DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

2025/2026

Acronyms and abbreviations

Abbreviations	Acronyms
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	kiloliter
km	kilometer
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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Part 1 – Draft Annual Budget

1.1. Mayor's Report (Budget speech)

SPEECH BY CLLR GLORIA MODIEGI SELEKA, ON THE TABLING OF THE DRAFT 2025/26 ANNUAL BUDGET AT THE ORDINARY COUNCIL MEETING HELD ON THE 31 MARCH 2025 AT THE BELA-BELA MUNICIPAL COUNCIL CHAMBERS

- Honourable Speaker of Council,
- Members of the Executive Committee
- Ikosi Ndabezitha Mahlangu
- Whip of Council
- Honourable Councillors
- The Municipal Manager and management
- Distinguished Guests
- Community Members in the Public Gallery
- Ladies and Gentlemen

Good morning,

By the determination of the Municipal Finance Management Act as prescribed that the draft budget for the year must be tabled to Council 90 days before the start of the new budget year, the maximum time in our calendar being no later than 31 March each year.

The draft budget as will be presented in this seating is scheduled in the format that is prescribed by legislation.

This draft budget sets out realistically anticipated revenue for the budget year from each revenue source.

It further appropriates expenditure for the budget year under the different votes of the Bela-Bela Local Municipality.

We intend on enhancing systems that shall ensure that the provision of basic quality services is not compromised, unless under exceptionally unforeseen conditions.

The Medium-Term Revenue and Expenditure Framework proposes a total budget of R 657.606 million for 2025/2026 financial year, appropriating a total operating expenditure of R 627.799 million, envisaging an operational surplus of R28.807 million, such further estimated in the fiscal years beyond this financial year, building up to the projections of expenditure and revenue

We have premised this draft budget within the realistic, achievable collection rates, ensuring our expenditure within the balanced budget on revenue.

We have focused this MTREF in the eradication of non-priority spending, reprioritizing our expenditure towards core infrastructure and service delivery.

These will be done in striking capital expenditure balance amongst rehabilitation of infrastructure, social economic impact, and the achievement of our strategic objectives as encapsulated in the IDP.

It should be noted that, while we endeavor to deliver uninterrupted services, and build a municipality that optimally respond to the aspirations of our people, we will meet challenges along the way.

Our municipality has a got limited revenue streams, which will require the attraction of investments to overcome, ensuring that we have sufficient cash reserves to fund own capital projects, and sufficiently make provisions for repairs and maintenance.

When we are unable to adequately collect, it is impossible to achieve maximal surpluses within both the short and medium term.

We are weakened in our daily basis by the high cost of bulk purchases of water and electricity, with electricity by 11.32% and Magalies Water proposing 13.7% increase, while we will further be encountering a 4.4% in Consumer Price Index, all these versus the losses which must be immediately mitigated.

When compared to the latter budget, the total operating revenue for the 2024/2025 financial year, we are optimistic that we will do much better.

Honorable Councilors,

It should be understood that the planned expenditures do not have actual available cash at the moment, to ensuring that the municipality has the funds to cover the envisaged expenses, however, will rely in future income to meet our financial obligations, as earlier indicated that we do not have cash-backed accumulated surpluses

Madam Speaker,

Bela Bela Local Municipality, per the recent Census outcomes, suffers a huge blow in poverty and unemployment, as such, there should be revenue collection criterion that should be sensitive to our conditions, however, further ensure that we provide quality services.

Our Draft Annual Budget is characterized by services charged within the water, electricity and waste water management, with which the augmentation of the Bela-Bela Waste Treatment plant shall bring the much-required revenue liberation.

While other sources such as Licensing/Permits, Property rates, Agency services, fines/penalties, service charges and interests, pull us up although not sufficient as we would wish, although contributing to 73% of the Operational Revenue.

Madam Speaker,

It is imperative to categorically state that our 2025/2026 Financial Year is drafted compliant to the provisions of the Municipal Finance Management and shall be implemented per the prerequisites of the public finance management principles, in a responsive and transparent manner.

The expenditure framework is expressed in the priorities fit for service delivery, in the following provisions:

i. The 29% Employee related costs, such referring to all expenses to be incurred on salaries, benefits, training and all other related expenses.
ii. The 2% estimated for the Remuneration of councilors', further accommodating the upper limits,
iii. The 28% being the bulk purchases of electricity.
iv. The 6% of Inventory consumed, the materials and goods which are essential for optimal service delivery.
v. The 4% for Debt impairment, making provision the debts we may be unable to collect and thus writing them off.
vi. The 7% in the Depreciation and Amortization of our assets, which their values are not staying same as time passes beyond their acquisition.
vii. The 3% in the Interest of the services we are rendering.
viii. The 13% for the Contracted Services as it is well known that the municipality does not have sufficient capacity to render certain services, and therefore has to be outsourced.
ix. The 8% being for Operational Cost, to ensure that the day to day expenses are catered for.

Honorable Councilors,

In the implementation of the Electrification program.

The total Integrated National Electrification Programme allocation for the 2025/2026 financial year is R15 Million.

The allocation will fund the Construction of the Bela Bela 132/11KVA X 20MVA Sub-Station Phase 2.

The completion of the Sub-station will assist in resolving the infrastructure development limitations, as our current capacity does not accommodate any extra power use for an infrastructure requiring bulk supply.

On road infrastructure, the proposed budget includes significant allocation for infrastructure development.

We envision a society where everyone will have qualitative access to their homes and other amenities.

The Municipal Infrastructure Grant allocation amounts to R30 833 000 which shall be allocated in segments to the following areas:

i. The Construction of Road Paving and Bulk Stormwater in Masakhane
ii. The Construction of Road Paving and Stormwater in Bela Bela Extension 5 and 6
iii. The Construction of Road Paving and Stormwater in Rapotokwane
iv. The upgrading of the Bela Bela Municipal Landfill Site Phase 1
v. The development of Pienaarsrivier New Cemetery
vi. The Upgrading of the Bela Bela Municipal landfill site Phase 1

Ladies and Gentlemen,

Consistent to the National Treasury Circular 129 as issued in December 2024, proposing the tariff forecasts, drafting this MTREF received guidance from the Circular in order to determine tariff increases.

i. We have after careful consideration made the following tariff increases:
ii. 4.4% on Property Rates
iii. 13.7% on Water, guided by the Magalies Water Tariff increase guideline
iv. 4 4% on Service Charges
v. 4.4% on Sundry Revenue
vi. 11.32% on Electricity, in terms of the NERSA approved increase percentage for bulk purchase

Honorable Chief whip,

Indigent households shall receive their full subsidy of 100%, Consistent to the Indigent Policy which requires a total monthly household income of R5000 or less for a household to qualify for subsidy, hence we propose the rates exemptions for vulnerable groups within our communities.

Households will receive 50KW of electricity and 6KL of water, these will ease the burden off the needy and child headed homes, and thus assist them to channel the little they have on something essential.

The fight for a better life for all rests on all of our shoulders, it is process that must be pursued with total unity.

The masses of our people needs Services that shall redeem their dignity and further create an environment that which all shall succeed.

I am making a clarion call for everyone to join this vehicle, let’s put aside our differences and prioritize Bela Bela and her people.

Let us hold hands, share the resources we have to assist the municipality to deliver,

Businesses are urged to partner with us in order to for services to expand to all and sundry, donate what is possible including your expertise.

Let us go to war with trees that are hanging on our power lines, potholes that are eroding our aging roads, dirty streets and illegal dumping that undignifies our neighborhood.

Let us fight the crime that is persistent in our communities, the continued damage to infrastructure and municipal properties, the damages to our public parks and sports grounds.

Let us join hands in supporting extra mural activities in our schools, so that enough energy is channeled in responsible living and indoctrinate community patriotism to our children at a tender age.

The responsibility to build our town and townships can never rest upon one person, including all the challenges, we should find each other, and be the change we wish to see.

Traditional and religious leadership should reengage in the moral regeneration, to restore morality and bring about the joy our society yearns for.

A lot is to be done, it needs us committed to the cause of serving.

We will do everything in our power to see the people of Bela Bela liberated.

We are strong when we work together.

To cement the inalienable power of consistency and backbone, I leave you with the wisdom of the Senegalese as they said and quote;

"The chameleon changes color to match the earth, the earth doesn't change colors to match the chameleon."

Madam Speaker

I therefore table the 2025/2026 Budget for the approval by this Council meeting in terms of Section 15 of the Municipal Finance Management Act 56 of 2003

Ke a leboga

1.2. Council Resolutions

The strategic direction that the Municipality will undertake is set out in its five-year Integrated Development Plan (IDP).

The Medium-Term Revenue and Expenditure Framework (MTREF) allows for a three-year planning and spending framework. The MTREF planning horizon allows Municipality to improve planning and to project the impact of policy choices on future budgets.

National Treasury issued Municipal Finance Management Act (MFMA) circular numbers 129 and 130 to guide the compilation of the 2025/26 medium-term revenue and expenditure framework (MTREF). Among the objectives of this Circulars, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate.

As a result of the stipulated requirement in the budget circular, the 2025/26 Medium Term Revenue and Expenditure will seek to address any service delivery in the community of Bela- Bela and enable the council to further implement any proposed project emulating from previous financial year together with the newly identified service delivery projects.

In terms of Section 16(2) of the Municipal Finance Management Act (56 of 2003), "the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This budget is usually referred to as the "draft budget". Paragraph 9 and Schedule A of the Municipal Budget and Reporting Regulations prescribe the format and contents of the budgets of municipalities and municipal entities.

The Mayor of Bela-Bela Local Municipality is expected to table the draft budget, in terms of section 16(2) of the MFMA during March before public consultation begin. At the meeting the, the following resolutions will be approved:

1.2.1. The Council of Bela-Bela Local Municipality, acting in terms of section 16(2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

1.2.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 13: MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification);

1.2.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 14: MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote);

1.2.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 15: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) by type; and

1.2.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 16: MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source.

1.2.2. The cash flow budget, cash-backed reserve/accumulated surplus and asset management are approved as set out in the following tables:

1.2.2.1. Budgeted Cash Flows as contained in Table 18: MBRR Table A7 - Budgeted Cash Flow Statement;

1.2.2.2. Asset management as contained in Table 20: MBRR Table A9 - Asset Management.

1.2.2.3. Basic Service Delivery Measurement in Table 21: MBRR Table A10 - Basic Service Delivery Measurement

1.2.3. The Council of Bela-Bela Local Municipality approved the following 2025/2026 revised budget related policies and By-Laws:

1.2.3.1. Credit Control and Debt Collection Policy
1.2.3.2. Property Rates Policy
1.2.3.3. Assets Management Policy
1.2.3.4. Indigent Policy
1.2.3.5. Borrowing framework policy
1.2.3.6. Budget Implementation and Monitoring Policy
1.2.3.7. Cash Management and Investment Policy
1.2.3.8. Funding Reserves Policy
1.2.3.9. Prioritization Model for Capital Assets Investment
1.2.3.10. Policy on Infrastructure Investment and Capital Projects
1.2.3.11. Policy on Long Term Financial Planning
1.2.3.12. Policy on Provision for doubtful debts and writing off of irrecoverable debts
1.2.3.13. Petty Cash Policy
1.2.3.14. Tariffs Policy
1.2.3.15. Supply Chain Management Policy
1.2.3.16. Cost Containment Policy
1.2.3.17. Property Rates By-Law
1.2.3.18. Indigents support By-Law
1.2.3.19. Tariffs By-Law
1.2.3.20. Credit control and debt collection By-Laws.

All other budget related policies and By-Laws are subject to review in the draft annual budget and will come into effect on 1 July 2025.

1.2.4. The Council of Bela-Bela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2025 the following draft rates and tariffs:

1.2.5. To support the 2025/26 operating and capital expenditures draft annual budget, the following increases are proposed with effect from 1 July 2025:

Description	Percentage increases	Guideline
Property rate	4.4%	CPI
Water	13.7%	Magalies Water Board Tariff increase guideline
Service charges	4.4%	CPI
Sundry revenue	4.4%	CPI
Electricity	11.32%	NERSA approved increase percentage for bulk purchase

TABLE 1: PROPOSE INCREASE PER SERVICE TYPE

1.2.6. 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 taken into account 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 in excess of CPI. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment and community unrest.

1.2.7. To give proper effect to the municipality's draft annual budget, the Council of Bela- Bela Local Municipality approves:

1.2.7.1. That the municipality is not budgeting to raise long-term loans to fund the capital budget.

1.2.8. That the Accounting Officer adheres to all prescribed requirements in terms of legislation regarding the submission of the budget document to the various institutions.

1.3. Executive Summary

The 2025/26 Medium Term Revenue and Expenditure Framework (MTERF) 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 draft 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.

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead. GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

Households have seen growth in real incomes as this year progressed and inflation has cooled, while consumer confidence has been buoyed by several factors, including stable electricity supply and expectations of improving financial conditions following a September cut in interest rates. Real purchasing power is expected to be bolstered by a further moderation in inflation and lower interest rates supporting household balance sheets. The newly implemented two-pot retirement system, which allows consumers to withdraw a portion of their savings before retirement, may also boost household consumption over the next few years depending on the eventual use of the withdrawn funds.

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 completed.

Annual Financial Statements (AFS) and Performance Report for the 2023/24 financial year were duly prepared as required in terms of Section 122 of the Municipal Financial Management Act

number 56 of 2003 MFMA). The municipality prepared the Annual Financial Statement in-house. Consultants were however used in the compilation of the fixed asset register as the municipality has limited capacity in that aspect. 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). The municipality obtained a qualified audit opinion for 2023/24. Of important note is that significantly fewer audit findings were received during 2023/24 audit than in the prior year although the same opinion is maintained.

A detailed Audit Action Plan has been compiled to address 2023/24 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 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 expenditures on noncore 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 where 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.

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:

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

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

i. National Treasury's MFMA Circulars number 129, 130 and previously issued circulars were used as guidelines in the compilation of the 2025/2026 MTREF;
ii. Headline inflation predictions;
iii. National outcomes and priorities as contained in the NDP, MTBPS, the President's State of the Nation Address and the 2025 national budget;
iv. NERSA guidelines;

v. The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
vi. 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;
vii. 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 is assisted by sector department by appointing specialists to remodel the water, electricity and sanitation tariffs to be cost reflective;
viii. 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;
ix. An assessment of the relative human resources capacity to implement the Budget;
x. The need to enhance the municipality's revenue base;
xi. Cash flow projections should be strictly maintained to ensure the municipality's ability to meet its obligations; and
xii. Implementation of Cost Containment measures to prioritize service delivery and infrastructure maintenance related expenditure and limit non-essential expenditure.

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

i. The on-going difficulties in the national and local economy;
ii. Maintaining revenue collection rates at the targeted levels (National norm being 95%);
iii. Loadshedding having a direct impact on electricity sales due to decreased in demand and consumption
iv. The increasing debt as a result of non-payment;
v. Aging and insufficiently funded maintenance for water, roads and electricity infrastructure;
vi. Reprioritization of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the Municipality's cash position into account;
vii. 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; and
viii. Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources.

1.3.1. Budget Overview for the 2025/26 MTREF

This section provides an overview of Bela-Bela Local Municipality's 2025/26 to 2027/28 MTREF. It focuses on the billing and revenue environment of the Municipality; the expenditure framework includes an assessment of how the budget links 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:

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

1.3.2. Budget related By-Laws

Constitution of the republic gives 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.

1.3.2.1. 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:

a. Electricity services
b. Water services
c. Sanitation services
d. Waste removal
e. Cemetery services
f. 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 129 and 130.

1.3.2.2. Property Rates By-Law

Property By-Law is adopted in terms of Local Government: Municipal Property Rates Act, 2004 in order 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.

1.3.2.3. Indigent's By-Law

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

1.3.2.4. Credit control and debt collection By-Law

The credit control and debt collection by-law give the Municipal Council power to draft 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.

1.3.3. Budget related policies

Council has a role to draft policies that are used on the running of the Municipality. Policies are used for the smooth running of administration. 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. Prioritization 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. Petty Cash Policy
xiv. Tariffs Policy
xv. Supply Chain Management Policy
xvi. Cost Containment Policy
xvii. Property Rates By-Law
xviii. Indigents support By-Law
xix. Tariffs By-Law
xx. Credit control and debt collection By-Laws.

No new policy has been introduced with the draft annual budget, thus leaving the previous policy in place and relevant.

1.3.4. Budget strategies and budget assumptions

The table below provides a consolidated summary of the overall proposed draft annual budget (MTREF) for 2025/2026 financial year and the outer years. It is projected that the municipality will achieve an operational surplus of R28.807 million in the 2025/2026 financial year.

Draft annual operating revenue and expenditure of R656.606 million and R 627.799 million respectively for the 2025/2026 financial year as well as for the two outer years followed below principle.

i. Realistic and achievable collection rates.
ii. Sustainable, affordable, realistic, and balanced budget on revenue and expenditure
iii. Major tariffs to be cost reflective, realistic and affordable.
iv. Budget to contribute to achieving strategic objectives of the IDP.
v. Balancing capital expenditure for social, economic, rehabilitation of infrastructure.

1.3.5. Operating Revenue Framework

Despite financial challenges experienced by Bela-Bela Local Municipality, the council will 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:

a. Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
b. Achievement of full cost recovery of specific user charges especially in relation to trading services;
c. Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
d. The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
e. Increase ability to extend new services and recover costs;
f. The municipality's Indigent Policy and rendering of free basic services; and
g. Tariff policies of the municipality
h. National Treasury's guidelines and macroeconomic policy;
i. Growth in the municipality and continued economic development;
j. Efficient revenue management, which aims to ensure at least 95% annual collection rate for property rates and other key service charges; and
k. Continuous engagements with key stakeholders, particularly farmers and business, to collect outstanding debt and improve current collection levels.

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

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

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	124 020	116 275	145 723	160 362	167 158	167 158	125 421	189 484	198 200	206 538
Service charges - Water	2	37 263	43 429	39 529	60 665	51 473	51 473	30 717	50 250	52 562	54 773
Service charges - Waste Water Management	2	18 952	19 333	22 158	22 126	22 869	22 869	16 503	26 128	27 330	28 480
Service charges - Waste Management	2	8 952	9 668	10 596	10 376	10 876	10 876	8 027	11 267	11 786	12 281
Sale of Goods and Rendering of Services		1 866	1 729	1 418	1 487	1 358	1 358	1 078	1 400	1 464	1 526
Agency services		3 895	5 422	4 602	4 906	4 906	4 906	2 799	6 000	6 276	6 540
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		6 173	9 057	12 652	11 119	12 933	12 933	11 021	15 389	16 097	16 774
Interest earned from Current and Non Current Assets		134	1 295	2 666	2 350	4 230	4 230	2 989	5 000	5 230	5 450
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 580	1 393	1 166	1 147	1 172	1 172	882	1 223	1 279	1 333

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1 029	518	4 683	2 110	504	504	263	2 470	2 584	2 693
Non-Exchange Revenue											
Property rates	2	81 048	108 951	95 606	121 077	121 077	121 077	80 464	115 924	121 256	126 357
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 377	25 065	7 405	33 610	33 490	33 490	69 783	43 548	45 551	47 468
Licences or permits		3 241	2 160	2 200	2 070	2 425	2 425	1 562	3 447	3 605	3 757
Transfer and subsidies - Operational		108 830	122 766	134 834	144 449	144 449	144 449	142 308	151 036	153 792	160 735
Interest		8 493	13 961	13 330	16 613	16 613	16 613	11 970	17 045	17 829	18 579
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	792	–	3 450	3 450	2 567	3 595	3 760	3 919
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	10 398	10 398	10 335	13 398	13 539	3 339
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		**406 854**	**481 023**	**499 360**	**594 467**	**609 380**	**609 380**	**518 689**	**656 606**	**682 143**	**700 542**

TABLE 2: SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE

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 and grants.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise of 66% of the total revenue mix.

Bela-Bela Local Municipality anticipate collecting operating revenue (total operating revenue less revenue forgone) during the 2025/2026 financial year of an estimated R656.606 million or 8% more than the 2024/2025 adjustments budget revenue of R609.380 million. Detail increases on each revenue sources were increased within the CPI rate and where the increase was above CPI rates, reason was provided as required by Circular 129.

Operating grants which are guided by Division of Revenue Act (DoRa) was increased from R144.449 million to R151.036 million which represent 5%.

Capital grants increased from R104.902 million in 2024/25 adjustment budget to R151.051 million in 2025/2026.

Overall services charges revenue increased by 10% from the 2024/2025 adjustment 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 Pienaarsriviers (previously readings were not taken, and estimated consumption was billed). These factors will result in significant revenue increase.

Details analysis of revenue sources

i. The overall total revenue from property rates is budgeted to decrease by 4%, from R121.077 million in the 2024/2025 fiscal year to R115.924 million in 2025/2026. Considering the audited actual amount of R95.606 million in 2023/2024 and the 2024/25 Mid-year assessment report, the decrease is necessary to align the budget to a more realistically achievable revenue. This adjustment is also due to the supplementary valuation roll implemented through section 78 objections and queries lodged.
ii. The total electricity revenue budget increased. The contributing factor is NERSA's 11.32% increase in bulk purchases. The project for replacing current meters with smart meters should assist the municipality in terms of revenue collection.
iii. The total revenue from service charges for water is anticipated to increase. The replacement of faulty and damaged meters and the recruitment of additional meter readers are contributing to a reduction in the total number of estimated meters.
iv. The overall total for sanitation and refuse revenue is projected to increase. This increase is envisaged due to the formalization of villages like Vingerkraal, Tsakane, and Koeppewaai, where the service is expected to be extended.
v. The overall budget increase on the sale of goods and services is 3%, which is marginal.

vi. Agency services revenue is projected to increase based on the expected demand for licensing and permits services.
vii. Interest earned from receivables increases by 19%. The projected increase is attributable to the increase in the debtor's book. The impairment on debtors is provided in this regard.
viii. Interest earned from current and non-current assets increased by 18%. The projected increase is due to envisaged investment opportunities to be explored through favourable cash and cash equivalents. 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.
ix. Rental from fixed assets increased by 4% to achieve a realistic budget. This marginal increase factored in the Consumer Price Index (CPI).
x. Operational revenue increased significantly.
xi. Fines and penalties increased by 30%. The introduction of a new traffic management system (Syntell) has led to improvements in traffic fines issued.
xii. The Licenses and permits increased by 42%. The projected increase is based on the expected demand for licensing and permits services.
xiii. Operational transfers and subsidies increased by 5% in line with the Division of Revenue Bill published in Government Gazette No. 52061 of 7 February 2025.
xiv. Interest from non-exchange transactions increased by 4.4% in line with the Consumer Price Index

Transfers and Grant Receipts (2025/26)

Operational Grants				
Grant Description	**Grant Type**	**Budget Year 2025/26**	**Budget Year +1 2026/2027**	**Budget Year +2 2027/28**
Municipal Infrastructure Grant	DORA	R1,541,650	R1,661,150	R1,730,400
Local Government Financial Management Grant	DORA	R1,900,000	R2,000,000	R2,100,000
Expanded Public Works Programme Integrated Grant	DORA	R1,560,000	-	-
Equitable Share	DORA	R144,284,000	R150,131,000	R156,905,000
LGSETA Mandatory Grant	Non-DORA	R250,000	-	-
LGSETA Discretionary Grant	Non-DORA	R1,500,000	-	-
Sub-total		**R151,035,650**	**R153,792,150**	**R160,735,400**

TABLE 3: OPERATIONAL TRANSFERS AND GRANT RECEIPTS (2025/26)

Capital Grants				
Grant Description	**Grant Type**	**Budget Year 2025/26**	**Budget Year +1 2026/2027**	**Budget Year +2 2027/28**
Water Services Infrastructure Grant	DORA	R93,000,000	R91,044,000	R91,973,000
Municipal Disaster Response Grant (Rollover)	DORA	R10,760,000	-	-
Municipal Infrastructure Grant	DORA	R29,291,350	R31,561,850	R32,877,600

Integrated National Electrification Programme Grant	DORA	R15,000,000	R10,000,000	R10,452,000
Energy Efficiency and Demand Side Management Grant	DORA	R3,000,000	R5,000,000	-
Sub-total		**R151,051,350**	**R137,605,850**	**R135,302,600**

TABLE 4: CAPITAL TRANSFERS AND GRANT RECEIPTS (2025/26)

Total Grants	**R302,087,000**	**R291,398,000**	**R296,038,000**

Total Municipal Infrastructure Grant allocation amount to R 29.291 million, included in this amount is 5% of the total Municipal Infrastructure Grant allocation to fund the administration costs of the PMU unit.

Operating grant dependence

Grant dependence ratio in 2025/26 is sitting at 23% of total revenue of R656.606 million. 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 has no borrowings**.**

Debt Management

Bela-Bela Local Municipality debtors' book have in the past financial year grown. 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.

Municipality is enforcing 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 collectors. The debt collector are employed on a basis of performance and certain targets been agreed to between the service providers and the municipality. If these performance targets are not met, the municipality will have to enforce all penalty clauses to debt collectors.

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

i. Implementing incentive scheme in the 2024/25 financial year as per the council resolution approved in January 2025.
ii. Monthly review of handover files allocated to Debtors Collectors.
iii. Submission of monthly reports to Provincial Debt Forum.
iv. Implementation of credit control measures on Government departments and schools.
v. Perform periodic spot checks on low purchases.
vi. Perform periodic spot checks for illegal connections.
vii. Daily cut-off target of 100 per official, per day.
viii. Perform monthly analysis of Debt book per ward, area and cut off lists segmented according to Areas.

ix. Regular meetings held by team 95% collection rate to ensure implementation of weekly plans to improve and enhance revenue collection.
x. Prioritize clearance certificate requests.
xi. Perform verification on all businesses to ensure accuracy and completeness of billing.
xii. Warning notices via SMS's are sent to customers on a monthly basis.
xiii. The revenue department has made initiative to meet with government departments that have huge outstanding debt and subsequent to the meetings, the department of health and public works have made payments.
xiv. We have developed a query register which will also assist in updating customers details and to monitor the number and nature of queries

1.3.6. 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 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure											
Employee related costs	2	144 551	142 738	146 310	177 222	174 880	174 880	104 368	181 526	189 848	197 809
Remuneration of councillors		5 908	7 652	8 851	9 236	9 432	9 432	6 142	9 715	10 161	10 589
Bulk purchases - electricity	2	116 298	112 576	136 268	166 550	166 550	166 550	106 737	178 230	186 428	194 270
Inventory consumed	8	32 263	24 399	26 865	29 814	31 068	31 068	17 531	36 309	37 979	39 577
Debt impairment	3	–	–	–	14 686	14 686	14 686	26 681	24 996	26 146	27 246
Depreciation and amortisation		389	–	18 143	39 862	42 393	42 393	30 428	44 944	47 011	48 989
Interest		2 039	3 492	743	17 000	18 634	18 634	605	18 612	19 468	20 287
Contracted services		38 259	35 705	46 118	56 493	76 731	76 731	39 652	82 383	85 344	88 976
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		438	–	–	–	–	–	–	–	–	–
Operational costs		26 030	38 007	39 929	58 593	52 698	52 698	29 998	51 085	52 671	54 887
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	2 000	2 000	2 000	–	–	–	–
Total Expenditure		**366 174**	**364 571**	**423 226**	**571 456**	**589 072**	**589 072**	**362 143**	**627 799**	**655 059**	**682 630**

TABLE 5: SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE

i. Employee-related costs have increased. One of the contributing factors is an increase in the average CPI percentage (4.5%) for the period from 1 February 2024 to 31 January 2025, plus an additional 0.75%. This in informed by signed bargaining council agreement.

ii. Remuneration for councilors is budgeted to increase by 3%, based on previous trends. The proposed budget takes into consideration fiscal constraints and trends from previous fiscal years.
iii. Bulk purchases of electricity are estimated to increase by 11.32% in line with the NERSA proposed increase.
iv. Inventory consumed increased by 22% to achieve a realistic budget. This line item includes water bulk purchases, which increased by the proposed tariff determined by the Magalies Water Board.
v. The overall increase in the debt impairment expense budget is provisioned to be 70%, and depreciation is projected to increase by 13%.
vi. Interest expense is projected to increase by 5% in line with prior year audited financial statements.
vii. Contracted services increased by 8% to prioritize service delivery and infrastructure maintenance-related expenditure.
viii. Operational costs decreased by 5%. While the decrease is marginal, the municipality continues to maximize resources to ensure the delivery of services.

1.3.7. Operating Surplus / Deficit

Description	2025/26 Medium Term Revenue & Expenditure Framework						
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Revenue (excluding capital transfers and contrib	**594 467**	**609 380**	**609 380**	**518 689**	**656 606**	**682 143**	**700 542**
Total Expenditure	**571 456**	**589 072**	**589 072**	**362 143**	**627 799**	**655 059**	**682 630**
Surplus/(Deficit)	**23 011**	**20 308**	**20 308**	**156 546**	**28 807**	**27 085**	**17 912**
Transfers and subsidies - capital (monetary	93 465	104 902	104 902	46 919	151 051	137 606	135 303
Surplus/(Deficit) for the year	**116 476**	**125 211**	**125 211**	**203 465**	**179 858**	**164 691**	**153 215**

TABLE 6: 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 42% from the 2023/24 budget of R20.308 million and it is mainly attributable to the improved revenue base on water service charges as discussed above in the detailed analysis of revenue.

1.4. Capital expenditure

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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure ***to be appropriated***	2										
Vote 1 - 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 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure ***to be appropriated***	2										
Vote 1 - Budget and Treasury		10	–	125	520	150	150	–	80	–	–
Vote 2 - Corporate Services		–	908	882	2 455	2 124	2 124	–	3 200	2 169	2 169
Vote 3 - Mayor		–	–	–	–	–	–	–	–	–	–
Vote 4 - Municipal Manager		–	–	–	525	300	300	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	300	300	300
Vote 6 - Planning and Economic Development		–	–	–	1 000	(0)	(0)	–	500	–	–
Vote 7 - Social and Community Services		2 510	440	13 691	16 115	18 135	18 135	–	8 149	1 501	9 569
Vote 8 - Speaker		–	–	–	–	–	–	–	–	–	–
Vote 9 - Technical Services		52 737	74 829	65 215	76 669	83 285	83 285	–	139 242	133 312	123 647
Vote 10 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**–**	**151 470**	**137 283**	**135 685**
Total Capital Expenditure - Vote		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**–**	**151 470**	**137 283**	**135 685**
Capital Expenditure - Functional											
Governance and administration		**10**	**908**	**1 007**	**3 500**	**2 574**	**2 574**	**1 045**	**3 580**	**2 469**	**2 469**
Executive and council Finance and administration Internal audit		–	–	–	–	–	–	–	–	–	–
		10	908	1 007	3 500	2 574	2 574	1 045	3 280	2 169	2 169
Community and public safety											
Community and social services Sport and recreation		–	–	–	–	–	–	–	300	300	300
		1 875	**–**	**3 624**	**3 064**	**2 569**	**2 569**	**2 371**	**1 560**	**1 188**	**9 242**
Public safety Housing Health		1 875	–	41	685	250	250	153	410	1 188	9 242
Economic and environmental services		–	–	3 583	2 219	2 219	2 219	2 219	–	–	–
Planning and development Road transport Environmental protection		–	–	–	160	100	100	–	1 150	–	–
		–	–	–	–	–	–	–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–
Energy sources Water management		**19 201**	**23 880**	**6 987**	**10 374**	**17 239**	**17 239**	**6 091**	**28 828**	**26 498**	**19 591**
		–	–	–	1 000	(0)	(0)	–	500	–	–
Waste water management Waste management		19 201	23 880	6 987	9 374	17 239	17 239	6 091	28 328	26 498	19 591
Other		–	–	–	–	–	–	–	–	–	–
		34 171	**51 389**	**68 295**	**80 347**	**81 612**	**81 612**	**34 680**	**117 503**	**107 128**	**104 383**
		2 640	3 290	6 863	25 665	24 165	24 165	4 059	25 684	23 299	19 563
		5 991	21 712	4 292	11 435	7 829	7 829	3 207	57 451	69 531	56 778
		24 905	25 947	47 073	30 195	34 051	34 051	17 970	27 779	13 985	27 714
		635	440	10 067	13 051	15 566	15 566	9 444	6 589	314	327
		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**44 186**	**151 470**	**137 283**	**135 685**
Funded by:											
National Government Provincial Government District Municipality		55 247	72 272	71 751	81 274	91 220	91 220	40 729	130 780	119 139	117 145
		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**55 247**	**72 272**	**71 751**	**81 274**	**91 220**	**91 220**	**40 729**	**130 780**	**119 139**	**117 145**

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		10	3 906	8 162	16 010	12 774	12 774	3 457	20 690	18 143	18 540
Total Capital Funding	7	55 257	76 177	79 912	97 284	103 994	103 994	44 186	151 470	137 283	135 685

TABLE 7: MEDIUM-TERM CAPITAL BUDGET PER VOTE

The total capital expenditure for 2025/26 is projected at R151.470 million excluding VAT. The capital expenditure is funded R130.470 million by capital grants and R20.690 million is funded by internally generated funds. The amounts in the above table are exclusive of VAT.

Table 8: Capital programme funded by Municipal Infrastructure Grant below detail the municipality's three-year consolidated MIG infrastructure investment program for 2025/26 to 2026/27.

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

Municipal Infrastructure Grant			
Segment Description	**Draft 2025/2026**	**Draft 2026/2027**	**Draft 2027/2028**
Construction of Road Paving and Bulk stormwater in Masakhane	R150,000	R1,000,000	R6,000,000
Construction of Road Paving and Stormwater in Bela Bela X5 -	R150,000	R1,277,150	R4,022,850
Construction of Road Paving and Stormwater in Bela Bela X6 -	R150,000	R750,000	R2,762,118
Develop New Cemetery - Pienaarsrivier	R300,000	R1,198,424	R10,501,576
Construction of Road Paving and Stormwater in Rapotokwane -P	R690,908	R26,336,276	R9,591,056
Construction of Road Paving and Stormwater in Bela Bela X5 -	R6,967,671	-	-
Upgrading of the Bela Bela Municipal landfill site Phase 1	R7,263,645	-	-
Construction of Road Paving and Bulk stormwater in Bela Bela	R13,619,125	R1,000,000	-
PMU Cost	R1,541,650	R1,661,150	R1,730,400
Total	**R30,833,000**	**R33,223,000**	**R34,608,000**

TABLE 8: CAPITAL PROGRAMME FUNDED BY MUNICIPAL INFRASTRUCTURE GRANT

Municipality is allocated R30.833 million on Municipal Infrastructure Grant (MIG) after considering PMU cost of R1.482 million.

Water Services Infrastructure Grant			
Segment Description	**Draft 2025/2026**	**Draft 2026/2027**	**Draft 2027/2028**
Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-	R39,406,483	R4,602,234	-
Upgrading of the Industrial outfall sewer line (Ward 2)	R17,630,068	-	-
Water Supply Source Augmentation and the construction of the	R15,181,113	-	-
Upgrading of the Settlers Sewer Pump Station (Ward 2)	R10,690,676	-	-
Construction of Water Booster Pump Station and Upgrading of	R4,591,660	-	-
Refurbishment of the Platrivier Dam (Ward 9)	R500,000	R9,500,000	-
Refurbishment of the water reticulation network at the Old L	R500,000	R10,441,766	R14,058,234
Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan	R500,000	R5,000,000	R17,000,000
Refurbishment of the Bela-Bela Water Treatment Works (Ward 1	R500,000	R1,441,766	R24,058,234
Construction of Additional Aventura Sewer Pump Station (Ward	R500,000	R1,500,000	R1,414,766
Upgrading of the Masakhane sewer pumpstation and Waste Water	R500,000	R4,808,234	R19,691,766
Upgrading of the Steel Elevated Water Tank in Masakhane (War	R500,000	R9,500,000	-
Water Supply Source Augmentation using SASSA Borehole and co	R500,000	R14,500,000	-
Water Supply Source Augmentation using Showground Borehole a	R500,000	R14,500,000	-
Construction of the Rapotokwane Water Package Plant Desludge	R500,000	R7,500,000	R4,000,000
Upgrading of the Pienaarsrivier Sewer Pump Station and Waste	R500,000	R7,750,000	R7,750,000
Replacement of AC Water Pipes in Bela-Bela Town - Gelofte	-	-	R1,000,000
Replacement of AC Water Pipes in Bela-Bela Town - Jinnah Par	-	-	R1,000,000
Replacement of AC Water Pipes in Bela-Bela Town - Sering	-	-	R1,000,000
Toilet Facilities: Construction of VIP Toilets in Rapotokwane	-	-	R500,000
Toilet Facilities: Construction of VIP Toilets in Tsakane (Wa	-	-	R500,000
Total	**R93,000,000**	**R91,044,000**	**R91,973,000**

TABLE 9: CAPITAL PROGRAMME FUNDED BY WATER SERVICES INFRASTRUCTURE GRANT

Integrated National Electrification Programme Grant			
Segment Description	**Draft 2025/2026**	**Draft 2026/2027**	**Draft 2027/2028**
Bela-Bela Ext 5 (Sun Valley) (86HH)	-	-	R256,300
Electrification Bela Bela X9 (135HH) - Phase 3	-	-	R2,945,700
Electrification X 25 (Koppewaai)(250 HH)	-	-	R5,250,000
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 2	R15,000,000	R10,000,000	R2,000,000
Total	**R15,000,000**	**R10,000,000**	**R10,452,000**

TABLE 10: CAPITAL PROGRAMME FUNDED BY INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT

The table above table depicts that the full INEP allocated will find the Construction of the Bela- Bela 132/11 KVA 2X 20MVA Sub-station. The allocation for 2025/26 amounts to R15 million

Own Source				
Function	**Segment Description**	**Draft 2025/2026**	**Draft 2026/2027**	**Draft 2027/2028**
Fire Fighting and Protection: Protection & Emergency Services (4300)	Fire arms storage safes	R50,000		
Waste Water Treatment: Water and Sanitation (3300)	Wastewater Quality Testing Kits and Instruments (6 Sludge co	R60,000	R62,760	R65,400
Supply Chain Management: Supply Chain Management (7500)	Acquisition of office equipment (Ring Binder and Shredder)	R80,000	-	-
Electricity: Electricity Services (3400)	Procurement of Pre-paid electricity meters	R100,000	R104,600	R109,000
Administrative and Corporate Support: Council Admin (6400)	Cleaning Equipment(Carpet & Upholtry Cleaners and others)	R100,000	-	-
Water Treatment: Water (3300)	Drinking Water Quality Testing Kits and Instruments	R100,000	R104,600	R109,000
Community Halls and Facilities: Parks and Community Facilities (4400)	Grass cutting and Trees pruining equipment	R150,000	R150,000	R150,000
Fire Fighting and Protection: Protection & Emergency Services (4300)	Bullet Proof Vests	R150,000		
Police Forces Traffic and Street Parking Control: Licensing (4500)	Road Marking Machine	R150,000	-	-
Water Distribution: Water (3300)	RadiumRadium: Procurement of Pumps and motors	R150,000	R156,900	R163,500
Waste Water Treatment: Water and Sanitation (3300)	Procurement of Sewer Gas Monitor and Confined space Tripod w	R200,000		
Public Transport: Roads and Stormwater (3200)	Procurement of New Aircons	R200,000	R209,200	R218,000
Water Distribution: Water (3300)	PienaarsrivierPienaarsrivier: Procurement of Pumps and motors	R200,000	R209,200	R218,000
Water Distribution: Water (3300)	RapotokwaneRapotokwane: Procurement of Pumps and motors	R200,000	R209,200	R218,000
Water Distribution: Water (3300)	TsakaneTsakane: Procurement of Pumps and motors	R200,000	R209,200	R218,000
Water Distribution: Water (3300)	Vingerkraal: Procurement of Pumps and motors (2025)	R200,000	R209,200	R218,000
Governance Function: Internal Audit (2300)	Internal and Risk Management system	R300,000	R300,000	R300,000
Police Forces Traffic and Street Parking Control: Licensing (4500)	DLTC Client waiting area	R300,000		
Information Technology: Info & Record Management (6200)	Printers	R300,000	R300,000	R300,000
Administrative and Corporate Support: HOD-Corporate Services (6100)	Procurement of Office Furniture	R300,000	R300,000	R300,000
Solid Waste Removal: Waste Management & Cleansing (4200)	240litres Refuse Bins	R300,000	R313,800	R327,000

Own Source				
Function	**Segment Description**	**Draft 2025/2026**	**Draft 2026/2027**	**Draft 2027/2028**
Police Forces Traffic and Street Parking Control: Licensing (4500)	DLTC fence repairs	R500,000		
Economic Development/Planning: LED (5200)	Construction of Informal Training Stalls	R500,000		
Information Technology: Info & Record Management (6200)	CCTV installation	R500,000		
Information Technology: Info & Record Management (6200)	Procurement of Council Chamber Audio	R500,000	-	-
Waste Water Treatment: Water and Sanitation (3300)	SCADA for BB WWTW	R600,000	R600,000	R600,000
Water Distribution: Water (3300)	Replacement of Water Meters	R600,000	R627,600	R654,000
Waste Water Treatment: Water and Sanitation (3300)	Warmbad WWTW and Pump Stations: Procurement of Pumps and mot	R1,100,000	R1,150,600	R1,199,000
Water Treatment: Water (3300)	Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors (	R1,100,000	R1,150,600	R1,199,000
Information Technology: Info & Record Management (6200)	Laptop	R1,500,000	R1,569,000	R1,569,000
Electricity: Electricity Services (3400)	Procurement of Transformers and Maniatures	R4,500,000	R4,707,000	R4,905,000
Electricity: Electricity Services (3400)	Switch gear refurbishment	R5,500,000	R5,500,000	R5,500,000
Total		**R20,690,000**	**R18,143,460**	**R18,539,900**

TABLE 11: CAPITAL PROGRAMME FUNDED BY 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

1.5. Annual Budget Tables

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

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	81 048	108 951	95 606	121 077	121 077	121 077	121 077	115 924	121 256	126 357
Service charges	189 187	188 705	218 006	253 529	252 375	252 375	252 375	277 130	289 878	302 072
Investment revenue	134	1 295	2 666	2 350	4 230	4 230	4 230	5 000	5 230	5 450
Transfer and subsidies - Operational	108 830	122 766	134 834	144 449	144 449	144 449	144 449	151 036	153 792	160 735
Other own revenue	27 655	59 306	48 247	73 062	87 249	87 249	87 249	107 516	111 987	105 928
Total Revenue (excluding capital transfers and contributions)	406 854	481 023	499 360	594 467	609 380	609 380	609 380	656 606	682 143	700 542
Employee costs	144 551	142 738	146 310	177 222	174 880	174 880	174 880	181 526	189 848	197 809
Remuneration of councillors	5 908	7 652	8 851	9 236	9 432	9 432	9 432	9 715	10 161	10 589
Depreciation and amortisation	389	–	18 143	39 862	42 393	42 393	42 393	44 944	47 011	48 989
Interest	2 039	3 492	743	17 000	18 634	18 634	18 634	18 612	19 468	20 287
Inventory consumed and bulk purchases	148 561	136 976	163 133	196 364	197 618	197 618	197 618	214 539	224 408	233 847
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	64 727	73 712	86 047	131 771	146 115	146 115	146 115	158 464	164 162	171 108
Total Expenditure	366 174	364 571	423 226	571 456	589 072	589 072	589 072	627 799	655 059	682 630
Surplus/(Deficit)	40 680	116 452	76 133	23 011	20 308	20 308	20 308	28 807	27 085	17 912
Transfers and subsidies - capital (monetary allocations)	55 177	83 245	89 986	93 465	104 902	104 902	46 919	151 051	137 606	135 303
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	95 857	199 697	166 119	116 476	125 211	125 211	67 227	179 858	164 691	153 215
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	95 857	199 697	166 119	116 476	125 211	125 211	67 227	179 858	164 691	153 215
Capital expenditure & funds sources										
Capital expenditure	55 257	76 177	79 912	97 284	103 994	103 994	50 792	151 470	137 283	135 685
Transfers recognised - capital	55 247	72 272	71 751	81 274	91 220	91 220	47 195	130 780	119 139	117 145
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	10	3 906	8 162	16 010	12 774	12 774	3 597	20 690	18 143	18 540
Total sources of capital funds	55 257	76 177	79 912	97 284	103 994	103 994	50 792	151 470	137 283	135 685
Financial position										
Total current assets	207 388	339 162	359 387	502 980	399 023	399 023	565 491	461 320	474 168	480 449
Total non current assets	976 133	1 186 404	981 383	1 268 922	1 052 507	1 052 507	1 011 832	1 100 999	1 084 882	1 081 439
Total current liabilities	309 620	287 481	237 275	365 244	327 289	327 289	321 451	363 108	364 247	378 560
Total non current liabilities	89 957	124 758	151 647	194 901	348 912	348 912	163 647	163 647	163 647	163 647
Community wealth/Equity	777 427	1 112 480	951 237	1 211 757	775 329	775 329	1 035 097	1 035 564	1 031 156	1 019 680
Cash flows										
Net cash from (used) operating	171 803	218 605	73 345	110 217	114 411	114 411	114 411	171 002	163 573	162 256
Net cash from (used) investing	(64 905)	(77 764)	(95 319)	(97 284)	(103 994)	(103 994)	(103 994)	(151 470)	(137 283)	(135 685)
Net cash from (used) financing	–	–	–	–	(0)	(0)	(0)	–	–	–
Cash/cash equivalents at the year end	119 415	154 949	(10 819)	33 558	35 688	35 688	35 688	44 802	71 092	97 664
Cash backing/surplus reconciliation										
Non current Investments	14 269	7 438	49	(0)	–	–	83 313	0	0	0
Statutory requirements	(188 234)	(134 242)	(57 296)	167 475	88 457	67 787	235 496	107 819	139 055	156 315
Balance - surplus (shortfall)	202 502	141 681	57 346	(167 475)	(88 457)	(67 787)	(152 183)	(107 819)	(139 055)	(156 315)
Asset management										
Asset register summary (WDV)	874 743	1 114 835	883 191	1 184 500	957 140	957 140	957 140	869 587	865 111	863 662
Depreciation	389	–	18 143	39 862	42 393	42 393	42 393	44 944	47 011	48 989
Renewal and Upgrading of Existing Assets	22 814	32 635	64 381	46 655	61 589	61 589	61 589	89 645	81 368	80 206
Repairs and Maintenance	6 990	7 859	8 098	14 630	15 983	15 983	15 983	25 040	26 192	27 294
Free services										
Cost of Free Basic Services provided	31 553	32 066	31 098	44 407	35 843	35 843	35 843	39 860	41 694	43 448
Revenue cost of free services provided	32 830	39 934	49 818	47 833	47 733	47 733	47 733	50 730	53 063	55 295
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–

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

TABLE 12: MBRR TABLEA1 - BUDGET SUMMARY

Explanatory notes to MBRR Table A1 - Budget Summary

i. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
ii. 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.
iii. The operating surplus/deficit (after total expenditure and before capital spending) is positive over the MTREF.
iv. The MTREF for 2025/26 depicts a surplus of R28.807 million after taking non-cash item into consideration.

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2025/26			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
Governance and administration		**200 219**	**271 643**	**257 881**	**317 876**	**328 442**	**328 442**	**343 477**	**356 130**	**360 816**
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		200 219	271 643	257 881	317 876	328 442	328 442	343 477	356 130	360 816
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**9 007**	**8 112**	**7 294**	**7 531**	**7 835**	**7 835**	**9 965**	**10 424**	**10 862**
Community and social services		579	536	495	564	519	519	538	563	586
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		8 427	7 576	6 799	6 967	7 316	7 316	9 428	9 861	10 276
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**25 130**	**31 018**	**28 903**	**30 914**	**42 364**	**42 364**	**45 483**	**37 292**	**38 848**
Planning and development		2 181	3 341	2 058	2 764	2 777	2 777	5 432	5 730	5 971
Road transport		22 948	27 676	26 844	28 150	39 587	39 587	40 051	31 562	32 878
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**227 675**	**253 496**	**295 268**	**331 611**	**335 641**	**335 641**	**408 732**	**415 903**	**425 318**
Energy sources		126 341	118 062	147 074	182 206	188 800	188 800	208 891	214 672	218 523
Water management		71 020	102 799	109 356	111 288	103 387	103 387	151 677	152 420	155 931
Waste water management		20 681	21 938	26 716	26 740	30 056	30 056	34 022	34 018	35 449
Waste management		9 633	10 696	12 121	11 377	13 398	13 398	14 142	14 793	15 415
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**462 031**	**564 268**	**589 345**	**687 932**	**714 282**	**714 282**	**807 657**	**819 749**	**835 844**

Expenditure - Functional										
Governance and administration		**115 989**	**103 216**	**119 304**	**176 376**	**183 824**	**183 824**	**170 620**	**178 481**	**186 005**
Executive and council		15 002	22 202	25 557	29 385	30 209	30 209	25 374	26 541	27 658
Finance and administration		98 529	76 541	90 481	142 887	149 389	149 389	140 385	146 855	153 048
Internal audit		2 457	4 474	3 266	4 104	4 225	4 225	4 861	5 084	5 298
Community and public safety		**31 380**	**57 691**	**50 313**	**55 690**	**64 177**	**64 177**	**79 141**	**81 411**	**84 836**
Community and social services		15 517	37 183	30 667	32 990	35 929	35 929	39 620	40 072	41 758
Sport and recreation		–	527	2 902	2 806	2 033	2 033	2 510	2 625	2 736
Public safety		15 863	19 981	16 744	19 894	26 216	26 216	37 011	38 714	40 342
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**21 160**	**25 923**	**29 009**	**47 381**	**44 874**	**44 874**	**49 533**	**51 812**	**53 991**
Planning and development		13 282	12 944	10 508	15 877	16 516	16 516	17 647	18 459	19 235
Road transport		7 878	12 979	18 501	31 504	28 359	28 359	31 886	33 353	34 756
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**197 645**	**177 740**	**224 601**	**292 009**	**296 196**	**296 196**	**328 505**	**343 355**	**357 798**
Energy sources		134 011	130 004	160 915	199 350	196 984	196 984	215 606	225 524	235 011
Water management		32 205	19 765	26 173	58 268	57 132	57 132	66 785	69 857	72 796
Waste water management		18 559	14 838	21 244	13 192	13 949	13 949	15 497	16 210	16 892
Waste management		12 869	13 132	16 269	21 199	28 131	28 131	30 617	31 764	33 100
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure - Functional	3	**366 174**	**364 571**	**423 226**	**571 456**	**589 072**	**589 072**	**627 799**	**655 059**	**682 630**
Surplus/(Deficit) for the year		**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**179 858**	**164 691**	**153 215**

TABLE 13: 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)

i. 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.
ii. Table A2 was one of the budget tables which are re-aligned to comply with mSCOA.

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26			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		198 693	270 098	256 530	316 597	327 034	327 034	341 972	354 818	359 448
Vote 2 - Corporate Services		1 526	1 545	1 350	1 279	1 408	1 408	1 505	1 313	1 368
Vote 3 - Mayor		–	–	–	–	–	–	–	–	–
Vote 4 - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	–	–
Vote 6 - Planning and Economic Development		822	1 885	646	1 282	1 295	1 295	3 890	4 069	4 240
Vote 7 - Social and Community Services		18 640	18 808	19 416	18 908	21 233	21 233	24 108	25 217	26 277
Vote 8 - Speaker		–	–	–	–	–	–	–	–	–
Vote 9 - Technical Services		240 990	270 476	309 991	348 384	361 830	361 830	434 641	432 672	442 781
Vote 10 - Technical Services		1 360	1 457	1 413	1 482	1 482	1 482	1 542	1 661	1 730
Total Revenue by Vote	2	**462 031**	**564 268**	**589 345**	**687 932**	**714 282**	**714 282**	**807 657**	**819 749**	**835 844**
Expenditure by Vote ***to be appropriated***	1									
Vote 1 - Budget and Treasury		46 678	47 406	58 704	94 033	96 157	96 157	82 204	85 998	89 631
Vote 2 - Corporate Services		45 493	25 171	27 391	43 168	48 022	48 022	50 975	53 320	55 563
Vote 3 - Mayor		1 258	1 035	1 178	4 117	2 453	2 453	3 422	3 579	3 730
Vote 4 - Municipal Manager		14 592	17 240	19 707	21 243	22 765	22 765	18 249	19 089	19 892
Vote 5 - Internal Audit		2 457	4 474	3 266	4 104	4 225	4 225	4 861	5 084	5 298
Vote 6 - Planning and Economic Development		11 116	9 323	7 730	12 025	13 267	13 267	15 228	15 928	16 598

Vote Description R thousand	###	2021/22 Audited Outcome	2022/23 Audited Outcome	2023/24 Audited Outcome	Current Year 2025/26 Original Budget	 Adjusted Budget	 Full Year Forecast	2025/26 Medium Term Revenue & Expenditure Framework Budget Year 2025/26	 Budget Year +1 2026/27	 Budget Year +2 2027/28
Vote 7 - Social and Community Services		44 249	70 824	66 581	76 889	92 308	92 308	109 758	113 175	117 936
Vote 8 - Speaker		5 511	7 890	9 058	9 712	10 201	10 201	10 909	11 411	11 891
Vote 9 - Technical Services		192 653	177 587	226 833	302 314	296 424	296 424	329 774	344 944	359 454
Vote 10 - Technical Services		2 166	3 620	2 778	3 852	3 248	3 248	2 420	2 531	2 637
Total Expenditure by Vote	2	**366 174**	**364 571**	**423 226**	**571 456**	**589 072**	**589 072**	**627 799**	**655 059**	**682 630**
Surplus/(Deficit) for the year	2	**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**179 858**	**164 691**	**153 215**

TABLE 14: 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)

i. 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 organizational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote; and
ii. The table shows that technical services is the largest generator of revenue. This is due to the size of the department as well as its responsibility over service delivery projects such as water, electricity and sanitation.

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	124 020	116 275	145 723	160 362	167 158	167 158	125 421	189 484	198 200	206 538
Service charges - Water	2	37 263	43 429	39 529	60 665	51 473	51 473	30 717	50 250	52 562	54 773
Service charges - Waste Water Management	2	18 952	19 333	22 158	22 126	22 869	22 869	16 503	26 128	27 330	28 480
Service charges - Waste Management	2	8 952	9 668	10 596	10 376	10 876	10 876	8 027	11 267	11 786	12 281
Sale of Goods and Rendering of Services		1 866	1 729	1 418	1 487	1 358	1 358	1 078	1 400	1 464	1 526
Agency services		3 895	5 422	4 602	4 906	4 906	4 906	2 799	6 000	6 276	6 540
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		6 173	9 057	12 652	11 119	12 933	12 933	11 021	15 389	16 097	16 774
Interest earned from Current and Non Current Assets		134	1 295	2 666	2 350	4 230	4 230	2 989	5 000	5 230	5 450
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 580	1 393	1 166	1 147	1 172	1 172	882	1 223	1 279	1 333
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Operational Revenue		1 029	518	4 683	2 110	504	504	263	2 470	2 584	2 693
Non-Exchange Revenue											
Property rates	2	81 048	108 951	95 606	121 077	121 077	121 077	80 464	115 924	121 256	126 357

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		1 377	25 065	7 405	33 610	33 490	33 490	69 783	43 548	45 551	47 468
Licences or permits		3 241	2 160	2 200	2 070	2 425	2 425	1 562	3 447	3 605	3 757
Transfer and subsidies - Operational		108 830	122 766	134 834	144 449	144 449	144 449	142 308	151 036	153 792	160 735
Interest		8 493	13 961	13 330	16 613	16 613	16 613	11 970	17 045	17 829	18 579
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	792	–	3 450	3 450	2 567	3 595	3 760	3 919
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	10 398	10 398	10 335	13 398	13 539	3 339
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contrib		**406 854**	**481 023**	**499 360**	**594 467**	**609 380**	**609 380**	**518 689**	**656 606**	**682 143**	**700 542**
Expenditure											
Employee related costs	2	144 551	142 738	146 310	177 222	174 880	174 880	104 368	181 526	189 848	197 809
Remuneration of councillors		5 908	7 652	8 851	9 236	9 432	9 432	6 142	9 715	10 161	10 589
Bulk purchases - electricity	2	116 298	112 576	136 268	166 550	166 550	166 550	106 737	178 230	186 428	194 270
Inventory consumed	8	32 263	24 399	26 865	29 814	31 068	31 068	17 531	36 309	37 979	39 577
Debt impairment	3	–	–	–	14 686	14 686	14 686	26 681	24 996	26 146	27 246
Depreciation and amortisation		389	–	18 143	39 862	42 393	42 393	30 428	44 944	47 011	48 989
Interest		2 039	3 492	743	17 000	18 634	18 634	605	18 612	19 468	20 287

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Contracted services		38 259	35 705	46 118	56 493	76 731	76 731	39 652	82 383	85 344	88 976
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		438	–	–	–	–	–	–	–	–	–
Operational costs		26 030	38 007	39 929	58 593	52 698	52 698	29 998	51 085	52 671	54 887
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	2 000	2 000	2 000	–	–	–	–
Total Expenditure		**366 174**	**364 571**	**423 226**	**571 456**	**589 072**	**589 072**	**362 143**	**627 799**	**655 059**	**682 630**
Surplus/(Deficit)		**40 680**	**116 452**	**76 133**	**23 011**	**20 308**	**20 308**	**156 546**	**28 807**	**27 085**	**17 912**
Transfers and subsidies - capital (monetary	6	55 177	83 245	89 986	93 465	104 902	104 902	46 919	151 051	137 606	135 303
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**203 465**	**179 858**	**164 691**	**153 215**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**203 465**	**179 858**	**164 691**	**153 215**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**203 465**	**179 858**	**164 691**	**153 215**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**95 857**	**199 697**	**166 119**	**116 476**	**125 211**	**125 211**	**203 465**	**179 858**	**164 691**	**153 215**

TABLE 15: MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE) BY TYPE

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

i. Municipality anticipate generating revenue (excluding capital transfers and contributions) of R656.606 million in 2025/26 as compared to the 2024/25 adjusted budget revenue of R609.380 million. This represents the percentage increase of 4.4% against adjusted budget. Municipality major tariff were increased by 4.9% which is in linked to Consumer Price Index (CIP) as recommended by National Treasury under circular 129 and are summarized on the tariff book;

ii. 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 2024/25 financial year and other factors that affect the valuation roll;

iii. Services charges relating to electricity, water, sanitation, and refuse removal constitutes the biggest component of the revenue basket of the municipality totaling R277.130 million for 2025/26 which increased from R252.375 million of 2024/25 adjusted budget. Services charges constitute 42% of the total revenue (excluding capital transfers and contributions) base and increase by an average of 10% per annum;

iv. Transfers and subsidies – operating includes the local government equitable share and other operating grants from national and provincial government is estimated to be 151.036 million in 2025/26 compared adjustment of 2024/25 which amounted to 144.449 million; and

v. 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.

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - 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 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - Budget and Treasury		10	–	125	520	150	150	–	80	–	–
Vote 2 - Corporate Services		–	908	882	2 455	2 124	2 124	–	3 200	2 169	2 169
Vote 3 - Mayor		–	–	–	–	–	–	–	–	–	–
Vote 4 - Municipal Manager		–	–	–	525	300	300	–	–	–	–
Vote 5 - Internal Audit		–	–	–	–	–	–	–	300	300	300
Vote 6 - Planning and Economic Development		–	–	–	1 000	(0)	(0)	–	500	–	–
Vote 7 - Social and Community Services		2 510	440	13 691	16 115	18 135	18 135	–	8 149	1 501	9 569
Vote 8 - Speaker		–	–	–	–	–	–	–	–	–	–
Vote 9 - Technical Services		52 737	74 829	65 215	76 669	83 285	83 285	–	139 242	133 312	123 647
Vote 10 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**–**	**151 470**	**137 283**	**135 685**
Total Capital Expenditure - Vote		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**–**	**151 470**	**137 283**	**135 685**
Capital Expenditure - Functional											
Governance and administration		**10**	**908**	**1 007**	**3 500**	**2 574**	**2 574**	**1 045**	**3 580**	**2 469**	**2 469**
Executive and council		–	–	–	–	–	–	–	–	–	–
Finance and		10	908	1 007	3 500	2 574	2 574	1 045	3 280	2 169	2 169

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
administration Internal		–	–	–	–	–	–	–	300	300	300
audit		**1 875**	**–**	**3 624**	**3 064**	**2 569**	**2 569**	**2 371**	**1 560**	**1 188**	**9 242**
Community and public		1 875	–	41	685	250	250	153	410	1 188	9 242
safety Community and		–	–	3 583	2 219	2 219	2 219	2 219	–	–	–
social services Sport and		–	–	–	160	100	100	–	1 150	–	–
recreation		–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		**19 201**	**23 880**	**6 987**	**10 374**	**17 239**	**17 239**	**6 091**	**28 828**	**26 498**	**19 591**
Health		–	–	–	1 000	(0)	(0)	–	500	–	–
Economic and environmental services		19 201	23 880	6 987	9 374	17 239	17 239	6 091	28 328	26 498	19 591
Planning and		–	–	–	–	–	–	–	–	–	–
development Road		**34 171**	**51 389**	**68 295**	**80 347**	**81 612**	**81 612**	**34 680**	**117 503**	**107 128**	**104 383**
transport		2 640	3 290	6 863	25 665	24 165	24 165	4 059	25 684	23 299	19 563
Environmental		5 991	21 712	4 292	11 435	7 829	7 829	3 207	57 451	69 531	56 778
protection		24 905	25 947	47 073	30 195	34 051	34 051	17 970	27 779	13 985	27 714
Trading services		635	440	10 067	13 051	15 566	15 566	9 444	6 589	314	327
Energy sources		–	–	–	–	–	–	–	–	–	–
Water management											
Waste water											
management Waste											
management											
Other											
Total Capital Expenditure - Functional	3	**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**44 186**	**151 470**	**137 283**	**135 685**

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funded by:		55 247	72 272	71 751	81 274	91 220	91 220	40 729	130 780	119 139	117 145
National Government		–	–	–	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**55 247**	**72 272**	**71 751**	**81 274**	**91 220**	**91 220**	**40 729**	**130 780**	**119 139**	**117 145**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		10	3 906	8 162	16 010	12 774	12 774	3 457	20 690	18 143	18 540
Total Capital Funding	7	**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**44 186**	**151 470**	**137 283**	**135 685**

TABLE 16: 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

i. 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;
ii. Single-year capital expenditure has been appropriated at R151.470 million excluding VAT for the 2025/26 budget year.
iii. Various internal funded project has been proposed for 2025/26 to the tune of R20.690 million excluding VAT; and
iv. The municipality has not budgeted for any long-term borrowing to fund the capital programme.

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		18 876	22 390	19 777	33 558	35 688	35 688	164 519	44 802	51 561	51 842
Trade and other receivables from exchange transactions	1	27 501	46 420	109 859	161 640	104 338	104 338	79 848	131 237	134 466	136 910
Receivables from non-exchange transactions	1	60 955	145 803	78 428	122 131	81 000	81 000	146 694	90 201	91 295	92 064
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	4 808	331	(1 912)	8 709	1 055	1 055	(772)	989	993	1 991
VAT		95 357	123 533	151 865	176 941	176 941	176 941	190 785	193 137	194 898	196 688
Other current assets		(109)	685	1 370	–	–	–	835	955	955	955
Total current assets		**207 388**	**339 162**	**359 387**	**502 980**	**399 023**	**399 023**	**581 909**	**461 320**	**474 168**	**480 449**
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		109 865	279 274	60 756	290 992	68 000	68 000	67 458	70 458	70 596	70 728
Property, plant and equipment	3	863 933	904 738	918 243	975 951	981 814	981 814	935 567	1 027 404	1 011 163	1 007 601
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		539	539	539	565	565	565	539	539	539	539
Intangible assets		1 722	1 629	1 705	1 265	1 980	1 980	1 523	2 458	2 444	2 430
Trade and other receivables from exchange transactions		73	224	141	147	147	147	141	141	141	141
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–

Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**976 133**	**1 186 404**	**981 383**	**1 268 922**	**1 052 507**	**1 052 507**	**1 005 227**	**1 100 999**	**1 084 882**	**1 081 439**
TOTAL ASSETS		**1 183 521**	**1 525 566**	**1 340 771**	**1 771 902**	**1 451 529**	**1 451 529**	**1 587 136**	**1 562 319**	**1 559 050**	**1 561 888**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	1 098	–	(0)	(0)	3 320	4 171	4 171	4 171
Consumer deposits		7 153	7 316	7 239	7 296	7 296	7 296	7 326	7 239	7 239	7 239
Trade and other payables from exchange transactions	4	158 199	135 822	102 250	174 627	127 670	127 670	66 847	186 928	187 537	201 430
Trade and other payables from non-exchange transactions	5	14 269	7 438	49	(0)	(0)	(0)	70 124	0	0	0
Provision		13 296	17 593	(25 126)	2 623	11 625	11 625	(20 517)	5 933	5 933	5 933
VAT		89 911	118 018	150 362	180 698	180 698	180 698	200 416	158 838	159 367	159 788
Other current liabilities		26 792	1 294	1 404	–	–	–	–	–	–	–
Total current liabilities		**309 620**	**287 481**	**237 275**	**365 244**	**327 289**	**327 289**	**327 516**	**363 108**	**364 247**	**378 560**
Non current liabilities											
Financial liabilities	6	–	–	706	–	–	–	4 015	4 015	4 015	4 015
Provision	7	75 761	77 414	105 905	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	–	–	–	–
Other non-current liabilities		14 196	47 344	45 037	54 059	54 059	54 059	52 213	52 213	52 213	52 213
Total non current liabilities		**89 957**	**124 758**	**151 647**	**194 901**	**348 912**	**348 912**	**163 647**	**163 647**	**163 647**	**163 647**
TOTAL LIABILITIES		**399 577**	**412 239**	**388 922**	**560 145**	**676 200**	**676 200**	**491 163**	**526 755**	**527 894**	**542 208**
NET ASSETS		**783 944**	**1 113 327**	**951 848**	**1 211 757**	**775 329**	**775 329**	**1 095 972**	**1 035 564**	**1 031 156**	**1 019 680**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	777 427	1 112 480	951 237	1 211 757	775 329	775 329	1 035 097	1 035 564	1 031 156	1 019 680
Reserves and funds	9	–	–	–	–	–	–	–	–	–	–

Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	**777 427**	**1 112 480**	**951 237**	**1 211 757**	**775 329**	**775 329**	**1 035 097**	**1 035 564**	**1 031 156**	**1 019 680**

TABLE 17: MBRR TABLE A6 -BUDGETED FINANCIAL POSITION

Explanatory notes to Table A6 - Budgeted Financial Position

i. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first

ii. Table A6 is aligned with Municipal Standard Chart Of Account (mSCOA).

iii. Table A6 is also consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet);

iv. 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.

v. 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

vi. 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.

vii. The Municipal total assets value is seating at just over R1.452 billion for the 2024/25 financial period and expected to increase to R1.562 billion during 2025/26 budget year.

Description	###	2021/22	2022/23	2023/24	Current Year 2025/26				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts		67 127	77 567	94 157	110 152	102 915	102 915	102 915			
Property rates		174 991	191 413	222 417	210 506	214 519	214 519	214 519	103 879	108 519	113 228
Service charges		20 146	11 228	38 282	58 927	33 733	33 733	33 733	248 336	259 427	270 687
Other revenue		123 179	132 769	132 862	144 449	144 449	144 449	144 449	38 093	36 545	36 854
Transfers and Subsidies - Operational		35 086	80 466	84 007	93 465	104 902	104 902	104 902	151 036	153 792	160 735
Transfers and Subsidies - Capital	1	–	1 195	2 766	2 350	29 345	29 345	29 345	140 291	137 606	135 303
Interest	1	–	–	–	–	–	–	–	33 512	35 054	36 528
Dividends									–	–	–
Payments		(248 726)	(276 034)	(501 145)	(509 632)	(515 452)	(515 452)	(515 452)			
Suppliers and employees		–	–	–	–	–	–	–	(544 146)	(567 369)	(591 079)
Interest		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**171 803**	**218 605**	**73 345**	**110 217**	**114 411**	**114 411**	**114 411**	**171 002**	**163 573**	**162 256**
CASH FLOWS FROM INVESTING ACTIVITIES											

Receipts		–	–	–	–	–	–	–			
Proceeds on disposal of PPE		–	–	–	–	–	–	–			
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(64 905)	(77 764)	(95 319)	(97 284)	(103 994)	(103 994)	(103 994)	–	–	–
									(151 470)	(137 283)	(135 685)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(64 905)**	**(77 764)**	**(95 319)**	**(97 284)**	**(103 994)**	**(103 994)**	**(103 994)**	**(151 470)**	**(137 283)**	**(135 685)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts		–	–	–	–	–	–	–			
Short term loans		–	–	–	–	–	–	–			
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments		–	–	–	–	(0)	(0)	(0)	–	–	–
Repayment of borrowing									–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**(0)**	**(0)**	**(0)**	**–**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**106 898**	**140 841**	**(21 974)**	**12 932**	**10 418**	**10 418**	**10 418**	**19 531**	**26 290**	**26 571**
Cash/cash equivalents at the year begin:	2	**12 517**	**14 108**	**11 155**	**20 626**	**25 270**	**25 270**	**25 270**	**25 270**	**44 802**	**71 092**
Cash/cash equivalents at the year end:	2	**119 415**	**154 949**	**(10 819)**	**33 558**	**35 688**	**35 688**	**35 688**	**44 802**	**71 092**	**97 664**

TABLE 18: MBRR TABLE A7 - BUDGETED CASH FLOW STATEMENT

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

i. The budgeted cash flow statement is the first measurement in determining if the budget is funded;
ii. 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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	119 415	154 949	(10 819)	33 558	35 688	35 688	35 688	44 802	71 092	97 664
Other current investments > 90 days		(100 538)	(132 559)	30 595	(0)	(0)	(0)	116 248	(0)	(0)	(0)
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**18 876**	**22 390**	**19 777**	**33 558**	**35 688**	**35 688**	**151 936**	**44 802**	**71 092**	**97 664**
Application of cash and investments											
Unspent conditional transfers		14 269	7 438	49	(0)	–	–	83 313	0	0	0
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(5 446)	(5 515)	(1 504)	3 756	3 756	3 756	(8 318)	(34 299)	(35 531)	(36 900)
Other working capital requirements	3	158 199	135 822	102 250	(109 291)	(57 816)	(57 816)	(179 072)	(34 651)	(38 364)	(27 685)
Other provisions		40 088	18 887	(23 722)	2 623	11 625	11 625	20 517	5 933	5 933	5 933
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**207 110**	**156 632**	**77 073**	**(102 911)**	**(42 434)**	**(42 434)**	**(83 559)**	**(63 017)**	**(67 963)**	**(58 652)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(188 234)**	**(134 242)**	**(57 296)**	**136 470**	**78 122**	**78 122**	**235 496**	**107 819**	**139 055**	**156 315**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**31 005**	**10 335**	**(10 335)**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(188 234)**	**(134 242)**	**(57 296)**	**167 475**	**88 457**	**67 787**	**235 496**	**107 819**	**139 055**	**156 315**

TABLE 19: MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

2025/26 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

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
CAPITAL EXPENDITURE										
Total New Assets	1	**32 442**	**43 543**	**15 531**	**50 629**	**42 404**	**42 404**	**61 825**	**55 914**	**55 479**
Roads Infrastructure		19 201	23 880	6 987	9 374	7 187	7 187	18 812	26 289	19 373
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 640	3 290	1 867	17 665	17 665	17 665	12 987	8 658	9 049
Water Supply Infrastructure		95	9 307	1 642	7 027	4 659	4 659	13 577	6 494	3 463
Sanitation Infrastructure		8 621	6 158	385	–	–	–	–	–	866
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***30 558***	***42 635***	***10 880***	***34 066***	***29 512***	***29 512***	***45 376***	***41 440***	***32 752***
Community Facilities		–	–	–	435	0	0	760	1 038	9 092
Sport and Recreation Facilities		1 875	–	3 583	3 219	2 219	2 219	–	–	–
Community Assets		***1 875***	**–**	***3 583***	***3 654***	***2 219***	***2 219***	***760***	***1 038***	***9 092***
Heritage Assets		**–**	**–**	**–**	**300**	**300**	**300**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	800	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	***800***	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	125	–	–	–	–	–	–
Intangible Assets		**–**	**–**	***125***	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**908**	**772**	**1 835**	**1 935**	**1 935**	**3 200**	**2 769**	**2 769**
Furniture and Office Equipment		**–**	**–**	**110**	**300**	**189**	**189**	**380**	**300**	**300**
Machinery and Equipment		**–**	**–**	**61**	**10 475**	**8 250**	**8 250**	**11 310**	**10 367**	**10 566**
Transport Assets		**10**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**5 895**	**–**	**–**	**–**	**10 052**	**10 052**	**13 645**	**27 172**	**50 317**
Roads Infrastructure		–	–	–	–	10 052	10 052	9 316	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	2 597	4 329	–
Water Supply Infrastructure		5 895	–	–	–	–	–	1 732	22 843	50 317
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***5 895***	**–**	**–**	**–**	***10 052***	***10 052***	***13 645***	***27 172***	***50 317***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–

Community Assets	–	–	–	–	–	–	–	–	–	
Heritage Assets	–	–	–	–	–	–	–	–	–	
Revenue Generating	–	–	–	–	–	–	–	–	–	
Non-revenue Generating	–	–	–	–	–	–	–	–	–	
Investment properties	–	–	–	–	–	–	–	–	–	
Operational Buildings	–	–	–	–	–	–	–	–	–	
Housing	–	–	–	–	–	–	–	–	–	
Other Assets	–	–	–	–	–	–	–	–	–	
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–	
Servitudes	–	–	–	–	–	–	–	–	–	
Licences and Rights	–	–	–	–	–	–	–	–	–	
Intangible Assets	–	–	–	–	–	–	–	–	–	
Computer Equipment	–	–	–	–	–	–	–	–	–	
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–	
Machinery and Equipment	–	–	–	–	–	–	–	–	–	
Transport Assets	–	–	–	–	–	–	–	–	–	
Land	–	–	–	–	–	–	–	–	–	
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–	
Mature	–	-	-	-	-	-	-	-	-	
Immature	–	-	-	-	-	-	-	-	-	
Living Resources	-	-	-	-	-	-	-	-	-	

Total Upgrading of Existing Assets	6	**16 919**	**32 635**	**64 381**	**46 655**	**51 537**	**51 537**	**76 000**	**54 197**	**29 889**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	4 976	2 000	2 000	2 000	4 500	4 707	4 905
Water Supply Infrastructure		–	12 406	2 650	–	870	870	39 392	37 318	–
Sanitation Infrastructure		16 284	19 789	46 688	32 104	33 601	33 601	25 819	12 172	24 984
Solid Waste Infrastructure		635	440	10 067	12 451	14 966	14 966	6 289	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***16 919***	***32 635***	***64 381***	***46 555***	***51 437***	***51 437***	***76 000***	***54 197***	***29 889***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	100	100	100	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	–	***100***	***100***	***100***	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–

Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**151 470**	**137 283**	**135 685**
Roads Infrastructure		19 201	23 880	6 987	9 374	17 239	17 239	28 128	26 289	19 373
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 640	3 290	6 843	19 665	19 665	19 665	20 084	17 694	13 954
Water Supply Infrastructure		5 991	21 712	4 292	7 027	5 529	5 529	54 701	66 654	53 780
Sanitation Infrastructure		24 905	25 947	47 073	32 104	33 601	33 601	25 819	12 172	25 850
Solid Waste Infrastructure		635	440	10 067	12 451	14 966	14 966	6 289	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***53 372***	***75 269***	***75 262***	***80 621***	***91 001***	***91 001***	***135 021***	***122 809***	***112 958***
Community Facilities		–	–	–	435	0	0	760	1 038	9 092
Sport and Recreation Facilities		1 875	–	3 583	3 219	2 219	2 219	–	–	–
Community Assets		***1 875***	**–**	***3 583***	***3 654***	***2 219***	***2 219***	***760***	***1 038***	***9 092***
Heritage Assets		**–**	**–**	**–**	**300**	**300**	**300**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	100	100	100	800	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***100***	***100***	***100***	***800***	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	125	–	–	–	–	–	–
Intangible Assets		**–**	**–**	***125***	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**908**	**772**	**1 835**	**1 935**	**1 935**	**3 200**	**2 769**	**2 769**
Furniture and Office Equipment		**–**	**–**	**110**	**300**	**189**	**189**	**380**	**300**	**300**
Machinery and Equipment		**–**	**–**	**61**	**10 475**	**8 250**	**8 250**	**11 310**	**10 367**	**10 566**
Transport Assets		**10**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**151 470**	**137 283**	**135 685**

Total Upgrading of Existing Assets	6	**16 919**	**32 635**	**64 381**	**46 655**	**51 537**	**51 537**	**76 000**	**54 197**	**29 889**
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	4 976	2 000	2 000	2 000	4 500	4 707	4 905
Water Supply Infrastructure		–	12 406	2 650	–	870	870	39 392	37 318	–
Sanitation Infrastructure		16 284	19 789	46 688	32 104	33 601	33 601	25 819	12 172	24 984
Solid Waste Infrastructure		635	440	10 067	12 451	14 966	14 966	6 289	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***16 919***	***32 635***	***64 381***	***46 555***	***51 437***	***51 437***	***76 000***	***54 197***	***29 889***
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	100	100	100	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***100***	***100***	***100***	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**151 470**	**137 283**	**135 685**
Roads Infrastructure		19 201	23 880	6 987	9 374	17 239	17 239	28 128	26 289	19 373
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 640	3 290	6 843	19 665	19 665	19 665	20 084	17 694	13 954
Water Supply Infrastructure		5 991	21 712	4 292	7 027	5 529	5 529	54 701	66 654	53 780
Sanitation Infrastructure		24 905	25 947	47 073	32 104	33 601	33 601	25 819	12 172	25 850
Solid Waste Infrastructure		635	440	10 067	12 451	14 966	14 966	6 289	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***53 372***	***75 269***	***75 262***	***80 621***	***91 001***	***91 001***	***135 021***	***122 809***	***112 958***
Community Facilities		–	–	–	435	0	0	760	1 038	9 092
Sport and Recreation Facilities		1 875	–	3 583	3 219	2 219	2 219	–	–	–
Community Assets		***1 875***	**–**	***3 583***	***3 654***	***2 219***	***2 219***	***760***	***1 038***	***9 092***
Heritage Assets		**–**	**–**	**–**	**300**	**300**	**300**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Operational Buildings		–	–	–	100	100	100	800	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	***100***	***100***	***100***	***800***	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	125	–	–	–	–	–	–
Intangible Assets		**–**	**–**	***125***	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**908**	**772**	**1 835**	**1 935**	**1 935**	**3 200**	**2 769**	**2 769**
Furniture and Office Equipment		**–**	**–**	**110**	**300**	**189**	**189**	**380**	**300**	**300**
Machinery and Equipment		**–**	**–**	**61**	**10 475**	**8 250**	**8 250**	**11 310**	**10 367**	**10 566**
Transport Assets		**10**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**55 257**	**76 177**	**79 912**	**97 284**	**103 994**	**103 994**	**151 470**	**137 283**	**135 685**

ASSET REGISTER SUMMARY - PPE (WDV)	5	***874 743***	***1 114 835***	***883 191***	***1 184 500***	***957 140***	***957 140***	***869 587***	***865 111***	***863 662***
Roads Infrastructure		172 346	194 604	167 435	(16 721)	(13 300)	(13 300)	127 716	127 071	126 455
Storm water Infrastructure		57 469	74 486	73 879	–	(2 400)	(2 400)	69 006	68 891	68 780
Electrical Infrastructure		40 809	39 812	51 341	(1 159)	(1 000)	(1 000)	50 647	50 709	50 768
Water Supply Infrastructure		143 542	167 619	145 418	(4 182)	(4 182)	(4 182)	140 150	139 831	139 525
Sanitation Infrastructure		116 797	131 822	175 638	(4 668)	(5 300)	(5 300)	168 546	168 289	168 044
Solid Waste Infrastructure		20 456	13 483	10 803	–	(30)	(30)	(1 209)	(1 266)	(1 320)
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***551 419***	***621 825***	***624 514***	***(26 731)***	***(26 212)***	***(26 212)***	***554 855***	***553 525***	***552 253***
Community Assets		77 627	75 601	73 281	915 658	913 754	913 754	64 466	62 990	62 822
Heritage Assets		539	539	539	565	565	565	539	539	539
Investment properties		109 865	279 274	60 756	290 992	68 000	68 000	70 458	70 596	70 728
Other Assets		22 965	20 800	18 891	(1 514)	(1 050)	(1 050)	(1 195)	(1 250)	(1 303)
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		1 722	1 629	1 705	1 265	1 980	1 980	2 458	2 444	2 430
Computer Equipment		1 868	2 311	1 011	(3 150)	(969)	(969)	2 285	1 766	1 749
Furniture and Office Equipment		1 705	1 413	1 184	7 734	4 449	4 449	4 548	3 811	3 833
Machinery and Equipment		1 374	1 093	625	1 778	1 150	1 150	72 215	71 958	72 094
Transport Assets		26 748	23 660	19 385	(2 098)	(4 529)	(4 529)	17 658	17 432	17 216
Land		78 910	86 689	81 301	–	–	–	81 301	81 301	81 301
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**874 743**	**1 114 835**	**883 191**	**1 184 500**	**957 140**	**957 140**	**869 587**	**865 111**	**863 662**
EXPENDITURE OTHER ITEMS		**7 378**	**7 859**	**26 242**	**54 492**	**58 375**	**58 375**	**69 984**	**73 203**	**76 282**
Depreciation	7	389	–	18 143	39 862	42 393	42 393	44 944	47 011	48 989
Repairs and Maintenance by Asset Class	3	**6 990**	**7 859**	**8 098**	**14 630**	**15 983**	**15 983**	**25 040**	**26 192**	**27 294**

Roads Infrastructure		574	1 010	683	2 350	2 529	2 529	2 600	2 720	2 834
Storm water Infrastructure		45	241	534	600	550	550	600	628	654
Electrical Infrastructure		3 176	2 661	3 242	4 300	4 700	4 700	10 000	10 460	10 900
Water Supply Infrastructure		1 279	1 007	1 272	3 850	2 620	2 620	5 320	5 565	5 799
Sanitation Infrastructure		1 239	748	499	1 900	2 740	2 740	4 600	4 812	5 014
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		26	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	11	–	50	(0)	(0)	50	52	54
Infrastructure		***6 338***	***5 678***	***6 229***	***13 050***	***13 139***	***13 139***	***23 170***	***24 236***	***25 255***
Community Facilities		151	11	95	150	100	100	150	157	164
Sport and Recreation Facilities		364	816	936	550	725	725	1 150	1 203	1 253
Community Assets		***515***	***827***	***1 031***	***700***	***825***	***825***	***1 300***	***1 360***	***1 417***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**12**	**18**	**–**	**60**	**60**	**60**	**70**	**73**	**76**
Machinery and Equipment		**124**	**146**	**200**	**320**	**259**	**259**	**500**	**523**	**545**
Transport Assets		**–**	**1 190**	**639**	**500**	**1 700**	**1 700**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**7 378**	**7 859**	**26 242**	**54 492**	**58 375**	**58 375**	**69 984**	**73 203**	**76 282**
Renewal and upgrading of Existing Assets as % of total capex		*41.3%*	*42.8%*	*80.6%*	*48.0%*	*59.2%*	*59.2%*	*59.2%*	*59.3%*	*59.1%*
Renewal and upgrading of Existing Assets as % of deprecn		*5871.7%*	*0.0%*	*354.8%*	*117.0%*	*145.3%*	*145.3%*	*199.5%*	*173.1%*	*163.7%*
R&M as a % of PPE		*0.8%*	*0.7%*	*0.9%*	*1.2%*	*1.7%*	*1.7%*	*2.9%*	*3.0%*	*3.2%*
Renewal and upgrading and R&M as a % of PPE		*3.4%*	*3.6%*	*8.2%*	*5.2%*	*8.1%*	*8.1%*	*13.2%*	*12.5%*	*12.5%*

TABLE 20: MBRR TABLE A9 - ASSET MANAGEMENT

Explanatory notes to Table A9 - Asset Management

i. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

ii. The table shows that all the capital allocations are for new assets.

iii. 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 8% of the total value of PPE.

iv. 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 master plan for electricity network and water services.

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)	2	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)	4	–	–	–	–	–	–	–	–	–
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
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**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		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	**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

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
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	5	**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		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
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**
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)		4 665	4 665	5 100	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	4 800	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	13 905
Sanitation (free sanitation service to **indigent households**)		13 331	13 323	11 911	15 672	13 010	13 010	15 543	16 258	16 942
Electricity/other energy (50kwh per **indigent** household per month)		3 894	4 262	5 235	8 504	5 764	5 764	6 577	6 880	7 169
Refuse (removed once a week **for indigent households**)		4 891	4 775	4 495	5 917	4 711	4 711	4 983	5 212	5 432
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	**31 553**	**32 066**	**31 098**	**44 407**	**35 843**	**35 843**	**39 860**	**41 694**	**43 448**
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)** (**impermissable values per section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		32 830	39 934	49 819	47 833	47 733	47 733	50 730	53 063	55 295
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
Refuse **(in excess of one removal a week for indigent households)**		0	(0)	(0)	(0)	0	0	(0)	(0)	0
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**32 830**	**39 934**	**49 818**	**47 833**	**47 733**	**47 733**	**50 730**	**53 063**	**55 295**

TABLE 21: MBRR TABLE A10 - BASIC SERVICE DELIVERY MEASUREMENT

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The also reflects the cost of providing free basic services to indigent consumers, exemptions and rebates provided to different consumer categories.

END

2.7. Municipality manager's quality certificate

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

- 2025/2026 Draft Budget

Has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Mr T.G. Ramagaga
Municipal Manager

Signature: _____

Date: 31 March 2025