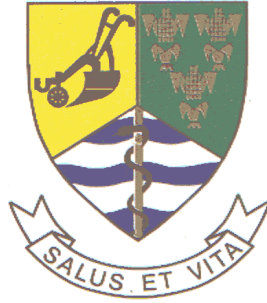


**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**



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

**2026/2027**

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

**Acronyms and abbreviations**

<b>Abbreviations</b>	<b>Acronyms</b>
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

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

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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  
2026/27 ANNUAL BUDGET AT THE ORDINARY COUNCIL MEETING HELD ON THE 31  
MARCH 2026 AT THE BELA-BELA MUNICIPAL COUNCIL CHAMBERS**

- Honourable Speaker of Council,
- M Madam Speaker, Cllr Nelly Zikhali
- 
- The Whip of Council, Cllr Koos Sepuru
- 
- Members of the Executive Committee
- 
- Portfolio Chairpersons
- 
- Councilors present here today
- 
- Ndabezitha, Ikosi Vuma Mahlangu
- 
- The Municipal Manager, Mr. George Ramagaga
- 
- Senior Managers and Municipal Officials
- 
- Quality Assurance Committees Chairpersons
- 
- Members of the Media
- 
- Community representatives in the gallery
- 
- Ladies and Gentlemen
- 
- Distinguished guestmembers of the Executive Committee
- Ikosi Ndabezitha Mahlangu
- Whip of Council
- Honourable Councillors
- The Municipal Manager and management

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

- Distinguished Guests
- Community Members in the Public Gallery
- Ladies and Gentlemen

### **Good morning,**

Section 160(2) of the Constitution of the Republic of South Africa of 1996, and the Local Government Municipal Financial Management Act 56 of 2003 in Section 16(1) and 24(2) of read with paragraph 9 of the Municipal Budget and Reporting Regulations makes provision for development and approval of the budget by local government institutions.

In accordance with section 16(1) of the MFMA, the Council of a municipality must for each financial year approve an annual budget for a municipality before the start of financial year.

In order for a municipality to comply with subsection (1), 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.

Section 24(2) of the MFAM requires stipulates that an annual budget-

- (a) Must be approved before the start of the budget year
- (b) Is approved by the adoption by Council of a resolution referred to in section 17(3)(a)(i);
- (c) Must be approved together with the adoption of resolutions as may be necessary-
  - (i) Imposing any municipal tax for the budget year;
  - (ii) Setting any municipal tariffs for the budget year;
  - (iii) Approving measurable performance objectives for revenue from each source and for each vote in the budget;
  - (iv) Approving any changes to the Municipality's integrated development plan and approving any changes to the municipality's budget related policies.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

In July 2025 the Council of Bela-Bela Local Municipality adopted the IDP/Budget Process Plan to review the 2026/27 IDP/Budget in terms of the provision of the Municipal Finance Management Act.

All phase of the IDP development process as per approved process plan were adhered to which includes Analysis, Strategies, Projects and Integration. We are now at the tail end of the process where we are tabling draft budget for public consultation. The process will be concluded when the final budget is Approved adhering to the timelines set out in the MFMA.

The tabling of the draft annual budget is a crucial step in the financial planning process for municipalities. It serves as a blueprint for the municipality's financial activities during the upcoming fiscal year. It outlines revenue sources, expenditure allocations, and investment priorities.

The Accounting Officer has in accordance with section 68 of the MFMA, assisted the Mayor to perform the assigned budgetary functions and provided the administrative support and resources as required.

The draft annual budget for the 2026/2027 financial year and the outer two financial years, and the Integrated Development Plan (IDP) for the next five years were compiled and are to be taken for public consultation processes after tabling in terms of sections 22 and 23 of the MFMA, read with section 16(1) of the Municipal Systems Act.

Madam Speaker, it is very critical for the Municipality to consider Both the Micro and Macro Economic factors in the process of adopting the final Budget. The Municipality must remain resilient in driving the development agenda amidst uncertain economic conditions influenced by the geo-politics.

The balancing act of providing sustainable services in a cost-effective manner considering economic hardships brough about by the global economic environment is a serious struggle that requires careful consideration.

Should we fail to apply our selves diligently, we risk adopting unfunded budget with non-cost reflective tariffs that will have negative impact on the Municipality's financial viability and service delivery ability.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

The cost of rendering service for the Municipality is too high, and we have consumers of services and rate payers who are highly indebted and are constrained by the high cost of living. We are on the eve of unprecedented increase in petrol and diesel prices which will worsen the already burdened household cost.

We had a little experience of the public mood during the NERSA public consultation session that was held concurrently with the third quarter IDP Rep Forum. We must brace ourselves for robust engagements that might be coupled with resistance of proposed tariffs increases.

We remain committed to building a capable, ethical and developmental institution that will better the lives of the people of Bela- Bela. Council as a collective, we must ensure the smooth running of the forthcoming community consultation sessions.

The draft annual budget for the 2026/2027 financial year and the outer two financial years, and the IDP for the next five years were compiled and are to be taken for public consultation processes after tabling in terms of sections 22 and 23 of the MFMA, read with section 16(1) of the Municipal Systems Act.

In the processes of consolidating this draft, MFMA budget circulars issued by National Treasury annually to provide guidance to municipalities with the compilation of the Medium-Term Revenue and Expenditure Framework (MTREF) were considered. The 2026/2027 draft budget is based on MFMA circular 132 issued in December 2025 and circular 134 issued in March 2026 respectively and other previous circulars.

These circulars are linked to the Municipal Budget and Reporting Regulations and the Municipal Standard Chart of Accounts (mSCOA).

The municipality strived to ensure that the budget preparation processes meet the minimum requirements to achieve a realistic and credible budget and further align its projections with the current economic growth.

Madam Speaker, The National Treasury forecasts economic growth (GDP) to average 1.8% over the next three years referring to 2026 to 2028. The Consumer Price Index is forecasted to decrease and stabilize over next three years. The projected decrease is 3.4% in the 2026/27 financial year, 3.3% in the 2027/28 financial year and 3.2% in the 2028/29 financial years respectively.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

It is projected that the municipality will achieve an operational surplus of R23 million, annual operating revenue budget of R760 million and expenditure of R73 million respectively for the 2026/2027 financial year as well as for the two outer years followed by principles of:

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

The Bela-Bela Local Municipality's Medium Term Revenue Expenditure Framework focused on eradication of non-priority spending and reprioritize expenditures to towards core infrastructure and service delivery.

The main challenges experienced during the compilation of the draft annual budget (MTREF) are as follows:

- Limited revenue streams.
- Minimal surpluses in the short to medium term.
- Insufficient budget allocation for Repairs and Maintenance of PPE.
- Limited cash reserves for internally funded capital projects.
- High cost of bulk purchases for electricity and water.

The following increases are proposed to support the 2026/27 operating and capital expenditure:

The total revenue from property rates is budgeted to increase by 3% in the 2026/2027 financial year.

Cost of Supply Study and the actual user consumption indicate a required tariff increase of 12.30%, however, Council agreed on reducing the increase to 11,8%.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

The anticipated Water service charge increase is 6.5% as per expected increase by the Water Board (Magalies Water). The replacement of faulty and damaged meters will lead to a more accurate reading.

Other service charges (sanitation and refuse) and other income are projected to increase by 3.4% in line with the projected Consumer Price Index (CPI) as per MFMA Budget Circular 134.

Interest earned from receivables and property rates is projected to increase by 3.4% as per the projected CPI.

Interest earned from Current and Non-Current Assets increase by 15%. The projected increase is due to envisaged investment opportunities to be explored through favourable cash & cash equivalent. 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.

Operational Transfers and Subsidies will amount to R155 million as per the Division of Revenue Bill (DORB) Gazette No. 54086 of 6 February 2026.

Expenditure increases noteworthy are as follows:

Employee related costs have incorporated 4.7% increase envisaged in the Salary and Wage Collective Agreement dated 6 September 2024. The increase also makes provision for the funding of vacant posts to be filled in 2026/27 financial year.

Remunerations of Councillors budget provision of 3.4% is proposed. In line with MFMA Circular 132, Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of Municipal Council published annually between December and January by the Department of Cooperative Governance. The proposed budget is taking consideration of the fiscal constraints and based on the trend from previous financial years.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Electricity bulk purchase is estimated to increase by 9% in line with the NERSA approved increase.

Inventory consumed is projected to increase by 7.9% which is inclusive of Magalies water board increase of 6.5%. The increase also incorporates consumables, materials and supplies.

Debt impairment budget provision is projected to increase by 3.6% and depreciation increase by 7.1%.

Interest expense is proposed to increase by 6.3% to provide for finance lease liability and provisions.

Contracted Services is proposed to increase by 1.7% to provide for the maintenance of the landfill site and other contractual commitments.

Operational costs is projected to increase by 4.6% to provide for inter alia legal and audit fees.

The municipality's capital budget is mainly grant funded. Proposed total capital budget amount is R117 million with R103 million (grants) and R14 million (own funded).

Following is the summary and allocation of Capital and Operational Grants:

- LGSETA Discretionary Grant: R 250 000
- LGSETA Mandatory Grant: R 200 000
- Local Government Financial Management Grant: R 2 000 000
- Equitable Share: R 149 236 000
- EPWP Grant: R 1 632 000
- Water Service Infrastructure Grant: R 81 044 000
- Integrated National Electrification Programmes Grant (INEP): R 9 000 000
- EEDSM has been integrated into INEP, therefore from the R9 000 000, an amount of R4 000 000 has been set aside for Energy Efficiency programme.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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Total operational grants allocation amount to R 155.577 million as per Dora allocation schedule and non-DORA mandatory allocations and Total capital grants amount to R 119.665 million, which includes only 95% of the total Municipal Infrastructure Grant allocation.

The MIG allocation amounts to R 31.180 million, and the amounts is split within the projects including 5% of the total Municipal Infrastructure Grant allocation to fund the administration costs of the PMU unit.

The MIG allocation breakdown is as follows:

- Construction of Road Paving and Bulk stormwater in Extension 8- Phase 4: R1 096 235
- Construction of Road Paving and Stormwater in Rapotokwane- Phase 1: R25 015 765
- Development of Cemetery – Pienaarsriver: R1 000 000
- Construction of Road Paving and Stormwater in Masakhane- Phase 1: R 1 000 000
- Construction of Road Paving and Stormwater in Bela- Bela - Phase 2: R 1 000 000
- Construction of Road Paving and Stormwater in Bela- Bela Extension 6B- Phase 1:  
R 509 000

Water Service Infrastructure Grant total allocation is R84.044 million breakdown as follows:

- Water Supply Source Augmentation using SASSA Borehole and construction of Water Treatment Plant (Ward 1): R18 000 000
- Water Supply Source Augmentation using Showground Borehole and construction of Water Treatment Plant (Ward 2): R13 000 000
- Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockery and Potgieter Street (Ward 1): R20 743 153
- Upgrading of the Pienaarsrivier Sewer Pump Station and Wastewater Treatment Works (Ward 8): R15 000 000
- Upgrading of the Masakhane sewer pumpstation and Wastewater Treatment Works (Ward 9): R14 300 847

We will implement own source capital projects at a value of R16,7 million prioritizing critical service delivery programmes.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

I wish to appreciate all Councillors for their valuable input in ensuring that we consider the material conditions of the people of Bela-Bela when we resolve on the electricity tariffs increase. It was a daunting task to come to consensus. We are aware of financial implications this resolution has on the Municipality's ability to fund own source capital projects and other service delivery programmes and projects.

Our budget is not cash backed; this implies that we need must advocate for payment of rates and taxes by community members per consumptions consistently. 80% of our budget must be funded through payment of rates and taxes. We are not in a business of making profits, but we must collect revenue to be able to honour our financial obligations and provide service in a sustainable manner.

Madam Speaker, I present to this Council today draft annual budget 2026/27 and the draft 2026/27 IDP with recommendations as recorded in Council items MC133/03/2026 and MC134/03/2026 respectively.

I thank you...

### **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 2026/27 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 2026/27 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.

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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

Functional Classification Description	1	2022/23	2023/24	2024/25	Current Year 2025/26		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>Revenue - Functional</b>							
<b>Governance and administration</b>		292 167	289 215	381 820	343 477	405 821	405 821
Executive and council		-	-	-	-	-	-
Finance and administration		292 167	289 215	381 820	343 477	405 821	405 821
Internal audit		-	-	-	-	-	-
<b>Community and public safety</b>		8 259	7 295	6 909	9 965	9 990	9 990
Community and social services		536	496	532	538	562	562
Sport and recreation		-	-	-	-	-	-
Public safety		7 723	6 799	6 377	9 428	9 428	9 428
Housing		-	-	-	-	-	-
Health		-	-	-	-	-	-
<b>Economic and environmental services</b>		38 133	52 774	47 165	45 483	73 301	73 301
Planning and development		10 460	9 186	10 503	5 432	12 415	12 415
Road transport		27 673	43 588	36 662	40 051	60 887	60 887
Environmental protection		-	-	-	-	-	-
<b>Trading services</b>		258 039	302 925	406 278	408 732	401 496	401 496
Energy sources		119 697	148 960	241 918	208 891	209 681	209 681
Water management		103 409	109 988	121 707	151 677	146 396	146 396
Waste water management		23 358	28 003	29 232	34 022	31 883	31 883
Waste management		11 576	15 975	13 421	14 142	13 536	13 536
<b>Other</b>	4	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	596 598	652 209	842 173	807 657	890 608	890 608

1.2.1.2.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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<b>Expenditure - Functional</b>							
<b>Governance and administration</b>		<b>189 080</b>	<b>145 529</b>	<b>197 551</b>	<b>170 620</b>	<b>204 921</b>	<b>204 921</b>
Executive and council		24 571	26 842	28 273	25 374	26 298	26 298
Finance and administration		155 016	114 756	165 298	140 385	173 063	173 063
Internal audit		9 493	3 931	3 980	4 861	5 560	5 560
<b>Community and public safety</b>		<b>57 363</b>	<b>79 548</b>	<b>129 867</b>	<b>79 141</b>	<b>102 451</b>	<b>102 451</b>
Community and social services		37 651	34 985	36 005	39 620	38 229	38 229
Sport and recreation		527	2 642	2 027	2 510	2 309	2 309
Public safety		19 185	41 921	91 834	37 011	61 912	61 912
Housing		-	-	-	-	-	-
Health		-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>39 100</b>	<b>39 165</b>	<b>45 083</b>	<b>49 533</b>	<b>47 612</b>	<b>47 612</b>
Planning and development		10 381	10 605	15 288	17 647	16 451	16 451
Road transport		28 719	28 559	29 795	31 886	31 161	31 161
Environmental protection		-	-	-	-	-	-
<b>Trading services</b>		<b>182 255</b>	<b>283 623</b>	<b>304 400</b>	<b>328 505</b>	<b>329 769</b>	<b>329 769</b>
Energy sources		119 105	181 768	195 550	215 606	219 051	219 051
Water management		33 399	43 220	60 502	66 785	67 095	67 095
Waste water management		18 366	32 744	19 078	15 497	15 905	15 905
Waste management		11 384	25 890	29 270	30 617	27 718	27 718
<b>Other</b>	4	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>
<b>Surplus/(Deficit) for the year</b>		<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>

1.2.1.1.3.

1.2.1.1.4.

Table 12: MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification);

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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1.2.1.5. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>							
<b>Revenue by Vote</b>	1						
Vote 1 - Budget and Treasury		279 569	287 645	376 726	341 972	404 124	404 124
Vote 2 - Corporate Services		12 598	1 569	5 095	1 505	1 697	1 697
Vote 3 - Mayor		-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-
Vote 6 - Planning and Economic Development		9 003	7 773	9 022	3 890	10 873	10 873
Vote 7 - Social and Community Services		19 834	23 270	20 330	24 108	23 526	23 526
Vote 8 - Speaker		-	-	-	-	-	-
Vote 9 - Technical Services		274 137	330 539	429 519	434 641	448 847	448 847
Vote 10 - Technical Services		1 457	1 413	1 482	1 542	1 542	1 542
<b>Total Revenue by Vote</b>	2	<b>596 598</b>	<b>652 209</b>	<b>842 173</b>	<b>807 657</b>	<b>890 608</b>	<b>890 608</b>
<b>Expenditure by Vote to be appropriated</b>	1						
Vote 1 - Budget and Treasury		121 917	81 045	120 149	84 604	98 542	98 542
Vote 2 - Corporate Services		28 877	29 313	39 912	48 575	68 526	68 526
Vote 3 - Mayor		1 057	1 203	2 566	3 422	2 998	2 998
Vote 4 - Municipal Manager		19 685	20 907	21 539	18 249	17 828	17 828
Vote 5 - Internal Audit		9 493	3 931	3 980	4 861	5 560	5 560
Vote 6 - Planning and Economic Development		6 760	7 846	11 315	15 228	12 659	12 659
Vote 7 - Social and Community Services		68 748	105 439	159 137	109 758	130 169	130 169
Vote 8 - Speaker		8 051	9 130	9 404	10 909	11 467	11 467
Vote 9 - Technical Services		199 590	286 292	304 924	329 774	333 212	333 212
Vote 10 - Technical Services		3 620	2 760	3 973	2 420	3 791	3 791
<b>Total Expenditure by Vote</b>	2	<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 856</b>	<b>205 856</b>

1.2.1.6. Table 13: MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote);

1.2.1.7. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 14: MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure) by type; and

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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1.2.1.8. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>						
<b>Capital expenditure - Vote</b>							
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>						
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		-	-	-	261	0	
Vote 8 - Speaker		-	-	-	-	-	
Vote 9 - Technical Services		-	-	2 999	29 661	27 533	27
Vote 10 - Technical Services		-	-	-	-	-	
Vote 11 -		-	-	-	-	-	
Vote 12 -		-	-	-	-	-	
Vote 13 -		-	-	-	-	-	
Vote 14 -		-	-	-	-	-	
Vote 15 -		-	-	-	-	-	
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>2 999</b>	<b>29 922</b>	<b>27 533</b>	<b>27</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	1						
<b>Single-year expenditure to be appropriated</b>	2						
Vote 1 - Budget and Treasury		199	7 583	1 104	80	254	2
Vote 2 - Corporate Services		2 738	1 868	1 100	3 200	3 430	3 4
Vote 3 - Mayor		-	-	-	-	-	
Vote 4 - Municipal Manager		-	-	75	-	-	
Vote 5 - Internal Audit		-	-	-	300	-	
Vote 6 - Planning and Economic Development		(130)	-	-	500	250	2
Vote 7 - Social and Community Services		16 688	14 762	18 352	7 916	9 344	9 3
Vote 8 - Speaker		-	-	-	-	-	
Vote 9 - Technical Services		51 669	87 467	144 326	110 093	131 063	131 0
Vote 10 - Technical Services		-	-	-	-	-	
Vote 11 -		-	-	-	-	-	
Vote 12 -		-	-	-	-	-	
Vote 13 -		-	-	-	-	-	
Vote 14 -		-	-	-	-	-	
Vote 15 -		-	-	-	-	-	
<b>Capital single-year expenditure sub-total</b>		<b>71 163</b>	<b>111 680</b>	<b>164 957</b>	<b>122 089</b>	<b>144 342</b>	<b>144 3</b>
<b>Total Capital Expenditure - Vote</b>		<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 8</b>

1.2.1.9.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>Capital Expenditure - Functional</b>							
<b>Governance and administration</b>		2 937	9 451	2 279	3 580	3 684	3 684
Executive and council		-	-	-	-	-	-
Finance and administration		2 937	9 451	2 279	3 280	3 684	3 684
Internal audit		-	-	-	300	-	-
<b>Community and public safety</b>		-	3 933	2 921	1 561	1 505	1 505
Community and social services		-	41	153	411	180	180
Sport and recreation		-	3 892	2 466	-	-	-
Public safety		-	-	302	1 150	1 325	1 325
Housing		-	-	-	-	-	-
Health		-	-	-	-	-	-
<b>Economic and environmental services</b>		8 732	25 222	16 479	28 950	46 065	46 065
Planning and development		(130)	-	-	500	250	250
Road transport		8 862	25 222	16 479	28 450	45 815	45 815
Environmental protection		-	-	-	-	-	-
<b>Trading services</b>		59 494	73 074	146 277	117 920	120 621	120 621
Energy sources		11 421	6 897	63 647	25 752	27 530	27 530
Water management		1 665	5 255	18 797	57 338	57 459	57 459
Waste water management		29 720	50 093	48 402	28 213	27 792	27 792
Waste management		16 688	10 829	15 431	6 616	7 839	7 839
<b>Other</b>		-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	71 163	111 680	167 956	152 011	171 875	171 875

1.2.1.10.

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26			
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audited outcome
<b>Funded by:</b>								
National Government		56 747	77 646	114 413	131 349	149 077	149 077	97 000
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)		-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	56 747	77 646	114 413	131 349	149 077	149 077	97 000
<b>Borrowing</b>	6	-	-	-	-	-	-	-
<b>Internally generated funds</b>		14 217	17 290	13 665	20 662	22 799	22 799	4 000
<b>Total Capital Funding</b>	7	70 964	94 936	128 078	152 011	171 875	171 875	102 000

1.2.1.11.



**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

- 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 2026.

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 2026 the following draft rates and tariffs:

1.2.5. To support the 2026/27 operating and capital expenditures draft annual budget, the following increases are proposed with effect from 1 July 2026:

<b>Description</b>	<b>Percentage increases</b>	<b>Guideline</b>
Property rate	3.0%	CPI
Water	6.5%	Magalies Water Board Tariff increase guideline
Other Service charges	3.4%	CPI
Sundry revenue	3.4%	CPI
Electricity	11.8%	Proposed increase per COS

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.

1.2.7. 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.

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

- a) That the municipality is not budgeting to raise long-term loans to fund the capital budget.
- b) That the Accounting Officer adheres to all prescribed requirements in terms of legislation regarding the submission of the budget document to the various institutions.

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

### **1.3. Executive Summary**

The 2026/27 Medium Term Revenue and Expenditure Framework (MTERF) Budget document deals with the operating budget, tariffs, capital budget and funding sources to ensure that the municipality renders services to its Residents 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 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 2026 to 30 June 2027 (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

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

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 2024/25 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 2024/25 annual financial statements and the performance report were submitted to the Auditor General of South Africa (AGSA) on 31 August 2025 for audit as stipulated in section 126(1)(a) of MFMA.

The AGSA conducted the statutory audit of the municipality from 01 September 2025 to 30 November 2025 as stipulated in section 126 (3). The municipality obtained a unqualified audit opinion for 2024/25.

A detailed Audit Action Plan has been compiled to address 2024/25 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 2026/27 to 2028/2029 planning and budget process, a review to the municipality's service delivery priorities were done. Strategic planning sessions was held for the 2026/2027 budget during February 2026. The compilation of the 2026/27 budget was further guided by prescribed budget legislative, policy frameworks and budget circulars.

### **Legislative Requirements**

The MTREF for 2026/27 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 2026/27 MTREF:

- i. National Treasury's MFMA Circulars number 132, 134 and previously issued circulars were used as guidelines in the compilation of the 2026/2027 MTREF;
- ii. Headline inflation predictions;

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- iii. National outcomes and priorities as contained in the NDP, MTBPS, the President's State of the Nation Address and the 2026 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 2025/2026 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 consider the need to address infrastructure backlogs. The municipality has conducted the cost of supply study on electricity and considered Water board guidelines for Water and Consumer price index (CPI) for other services 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 2026/2027 MTREF, few challenges were experienced, 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. The increasing debt as a result of non-payment;
- iv. Aging and insufficiently funded maintenance for water, roads and electricity infrastructure;
- v. Reprioritization of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the Municipality's cash position into account;
- vi. 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
- vii. Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund capital expenditure from internal sources.

### 1.3.1. Budget Overview for the 2026/27 MTREF

This section provides an overview of the Municipality's 2026/27 to 2028/29 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

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

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 changes is the re-modelling of the electricity tariffs which are based on the outcome of the Cost of Supply Studies as required by NERSA for tariff approval and Water as per Water Board (Magalies Water) guidelines. Other tariffs will increase in line with the projected CPI as per Circular 132 and 134.

#### **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

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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**

## **2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

The table below provides a consolidated summary of the overall proposed draft annual budget (MTREF) for 2026/2027 financial year and the outer years. It is projected that the municipality will achieve an operational surplus of R23.757 million in the 2026/2027 financial year.

Draft annual operating revenue and expenditure of R760.041million and R 736.284 million respectively for the 2026/2027 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.

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FOR THE FINANCIAL YEAR**

The following table is summary of the 2026/2026 MTREF (Classified by Main revenue source)

Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	117 903	147 596	167 898	189 484	189 966	189 966	144 569	212 382	237 443	265 462
Service charges - Water	2	43 438	39 510	39 836	50 250	46 104	46 104	31 887	49 101	50 721	52 344
Service charges - Waste Water Management	2	19 025	22 158	21 661	26 128	24 520	24 520	17 377	25 353	26 947	27 810
Service charges - Waste Management	2	9 524	10 596	10 537	11 267	11 433	11 433	8 498	11 821	12 211	12 602
Sale of Goods and Rendering of Services	2	1 760	1 418	1 482	1 400	1 400	1 400	862	1 448	1 548	1 597
Agency services	2	4 883	4 602	4 193	6 000	6 000	6 000	3 308	6 204	6 508	6 716
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	9 046	12 652	13 904	15 389	14 029	14 029	9 523	14 506	14 985	15 464
Interest earned from Current and Non Current Assets	2	1 432	2 752	4 789	5 000	8 000	8 000	3 371	9 244	9 549	9 854
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1 477	1 196	1 172	1 223	1 336	1 336	1 003	1 381	1 427	1 472
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	3 417	11 934	1 981	2 470	3 487	3 487	1 556	3 606	3 725	3 844
<b>Non-Exchange Revenue</b>											
Property rates	2	108 940	95 606	107 614	115 924	115 924	115 924	83 508	119 386	123 325	127 272
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	33 520	31 619	95 316	43 548	103 544	103 544	61 445	107 064	110 597	114 136
Licences or permits	2	2 160	2 200	2 193	3 447	3 447	3 447	2 093	3 564	3 681	3 799
Transfer and subsidies - Operational	2	122 766	134 834	144 522	151 036	151 426	151 426	148 599	155 577	158 614	163 946
Interest	2	14 038	13 330	15 501	17 045	15 675	15 675	11 115	16 223	16 758	17 295
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	3 369	3 575	3 848	3 595	2 424	2 424	1 151	2 507	2 589	2 672
Gains on disposal of Fixed and Intangible Assets	2	-	-	2 400	-	-	-	-	-	-	-
Other Gains	2	16 657	9 901	19 766	13 398	20 398	20 398	-	20 675	10 681	11 023
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>513 356</b>	<b>545 479</b>	<b>658 611</b>	<b>656 606</b>	<b>719 111</b>	<b>719 111</b>	<b>529 865</b>	<b>760 041</b>	<b>791 311</b>	<b>837 309</b>

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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 2026/2027 financial year of an estimated R760.041 million or 5% more than the 2025/2026 adjustments budget revenue of R719.111 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 134.

Operating grants which are guided by Division of Revenue Act (DoRa) was increased from R151.036 million to R155.577 million which represent 5%.

Capital grants decreased from R152.011 million in 2025/26 budget to R117.989 million in 2026/2027.

### **Details analysis of revenue sources**

- a) Property rates revenue is projected to increase by 3 percent for the 2026/2027 financial year.
- b) Electricity revenue budget is projected to increases by 11.8 percent as per Cost of Supply Study and the actual user consumption levels. The National Treasury's RT29 contract will also help roll out smart prepaid meters and this is anticipated to boost electricity sales.
- c) Service charges-Water is anticipated to increase by 6.5 percent as per expected increase by the Water Board (Magalies Water). The replacement of faulty and damaged meters will lead to a more accurate reading.
- d) Other service charges (sanitation and refuse) and other income are projected to increase by 3.4 percent in line with the projected Consumer Price Index (CPI) as per MFMA Budget Circular 134.
- e) Interest earned from Receivables and property rates is projected to increase by 3.4 percent as per the projected CPI.
- f) For the 2026/2027 financial year, a 15 percent increase in interest income from Interest earned from Current and Non-Current Assets is anticipate. This projected growth is primarily driven by upcoming investment opportunities that the municipality plans to explore thanks to its favourable cash position. To maximise these investment returns the

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municipality will continue to implement sound cash management principles ensuring a positive cash balance is maintained and substantial interest revenue is earned.

- g) Operational Transfers and Subsidies will amount to R155.577 million as per the Division of Revenue Bill (DORB) Gazette No. 54086 of 6 February 2026.

**Transfers and Grant Receipts (2026/27)**

<b>Operational Grants</b>			
<b>Grant Description</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/2028</b>	<b>Budget Year +2 2028/29</b>
LGSETA Discretionary Grant	R 250 000	R -	R -
Municipal Infrastructure Grant	R 1 559 000	R 1 714 050	R 1 763 300
LGSETA Mandatory Grant	R 200 000	R -	R -
Local Government Financial Management Grant	R 2 000 000	R 2 100 000	R 2 200 000
Equitable Share	R 149 236 000	R 154 800 000	R 159 983 000
Expanded Public Works Programme Integrated Grant	R 1 632 000	R -	R -
Integrated National Electrification Programme Grant	R 700 000	R -	R -
<b>Sub-total</b>	<b>R 155 577 000</b>	<b>R 158 614 050</b>	<b>R 163 946 300</b>

**Table 2: Operational Transfers And Grant Receipts (2026/27)**

<b>Capital Grants</b>			
<b>Grant Description</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/2028</b>	<b>Budget Year +2 2028/29</b>
Water Services Infrastructure Grant	R 81 044 000	R 91 973 000	R 96 103 000
Municipal Infrastructure Grant	R 29 621 000	R 32 566 950	R 33 502 700
Integrated National Electrification Programme Grant	R 9 000 000	R 13 452 000	R 15 924 000
<b>Sub-total</b>	<b>R 119 665 000</b>	<b>R 137 991 950</b>	<b>R 145 529 700</b>

**TABLE 3: CAPITAL TRANSFERS AND GRANT RECEIPTS (2026/27)**

<b>Total Grants</b>	<b>R302,087,000</b>	<b>R291,398,000</b>	<b>R296,038,000</b>
---------------------	---------------------	---------------------	---------------------

Total Municipal Infrastructure Grant allocation amount to R 29.621 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**

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The 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 2025/26 financial year as per the council resolution approved in January 2026.
- 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. We have developed a query register which will also assist in updating customers details and to monitor the number and nature of queries

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**1.3.6. Operating Expenditure Framework**

The following table is a high-level summary of the 2026/2027 budget and MTREF (classified per type of expenditure):

Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1										
<b>Expenditure</b>											
Employee related costs	2	143 621	147 682	169 460	181 826	194 051	194 051	114 930	215 562	220 105	227 154
Remuneration of councillors	2	7 835	8 810	9 034	9 715	10 297	10 297	6 631	10 648	10 999	11 351
Bulk purchases - electricity	2	111 942	136 246	156 736	178 230	178 230	178 230	119 718	194 288	200 700	207 122
Inventory consumed	2,8	26 561	25 206	27 545	36 309	36 495	36 495	25 163	39 378	40 677	41 979
Debt impairment	2,3	24 566	78 441	135 102	24 996	61 318	61 318	8 816	63 521	65 617	67 717
Depreciation, amortisation and impairment	2	41 711	42 206	44 080	44 944	49 090	49 090	20 961	52 577	54 312	56 050
Interest, Dividends and Rent on Land	2	17 502	15 351	7 517	18 612	10 345	10 345	-	11 000	11 363	11 727
Contracted services	2	40 570	49 074	74 152	84 683	80 503	80 503	38 298	81 918	84 621	87 329
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	14 365	-	-	-	-	-	-	-	-	-
Operational costs	2	37 190	41 843	45 319	48 485	64 422	64 422	35 003	67 392	68 788	70 989
Disposal of Fixed and Intangible Assets	2	1 936	3 006	7 955	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>	<b>369 520</b>	<b>736 284</b>	<b>757 182</b>	<b>781 417</b>

TABLE 4: SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE

- i. Employee related costs have incorporated 4.75 percent increase as envisaged in the Salary and Wage Collective Agreement dated 6 September 2024. The increase also makes provision for the funding of vacant posts to be filled in 2026/27 financial year.
- ii. Remunerations of councilors budget provision of 3.4 percent is proposed. MFMA Circular 132 – “Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. The proposed budget is taking into consideration the fiscal constraints and based on the trend from previous financial year.
- iii. Bulk purchases –electricity is estimated to increase by 9.01 percent in line with the NERSA approved increase.
- iv. Inventory consumed is projected to increase by 7.9 percent which is inclusive of water board (Magalies Water) increase of 6.5 percent. Inventory consumed includes consumables and, materials and supplies which also contributed to the increase.
- v. Debt impairment budget provision increased by 3.6 percent, and depreciation increase by 7.1 percent.
- vi. Interest expense increases by 6.3 percent to provide for finance lease liability and provisions.

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- vii. Contracted Services increased by 1.76 percent to provide for the maintenance of the landfill site and other contractual commitments.
- viii. Operational costs are projected to increase by 4.6 percent to provide for inter alia legal and audit fees.

**1.3.7. Operating Surplus / Deficit**

Description	2024/25	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Audited	Original	Adjusted	Budget Year	Budget Year +1	Budget Year +2
Total Revenue (excluding capital transfers and contributions)	658 611	656 606	719 111	760 041	791 311	837 309
Total Expenditure	676 900	627 799	684 752	736 284	757 182	781 417
<b>Surplus/Deficit)</b>	<b>-18 289</b>	<b>28 807</b>	<b>34 359</b>	<b>23 757</b>	<b>34 129</b>	<b>55 892</b>
Own source capital expenditure	13 665	20 662	22 799	14 541	0	0

TABLE 5: OPERATING CASH SURPLUS/ DEFICIT

Operational surplus for the 2026/27 is budgeted at R23.757 million excluding capital grants income. This is a decrease of 18% from the 2025/26 budget of R28.807 million.

**1.4. Capital expenditure**

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

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Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
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		-	-	-	261	0	0	-	870	4 348	18 465
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	-	2 999	29 661	27 533	27 533	-	88 722	115 354	97 749
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	2 999	29 922	27 533	27 533	-	89 591	119 702	116 214
<b>Single-year expenditure to be appropriated</b>	<b>2</b>										
Vote 1 - Budget and Treasury		199	7 583	1 104	80	254	254	-	-	-	-
Vote 2 - Corporate Services		2 738	1 868	1 100	3 200	3 430	3 430	-	1 968	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	75	-	-	-	-	63	-	-
Vote 5 - Internal Audit		-	-	-	300	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		(130)	-	-	500	250	250	-	222	-	-
Vote 7 - Social and Community Services		16 688	14 762	18 352	7 916	9 344	9 344	-	1 258	-	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		51 669	87 467	144 326	110 093	131 063	131 063	-	24 886	291	8 267
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		71 163	111 680	164 957	122 089	144 342	144 342	-	28 397	291	8 267
<b>Total Capital Expenditure - Vote</b>		71 163	111 680	167 956	152 011	171 875	171 875	-	117 989	119 993	124 481

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Vote Description	1	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		2 937	9 451	2 279	3 580	3 684	3 684	2 159	2 031	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2 937	9 451	2 279	3 280	3 684	3 684	2 159	2 031	-	-
Internal audit		-	-	-	300	-	-	-	-	-	-
<b>Community and public safety</b>		-	3 933	2 921	1 561	1 505	1 505	377	2 032	4 348	5 217
Community and social services		-	41	153	411	180	180	122	1 441	4 348	5 217
Sport and recreation		-	3 892	2 466	-	-	-	-	-	-	-
Public safety		-	-	302	1 150	1 325	1 325	255	591	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 732	25 222	16 479	28 950	46 065	46 065	22 479	26 760	23 971	7 617
Planning and development		(130)	-	-	500	250	250	-	222	-	-
Road transport		8 862	25 222	16 479	28 450	45 815	45 815	22 479	26 538	23 971	7 617
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		59 494	73 074	146 277	117 920	120 621	120 621	77 053	87 165	91 674	111 647
Energy sources		11 421	6 897	63 647	25 752	27 530	27 530	11 779	12 232	11 697	14 831
Water management		1 665	5 255	18 797	57 338	57 459	57 459	43 826	46 956	41 552	59 008
Waste water management		29 720	50 093	48 402	28 213	27 792	27 792	18 035	27 882	38 424	24 560
Waste management		16 688	10 829	15 431	6 616	7 839	7 839	3 414	95	-	13 248
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>
<b>Funded by:</b>											
National Government		56 747	77 646	114 413	131 349	149 077	149 077	97 388	103 448	119 993	124 481
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)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>56 747</b>	<b>77 646</b>	<b>114 413</b>	<b>131 349</b>	<b>149 077</b>	<b>149 077</b>	<b>97 388</b>	<b>103 448</b>	<b>119 993</b>	<b>124 481</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>14 217</b>	<b>17 290</b>	<b>13 665</b>	<b>20 662</b>	<b>22 799</b>	<b>22 799</b>	<b>4 680</b>	<b>14 541</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>70 964</b>	<b>94 936</b>	<b>128 078</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

TABLE 6: MEDIUM-TERM CAPITAL BUDGET PER VOTE

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The total capital expenditure for 2026/27 is projected at R117.989 million excluding VAT. The capital expenditure is funded R103.448 million by capital grants and R14.541 million is funded by internally generated funds. The amounts in the above table are exclusive of VAT.

Table 7: Capital programme funded by Municipal Infrastructure Grant below detail the municipality's three-year consolidated MIG infrastructure investment program for 2026/27 to 2026/27.

Municipal Infrastructure Grant (MIG) allocation of R31.180 million including PMU cost for 2026/2027 will be allocated as follows:

<b>Municipal Infrastructure Grant</b>			
<b>Description</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/2028</b>	<b>Budget Year +2 2028/29</b>
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	R1 096 235	R0	R0
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	R25 015 765	R10 962 266	R0
Develop New Cemetery - Pienaarsrivier	R1 000 000	R5 000 000	R6 000 000
Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1	R1 000 000	R6 500 000	R0
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2	R1 000 000	R6 895 316	R4 104 684
Construction of Road Paving and Stormwater in Bela Bela X6B - Phase 4	R509 000	R3 209 368	R3 781 632
Hetbad Warmbad landfill site Closure and Rehabilitation	R0	R0	R13 378 292
Construction of Solar Highmast Lights in various areas in Bela-Bela - Phase 1	R0	R0	R3 507 576
Construction of Road Paving and Stormwater in Bela Bela X9 - Phase 1	R0	R0	R873 730
Upgrading of the Bela Bela Municipal landfill site Phase 2 (Ward 2)	R0	R0	R1 856 786
PMU Operational Costs	R1 559 000	R1 714 050	R1 763 300
<b>DORA ALLOCATION</b>	<b>R31 180 000</b>	<b>R34 281 000</b>	<b>R35 266 000</b>

TABLE 7: CAPITAL PROGRAMME FUNDED BY MUNICIPAL INFRASTRUCTURE GRANT

Municipality is allocated R31.180 million on Municipal Infrastructure Grant (MIG) after considering PMU cost of R1.559 million.

<b>Water service infrastructure grant</b>			
<b>Description</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/2028</b>	<b>Budget Year +2 2028/29</b>
Water Supply Source Augmentation using SASSA Borehole and construction of Water Treatment Plant (Ward 1)	R18 000 000	R 408 494	R -
Water Supply Source Augmentation using Showground Borehole and construction of Water Treatment Plant (Ward 2)	R13 000 000	R 334 659	R -
Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockery and Potgieter Street (Ward 1)	R20 743 153	R 41 441 962	R -
Upgrading of the Pienaarsrivier Sewer Pump Station and Waste Water Treatment Works (Ward 8)	R15 000 000	R 21 364 369	R -

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Upgrading of the Masakhane sewer pumpstation and Waste Water Treatment Works (Ward 9)	R14 300 847	R 21 067 868	R -
Construction of Additional Aventura Sewer Pump Station (Ward 1)	R -	R 1 755 648	R 28 244 352
Refurbishment of the water reticulation network at the Old Location (Ward 2&5)	R -	R 1 400 000	R 23 600 000
Refurbishment of the Platrivier Dam (Ward 9)	R -	R 1 400 000	R 8 600 000
Construction of the Rapotokwane Water Package Plant Desludge Pipeline (Ward 8)	R -	R 1 400 000	R 10 600 000
Upgrading of the Steel Elevated Water Tank in Masakhane (Ward 9)	R -	R 1 400 000	R 8 600 000
Installation of Water Meters in Jacob Zuma Settlement (Ward 2 & 3)	R -	R -	R 6 000 000
Construction of water and sewer reticulation in the Remainder of extension 8 and 9 of the Bela-Bela Township (Ward 4)	R -	R -	R 1 000 000
Upgrading of the Second Steel Elevated Water Tank in Pienaarsrivier and Pump Station (Ward 9)	R -	R -	R 1 000 000
Replacement of AC Water Pipes in Bela-Bela Town - Sering, Geelhout, Tambotie, Olienhout, Soedoring, Blinkblaar, Huilbos, Rooiboos, Katjeepering and Appiesdoring Street (Ward 1)	R -	R -	R 8 458 648
<b>DORA ALLOCATION</b>	<b>R81 044 000</b>	<b>R 91 973 000</b>	<b>R 96 103 000</b>

TABLE 8: CAPITAL PROGRAMME FUNDED BY WATER SERVICES INFRASTRUCTURE GRANT

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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<b>Integrated National Electrification programme</b>			
<b>Description</b>	<b>Budget Year 2026/27</b>	<b>Budget Year +1 2027/2028</b>	<b>Budget Year +2 2028/29</b>
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 1	R5 000 000.00	R0.00	
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 2	R0.00	R13 452 000.00	R13 548 000.00
Electrification Bela Bela X9 (135HH) - Phase 3		R0.00	R2 376 000.00
Retrofits of Electrical Infrastructure	R3 300 000.00	R0.00	R0.00
<b>DORA ALLOCATION</b>	<b>R 8 300 000</b>	<b>R 13 452 000</b>	<b>R 15 924 000</b>

TABLE 9: CAPITAL PROGRAMME FUNDED BY INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT

The table above table depicts that the full INEP allocated will fund the Construction of the Bela- Bela 132/11 KVA 2X 20MVA Sub-station. The allocation for 2026/27 amounts to R8.3 million

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<b>Description</b>	<b>Amount</b>
Construction of Informal Trading Stalls	R 255 500
Printers	R 146 000
CCTV installation	R 255 500
Cleaning Equipment(Carpet & Upholtry Cleaners and others)	R 109 500
Furniture	R 365 000
Computer Equipment	R 1 241 000
Installation of swing bins	R 73 000
Illegal Dumping prohibition boards	R 36 500
Tables and chairs	R 182 500
Installation of fence and gate at Mokoena cemetery	R 255 500
Grass cutting equipment	R 146 000
Information boards for community facilities	R 73 000
Breathalysers	R 50 000
VTS equipment refurbishment	R 630 000
Procurement of Auditorium Audio	R 36 500
OHS equipments (boards,first aid kits,instruments)	R 109 500
Procurement of digital camera	R 73 000
Switch gear refurbishment	R 2 555 000
Procurement of Pre-paid electricity meters	R 365 000
Procurement of Transformers and Maniatures	R 2 190 000
Procurement of Streetlight Retrofits	R 365 000
Procurement of Highmast Winch	R 219 000
Tools and Kits (Electrical)	R 73 000
SCADA for BB WWTW	R 1 168 000
Actuators	R 219 000
Fire Hydrant (with hose) installed at the Biofilters	R 58 400
Mobile Chemical Storage Container	R 36 500
Ride on mower	R 58 400
Skip Bins (X5)	R 109 500
Lab Testing instruments	R 73 000
Water Flow Meters (X2)	R 36 500

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

<b>Description</b>	<b>Amount</b>
16 litres Knapsack spay (X2)	R 7 300
Laboratory Refrigerators (X2)	R 7 300
Toolbox (113 piece)(X2)	R 18 250
Heavy Duty Steel Adjustable Ladder	R 36 500
Crane Chain Block with remote for aventura PS	R 21 900
Sluice Gates	R 36 500
Warmbad WWTW and Pump Stations: Procurement of Pumps and motors (2026)	R 365 000
Masakhane/ Radium Sewer Ponds and Pump Station: Procurement of Pumps and motors (2026)	R 219 000
Pienaarsrivier Sewer Ponds and Pump Station: Procurement of Pumps and motors (2026)	R 219 000
Wastewater Quality Testing Kits and Instruments	R 73 000
Replacement of Water Meters	R 365 000
Drinking Water Quality Testing Kits and Instruments	R 109 500
Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors (2026)	R 365 000
Pienaarsrivier: Procurement of Pumps and motors (2026)	R 219 000
Radium: Procurement of Pumps and motors (2026)	R 219 000
Rapotokwane: Procurement of Pumps and motors (2026)	R 219 000
Tsakane: Procurement of Pumps and motors (2026)	R 219 000
Vingerkraal: Procurement of Pumps and motors (2026)	R 146 000
Installation of Electronic Monitoring Reservoir Level Indicator	R 175 200
Installation: Pressure Reduction Valves	R 109 500
Installation: District Meter Area	R 109 500
Procurement of New Airconditioners	R 146 000
Procurement of Fire Extinguishers	R 36 500
Fencing of Traffic	R 219 000
Fencing of Public Works	R 1 022 000
Fencing of Line 1 (Moloto Street) Offices	R 219 000
Security of Swiching Stations (Heavy duty Steel Doors and Burglar Bars)	R 146 000
Bitumen Emulsion Sprayer	R 36 500
Tools and Kits (Roads and Stormwater)	R 73 000

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Description	Amount
<b>Total</b>	<b>R 16 721 750</b>

TABLE 10: 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 2026/27 through internally generated funds

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

**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 2026/267 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes*.

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27
<b>R thousands</b>											
<b>Financial Performance</b>											
Property rates	108 940	95 606	107 614	115 924	115 924	115 924	83 508	119 386	123 325	127 272	
Service charges	189 890	219 861	239 932	277 130	272 023	272 023	202 331	298 658	327 323	358 218	
Investment revenue	1 432	2 752	4 789	5 000	8 000	8 000	3 371	9 244	9 549	9 854	
Transfer and subsidies - Operational	122 766	134 834	144 522	151 036	151 426	151 426	148 599	155 577	158 614	163 946	
Other own revenue contributions)	90 327	92 426	161 755	107 516	171 739	171 739	92 056	177 177	172 499	178 019	
	513 356	545 479	658 611	656 606	719 111	719 111	529 865	760 041	791 311	837 309	
Employee costs	143 621	147 682	169 460	181 826	194 051	194 051	114 930	215 562	220 105	227 154	
Remuneration of councillors	7 835	8 810	9 034	9 715	10 297	10 297	6 631	10 648	10 999	11 351	
Depreciation, amortisation and impairment	41 711	42 206	44 080	44 944	49 090	49 090	20 961	52 577	54 312	56 050	
Interest, Dividends and Rent on Land	17 502	15 351	7 517	18 612	10 345	10 345	-	11 000	11 363	11 727	
Inventory consumed and bulk purchases	138 503	161 452	184 281	214 539	214 725	214 725	144 881	233 666	241 377	249 101	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	
Other expenditure	118 625	172 364	262 528	158 164	206 244	206 244	82 117	212 831	219 026	226 035	
<b>Total Expenditure</b>	<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>	<b>369 520</b>	<b>736 284</b>	<b>757 182</b>	<b>781 417</b>	
<b>Surplus/(Deficit)</b>	<b>45 557</b>	<b>(2 386)</b>	<b>(18 289)</b>	<b>28 807</b>	<b>34 359</b>	<b>34 359</b>	<b>160 345</b>	<b>23 757</b>	<b>34 129</b>	<b>55 892</b>	
Transfers and subsidies - capital (monetary allocations)	83 242	89 986	131 124	151 051	171 497	171 497	(107 590)	118 965	137 992	145 530	
Transfers and subsidies - capital (in-kind)	-	16 744	52 437	-	-	-	-	-	-	-	
<b>contributions</b>	<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>	
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>	
Transfers recognised - capital	56 747	77 646	114 413	131 349	149 077	149 077	97 388	103 448	119 993	124 481	
Borrowing	-	-	-	-	-	-	-	-	-	-	
Internally generated funds	14 217	17 290	13 665	20 662	22 799	22 799	4 680	14 541	-	-	
<b>Total sources of capital funds</b>	<b>70 964</b>	<b>94 936</b>	<b>128 078</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>	
<b>Financial position</b>											
Total current assets	263 835	315 681	421 579	482 780	573 728	573 728	672 336	196 180	243 464	277 180	
Total non current assets	919 439	1 006 140	1 130 172	1 101 446	1 262 917	1 262 917	1 211 279	75 751	76 362	79 454	
Total current liabilities	246 593	254 818	341 440	380 844	420 478	420 478	405 238	129 209	147 705	155 213	
Total non current liabilities	151 647	163 647	141 717	173 982	141 717	141 717	141 717	-	-	-	
Community wealth/Equity	785 033	903 356	1 068 594	1 029 400	1 274 450	1 274 450	1 276 224	142 722	172 121	201 422	
<b>Cash flows</b>											
Net cash from (used) operating	226 991	(315 156)	(530 865)	197 033	203 353	203 353	203 353	129 601	221 839	251 090	
Net cash from (used) investing	(77 848)	(95 319)	(127 725)	(152 011)	(193 876)	(193 876)	(193 876)	(110 493)	(111 594)	(115 768)	
Net cash from (used) financing	(915)	(2 730)	(3 541)	-	-	-	-	-	-	-	
<b>Cash/cash equivalents at the year end:</b>	<b>162 336</b>	<b>(401 967)</b>	<b>(636 863)</b>	<b>70 293</b>	<b>62 348</b>	<b>62 348</b>	<b>62 348</b>	<b>19 108</b>	<b>129 354</b>	<b>264 675</b>	
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	162 336	(401 967)	(636 863)	70 293	62 348	62 348	62 348	19 108	129 354	264 675	
Application of cash and investments	82 937	113 102	136 034	104 520	74 509	74 509	(34 417)	(23 329)	21 697	21 058	
<b>Balance - surplus (shortfall)</b>	<b>79 399</b>	<b>(515 069)</b>	<b>(772 898)</b>	<b>(34 227)</b>	<b>(12 161)</b>	<b>(12 161)</b>	<b>96 765</b>	<b>42 437</b>	<b>107 657</b>	<b>243 618</b>	
<b>Asset management</b>											
Asset register summary (WDV)	821 246	897 924	959 758	869 465	936 058	936 058		(29 918)	(43 631)	(45 027)	
Depreciation	38 973	41 285	44 116	44 944	49 090	49 090		52 577	54 312	56 050	
Renewal and Upgrading of Existing Assets	39 123	70 562	81 768	90 015	108 050	108 050		72 600	78 759	68 263	
Repairs and Maintenance	7 805	9 370	7 911	25 040	24 965	24 965		58 006	59 920	61 837	
<b>Free services</b>											
Cost of Free Basic Services provided	-	-	-	-	-	-		-	-	-	
Revenue cost of free services provided	(72 046)	(80 916)	(82 917)	(90 590)	(90 449)	(90 449)		(63 102)	(87 970)	(90 873)	

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-		-	-	-
Sanitation/sewerage:	-	-	-	-	-	-		-	-	-
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

TABLE 11: MBRR TABLE A1 - 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 R23.757 million after taking non-cash item into consideration.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Functional Classification Description		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		292 167	289 215	381 820	343 477	405 821	405 821	418 055	421 589	435 342
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		292 167	289 215	381 820	343 477	405 821	405 821	418 055	421 589	435 342
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		8 259	7 295	6 909	9 965	9 990	9 990	11 997	10 807	11 152
Community and social services		536	496	532	538	562	562	2 242	630	650
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		7 723	6 799	6 377	9 428	9 428	9 428	9 755	10 176	10 502
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		38 133	52 774	47 165	45 483	73 301	73 301	42 480	46 006	47 366
Planning and development		10 460	9 186	10 503	5 432	12 415	12 415	12 859	13 439	13 863
Road transport		27 673	43 588	36 662	40 051	60 887	60 887	29 621	32 567	33 503
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		258 039	302 925	406 278	408 732	401 496	401 496	406 474	450 901	488 978
Energy sources		119 697	148 960	241 918	208 891	209 681	209 681	223 165	252 737	283 287
Water management		103 409	109 988	121 707	151 677	146 396	146 396	137 014	149 790	155 770
Waste water management		23 358	28 003	29 232	34 022	31 883	31 883	32 806	34 439	35 541
Waste management		11 576	15 975	13 421	14 142	13 536	13 536	13 489	13 934	14 380
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>596 598</b>	<b>652 209</b>	<b>842 173</b>	<b>807 657</b>	<b>890 608</b>	<b>890 608</b>	<b>879 006</b>	<b>929 303</b>	<b>982 839</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>189 080</b>	<b>145 529</b>	<b>197 551</b>	<b>170 620</b>	<b>204 921</b>	<b>204 921</b>	<b>211 729</b>	<b>218 717</b>	<b>225 716</b>
Executive and council		24 571	26 842	28 273	25 374	26 298	26 298	25 886	26 740	27 596
Finance and administration		155 016	114 756	165 298	140 385	173 063	173 063	171 606	177 269	182 942
Internal audit		9 493	3 931	3 980	4 861	5 560	5 560	14 238	14 707	15 178
<b>Community and public safety</b>		<b>57 363</b>	<b>79 548</b>	<b>129 867</b>	<b>79 141</b>	<b>102 451</b>	<b>102 451</b>	<b>111 605</b>	<b>113 935</b>	<b>117 581</b>
Community and social services		37 651	34 985	36 005	39 620	38 229	38 229	39 372	39 318	40 576
Sport and recreation		527	2 642	2 027	2 510	2 309	2 309	2 192	2 264	2 336
Public safety		19 185	41 921	91 834	37 011	61 912	61 912	70 041	72 353	74 668
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>39 100</b>	<b>39 165</b>	<b>45 083</b>	<b>49 533</b>	<b>47 612</b>	<b>47 612</b>	<b>57 797</b>	<b>57 990</b>	<b>59 851</b>
Planning and development		10 381	10 605	15 288	17 647	16 451	16 451	18 233	17 121	17 674
Road transport		28 719	28 559	29 795	31 886	31 161	31 161	39 564	40 869	42 177
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>182 255</b>	<b>283 623</b>	<b>304 400</b>	<b>328 505</b>	<b>329 769</b>	<b>329 769</b>	<b>355 153</b>	<b>366 541</b>	<b>378 270</b>
Energy sources		119 105	181 768	195 550	215 606	219 051	219 051	237 927	245 779	253 644
Water management		33 399	43 220	60 502	66 785	67 095	67 095	72 482	74 873	77 269
Waste water management		18 366	32 744	19 078	15 497	15 905	15 905	14 263	14 734	15 205
Waste management		11 384	25 890	29 270	30 617	27 718	27 718	30 481	31 154	32 151
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>	<b>736 284</b>	<b>757 182</b>	<b>781 417</b>
<b>Surplus/(Deficit) for the year</b>		<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>

TABLE 12: MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
FOR THE FINANCIAL YEAR**

**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.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Vote Description	R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue by Vote</b>	1									
Vote 1 - Budget and Treasury		279 569	287 645	376 726	341 972	404 124	404 124	416 389	420 127	433 833
Vote 2 - Corporate Services		12 598	1 569	5 095	1 505	1 697	1 697	1 666	1 462	1 509
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		9 003	7 773	9 022	3 890	10 873	10 873	11 300	11 725	12 100
Vote 7 - Social and Community Services		19 834	23 270	20 330	24 108	23 526	23 526	25 486	24 741	25 532
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		274 137	330 539	429 519	434 641	448 847	448 847	422 606	469 534	508 101
Vote 10 - Technical Services		1 457	1 413	1 482	1 542	1 542	1 542	1 559	1 714	1 763
<b>Total Revenue by Vote</b>	2	<b>596 598</b>	<b>652 209</b>	<b>842 173</b>	<b>807 657</b>	<b>890 608</b>	<b>890 608</b>	<b>879 006</b>	<b>929 303</b>	<b>982 839</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Budget and Treasury		121 917	81 045	120 149	84 604	98 542	98 542	102 552	105 936	109 326
Vote 2 - Corporate Services		28 877	29 313	39 912	48 575	68 526	68 526	64 204	66 323	68 445
Vote 3 - Mayor		1 057	1 203	2 566	3 422	2 998	2 998	3 125	3 228	3 331
Vote 4 - Municipal Manager		19 685	20 907	21 539	18 249	17 828	17 828	15 184	15 685	16 187
Vote 5 - Internal Audit		9 493	3 931	3 980	4 861	5 560	5 560	14 238	14 707	15 178
Vote 6 - Planning and Economic Development		6 760	7 846	11 315	15 228	12 659	12 659	14 866	15 356	15 848
Vote 7 - Social and Community Services		68 748	105 439	159 137	109 758	130 169	130 169	142 086	145 089	149 732
Vote 8 - Speaker		8 051	9 130	9 404	10 909	11 467	11 467	12 127	12 527	12 928
Vote 9 - Technical Services		199 590	286 292	304 924	329 774	333 212	333 212	364 235	376 255	388 295
Vote 10 - Technical Services		3 620	2 760	3 973	2 420	3 791	3 791	3 367	1 764	1 826
<b>Total Expenditure by Vote</b>	2	<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>	<b>735 984</b>	<b>756 872</b>	<b>781 097</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>143 022</b>	<b>172 431</b>	<b>201 742</b>

TABLE 13: 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.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Description	1	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	117 903	147 596	167 898	189 484	189 966	189 966	144 569	212 382	237 443	265 462
Service charges - Water	2	43 438	39 510	39 836	50 250	46 104	46 104	31 887	49 101	50 721	52 344
Service charges - Waste Water Management	2	19 025	22 158	21 661	26 128	24 520	24 520	17 377	25 353	26 947	27 810
Service charges - Waste Management	2	9 524	10 596	10 537	11 267	11 433	11 433	8 498	11 821	12 211	12 602
Sale of Goods and Rendering of Services	2	1 760	1 418	1 482	1 400	1 400	1 400	862	1 448	1 548	1 597
Agency services	2	4 883	4 602	4 193	6 000	6 000	6 000	3 308	6 204	6 508	6 716
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	9 046	12 652	13 904	15 389	14 029	14 029	9 523	14 506	14 985	15 464
Interest earned from Current and Non Current	2	1 432	2 752	4 789	5 000	8 000	8 000	3 371	9 244	9 549	9 854
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	1 477	1 196	1 172	1 223	1 336	1 336	1 003	1 381	1 427	1 472
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	3 417	11 934	1 981	2 470	3 487	3 487	1 556	3 606	3 725	3 844
<b>Non-Exchange Revenue</b>											
Property rates	2	108 940	95 606	107 614	115 924	115 924	115 924	83 508	119 386	123 325	127 272

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1										
Licences or permits	2	2 160	2 200	2 193	3 447	3 447	3 447	2 093	3 564	3 681	3 799
Transfer and subsidies - Operational	2	122 766	134 834	144 522	151 036	151 426	151 426	148 599	155 577	158 614	163 946
Interest	2	14 038	13 330	15 501	17 045	15 675	15 675	11 115	16 223	16 758	17 295
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	3 369	3 575	3 848	3 595	2 424	2 424	1 151	2 507	2 589	2 672
Gains on disposal of Fixed and Intangible Assets	2	-	-	2 400	-	-	-	-	-	-	-
Other Gains	2	16 657	9 901	19 766	13 398	20 398	20 398	-	20 675	10 681	11 023
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>513 356</b>	<b>545 479</b>	<b>658 611</b>	<b>656 606</b>	<b>719 111</b>	<b>719 111</b>	<b>529 865</b>	<b>760 041</b>	<b>791 311</b>	<b>837 309</b>
<b>Expenditure</b>											
Employee related costs	2	143 621	147 682	169 460	181 826	194 051	194 051	114 930	215 562	220 105	227 154
Remuneration of councillors	2	7 835	8 810	9 034	9 715	10 297	10 297	6 631	10 648	10 999	11 351
Bulk purchases - electricity	2	111 942	136 246	156 736	178 230	178 230	178 230	119 718	194 288	200 700	207 122
Inventory consumed	2,8	26 561	25 206	27 545	36 309	36 495	36 495	25 163	39 378	40 677	41 979
Debt impairment	2,3	24 566	78 441	135 102	24 996	61 318	61 318	8 816	63 521	65 617	67 717
Depreciation, amortisation and impairment	2	41 711	42 206	44 080	44 944	49 090	49 090	20 961	52 577	54 312	56 050
Interest, Dividends and Rent on Land	2	17 502	15 351	7 517	18 612	10 345	10 345	-	11 000	11 363	11 727

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1										
Contracted services	2	40 570	49 074	74 152	84 683	80 503	80 503	38 298	81 918	84 621	87 329
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	14 365	-	-	-	-	-	-	-	-	-
Operational costs	2	37 190	41 843	45 319	48 485	64 422	64 422	35 003	67 392	68 788	70 989
Disposal of Fixed and Intangible Assets	2	1 936	3 006	7 955	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>467 798</b>	<b>547 865</b>	<b>676 900</b>	<b>627 799</b>	<b>684 752</b>	<b>684 752</b>	<b>369 520</b>	<b>736 284</b>	<b>757 182</b>	<b>781 417</b>
<b>Surplus/(Deficit)</b>		<b>45 557</b>	<b>(2 386)</b>	<b>(18 289)</b>	<b>28 807</b>	<b>34 359</b>	<b>34 359</b>	<b>160 345</b>	<b>23 757</b>	<b>34 129</b>	<b>55 892</b>
Transfers and subsidies - capital (monetary allocations)	6	83 242	89 986	131 124	151 051	171 497	171 497	(107 590)	118 965	137 992	145 530
Transfers and subsidies - capital (in-kind)	6	-	16 744	52 437	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>128 800</b>	<b>104 344</b>	<b>165 273</b>	<b>179 858</b>	<b>205 855</b>	<b>205 855</b>	<b>52 755</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>

TABLE 14: 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 R760.41 million in 2026/27 as compared to the 2025/26 adjusted budget revenue of R719.111 million. This represents the percentage increase of 5%

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

- against adjusted budget. Municipality major tariff were increased by 3.4% which is in linked to Consumer Price Index (CIP) as recommended by National Treasury under circular 134 and are summarized on the tariff book;
- ii. Revenue to be generated from property rates is projected to be R 119.386 million in the 2026/27 financial year which was increased from R 115.924 million of the 2025/26 adjusted budgets. The increase 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 R298.658 million for 2026/27 which increased from R272.023 million of 2025/26 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 155.577 million in 2026/27 compared adjustment of 2025/26 which amounted to 151.036 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.

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	<b>1</b>										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>										
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		-	-	-	261	0	0	-	870	4 348	18 465
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	-	2 999	29 661	27 533	27 533	-	88 722	115 354	97 749
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	-	-	2 999	29 922	27 533	27 533	-	89 591	119 702	116 214

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1										
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Budget and Treasury		199	7 583	1 104	80	254	254	-	-	-	-
Vote 2 - Corporate Services		2 738	1 868	1 100	3 200	3 430	3 430	-	1 968	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	75	-	-	-	-	63	-	-
Vote 5 - Internal Audit		-	-	-	300	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		(130)	-	-	500	250	250	-	222	-	-
Vote 7 - Social and Community Services		16 688	14 762	18 352	7 916	9 344	9 344	-	1 258	-	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		51 669	87 467	144 326	110 093	131 063	131 063	-	24 886	291	8 267
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>71 163</b>	<b>111 680</b>	<b>164 957</b>	<b>122 089</b>	<b>144 342</b>	<b>144 342</b>	<b>-</b>	<b>28 397</b>	<b>291</b>	<b>8 267</b>
<b>Total Capital Expenditure - Vote</b>		<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>-</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Vote Description		2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	<b>1</b>										
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		2 937	9 451	2 279	3 580	3 684	3 684	2 159	2 031	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Finance and administration		2 937	9 451	2 279	3 280	3 684	3 684	2 159	2 031	-	-
Internal audit		-	-	-	300	-	-	-	-	-	-
<b>Community and public safety</b>		-	3 933	2 921	1 561	1 505	1 505	377	2 032	4 348	5 217
Community and social services		-	41	153	411	180	180	122	1 441	4 348	5 217
Sport and recreation		-	3 892	2 466	-	-	-	-	-	-	-
Public safety		-	-	302	1 150	1 325	1 325	255	591	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8 732	25 222	16 479	28 950	46 065	46 065	22 479	26 760	23 971	7 617
Planning and development		(130)	-	-	500	250	250	-	222	-	-
Road transport		8 862	25 222	16 479	28 450	45 815	45 815	22 479	26 538	23 971	7 617
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		59 494	73 074	146 277	117 920	120 621	120 621	77 053	87 165	91 674	111 647
Energy sources		11 421	6 897	63 647	25 752	27 530	27 530	11 779	12 232	11 697	14 831
Water management		1 665	5 255	18 797	57 338	57 459	57 459	43 826	46 956	41 552	59 008
Waste water management		29 720	50 093	48 402	28 213	27 792	27 792	18 035	27 882	38 424	24 560
Waste management		16 688	10 829	15 431	6 616	7 839	7 839	3 414	95	-	13 248
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>3</b>	<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Vote Description	R thousand	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Funded by:</b>											
National Government	1	56 747	77 646	114 413	131 349	149 077	149 077	97 388	103 448	119 993	124 481
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)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>4</b>	<b>56 747</b>	<b>77 646</b>	<b>114 413</b>	<b>131 349</b>	<b>149 077</b>	<b>149 077</b>	<b>97 388</b>	<b>103 448</b>	<b>119 993</b>	<b>124 481</b>
<b>Borrowing</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>14 217</b>	<b>17 290</b>	<b>13 665</b>	<b>20 662</b>	<b>22 799</b>	<b>22 799</b>	<b>4 680</b>	<b>14 541</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>	<b>7</b>	<b>70 964</b>	<b>94 936</b>	<b>128 078</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>102 068</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

TABLE 15: 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 R117.989 million excluding VAT for the 2026/27 budget year.
- iii. Various internal funded project has been proposed for 2026/27 to the tune of R14.541 million excluding VAT; and
- iv. The municipality has not budgeted for any long-term borrowing to fund the capital programme.

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

LIM366 Bela Bela - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1	11 261	25 267	52 871	70 293	62 348	62 348	192 885	19 108	110 245	135 322
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	123 092	166 289	224 997	230 778	288 058	288 058	289 168	72 406	59 311	65 920
Receivables from non-exchange transactions	3	65 112	68 416	75 870	88 078	114 581	114 581	148 228	31 082	(2 061)	(2 127)
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	362	481	287	989	795	795	(1 341)	(436)	12	(412)
VAT Receivable	6	63 069	54 275	66 720	91 687	107 112	107 112	42 561	74 020	75 957	78 478
Other current assets	7	939	955	835	955	835	835	835	-	-	-
<b>Total current assets</b>		<b>263 835</b>	<b>315 681</b>	<b>421 579</b>	<b>482 780</b>	<b>573 728</b>	<b>573 728</b>	<b>672 336</b>	<b>196 180</b>	<b>243 464</b>	<b>277 180</b>
<b>Non current assets</b>											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	60 717	74 400	82 503	70 458	92 503	92 503	82 503	10 340	10 681	11 023
Property, plant and equipment	10	856 446	929 198	1 045 503	1 027 851	1 167 822	1 167 822	1 126 638	64 496	65 784	68 538
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	539	539	539	539	539	539	539	-	-	-
Intangible assets	14	1 596	1 862	1 486	2 458	1 912	1 912	1 459	916	(103)	(107)
Trade and other receivables from exchange transactions	15	141	141	141	141	141	141	141	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>919 439</b>	<b>1 006 140</b>	<b>1 130 172</b>	<b>1 101 446</b>	<b>1 262 917</b>	<b>1 262 917</b>	<b>1 211 279</b>	<b>75 751</b>	<b>76 362</b>	<b>79 454</b>
<b>TOTAL ASSETS</b>		<b>1 183 274</b>	<b>1 321 821</b>	<b>1 551 751</b>	<b>1 584 226</b>	<b>1 836 645</b>	<b>1 836 645</b>	<b>1 883 615</b>	<b>271 931</b>	<b>319 826</b>	<b>356 634</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	1 098	4 171	3 365	-	3 365	3 365	3 365	-	-	-
Consumer deposits	19	6 955	7 236	7 445	7 239	7 445	7 445	7 557	-	-	-
Trade and other payables from exchange transactions	20	155 062	138 356	111 955	205 175	153 720	153 720	88 802	76 805	87 963	90 742
Trade and other payables from non-exchange transactions	21	7 441	50	10 925	0	0	0	70 688	(0)	-	-
Provision	22	(25 953)	(23 524)	18 235	2 490	18 235	18 235	18 235	11 000	11 363	11 727
VAT Payable	23	99 760	125 086	185 899	162 498	223 311	223 311	212 974	41 404	48 379	52 744
Other current liabilities	24	2 231	3 443	3 617	3 443	14 403	14 403	3 617	-	-	-
<b>Total current liabilities</b>		<b>246 593</b>	<b>254 818</b>	<b>341 440</b>	<b>380 844</b>	<b>420 478</b>	<b>420 478</b>	<b>405 238</b>	<b>129 209</b>	<b>147 705</b>	<b>155 213</b>

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<b>Non current liabilities</b>											
Financial liabilities	25	706	4 015	1 692	4 015	1 692	1 692	1 692	-	-	-
Provision	26	99 408	101 193	68 133	101 193	68 133	68 133	68 133	-	-	-
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	51 534	58 439	71 892	68 774	71 892	71 892	71 892	-	-	-
<b>Total non current liabilities</b>		<b>151 647</b>	<b>163 647</b>	<b>141 717</b>	<b>173 982</b>	<b>141 717</b>	<b>141 717</b>	<b>141 717</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>398 241</b>	<b>418 465</b>	<b>483 157</b>	<b>554 826</b>	<b>562 195</b>	<b>562 195</b>	<b>546 954</b>	<b>129 209</b>	<b>147 705</b>	<b>155 213</b>
<b>NET ASSETS</b>		<b>785 033</b>	<b>903 356</b>	<b>1 068 594</b>	<b>1 029 400</b>	<b>1 274 450</b>	<b>1 274 450</b>	<b>1 336 660</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	29	785 033	903 356	1 068 594	1 029 400	1 274 450	1 274 450	1 276 224	142 722	172 121	201 422
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>32</b>	<b>785 033</b>	<b>903 356</b>	<b>1 068 594</b>	<b>1 029 400</b>	<b>1 274 450</b>	<b>1 274 450</b>	<b>1 276 224</b>	<b>142 722</b>	<b>172 121</b>	<b>201 422</b>

TABLE 16: 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;

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- 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 R1.836 billion for the 2025/26 financial period and expected to decrease to R271.931 million during 2026/27 budget year.

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b> Property rates											
Service charges Other revenue		77 567	94 157	87 274	104 332	93 898	93 898	93 898	101 478	141 207	145 726
Transfers and Subsidies - Operational		191 414	222 417	253 317	249 416	239 360	239 360	239 360	264 478	310 443	339 156
and Subsidies - Capital Interest	1	12 756	39 149	52 484	78 146	96 955	96 955	96 955	98 194	65 682	67 784
Dividends	1	146 027	132 867	142 995	151 036	151 036	151 036	151 036	155 577	158 614	163 946
<b>Payments</b>		80 466	84 007	143 531	140 291	160 961	160 961	160 961	118 965	137 992	145 530
Suppliers and employees		1 413	2 766	7 179	32 960	33 638	33 638	33 638	32 711	33 790	34 872
Finance charges Transfers and Subsidies		-	-	-	-	-	-	-	-	-	-
		(282 653)	(418 368)	(578 123)	(559 147)	(572 496)	(572 496)	(572 496)	(629 186)	(645 889)	(665 923)
	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>226 991</b>	<b>156 995</b>	<b>108 657</b>	<b>197 033</b>	<b>203 353</b>	<b>203 353</b>	<b>203 353</b>	<b>142 218</b>	<b>201 839</b>	<b>231 090</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											

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Proceeds on disposal of PPE		-	(84)	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Capital assets Retention (Capital)		(77 764)	(95 319)	(127 725)	(152 011)	(193 876)	(193 876)	(193 876)	(193 876)	(110 493)	(111 594)	(115 768)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(77 848)</b>	<b>(95 319)</b>	<b>(127 725)</b>	<b>(152 011)</b>	<b>(193 876)</b>	<b>(193 876)</b>	<b>(193 876)</b>	<b>(193 876)</b>	<b>(110 493)</b>	<b>(111 594)</b>	<b>(115 768)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		(915)	(2 730)	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(915)</b>	<b>(2 730)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>148 229</b>	<b>58 946</b>	<b>(19 068)</b>	<b>45 022</b>	<b>9 476</b>	<b>9 476</b>	<b>9 476</b>	<b>31 724</b>	<b>90 245</b>	<b>115 322</b>	
Cash/cash equivalents at the year begin:	2	14 108	11 238	25 267	25 270	52 871	52 871	52 871	52 871	84 596	174 841	
equivalents at the year end:	2	162 336	70 184	6 199	70 293	62 348	62 348	62 348	84 596	174 841	290 163	

TABLE 17: 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.

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Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	162 336	70 184	6 199	70 293	62 348	62 348	62 348	84 596	174 841	290 163
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>162 336</b>	<b>70 184</b>	<b>6 199</b>	<b>70 293</b>	<b>62 348</b>	<b>62 348</b>	<b>62 348</b>	<b>84 596</b>	<b>174 841</b>	<b>290 163</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		7 441	50	10 925	0	0	0	72 188	(0)	0	0
Unspent borrowing											
Statutory requirements	2	(7 821)	(5 230)	(8 706)	(480)	(6 982)	(6 982)	(1 625)	(4 887)	(35 202)	(33 084)
Other working capital requirements	3	107 039	62 114	33 680	99 068	48 852	48 852	(103 579)	(177 331)	(138 277)	(141 611)
Other provisions		(23 722)	(20 081)	21 852	5 933	32 638	32 638	(21 852)	29 235	29 598	29 962
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>82 937</b>	<b>36 853</b>	<b>57 752</b>	<b>104 520</b>	<b>74 509</b>	<b>74 509</b>	<b>(54 868)</b>	<b>(152 982)</b>	<b>(143 880)</b>	<b>(144 734)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>79 399</b>	<b>33 331</b>	<b>(51 553)</b>	<b>(34 227)</b>	<b>(12 161)</b>	<b>(12 161)</b>	<b>117 216</b>	<b>237 578</b>	<b>318 721</b>	<b>434 897</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>79 399</b>	<b>33 331</b>	<b>(51 553)</b>	<b>(34 227)</b>	<b>(12 161)</b>	<b>(12 161)</b>	<b>117 216</b>	<b>237 578</b>	<b>318 721</b>	<b>434 897</b>

TABLE 18: MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Description		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	32 040	41 118	86 188	61 996	63 825	63 825	45 389	41 234	56 218
<i>Roads Infrastructure</i>		6 621	24 896	13 537	18 894	18 196	18 196	24 951	23 971	7 617
<i>Storm water Infrastructure</i>		2 241	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		11 421	174	58 734	13 043	14 912	14 912	7 662	11 697	14 831
<i>Water Supply Infrastructure</i>		3 676	1 780	6 995	13 636	14 542	14 542	343	1 217	15 304
<i>Sanitation Infrastructure</i>		5 275	575	1 477	-	-	-	324	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	13 248
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>29 234</b>	<b>27 425</b>	<b>80 743</b>	<b>45 573</b>	<b>47 650</b>	<b>47 650</b>	<b>33 280</b>	<b>36 886</b>	<b>51 001</b>
Community Facilities		-	-	-	761	500	500	870	4 348	5 217
Sport and Recreation Facilities		-	3 892	2 466	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>3 892</b>	<b>2 466</b>	<b>761</b>	<b>500</b>	<b>500</b>	<b>870</b>	<b>4 348</b>	<b>5 217</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	800	550	550	222	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>550</b>	<b>550</b>	<b>222</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	553	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>2 030</b>	<b>1 547</b>	<b>2 970</b>	<b>3 200</b>	<b>2 869</b>	<b>2 869</b>	<b>2 634</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>578</b>	<b>322</b>	<b>350</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>476</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>199</b>	<b>371</b>	<b>(416)</b>	<b>11 282</b>	<b>11 876</b>	<b>11 876</b>	<b>6 638</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>		<b>-</b>	<b>7 008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 270</b>	<b>-</b>	<b>-</b>



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<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	6	39 123	70 236	79 250	76 311	78 265	78 265	54 562	40 288	32 908
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	29	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	6 415	5 543	4 500	4 500	4 500	1 904	-	-
<i>Water Supply Infrastructure</i>		(2 010)	3 475	11 357	39 564	40 625	40 625	26 957	1 864	8 348
<i>Sanitation Infrastructure</i>		24 445	49 518	46 890	25 931	25 610	25 610	25 479	38 424	24 560
<i>Solid Waste Infrastructure</i>		16 688	10 829	15 431	6 316	7 530	7 530	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		39 123	70 236	79 250	76 311	78 265	78 265	54 340	40 288	32 908
Community Facilities		-	-	-	-	-	-	222	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	222	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-

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<i>Roads Infrastructure</i>		6 621	25 222	16 450	28 250	45 670	45 670	24 951	23 971	7 617
<i>Storm water Infrastructure</i>		2 241	-	29	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		11 421	6 589	63 882	20 152	21 630	21 630	9 566	11 697	14 831
<i>Water Supply Infrastructure</i>		1 665	5 255	18 352	54 938	55 259	55 259	45 337	41 552	59 008
<i>Sanitation Infrastructure</i>		29 720	50 093	48 367	25 931	25 610	25 610	25 803	38 424	24 560
<i>Solid Waste Infrastructure</i>		16 688	10 829	15 431	6 316	7 530	7 530	-	-	13 248
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	-	-	-	-	-	-
<b>Land</b>		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>4</b>	<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

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<b>Infrastructure</b>		<b>68 356</b>	<b>97 987</b>	<b>162 511</b>	<b>135 588</b>	<b>155 700</b>	<b>155 700</b>	<b>105 657</b>	<b>115 645</b>	<b>119 264</b>
Community Facilities		-	-	-	761	500	500	1 092	4 348	5 217
Sport and Recreation Facilities		-	3 892	2 466	-	-	-	-	-	-
<b>Community Assets</b>		<b>-</b>	<b>3 892</b>	<b>2 466</b>	<b>761</b>	<b>500</b>	<b>500</b>	<b>1 092</b>	<b>4 348</b>	<b>5 217</b>
<b>Heritage Assets</b>		<b>-</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings		-	-	-	800	550	550	222	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>800</b>	<b>550</b>	<b>550</b>	<b>222</b>	<b>-</b>	<b>-</b>
<b>Biological or Cultivated Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	553	-	-	-	-	-	-	-
<b>Intangible Assets</b>		<b>-</b>	<b>553</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>		<b>2 030</b>	<b>1 547</b>	<b>2 970</b>	<b>3 200</b>	<b>2 869</b>	<b>2 869</b>	<b>2 634</b>	<b>-</b>	<b>-</b>
<b>Furniture and Office Equipment</b>		<b>578</b>	<b>322</b>	<b>350</b>	<b>380</b>	<b>380</b>	<b>380</b>	<b>476</b>	<b>-</b>	<b>-</b>
<b>Machinery and Equipment</b>		<b>199</b>	<b>371</b>	<b>(416)</b>	<b>11 282</b>	<b>11 876</b>	<b>11 876</b>	<b>6 638</b>	<b>-</b>	<b>-</b>
<b>Transport Assets</b>		<b>-</b>	<b>7 008</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 270</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>71 163</b>	<b>111 680</b>	<b>167 956</b>	<b>152 011</b>	<b>171 875</b>	<b>171 875</b>	<b>117 989</b>	<b>119 993</b>	<b>124 481</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	821 246	897 924	959 758	869 465	936 058	936 058	(29 918)	(43 631)	(45 027)
<i>Roads Infrastructure</i>		165 600	191 693	177 695	127 716	163 946	163 946	(13 908)	(14 466)	(14 929)
<i>Storm water Infrastructure</i>		73 879	71 513	69 290	69 006	66 783	66 783	(2 507)	(2 590)	(2 673)
<i>Electrical Infrastructure</i>		45 676	50 162	92 255	50 647	90 748	90 748	(3 658)	(6 205)	(6 404)
<i>Water Supply Infrastructure</i>		143 724	147 146	148 512	140 150	141 569	141 569	(6 568)	(7 171)	(7 401)
<i>Sanitation Infrastructure</i>		133 427	174 129	193 918	168 546	187 710	187 710	(5 884)	(6 413)	(6 618)
<i>Solid Waste Infrastructure</i>		736	16	(29)	(1 209)	(454)	(454)	(1 225)	(1 265)	(1 306)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		<b>563 040</b>	<b>634 659</b>	<b>681 641</b>	<b>554 855</b>	<b>650 303</b>	<b>650 303</b>	<b>(33 751)</b>	<b>(38 110)</b>	<b>(39 330)</b>
<b>Community Assets</b>		71 329	67 095	70 108	64 466	67 483	67 483	(3 156)	(3 719)	(3 838)
<b>Heritage Assets</b>		539	539	539	539	539	539	-	-	-
<b>Investment properties</b>		60 717	74 400	82 503	70 458	92 503	92 503	10 340	10 681	11 023
<b>Other Assets</b>		19 262	3 651	16 787	(1 195)	15 592	15 592	(1 195)	(1 235)	(1 274)
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		1 596	1 862	1 486	2 458	1 912	1 912	916	(103)	(107)
<b>Computer Equipment</b>		1 879	2 594	3 579	2 191	3 281	3 281	351	(1 211)	(1 250)
<b>Furniture and Office Equipment</b>		1 413	1 607	1 591	4 348	5 751	5 751	557	(671)	(692)
<b>Machinery and Equipment</b>		786	903	1 095	72 387	4 589	4 589	3 410	(318)	(328)
<b>Transport Assets</b>		19 385	22 564	12 378	17 658	6 055	6 055	(8 659)	(8 945)	(9 231)
<b>Land</b>		81 301	88 051	88 051	81 301	88 051	88 051	1 270	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>821 246</b>	<b>897 924</b>	<b>959 758</b>	<b>869 465</b>	<b>936 058</b>	<b>936 058</b>	<b>(29 918)</b>	<b>(43 631)</b>	<b>(45 027)</b>

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

EXPENDITURE OTHER ITEMS		46 778	50 654	52 027	69 984	74 055	74 055	110 583	114 232	117 888
<b>Depreciation</b>	7	38 973	41 285	44 116	44 944	49 090	49 090	52 577	54 312	56 050
<b>Repairs and Maintenance by Asset Class</b>	3	7 805	9 370	7 911	25 040	24 965	24 965	58 006	59 920	61 837
<i>Roads Infrastructure</i>		820	683	1 420	2 600	2 445	2 445	14 060	14 524	14 988
<i>Storm water Infrastructure</i>		241	534	140	600	900	900	1 100	1 136	1 173
<i>Electrical Infrastructure</i>		3 519	5 012	2 796	10 000	9 000	9 000	31 196	32 226	33 257
<i>Water Supply Infrastructure</i>		686	1 105	759	5 320	4 820	4 820	5 320	5 496	5 671
<i>Sanitation Infrastructure</i>		620	476	883	4 600	3 950	3 950	1 100	1 136	1 173
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		11	-	-	50	50	50	-	-	-
<b>Infrastructure</b>		5 897	7 809	5 998	23 170	21 165	21 165	52 776	54 517	56 262
Community Facilities		11	95	94	150	150	150	150	155	160
Sport and Recreation Facilities		542	589	245	1 150	1 200	1 200	1 530	1 580	1 631
<b>Community Assets</b>		553	683	339	1 300	1 350	1 350	1 680	1 735	1 791
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
<b>Other Assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	51	70	70	70	100	103	107
Machinery and Equipment		146	200	208	500	430	430	550	568	586
<b>Transport Assets</b>		1 209	678	1 315	-	1 950	1 950	2 900	2 996	3 092
Land		-	-	-	-	-	-	-	-	-

**2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR**

Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>46 778</b>	<b>50 654</b>	<b>52 027</b>	<b>69 984</b>	<b>74 055</b>	<b>74 055</b>	<b>110 583</b>	<b>114 232</b>	<b>117 888</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		55.0%	63.2%	48.7%	59.2%	62.9%	62.9%	61.5%	65.6%	54.8%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		100.4%	170.9%	185.3%	200.3%	220.1%	220.1%	138.1%	145.0%	121.8%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>		1.0%	1.0%	0.8%	2.9%	2.7%	2.7%	-188.1%	-137.7%	-137.7%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>		5.7%	8.9%	9.4%	13.3%	14.2%	14.2%	-423.6%	-318.6%	-289.6%

TABLE 19: 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.

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		14 073	14 073	14 073	14 973	14 973	14 973	14 973	14 973	14 973
Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level)	2	855	855	855	855	855	855	855	855	855
	4	3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136	3 136
	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		18 064	18 064	18 064	18 964	18 964	18 964	18 964	18 964	18 964
Using public tap (< min.service level) Other water supply (< min.service level) No water supply	3	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>		-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>	5	18 064	18 064	18 064	18 964	18 964	18 964	18 964	18 964	18 964
Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet		14 928	14 928	14 928	15 828	15 828	15 828	15 828	15 828	15 828
Pit toilet (ventilated)		875 -	875 -	875 -	875 -	875 -	875 -	875 -	875 -	875 -
Other toilet provisions (> min.service level)		987	987	987	987	987	987	987	987	987
<i>Minimum Service Level and Above sub-total</i>		1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274	1 274
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level) No toilet provisions		18 064	18 064	18 064	18 964	18 964	18 964	18 964	18 964	18 964
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>		-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level) Electricity - prepaid (min.service level)	5	18 064	18 064	18 064	18 964	18 964	18 964	18 964	18 964	18 964
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level) Electricity - prepaid (< min.service level) Other energy sources		577	577	577	577	577	577	577	577	577
		14 766	14 766	15 126	16 326	16 326	16 326	16 326	16 326	16 326
<i>Below Minimum Service Level sub-total</i>		15 343	15 343	15 703	16 903	16 903	16 903	16 903	16 903	16 903
<b>Total number of households</b>		-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week Using communal refuse dump	5	15 343	15 343	15 703	16 903	16 903	16 903	16 903	16 903	16 903
Using own refuse dump Other rubbish disposal No rubbish disposal		9 501	9 189	9 294	11 310	11 310	11 310	11 310	11 460	11 710
		9 501	9 189	9 294	11 310	11 310	11 310	11 310	11 460	11 710
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
	5	9 501	9 189	9 294	11 310	11 310	11 310	11 310	11 460	11 710
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		4 647	4 700	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Sanitation (free minimum level service)		4 647	4 700	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Electricity/other energy (50kwh per household per month)		3 752	3 600	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Refuse (removed at least once a week)		4 688	4 688	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Informal Settlements		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		9 706	9 457	12 357	12 757	12 757	12 757	11 747	12 135	12 523
Sanitation (free sanitation service to indigent households)		13 323	11 911	13 010	15 543	15 543	15 543	13 779	14 234	14 690

## 2026/27 DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK FOR THE FINANCIAL YEAR

Electricity/other energy (50kwh per indigent household per month)		4 262	5 235	5 764	6 577	6 577	6 577	5 926	6 122	6 317
Refuse (removed once a week for indigent households)		4 775	4 495	4 711	4 983	4 983	4 983	4 976	5 140	5 304
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000) Total cost of FBS provided</b>	<b>8</b>	<b>32 066</b>	<b>31 098</b>	<b>35 842</b>	<b>39 860</b>	<b>39 860</b>	<b>39 860</b>	<b>36 428</b>	<b>37 630</b>	<b>38 834</b>
<b>Highest level of free service provided per household</b>										
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)		236	249	261	272	272	272	281	300	310
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		165	165	99	103	103	103	170	176	181
<b>Revenue cost of subsidised services provided (R'000)</b>	<b>9</b>									
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		–	49 819	47 733	50 730	50 730	50 730	49 169	50 792	52 417
Water (in excess of 6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (in excess of free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (in excess of 50 kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)		–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	<b>6</b>	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>		<b>–</b>	<b>49 819</b>	<b>47 733</b>	<b>50 730</b>	<b>50 730</b>	<b>50 730</b>	<b>49 169</b>	<b>50 792</b>	<b>52 417</b>

TABLE 20: 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.

## **Municipality Manager's quality certificate**

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

❖ 2026/2027 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 2026**