358	179 858	163 071	151 275

Table 24: MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

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; and
2. The table shows that technical services is the largest generator of revenue. This is due to

size of the department as well as its responsibility over service delivery projects such as water, electricity and sanitation.

Table 25: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)by type

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	124 245	117 903	148 369	160 362	167 158	167 158	148 389	189 484	198 200	206 921
Service charges - Water	2	37 263	43 438	39 510	60 665	51 473	51 473	37 135	50 250	52 562	54 875
Service charges - Waste Water Management	2	18 933	19 025	22 158	22 126	22 869	22 869	20 352	26 128	27 330	28 533
Service charges - Waste Management	2	8 952	9 524	10 596	10 376	10 876	10 876	9 890	11 267	11 786	12 304
Sale of Goods and Rendering of Services		1 876	1 760	1 418	1 487	1 358	1 358	1 423	1 400	1 464	1 529
Agency services		3 895	4 883	4 602	4 906	4 906	4 906	3 384	6 000	6 276	6 552
Interest		—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		6 173	9 046	12 652	11 119	12 933	12 933	13 509	15 389	16 097	16 806
Interest earned from Current and Non Current Assets		89	1 432	2 752	2 350	4 230	4 230	3 864	5 000	5 230	5 460
Dividends		—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		1 602	1 477	1 192	1 147	1 172	1 172	1 090	1 223	1 279	1 336
Licence and permits		—	—	—	—	—	—	—	—	—	—
Special Rating Levies		—	—	—	—	—	—	—	—	—	—
Operational Revenue		3 094	3 417	12 530	2 110	504	504	525	2 470	2 584	2 698
Non-Exchange Revenue											
Property rates	2	81 022	108 940	95 606	121 077	121 077	121 077	98 497	115 924	121 256	126 592
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		31 341	33 520	32 697	33 610	33 490	33 490	57 835	43 548	45 551	47 556
Licences or permits		2 232	2 160	2 200	2 070	2 425	2 425	1 878	3 447	3 605	3 764
Transfer and subsidies - Operational		109 019	122 766	134 834	144 449	144 449	144 449	144 204	151 036	153 792	160 735
Interest		8 344	14 038	13 330	16 613	16 613	16 613	14 802	17 045	17 829	18 614
Fuel Levy		—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	3 369	3 575	—	3 450	3 450	3 530	3 595	3 760	3 926
Gains on disposal of Assets		(1 183)	—	3 020	—	—	—	—	—	—	—
Other Gains		6 949	16 657	6 804	—	10 398	10 398	10 335	13 398	13 539	3 345
Discontinued Operations		—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contrib		443 847	513 356	547 846	594 467	609 380	609 380	570 643	656 606	682 143	701 544
Expenditure											
Employee related costs	2	152 101	143 621	147 682	177 222	174 880	174 880	130 927	181 826	189 876	198 231
Remuneration of councillors		7 248	7 835	8 810	9 236	9 432	9 432	7 613	9 715	10 161	10 609
Bulk purchases - electricity	2	117 551	111 942	136 246	166 550	166 550	166 550	128 219	178 230	186 428	194 631
Inventory consumed	8	33 524	26 561	25 206	29 814	31 068	31 068	23 788	36 309	37 979	39 650
Debt impairment	3	17 445	24 566	78 441	14 686	14 686	14 686	26 681	24 996	26 146	27 296
Depreciation and amortisation		51 160	41 711	41 847	39 862	42 393	42 393	30 428	44 944	47 011	49 079
Interest		8 597	17 502	15 351	17 000	18 634	18 634	605	18 612	19 468	20 325
Contracted services		39 777	40 570	49 074	56 493	76 034	76 034	48 843	84 663	88 578	92 476
Transfers and subsidies		—	—	—	—	—	—	—	—	—	—
Irrecoverable debts written off		50 013	14 365	—	—	—	—	—	—	—	—
Operational costs		31 338	37 190	41 667	58 593	53 395	53 395	40 794	48 485	51 029	53 274
Losses on disposal of Assets		60	1 936	3 006	—	—	—	—	—	—	—
Other Losses		(25 052)	—	—	2 000	2 000	2 000	—	—	—	—
Total Expenditure		483 761	467 798	547 330	571 456	589 072	589 072	437 897	627 799	656 678	685 572
Surplus/(Deficit)		(39 914)	45 557	516	23 011	20 308	20 308	132 745	28 807	25 466	15 973
Transfers and subsidies - capital (monetary	6	69 232	83 242	89 986	93 465	142 049	142 049	58 902	151 051	137 606	135 303
Transfers and subsidies - capital (in-kind)	6	—	—	16 744	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		29 318	128 800	107 246	116 476	162 358	162 358	191 648	179 858	163 071	151 275
Income Tax		—	—	—	—	—	—	—	—	—	—

Surplus/(Deficit) after income tax		29 318	128 800	107 246	116 476	162 358	162 358	191 648	179 858	163 071	151 275
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		29 318	128 800	107 246	116 476	162 358	162 358	191 648	179 858	163 071	151 275
Share of Surplus/Deficit attributable to Associate	7	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	1	29 318	128 800	107 246	116 476	162 358	162 358	191 648	179 858	163 071	151 275

Table 25: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) by type

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

1. The municipality anticipates receiving revenue of R656.606million in 2025/26 as compared to the 2025/26 adjusted budget revenue of R603.380 million. This represents a percentage increase of 8.10% from adjusted budget.
2. Revenue to be generated from property rates is projected to be R115.924 million in the 2025/26 financial year which was reduced from R121.077 million of the 2024/25 adjusted budgets. The reduction in the total revenue is meant to achieve a realistic and achievable budget considering the performance of property rates in the 2025/26 financial year and other factors that affect the valuation roll;
3. Services charges constitute the largest component of the revenue basket of the municipality at R277.129 million for 2025/2026 which represents a 19.75% increase from R222.376 million in the 2025/26 adjusted budget. Services charges constitute 42.21% of the total revenue (excluding grants) base.
4. Transfers recognised – operating revenue includes the local government equitable share and other operating grants from national and provincial government; and
5. 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 26: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Budget and Treasury		—	—	—	—	—	—	—	—	—	—
Vote 2 - Corporate Services		—	—	—	—	—	—	—	—	—	—
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	—	—	—	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	—	—	—
Vote 6 - Planning and Economic Development		—	—	—	—	—	—	—	—	—	—
Vote 7 - Social and Community Services		—	—	—	—	—	—	—	—	—	—
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		—	—	—	—	—	—	—	—	—	—
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	—	—	—	—	—	—	—	—	—	—
Single-year expenditure to be appropriated	2										
Vote 1 - Budget and Treasury		50	199	7 560	520	150	150	—	80	—	—
Vote 2 - Corporate Services		544	2 738	1 240	2 455	2 124	2 124	—	3 200	2 197	2 293
Vote 3 - Mayor		—	—	—	—	—	—	—	—	—	—
Vote 4 - Municipal Manager		—	—	—	525	300	300	—	—	—	—
Vote 5 - Internal Audit		—	—	—	—	—	—	—	300	314	328
Vote 6 - Planning and Economic Development		—	(130)	—	1 000	(0)	(0)	—	500	—	—
Vote 7 - Social and Community Services		(35 421)	16 688	14 762	16 115	20 802	20 802	—	8 177	1 513	9 623
Vote 8 - Speaker		—	—	—	—	—	—	—	—	—	—
Vote 9 - Technical Services		91 837	51 669	87 141	76 669	112 779	112 779	—	139 754	134 106	124 696
Vote 10 - Technical Services		—	—	—	—	—	—	—	—	—	—
Vote 11 -		—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		57 010	71 163	110 703	97 284	136 155	136 155	—	152 011	138 130	136 940
Total Capital Expenditure - Vote		57 010	71 163	110 703	97 284	136 155	136 155	—	152 011	138 130	136 940
Capital Expenditure - Functional											
Governance and administration		594	2 937	8 800	3 500	2 574	2 574	1 468	3 580	2 510	2 621
Executive and council		594	2 937	8 800	3 500	2 574	2 574	1 468	3 280	2 197	2 293
Finance and administration		—	—	—	—	—	—	—	300	314	328
Internal audit		6 135	—	3 933	3 064	2 456	2 456	2 371	1 561	1 199	9 296
Community and public safety		6 135	—	41	685	153	153	153	411	1 199	9 296
Community and social services		(0)	—	3 892	2 219	2 219	2 219	2 219	—	—	—
Sport and recreation		—	—	—	160	85	85	—	1 150	—	—
Public safety		—	—	—	—	—	—	—	—	—	—
Housing		40 139	8 732	24 896	10 374	21 498	21 498	6 224	28 950	26 612	19 676
Health		—	(130)	—	1 000	(0)	(0)	—	500	—	—
Economic and environmental services		40 139	8 862	24 896	9 374	21 498	21 498	6 224	28 450	26 612	19 676
Planning and development		10 141	59 494	73 074	80 347	109 627	109 627	47 614	117 920	107 808	105 347
Road transport		1 321	11 421	6 897	25 665	23 715	23 715	7 839	25 752	23 608	20 118
Environmental protection		29 345	1 665	5 255	11 435	22 625	22 625	5 494	57 338	69 455	56 635
Trading services		21 032	29 720	50 093	30 195	44 941	44 941	23 321	28 213	14 432	28 266
Energy sources		(41 557)	16 688	10 829	13 051	18 346	18 346	10 960	6 616	314	328
Water management		—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—
Waste management		—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	57 010	71 163	110 703	97 284	136 155	136 155	57 677	152 011	138 130	136 940

Funded by:		71 249	56 747	77 646	81 274	123 381	123 381	50 056	131 349	119 657	117 654
National Government		—	—	—	—	—	—	—	—	—	—
Provincial Government		—	—	—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		—	—	16 744	—	—	—	—	—	—	—
Transfers recognised - capital	4	71 249	56 747	94 390	81 274	123 381	123 381	50 056	131 349	119 657	117 654
Borrowing	6	—	—	—	—	—	—	—	—	—	—
Internally generated funds		(14 834)	14 217	16 314	16 010	12 774	12 774	7 621	20 662	18 472	19 285
Total Capital Funding	7	56 415	70 964	110 703	97 284	136 155	136 155	57 677	152 011	138 130	136 940

Table 26: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Explanatory 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 (single - 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 department;
2. capital expenditure has been appropriated at R131 million excluding VAT for the 2025/26 budget year.
3. Various internal funded assets have been proposed for 2025/26 to the tune of R 20 million excluding VAT; and
4. The municipality has not budgeted for any long-term borrowing to fund the capital programme.

Table 27: MBRR Table A6 -Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26	Medium Term	Revenue & Expenditure Framework
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		14 108	11 261	25 270	33 558	35 688	35 688	147 081	70 293	94 374	176 429
Trade and other receivables from exchange transactions	1	21 147	59 390	68 063	161 640	104 338	104 338	84 480	131 602	145 545	126 409
Receivables from non-exchange transactions	1	71 229	65 112	69 494	122 131	81 000	81 000	136 388	88 078	107 952	70 764
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	331	362	481	8 709	1 055	1 055	463	989	993	1 953
VAT		95 624	126 771	153 451	176 941	181 927	181 927	199 843	190 863	190 930	195 961
Other current assets		685	939	955	—	—	—	324	955	955	955
Total current assets		203 124	263 835	317 714	502 980	404 007	404 007	569 079	482 780	540 749	572 470
Non current assets											

Investments		—	—	—	—	—	—	—	—	—	
Investment property		279 274	60 717	67 458	290 992	68 000	68 000	67 458	70 458	70 596	70 734
Property, plant and equipment	3	828 690	856 446	921 469	975 951	1 013 976	1 013 976	949 058	1 027 851	1 011 870	1 008 580
Biological assets		—	—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—	—
Heritage assets		539	539	539	565	565	565	539	539	539	539
Intangible assets		1 629	1 596	1 862	1 265	1 980	1 980	1 523	2 458	2 485	2 513
Trade and other receivables from exchange transactions		224	141	141	147	147	147	141	141	141	141
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—	—
Total non current assets		1 110 356	919 439	991 469	1 268 922	1 084 668	1 084 668	1 018 718	1 101 446	1 085 631	1 082 506
TOTAL ASSETS		1 313 480	1 183 274	1 309 182	1 771 902	1 488 676	1 488 676	1 587 797	1 584 226	1 626 380	1 654 976
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		—	1 098	4 171	—	(0)	(0)	3 320	—	—	—
Consumer deposits		7 153	6 955	7 236	7 296	7 296	7 296	7 315	7 239	7 239	7 239
Trade and other payables from exchange transactions	4	159 731	135 872	113 602	174 627	127 670	127 670	67 663	177 290	178 511	192 884
Trade and other payables from non-exchange transactions	5	214	7 441	50	(0)	(0)	(0)	33 466	0	0	0
Provision		17 593	(25 126)	(21 843)	2 623	11 625	11 625	(20 545)	5 933	5 933	5 933
VAT		89 955	118 950	148 255	180 698	180 698	180 698	208 903	190 383	192 320	194 258
Other current liabilities		1 294	1 404	1 776	—	—	—	—	—	—	—
Total current liabilities		275 940	246 593	253 247	365 244	327 288	327 288	340 122	380 844	384 003	400 313
Non current liabilities											
Financial liabilities	6	—	706	4 015	—	—	—	4 015	4 015	4 015	4 015
Provision	7	77 414	105 905	107 419	109 837	284 517	284 517	107 419	107 419	107 419	107 419
Long term portion of trade payables		—	—	—	31 005	10 335	10 335	—	10 335	—	—
Other non-current liabilities		47 344	45 037	52 213	54 059	54 059	54 059	52 213	52 213	52 213	52 213
Total non-current liabilities		124 758	151 647	163 647	194 901	348 912	348 912	163 647	173 982	163 647	163 647
TOTAL LIABILITIES		400 698	398 241	416 894	560 145	676 200	676 200	503 769	554 826	547 650	563 960
NET ASSETS		912 782	785 033	892 289	1 211 757	812 476	812 476	1 084 028	1 029 400	1 078 730	1 091 016
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	906 141	785 486	892 079	1 211 757	812 476	812 476	1 064 896	1 029 400	1 078 730	1 091 016
Reserves and funds	9	—	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	906 141	785 486	892 079	1 211 757	812 476	812 476	1 064 896	1 029 400	1 078 730	1 091 016

Table 27: MBRR Table A6 -Budgeted Financial Position

Explanatory notes to Table A6 - Budgeted Financial Position

1. 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 convertible to cash, or liabilities immediately required to be met from cash, appear first
2. Table A6 is aligned with Municipal Standard Chart Of Account (mSCOA).

3. Table A6 is also consistent with international standards of good financial management practice, and improves understandability of councillors and management of the impact of the budget on the statement of financial position (balance sheet);
4. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current liabilities;
 - Changes in net assets; and
 - Reserves.
5. The Municipal's equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community; and
6. 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.
7. The Municipal total assets value is sitting at just over R1.584.226 billion for the 2025/26 financial period. Total liabilities are anticipated to decrease from R676.200 million in the adjustments budget to R554.826 million in 2025/2026.

Table 28: MBRR Table A7 - Budgeted Cash Flow Statement

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		67 127	77 567	94 157	110 152	102 915	102 915	102 915	104 332	109 131	113 933
Service charges		174 991	191 414	222 417	210 506	214 519	214 519	214 519	249 416	249 861	283 397
Other revenue		20 146	12 756	39 149	58 927	33 733	33 733	33 733	78 146	61 294	98 395
Transfers and Subsidies -	1	123 178	146 027	132 867	144 449	144 449	144 449	144 449	151 036	153 792	160 735
Operational Transfers and	1	35 086	80 466	84 007	93 465	142 049	142 049	142 049	140 291	137 606	135 303
Subsidies - Capital Interest		—	1 413	2 766	2 350	29 345	29 345	29 345	32 960	34 476	35 993
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		(245 690)	(288 288)	(401 276)	(509 632)	(515 452)	(515 452)	(515 452)	(559 147)	(583 948)	(608 762)
Interest		—	—	—	—	—	—	—	—	—	—
Transfers and Subsidies	1	—	—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		174 839	221 356	174 087	110 217	151 558	151 558	151 558	197 033	162 211	218 994
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	(84)	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
Payments											
Capital assets		(64 795)	(77 764)	(95 319)	(97 284)	(141 141)	(141 141)	(141 141)	(152 011)	(138 130)	(136 940)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(64 795)	(77 848)	(95 319)	(97 284)	(141 141)	(141 141)	(141 141)	(152 011)	(138 130)	(136 940)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—
Payments											
Repayment of borrowing		—	(915)	(2 730)	—	(0)	(0)	(0)	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	(915)	(2 730)	—	(0)	(0)	(0)	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		110 044	142 594	76 038	12 932	10 418	10 418	10 418	45 022	24 081	82 055
Cash/cash equivalents at the year begin:	2	11 931	14 108	11 238	20 626	25 270	25 270	25 270	25 270	70 293	94 374
Cash/cash equivalents at the year end:	2	121 974	156 701	87 276	33 558	35 688	35 688	35 688	70 293	94 374	176 429

Table 28: MBRR Table A7 - Budgeted Cash Flow Statement

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; and
3. The cash position will continue to be managed by strict implementation of the credit control policy and cost containment measures.

4. The municipality projects cash/cash equivalents balance of R 70 293 million at the end of 2025/2026 financial year. It is anticipated that a net increase in cash held of R 45 022 million will be achieved for the year. Furthermore, the municipality anticipated that cash and cash equivalents at the beginning of the 2025/2026 year will at least be 25 million, this is based on the actual cash and cash equivalents balance as at the end of April 2025 as per the bank statements.

Table 29: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	121 974	156 701	87 276	33 558	35 688	35 688	35 688	70 293	94 374	176 429
Other current investments > 90 days Non current Investments	1	(107 867)	(145 440)	(62 006)	(0)	(0)	(0)	111 393	(0)	(0)	(0)
Cash and investments available:		14 108	11 261	25 270	33 558	35 688	35 688	147 081	70 293	94 374	176 429
Application of cash and investments											
Unspent conditional transfers		214	7 441	50	(0)	(0)	(0)	83 466	0	0	0
Unspent borrowing	2	(5 669)	(7 821)	(5 196)	3 756	(1 229)	(1 229)	(9 061)	(480)	1 390	(1 703)
Statutory requirements	3	132 786	104 091	69 326	85 789	74 468	74 468	(7 329)	(32 051)	(46 206)	(4 619)
Other working capital requirements	4	18 887	(23 722)	(20 067)	2 623	11 625	11 625	20 545	5 933	5 933	5 933
Other provisions	5	—	—	—	—	—	—	—	—	—	—
Long term investments committed		—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments		—	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		146 218	79 989	44 112	92 168	84 864	84 864	87 622	(26 599)	(38 883)	(389)
Surplus(shortfall) - excluding Non-Current Creditors Trf to Debt Relief Benefits		(132 110)	(68 728)	(18 842)	(58 610)	(49 176)	(49 176)	59 459	96 892	133 257	176 818
Surplus(shortfall) - including Non-Current Creditors Trf to Debt Relief Benefits		(132 110)	(68 728)	(18 842)	(27 605)	(38 841)	(59 511)	59 459	107 227	133 257	176 818

Table 29: MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

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

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- 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.
- 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".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would

indirectly indicate that the annual budget is not appropriately funded.

5. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. The table shows that the budget is funded over the medium term, considering the working capital requirements.

Description	###	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
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	68 393	32 040	40 467	50 629	53 334	53 334	61 996	56 428	56 397
<i>Roads Infrastructure</i>		20 447	6 621	24 896	9 374	11 446	11 446	18 894	26 403	19 457
<i>Storm water Infrastructure</i>		19 693	2 241	—	—	—	—	—	—	—
<i>Electrical Infrastructure</i>		1 321	11 421	174	17 665	17 665	17 665	13 043	8 696	9 089
<i>Water Supply Infrastructure</i>		29 341	3 676	1 780	7 027	11 280	11 280	13 636	6 522	3 478
<i>Sanitation Infrastructure</i>		7 960	5 275	575	—	—	—	—	—	870
<i>Solid Waste Infrastructure</i>		(17 097)	—	—	—	—	—	—	—	—
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
Infrastructure		61 664	29 234	27 425	34 066	40 391	40 391	45 573	41 620	32 894
<i>Community Facilities</i>		—	—	—	435	0	0	761	1 042	9 132
<i>Sport and Recreation Facilities</i>		6 135	—	3 892	3 219	2 219	2 219	—	—	—
Community Assets		6 135	—	3 892	3 654	2 219	2 219	761	1 042	9 132
Heritage Assets		—	—	—	300	300	300	—	—	—
<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
<i>Operational Buildings</i>		—	—	—	—	—	—	800	—	—
<i>Housing</i>		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	800	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
<i>Servitudes</i>		—	—	—	—	—	—	—	—	—
<i>Licences and Rights</i>		—	—	553	—	—	—	—	—	—
Intangible Assets		—	—	553	—	—	—	—	—	—
Computer Equipment		415	2 030	918	1 835	1 935	1 935	3 200	2 824	2 948
Furniture and Office Equipment		129	578	322	300	189	189	380	314	328
Machinery and Equipment		50	199	349	10 475	8 300	8 300	11 282	10 627	11 095
Transport Assets		—	—	7 008	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
<i>Mature</i>		—	—	—	—	—	—	—	—	—
<i>Immature</i>		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
<u>Total Renewal of Existing Assets</u>	4	—	—	—	—	10 052	10 052	13 704	27 290	50 536
<i>Roads Infrastructure</i>		—	—	—	—	10 052	10 052	9 357	—	—
<i>Storm water Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Electrical Infrastructure</i>		—	—	—	—	—	—	2 609	4 348	—
<i>Water Supply Infrastructure</i>	2	4	—	—	—	—	—	1 739	22 942	50 536
<i>Sanitation Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Solid Waste Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Rail Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Coastal Infrastructure</i>		—	—	—	—	—	—	—	—	—
<i>Information and Communication Infrastructure</i>		—	—	—	—	—	—	—	—	—
Infrastructure		4	—	—	—	10 052	10 052	13 704	27 290	50 536
<i>Community Facilities</i>		—	—	—	—	—	—	—	—	—
<i>Sport and Recreation Facilities</i>		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	—	—	—
Heritage Assets		—	—	—	—	—	—	—	—	—
<i>Revenue Generating</i>		—	—	—	—	—	—	—	—	—
<i>Non-revenue Generating</i>		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
<i>Operational Buildings</i>		—	—	—	—	—	—	—	—	—
<i>Housing</i>		—	—	—	—	—	—	—	—	—
Other Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
<i>Servitudes</i>		—	—	—	—	—	—	—	—	—
<i>Licences and Rights</i>		—	—	—	—	—	—	—	—	—
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									

Table 30: MBRR Table A9 - Asset Management

Table 30: MBRR Table A9 - Asset Management

Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets andthe renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- Noteworthy, the table A9 shows that all the capital allocations are for new assets. The affected Projects are as follows:

PROJECT DESCRIPTION	PROJECT TYPE	PROJECT FUNDING	2025/26 BUDGET	2026/27 BUDGET	2027/28 BUDGET
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	Upgrading	MIG	R 7 263 645	R -	R -
Upgrading of the Industrial outfall sewer line (Ward 2)	Upgrading	WSIG	R 17 630 068	R -	R -
Upgrading of the Settlers Sewer Pump Station (Ward 2)	Upgrading	WSIG	R 10 690 676	R -	R -
Construction of Water Booster Pump Station and Upgrading of	Upgrading	WSIG	R 4 591 660	R -	R -
TOTAL			R 40 176 049.00		

- National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 10% of PPE or 8% of the total value of PPE. The municipality will spend R 40 176 million on capital budget for the upgrading of existing assets.
- As noted in the previous reporting financial year, the Council has noted with concern the current level of allocation for renewal of assets and maintenance. For this reason, the Technical Services Department has developed an Assets Renewal Strategy and a repairs and maintenance plan that will inform all future allocation decisions on repairs andmaintenance.

Table 31: MBRR Table A10 - Basic Service Delivery Measurement

Description	## #	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year ¹ 2026/27	Budget Year ² 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		14 073	14 073	14 073	14 073	14 073	14 073	14 973	14 973	14 973
Piped water inside yard (but not in dwelling)		855	855	855	855	855	855	855	855	855
Using public tap (at least min.service level)		3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136
Other water supply (at least min.service level)		—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	2	18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Using public tap (< min.service level)	4	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)		—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	3	—	—	—	—	—	—	—	—	—
Total number of households	4	18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		14 928	14 928	14 928	14 928	14 928	14 928	15 828	15 828	15 828
Flush toilet (with septic tank)		875	875	875	875	875	875	875	875	875
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		987	987	987	987	987	987	987	987	987
Other toilet provisions (> min.service level)		1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274
Minimum Service Level and Above sub-total		18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Bucket toilet		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
Total number of households		18 064	18 064	18 064	18 064	18 064	18 064	18 964	18 964	18 964
Energy:										
Electricity (at least min.service level)		577	577	577	577	577	577	577	577	577
Electricity - prepaid (min.service level)		14 556	14 766	14 766	15 126	15 126	15 126	16 326	16 326	16 326
Minimum Service Level and Above sub-total		15 133	15 343	15 343	15 703	15 703	15 703	16 903	16 903	16 903
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
Total number of households		15 133	15 343	15 343	15 703	15 703	15 703	16 903	16 903	16 903
Refuse:										
Removed at least once a week		9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
Minimum Service Level and Above sub-total		9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—
Using communal refuse dump		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
Total number of households	5	9 501	9 501	9 189	9 294	9 294	9 294	11 310	11 460	11 710
	5									
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		4 647	4 647	4 700	5 000	5 000	5 000	5 000	5 000	5 000
Sanitation (free minimum level service)		4 647	4 647	4 700	5 000	5 000	5 000	5 000	5 000	5 000
Electricity/other energy (50kwh per household per month)		3 752	3 752	3 600	5 000	5 000	5 000	5 000	5 000	5 000
Refuse (removed at least once a week)		4 688	4 688	4 688	5 000	5 000	5 000	5 000	5 000	5 000
Informal Settlements		—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		9 437	9 706	9 457	14 314	12 357	12 357	12 757	13 344	13 931
Sanitation (free sanitation service to indigent households)		13 331	13 323	11 911	15 672	13 010	13 010	15 543	16 258	16 974
Electricity/other energy (50kwh per indigent household per month)		3 952	4 262	5 235	8 504	5 764	5 764	6 577	6 880	7 182
Refuse (removed once a week for indigent households)		4 891	4 775	4 495	5 917	4 711	4 711	4 983	5 212	5 442
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—	—	—	—
Total cost of FBS provided	8	31 611	32 066	31 098	44 407	35 842	35 842	39 860	41 694	43 529
Highest level of free service provided per household										
Property rates (R value threshold)		—	—	—	—	—	—	—	—	—
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		225	236	249	261	261	261	272	285	296
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		165	165	165	165	165	165	165	165	165
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		32 856	39 981	49 819	47 833	47 733	47 733	50 730	53 063	55 398
Water (in excess of 6 kilolitres per indigent household per month)		(0)	0	(0)	0	0	0	0	0	0
Sanitation (in excess of free sanitation service to indigent households)		0	(0)	0	(0)	0	0	0	0	(0)

Electricity/other energy (in excess of 50 kwh per indigent household per month)		(0)	(0)	(0)	0	(0)	(0)	0	(0)	0
Refuse (in excess of one removal a week for indigent households)		0	(0)	(0)	(0)	0	0	0	0	(0)
Municipal Housing - rental rebates	6	—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided		32 856	39 980	49 818	47 833	47 734	50 730	53 063	55 398	

Table 31: MBRR Table A10 - Basic Service Delivery Measurement

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. The table also reflects the cost of providing free basic services to indigent consumers, exemptions and rebates provided to different consumer categories.

Municipality manager's quality certificate

I, Isatsi George Ramagaga, the Municipal Manager of Bela-Bela Local Municipality, hereby certify that: -

❖ 2025/2026 Final budget

Has been prepared in accordance with the Municipal Finance Management Act; and Municipal Budget reporting Regulations (MBBR) made under the Act.

Mr T.G. Ramagaga
Municipal Manager

Signature: _____



Date: 29 May 2025