



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

**2026/2027**

**2026/27 FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK  
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## 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     |

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## **Part 1 – Draft Annual Budget**

### **1.1. Mayor’s Report (Budget speech)**

*FINAL INTEGRATED DEVELOPMENT PLAN & ANNUAL BUDGET (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2026/2027) PRESENTATION ADDRESS BY MAYOR, CLLR GM SELEKA AT ORDINARY COUNCIL MEETING ON 28<sup>TH</sup> MAY 2026*

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 guests

Good morning,

Our legislative mandate is clear and unequivocal. The Constitution of the Republic of South Africa, the Municipal Systems Act, and the Municipal Finance Management Act (MFMA) compel us to develop, adopt, and annually review our Integrated Development Plan (IDP) and Budget. These legislative instruments affirm that planning is not a ceremonial exercise; it is a disciplined, structured process that demands honesty, foresight, transparency, and collective responsibility.

Section 160(2) of the Constitution of the Republic of South Africa, 1996, together with Sections 16(1) and 24(1) and (2) of the Municipal Finance Management Act (Act 56 of 2003), read with paragraph 9 of the Municipal Budget and Reporting Regulations, provides the framework for the development, consideration, and approval of municipal budgets by councils. These provisions reinforce the principle that the approval of the budget is a core, non-delegable function of Council.

In accordance with Section 16(1) of the MFMA, a municipal council is required to approve an annual budget for each financial year before the commencement of that financial year. Furthermore, Section 24(1) of the MFMA requires that the Council considers the approval of the annual budget at least 30 days prior to the start of the budget year.

Section 24(2) of the MFMA 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.

The tabling and adoption of the annual budget and the Integrated Development Plan is a critical milestone in the governance and financial planning cycle of the Municipality. It serves as a blueprint for municipal development, outlining revenue streams, expenditure priorities, and strategic investments aimed at improving the quality of life for our communities.

In July 2025, the Council of Bela-Bela Local Municipality adopted the IDP/Budget Process Plan to guide the review of the 2026/2027 IDP and Budget in accordance with the prescripts of the MFMA.

Following the tabling of the draft IDP and Annual Budget for the 2026/2027 financial year and the two outer years of the Medium-Term Revenue and Expenditure Framework (MTREF) on 31 March 2026, the Municipality embarked on an extensive public participation process in line with Sections 22 and 23 of the MFMA, read together with Section 16(1) of the Municipal Systems Act. Public consultation meetings were successfully conducted across all nine wards between April and early May 2026, providing communities with an opportunity to engage meaningfully and shape the final budget.

We have diligently executed all phases of the IDP process in accordance with the approved Process Plan, including the Analysis, Strategy, Project, and Integration phases. These phases enabled us to align community needs with available resources, while ensuring that our development trajectory remains sustainable and responsive.

The Budget and IDP Representative Forum convened on a quarterly basis, providing a platform for key stakeholders, including sector departments, organised business, community structures, and civil society, to contribute towards shaping the Municipality's plans for the 2026/2027 financial year.

We are now at the final stage of this process, where Council is called upon to consider and approve the final Integrated Development Plan and Budget for the 2026/2027 financial year.

The Accounting Officer, in terms of Section 68 of the MFMA, has provided the necessary administrative support and technical guidance to enable the Mayor to execute the assigned budgetary responsibilities effectively.

The 2026/2027 MTREF budget is presented within a complex and evolving economic environment, characterised by global volatility and domestic constraints. In particular, the

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global economy continues to experience persistent inflationary pressures, tightening financial conditions, and supply chain disruptions arising from ongoing geopolitical conflicts.

At a domestic level, while there are encouraging signs of gradual economic recovery, municipalities continue to face structural challenges, including high unemployment, constrained household incomes, and increasing service delivery demands.

South Africa's economy is projected to grow at an average of approximately 1.8 per cent between 2025 and 2027, supported by improving investor confidence, relatively stable electricity supply, moderating interest rates, and /declining risk premiums.

However, these gains remain fragile and uneven, with risks such as energy security, municipal financial sustainability, and infrastructure backlogs continuing to weigh on growth prospects.

The imposition of tariff measures by major global economies, including baseline tariffs on imports, continues to pose risks to global trade and may have indirect implications for our local economy.

Madam Speaker, it is therefore imperative that the Municipality takes into account both micro and macro-economic factors when adopting the budget. The Municipality must remain resilient, agile, and forward-looking in driving its developmental agenda amidst a rapidly changing and uncertain global and domestic environment.

Providing sustainable services in a cost-effective manner, especially in the face of prevailing economic hardship, remains a significant challenge. This requires careful planning, prudent financial management, and difficult policy choices.

We have therefore applied our minds diligently in striking a delicate balance between adopting cost-reflective tariffs necessary to sustain the financial viability of the Municipality and cushioning our communities against the rising cost of living.

This balancing act is further compounded by rising input costs, including fuel and bulk electricity tariffs, which continue to place pressure on municipal operations and, ultimately, on our residents.

At the same time, we remain acutely aware of the financial strain faced by many of our residents, particularly those who are highly indebted and vulnerable.

Madam Speaker, this year marks the end of the current political term. It is therefore a moment of both reflection and accountability, as this is the last and final IDP/Budget adoption by this Council to preside over.

In previous years, our focus has largely been on single financial cycles. However, given the significance of this moment, it is both appropriate and necessary that we take a broader view, reflecting on our performance since the beginning of the current term in the 2021/2022 financial year.

This broader reflection enables us to assess not only annual outputs, but the cumulative impact of our policies, programmes, and decisions over time. It allows us to measure the extent to which we have advanced our developmental agenda and honored the mandate entrusted to us by the people of Bela-Bela.

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It also provides an opportunity to draw important lessons, identify areas requiring sustained attention, and ensure a smooth transition for the next administration, thereby safeguarding institutional continuity and stability.

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Such an assessment must be anchored on the Six National Key Performance Areas (KPA's) of Local Government, which provide a structured framework for measuring municipal performance and guiding service delivery priorities. These are:

- Municipal Transformation and Institutional Development
- Basic Service Delivery and Infrastructure Development
- Local Economic Development
- Spatial Planning and Rationale
- Municipal Financial Viability and Management
- Good Governance and Public Participation

Madam Speaker, we have a good story to tell. Allow me to acknowledge the significant milestones achieved since 2021:

1. We successfully settled an outstanding debt of R25.5 million owed to Magalies Water, thereby restoring the Municipality's financial standing with the bulk water provider. We have also maintained discipline in servicing the current account, ensuring that no further arrears are accumulated.
2. We successfully applied for Eskom's Debt Relief Programme and met all the prescribed conditions. To date, an amount of R10.3 million has already been written off, with a further R10.3 million pending final write-off.
3. Since the 2023/2024 financial year, the Municipality has consistently adopted budgets that are fully funded and comply with the requirements of the Municipal Finance Management Act.
4. We successfully settled an outstanding debt of R11 million owed to the Department of Transport and Community Safety, thereby restoring our financial obligations with the department. We have also ensured that the current account remains up to date and is serviced accordingly.
5. We successfully secured funding from the National Treasury to support the rollout of SMART electricity meters, with Phase 1 valued at R68 million already implemented. This initiative represents a critical step towards modernizing our electricity infrastructure, improving revenue management through enhanced billing accuracy, and reducing non-technical losses such as electricity theft and meter tampering.
6. We have strengthened our internal capacity by preparing the Municipality's Annual Financial Statements in-house.
7. We successfully implemented the Token Identifier (TID) rollover programme for prepaid electricity meters across the Municipality.
8. We have made significant progress in the formalization of informal settlements, including Extension 25 and Zuma View. This milestone advances spatial transformation and improves security of tenure for residents.
9. We have undertaken township rectification in Extensions 8 and 9, resulting in the creation of 150 additional residential stands.
10. We have made significant progress in addressing the backlog of historical property transfers, with 88 properties already successfully transferred, and a further 300 transfers at an advanced stage of completion. This progress is instrumental in restoring

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ownership rights, promoting tenure security, and empowering beneficiaries through access to formal property ownership.

11. We have made notable progress in advancing the development of the Commercial Park within the Municipality.
12. We have maintained a functional Municipal Council and effective oversight through its subcommittees. This has ensured stability in governance, strengthened oversight and accountability.
13. We have expanded waste collection services to previously underserved areas, including Extension 9 and Rapotokwane. This intervention has improved environmental health conditions, enhanced community well-being, and contributed to cleaner, more dignified living spaces for residents.
14. We won the District Cleanest Municipality competition in 2023.
15. Young people within our Municipality have continued to benefit from initiatives such as the Mayoral Matric Awards and Annual Career Exhibitions, programmes specifically designed to promote a culture of teaching and learning, while exposing learners to a wide range of career opportunities.
16. Bela-Bela Local Municipality has demonstrated a measurable improvement in wastewater management performance in the 2025 Green Drop Report, **achieving a score of 54% compared to 32% in the 2021 audit cycle**. This reflects a positive trajectory and places the Municipality within the **“average performance” category**. The improvement is largely attributed to increased capital investment, enhanced technical capacity, and ongoing infrastructure rehabilitation initiatives. The Municipality is also recognised among those in Limpopo that have shown performance gains during the current audit cycle.
17. The Municipality is implementing revenue enhancement program in partnership with the Development Bank of South Africa. The program is contributing to the financial sustainability of the Municipality. It entails updating customer and billing data, conducting physical audit of water and electricity meters. There is an improvement in curbing water and electricity distribution losses.

The current Council has since its inception in November 2021 managed to complete a significant number of service delivery infrastructure that has in one way or another improved the living conditions of the residents of Bela- Bela.

**In the 2020/21 financial year we have completed the following projects:**

- Bela-Bela: Storm Water - Spa Park
- Bela-Bela: Extension of Grave Yard
- Road Paving and Storm Water 1 (Hostel View & X5)
- Bela-Bela: Development of sport facilities - Spa Park
- Road Paving and Storm Water X6 - Ph1
- Road Paving X 4,6,7 & 8
- 1ML WTW in Masakhane
- Bela- Bela Water Conservation and Demand Management

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**In the 2021/22 financial year we have completed the following projects:**

- Bela-Bela: Development of sport facilities – Leseding (ward)
- Road Paving and Storm Water X7 - Phase 1 (Ward 3&7)
- Road Paving and Storm Water X8 - Phase 1 (Ward 4)
- Refurbishment of the Warmbad Dam
- Refurbishment of old section of the Water Treatment Works

**In the 2022/23 financial year we have completed the following projects:**

- Bela-Bela: Road Paving & Stormwater in Bela-Bela Kgosana, Matshapa and street 49 (Ward 5)
- Bela-Bela: Road Paving and Stormwater in Bela-Bela X8 - Phase 2 (Ward 4)
- WCDM: Installation of Bulk Zonal Meters in Bela –Bela Town & Township (Wards 1 to Ward 7) and Installation of Counter Bulk Meters on all Magalies Draw Points
- Refurbishment of sewer outfall from Aventura PS to Bela-Bela WWTW
- Refurbishment and automation of the Bela-Bela Wastewater Treatment Works – Phase 1B
- Redrilling, Equipping, Concrete Housing and Electrification of 3X Boreholes in Masakhane (Ward 9)
- Electrification of Bela-Bela X9 (124HH) – Phase 2B(Shortfall)

**In the 2023/24 financial we have completed the following projects:**

- Replacement of the 2ML steel elevated water tank in Pienaarsrevier (Ward 8)
- Supply and installation of 8 X 150KVA diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela-Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station (Ward 1, 2, 6, 9).
- Electrification of Bela-Bela X9 (900HH) – Phase 2B(Shortfall)
- Bela-Bela: Road Paving and Stormwater in Bela-Bela X6 - Phase 2 (Ward 7)
- Bela-Bela: Road Paving and Stormwater in Bela-Bela X6 - Phase 3 (Ward 7)
- Bela-Bela: Road Paving and Stormwater in Bela-Bela X8 - Phase 3 (Ward 4)
- Refurbishment and automation of the Bela-Bela Wastewater Treatment Works – Phase 1C

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- Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (Ward 4)
- Upgrading of the Ext 6 Sewer Pump Station (Ward 6)
- Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (Ward 2&6)

**In the 2024/25 financial year we completed the following projects:**

- Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)
- Development of sports facilities in Masakhane (Ward 9)
- Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)

More infrastructure projects are due for completion in the current financial year.

Bela- Bela is one big construction site. We extend gratitude to the South African National Road Agency Limited (SANRAL) for road infrastructure development happening in the Municipal jurisdiction

There are two Billions worth projects underway that will improve our road networks and make travelling to our town a pleasurable experience to our tourist and investors.

**R516 Tooyspruit to Bela-Bela Road Upgrade**

The Municipality welcomes the continued implementation of the R516 road upgrade project from Tooyspruit to Bela-Bela, which represents an infrastructure investment of approximately **R1.236 billion**. The project is currently under construction and aims to improve road safety, traffic flow, and regional mobility through the upgrading of road infrastructure, bridges, drainage systems, and associated services. To date, the project has created approximately **326 job opportunities** and **supported 18 appointed SMMEs**, with over R265 million directed towards SMME participation and local economic empowerment initiatives.

**R101 Bela-Bela to Modimolle Road Improvement Project**

The R101 road improvement project between Bela-Bela and Modimolle remains a strategic investment towards improving regional transport infrastructure and economic connectivity. With a project value exceeding **R1.2 billion**, the project includes major road realignment, bridge construction, drainage improvements, and street lighting installations. The project has created approximately **187 employment opportunities** for local community members and supported **33 appointed SMMEs**, with more than R86 million allocated towards targeted enterprises and local economic development initiatives.

These achievements demonstrate that when leadership, administration and community structures work together, progress is not only possible, but also inevitable.

However, we must also confront the challenges that continue to undermine service delivery:

1. Aging water, electricity and sewer infrastructure

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2. Vandalism and theft of municipal assets
3. Weak bylaw enforcement
4. Inadequate disaster management capacity
5. Housing backlogs

These challenges require decisive action, disciplined planning and collective commitment.

During the Municipal Strategic Lekgotla, we managed to conduct the SWOT Analysis to diagnose the challenges and come up with programmes and strategies to address them.

I am confident that the Budget and Integrated Development Plan presented here today have been crafted in a deliberate, strategic, and responsible manner to address service delivery backlogs over the short, medium, and long term.

They reflect a careful alignment between community needs, available resources, and our broader developmental objectives, ensuring that our interventions are both responsive and sustainable.

In the processes of consolidating this budget, the 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 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.

It is projected that the municipality will achieve an operational surplus of **R31 813 million**, annual operating revenue budget of **R771 million** and expenditure of **R739 million** respectively for the 2026/2027 financial year 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 annual budget (MTREF) are as follows:

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- 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.

We are going to implement the following austerity measures in 2026/27 financial year in order to conform to National Treasury cost containment guidelines and align activities outlined in the 2026/27 Procurement Plan to be adopted with the 2026/27 MTREF.

- a) Implementation of Asset Management and Fleet policies for the safeguarding of municipality's assets.
- b) Strategic approach to vacancies in alignment with the Staff regulation guidelines.
- c) Reduction on fuel costs, overtime, consultants and procurement of non-core goods and services

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%** of electricity, however, Council agreed on reducing the increase to **11,8%**. **Electricity** revenue sales will increase by **14.9%** overall. The National Treasury's RT29 contract on smart prepaid meters is anticipated to boost electricity sales.

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 resolved on the electricity tariffs increase. It was a daunting task to come to a 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.

The anticipated **Water Service Charge** increase is **7.5%** as per confirmed increase by the Water Board (Magalies Water).

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** Assts is anticipated to grow primarily driven by upcoming investment opportunities that the municipality plans to explore thanks to its favourable cash position.

To maximise these investment returns the municipality will continue to implement sound cash management principles ensuring 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.

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The municipality is focused on the cost of supply study for tariff setting while also subsidizing on the gap between cost and consumer sales / consumption.

The cost of the social package of the registered indigent households is largely financed by National Government through the Local Government Equitable share received in terms of the annual Division of Revenue Act.

The Municipality will continue to provide free basic services to indigents households. Qualifying households must be earning a combined total income of R6 000 to benefit from the scheme to receive;

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

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.

**Remuneration 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.

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

**Water bulk purchase** is projected to increase by 7.5 percent which is as per guideline of Magalies Water Board.

**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 **4%** to provide for the maintenance of the landfill site and other contractual commitments.

**Operational costs** are projected to increase by **6.7%** to provide for inter alia legal and audit fees.

The municipality's capital budget is mainly grant funded. Proposed total capital budget amount is **R144 million**. The capital budget will be funded by **R 121 million (85%)** of capital grants and **R22 million (15%)** of internally generated funds.

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Allocation of Operational Grants respectively for MTREF 2026/27 is summarized as follows:

- LGSETA Discretionary Grant: **R 250 000**
- Municipal Infrastructure Grant: **R 1 559 000**
- 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**

Capital grants allocations for development of critical service delivery infrastructure worth noting is:

- Water Service Infrastructure Grant: **R 81 044 000**
- Municipal Infrastructure Grant: **R 29 621 000**
- Integrated National Electrification Programmes Grant (INEP): **R 8 300 000**

Total operational grants allocation amount to **R 155 million** as per Dora allocation schedule and non-DORA mandatory allocations and Total capital grants amount to **R 118 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.

Madam Speaker, as we reaffirm our commitment to better the lives of the residents of Bela-Bela, we will through the MIG allocation implement the following capital projects in the 2026/27 financial year:

- Upgrading of the Bela-Bela Municipal landfill site Phase 1 (Ward 2): **R3.8 million**
- Construction of Road Paving and Bulk stormwater in Bela-Bela X8 - Phase 4: **R2.3 million**
- Construction of Road Paving and Stormwater in Rapotokwane -Phase 1: **R19.8 million**
- Develop New Cemetery – Pienaarsrevier: **R1 000 000**
- Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1: **R1 000 000**
- Construction of Road Paving and Stormwater in Bela-Bela X5 - Phase 2: **R1 000 000**
- Construction of Road Paving and Stormwater in Bela-Bela X6B - Phase 4: **R509 000**

From the allocation of Water Service Infrastructure Grant, we will implement the following projects:

- Upgrading of the Industrial outfall sewer line (Ward 2): **R3 811 463**
- Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9): **R888 537**
- 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): **R8 300 000**
- Replacement of AC Water Pipes in Bela-Bela Town - Gilfillan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockerly and Potgieter Street (Ward 1): **R20 743 153**

- Upgrading of the Pienaarsrevier Sewer Pump Station and Waste-Water Treatment Works (Ward 8): **R15 000 000**
- Upgrading of the Masakhane Waste-Water Treatment Works (Ward 9): **R14 300 847**

Through the allocation of Integrated National Electrification Program (INEP) Grant, we have;

- Allocated **R5million** for completion of phase 1 of the Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station which is allocated next to the graveyard along R516,
- We also allocated **R3.3 million** for retrofits of electrical infrastructure.

Subsequent to the inclement weather that resulted in floods that affected some parts of the township and town, we received **Disaster Response Grant** (MDRG) amounting to **R 18.5 million** for the 2026/27 financial year.

We intend to direct the funds for the rehabilitation of streets that have been severely damaged by the floods. We are prioritizing Moloto street, Masemola street, Meininger street, Paul Sauer and Industrial roads. We appreciated interventions of the National and Provincial government for disaster recovery.

We will implement own source capital projects at a value of **R22.3 million** prioritizing critical service delivery programmes such as; (1) Installation of fence and gate at Mokoena street cemeteries, (2) Procurement of Pumps and motors for the Warmbad Waste Water Treatment Works and Pump Stations, (3) Procurement of grass cutting equipment, (4) Refurbishment of Vehicle Testing Station equipment and others.

We table this budget considering opportunity cost of choosing one project or program over the others that might be perceived as valuable to interested stakeholders.

We are also mindful of scarcity of resources. However, choices had to be made about what must be prioritized in the budget.

We reached consensus with residents of Bela-Bela during the Mayoral IDP/Budget roadshow when we tabled the Draft Budget.

Madam Speaker, the needs of our communities are neither unattainable nor insurmountable. The concerns raised during our public participation engagements largely relate to operational service delivery matters.

This demonstrates that while significant progress has been made in expanding access to basic services, the focus must now increasingly shift towards improving efficiency, responsiveness, and the quality of services rendered to our communities.

Our people require improved turnaround times in responding to service delivery interruptions, and this must remain a priority for this administration. There must be clear value for money in the way we render our services, ensuring that every resource entrusted to us yields tangible benefits for our communities.

The Municipality's ability and commitment to effective service delivery have a direct impact on the growth of the local economy. A well-functioning and responsive municipality is fundamental to creating an enabling environment for investment, job creation, and sustainable development.

We must therefore strengthen our service delivery machinery by improving operational efficiency, maintaining infrastructure, and ensuring reliability in the provision of basic services.

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In doing so, we will create an environment that is conducive to economic growth, with a deliberate focus on the Tourism and Agricultural sectors, which remain the primary drivers of our local economy.

Madam Speaker, I am encouraged by the fact that the Municipality achieved an unqualified audit opinion for the 2024/2025 financial year. This milestone reflects our collective commitment to improving financial management, accountability, and governance.

It further signals progress in strengthening our internal controls, compliance culture, and institutional credibility.

Our next target is to achieve a Clean Audit for the 2025/2026 financial year, not merely as a compliance exercise, but as a strategic objective that speaks to the quality of our governance.

A clean audit outcome enhances investor confidence, strengthens public trust, and reinforces the Municipality's ability to mobilize resources effectively in the fight against poverty, inequality, and unemployment.

Based on the 2024/25 Audit performance, the South African Local Government Association recognized the Bela-Bela Local Municipality's performance with the following awards:

1. 100 % spending of 2024/25 Municipal Infrastructure Grant (MIG)
2. Appreciation for not incurring fruitless and wasteful expenditure
3. Appreciation for in-house preparations of the Annual Financial Statement
4. Award for achieving and unqualified Audit Opinion

I extend my sincere appreciation to all stakeholders, National and Provincial Treasury, COGHSTA, SALGA, the Auditor-General, Traditional Leadership, Ward Committees, Civil Society, ratepayers, the business sector and our municipal staff under the leadership of the Municipal Manager, Mr. Tsatsi George Ramagaga.

Our budget is currently not fully cash-backed, which underscores the critical need to strengthen our revenue collection efforts. This reality requires us to actively advocate for the consistent payment of rates and taxes by all consumers in line with their usage.

A sustainable municipality is built on a culture of payment, where residents and businesses fulfil their obligations to ensure the continuity and improvement of basic services. It is important to note that approximately 80% of our budget is funded through own revenue, primarily from rates and service charges.

Any failure to collect this revenue directly impacts our ability to maintain infrastructure, deliver services, and meet our financial commitments.

Our 2026/2027 Medium-Term Revenue and Expenditure Framework (MTREF) Budget has undergone a rigorous benchmarking and assessment process by the Limpopo Provincial Treasury. I am therefore pleased to report that the assessment confirms that our budget is fully funded.

This outcome affirms the credibility, sustainability, and compliance of our budget, and reflects the Municipality's commitment to prudent financial planning and adherence to legislative prescripts.

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

Madam Speaker, I present to this Council the Final Integrated Development Plan and Annual Budget (Medium Term Revenue and Expenditure Framework 2026/2027).

Recommendations are as recorded in Council item **MC171/05/2026**.

I thank you...

**1.2. Council Resolutions (MC171/05/2026)  
FINAL INTEGRATED DEVELOPMENT PLAN & ANNUAL BUDGET (MEDIUM  
TERM REVENUE AND EXPENDITURE FRAMEWORK 2026/2027)  
RESOLVED THAT**

- 1.2.1. **THAT** Council approves the Final IDP Document and Final Budget (MTREF) for 2026/2027 financial year and indicative for the projected outer years 2026/27 to 2028/29 as set out in the annual budget tables respectively of the following schedules:
- i. Council Approves and adopts the final IDP Document-Annexure A for the 2026/27 financial year.
  - ii. Council Approves and adopts the A Schedule and Supporting Tables as per Municipal Budget and Reporting regulations (MBRR), Annexure B.
  - iii. Council approves and adopts the final Tariff Book for services as per Annexure C with effect from 1 July 2026.
  - iv. Council takes note that tariffs in respect of electricity increase are still subject to final approval by NERSA, the tariffs will be updated based on the formal letter.
  - v. Council Approves and adopts the Strategic Risk Register for the 2026/27 financial year as per Annexure D.
  - vi. Council Approves and adopts the mSCOA roadmap as required in terms of the mSCOA regulations and guidelines issued by the National Treasury-Annexure E.
  - vii. Council Approves and adopts the valuation roll reconciliation as required in terms of the MFMA circular 134 issued by National Treasury-Annexure F.
  - viii. Council Approves and adopts the NT tariff toll as required in terms of the MFMA Circular 134 issued by National Treasury-Annexure G.
  - ix. Council Approves and adopts the Revenue Assessment Tool as required in terms of the MFMA Circular no 134 issued National Treasury-Annexure H.
  - x. Council Approves and adopts Revenue document submission checklist as required in terms of the MFMA Circular no 134 issued by National Treasury-Annexure I.
  - xi. Council Approves and adopts the virement budget report as required in terms of the MFMA Circular no 134 issued National Treasury-Annexure J.
  - xii. The Council of Bela-Bela Local Municipality, acting in terms of Section 75A of the Local Government Municipal System Act (Act 32 of 2000) approves and adopts with effect from 1 July 2026 the following Budget Related Policies as per Annexure K:
    1. Property Rates Policy
    2. Credit Control and Debt Collection Policy
    3. Budget Implementation and Monitoring Policy
    4. Supply Chain Management Policy
    5. Indigent Management Policy
    6. Funding Reserves Policy

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7. Cash Management and Investment Policy
8. Policy on Long Term Financial Planning
9. Principles and Policy on Tariffs
10. Borrowing Framework Policy
11. Assets Management Policy
12. Policy on Infrastructure Investment and Capital Projects
13. Prioritisation Model for Capital Assets Investments
14. Policy on Provision for doubtful debts and writing off of irrecoverable debts
15. Cost Containment Policy
16. Expenditure Management Policy
17. Property Rates by-law
18. Indigents support By-Law
19. Credit control and debt collection By-Laws.

1.2.2. THAT council approves the following tariff increases as set out in the 2026/2027 final Tariff Book

- i) Property rates tariffs for all classes of property will be increased by 3%.
- ii) Refuse and Sanitation rates increased by 3.4%.
- iii) Water tariffs increased by 7.5%.
- iv) Electricity tariffs increased by 11.8%.
- v) Sundry Tariffs increased by 3.4%.

1.2.3. THAT Council approves the final 2026/2027 annual budget (MTREF)'s operating revenue budget R771 502 million for the 2026/27 financial year as well as for the two outer years as depicted in table 2: Table A1 Budget Summary above.

1.2.4. THAT Council approves the final 2026/27 annual budget (MTREF)'s operating expenditure budget of R739 689 million for the 2026/27 annual budget financial year as well as for the outer years as depicted in above table 2: Table A1 Budget Summary.

1.2.5. THAT Council approves the 2026/2027 annual budget (MTREF)'s capital expenditure of R144 135 million (R121.813 million grant funded and R22.322 million own funded) as well as two outer years's expenditure as set out in above table 6: Table A5 Budgeted Capital Expenditure by vote, functional classification and funding.

1.2.6. THAT Council takes note that the 2026/2027 operating budget realises a budgeted surplus of R31.813 million as reflected in table 2: Table A1 Budget Summary above.

1.2.7. THAT Council takes note of the total cost to municipality expenses for the salaries, allowances and benefits of the Mayor, Speaker, Chief Whip, executive committee members, Subcommittee chairpersons, Ordinary councillors, Municipal Manager, Chief Financial Officer and other senior managers as set out in the 2026/2027 annual budget (MTREF) report.

1.2.8. THAT a copy of the Final Annual Budget be submitted to the National Treasury and Provincial Treasury.

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1.2.9. THAT a copy of the Final IDP document be submitted to the office of MEC for Co-operative Governance Human Settlement and Traditional Affairs for comments within 10 days of its adoption as stipulated by the legislation-section 32(1) of the Municipal System Act, 2000

### **1.3. Executive Summary**

The preparation of the 2026/27-2028/29 Medium-Term Revenue and Expenditure Framework (MTREF) is informed by the strategic objectives, development priorities, and service delivery commitments as outlined in the Municipality's Integrated Development Plan (IDP). The budget gives effect to Council's strategic vision by aligning available financial resources to the identified needs, challenges, and growth opportunities within the Bela-Bela municipal area. Through this alignment, the Municipality seeks to promote sustainable service delivery, strengthen infrastructure investment, support economic development, and enhance the overall quality of life for the community at large. The 2026/2027 budget, together with the three outer financial years, sets out the projected revenue, anticipated expenditure, and funding framework required to ensure financial sustainability and responsible fiscal management over the medium term.

The Budget Circulars issued by the National and Provincial Treasury provide the framework and key macro-economic assumptions that guide the preparation of the 2026/2027 MTREF. In line with MFMA Circular No. 134, The National Treasury expects economic growth to average 1.8 per cent from 2026 to 2028 as per Circular 134, this represents an improvement in the outlook in comparison to the 1.4 per cent projected in the 2025/26 budget. The medium-term growth will be underpinned by household consumption supported by further gains in real purchasing power, moderately stronger wage growth, easing inflation, wealth gains from rising asset prices, improved consumer sentiment and better credit conditions.

Consumer inflation is forecasted for a downward trend of 3.3 percent in 2027/28 and 3.2 percent in 2028/29. This inflation outlook is threatened by the ongoing conflict in the middle East between Israel, The United States of America and Iran which is already having negative inflationary impact due to increasing oil prices as the Strait of Hormuz remains closed. The Monetary Policy Committee in its last meeting increased the Repo rate by 25 basis points in response to the change in the inflation outlook.

The Budget document addresses the operating and capital budgets, tariff determinations, and funding sources to ensure that the Municipality continues to deliver services to the local community in a financially sustainable manner. Emphasis is placed on realistic revenue projections, cost containment, prudent cash flow management, and sustainable infrastructure investment to ensure that municipal services are delivered efficiently, economically, and equitably to all communities over the medium term.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the revenue collection.

Prior to the compilation of the 2026/27 to 2028/2029 planning and budget process, the municipality's service delivery priorities were reviewed. Strategic planning sessions were held in respect of the 2026/2027 budget in February 2026. The compilation of the 2026/27 budget was further guided by prescribed budget legislative, policy frameworks and budget circulars.

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

### **1.3.1. 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.

#### **Appropriation of funds for expenditure**

*MFMA Section 15:*

A municipality may, except where otherwise provided in this Act, incur expenditure only—

(a) in terms of an approved budget; and

(b) within the limits of the amounts appropriated for the different votes in and approved budget

#### **Approval of annual budgets**

*MFMA Section 24:*

(1) The municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget—

(a) must be approved before the start of the budget year;

(b) is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and

(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

(v) approving any changes to the municipality's budget-related policies.

*MFMA Section 16:*

(1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year

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;

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

- 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.

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

| Description | 2024/25         | Current Year 2025/26 |                 | 2026/27 Medium Term Revenue & Expenditure Framework |                        |                        |
|-------------|-----------------|----------------------|-----------------|---|------------------------|------------------------|
|             | Audited Outcome | Original Budget      | Adjusted Budget | Budget Year 2026/27                                 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| R thousands |                 |                      |                 |   |                        |                        |

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|   |                 |               |               |               |               |               |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
| Total Revenue (excluding capital transfers and contributions) | 658 611         | 656 606       | 719 593       | 771 502       | 821 851       | 882 408       |
| Total Expenditure   | 676 564         | 627 600       | 686 335       | 739 689       | 770 516       | 807 679       |
| <b>Surplus/Deficit</b>  | <b>(17 953)</b> | <b>29 006</b> | <b>33 258</b> | <b>31 813</b> | <b>51 335</b> | <b>74 729</b> |
| Own Source Capital Expenditure                                | 13 655          | 20 662        | 22 799        | 22 322        | -             | -             |

**TABLE 1: SUMMARY OF REVENUE CLASSIFIED BY MAIN REVENUE SOURCE**

Total operating revenue for the 2026/27 financial year amounts to R 771 502 million. The table above provides a total operating revenue increase of 7.2% or R51 909 million for the 2026/27 financial year, compared to the 2025/26 Adjustments Budget. For the two outer years, operational revenue has increased respectively.

Total operating expenditure for the 2026/27 financial year amounts to R 739 689 million. Compared to the 2024/25 Adjustments Budget, operational expenditure increased by 7.7% or R 53 354 million in the 2026/27 Budget; and increased respectively in the outer years of the MTREF.

The 2026/27 budgets reflect an operating surplus of R 31 813 million before provision of own funded capital expenditure.

The following are some of the cost saving measures that will be applied to the 2026/27 annual budget, to conform to National Treasury cost containment guidelines and align activities outline in the 2026/27 Procurement Plan to be adopted with the 2026/27 MTREF.

- a) Implementation of Asset Management and Fleet policies for the safeguarding of municipality's assets.
- b) Strategic approach to vacancies in alignment with the Staff regulation guidelines.  
Reduction on fuel costs, overtime, catering, and consultants.

### 1.3.3. Grant Summary for 2026/27 to 2028/29 MTREF

| Operational Grant allocation                        |                      |                          |                        |
|---|----------------------|--------------------------|------------------------|
| Grant Description                                   | Budget Year 2026/27  | Budget Year +1 2027/2028 | Budget Year +2 2028/29 |
| 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 GRANT ALLOCATION**

Total operational grants for 2026/27 amount to R155.577 million, this comprises DORA allocations and LGSETA grants. The Operational portion of the MIG and INEP grant also incorporated.

| Capital Grant allocation                            |                      |                          |                        |
|---|----------------------|--------------------------|------------------------|
| Grant Description                                   | Budget Year 2026/27  | Budget Year +1 2027/2028 | Budget Year +2 2028/29 |
| 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 8 300 000          | R 13 452 000             | R 15 924 000           |
| Municipal Disaster Response Grant (Rollover)        | R 18 570 000         | R -                      | R -                    |
| Municipal Disaster Recovery Grant (Rollover)        | R 2 550 000          | R -                      | R -                    |
| <b>Sub-total</b>                                    | <b>R 140 085 000</b> | <b>R 137 991 950</b>     | <b>R 145 529 700</b>   |

**TABLE 3: CAPITAL GRANT ALLOCATION**

Total capital grants for 2026/27 amount to R140.085 million, including anticipated rollovers from the 2025/26 financial year in respect of the Municipal Disaster Grants.

### 1.3.4. 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 outstrip 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;

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- 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.

**TABLE 4 DEPICTS BUDGETED REVENUE CLASSIFIED BY MAIN REVENUE SOURCE FOR THE 2026/27-2028/29 MTREF**

| 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  | 117 903         | 147 596         | 167 898         | 189 484              | 189 966         | 189 966            | 171 454           | 218 382   | 262 342                | 304 738                |
| Service charges – Water  | 43 438          | 39 510          | 39 836          | 50 250               | 46 104          | 46 104             | 38 507            | 49 562  | 51 197                 | 52 836                 |
| Service charges - Waste Water Management                             | 19 025          | 22 158          | 21 661          | 26 128               | 24 520          | 24 520             | 21 269            | 25 353  | 26 947                 | 27 810                 |
| Service charges - Waste Management                                   | 9 524           | 10 596          | 10 537          | 11 267               | 11 433          | 11 433             | 10 389            | 11 821  | 12 211                 | 12 602                 |
| Sale of Goods and Rendering of Services                              | 1 760           | 1 418           | 1 482           | 1 400                | 1 400           | 1 400              | 1 222             | 1 448   | 1 548                  | 1 597                  |
| Agency services  | 4 883           | 4 602           | 4 193           | 6 000                | 6 000           | 6 000              | 4 493             | 6 204   | 6 508                  | 6 716                  |
| Interest   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Interest earned from Receivables                                     | 9 046           | 12 652          | 13 904          | 15 389               | 14 029          | 14 029             | 11 664            | 14 506  | 14 985                 | 15 464                 |
| Interest earned from Current and Non-Current Assets                  | 1 432           | 2 752           | 4 789           | 5 000                | 8 000           | 8 000              | 5 620             | 9 244   | 9 549                  | 9 854                  |
| Dividends  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Rent on Land   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Rental from Fixed Assets   | 1 477           | 1 196           | 1 172           | 1 223                | 1 336           | 1 336              | 1 216             | 1 381   | 1 427                  | 1 472                  |
| Licence and permits  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Special rating levies  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Construction Contract Revenue  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Development Charges  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Operational Revenue  | 3 417           | 11 934          | 1 981           | 2 470                | 3 487           | 3 487              | 2 094             | 3 606   | 3 725                  | 3 844                  |
| <b>Non-Exchange Revenue</b>  |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Property rates   | 108 940         | 95 606          | 107 614         | 115 924              | 115 924         | 115 924            | 102 555           | 119 386   | 123 325                | 127 272                |
| Surcharges and Taxes   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Fines, penalties and forfeits  | 33 520          | 31 619          | 95 316          | 43 548               | 103 544         | 103 544            | 107 979           | 109 064   | 112 663                | 116 269                |
| Licences or permits  | 2 160           | 2 200           | 2 193           | 3 447                | 3 447           | 3 447              | 2 194             | 3 564   | 3 681                  | 3 799                  |
| Transfer and subsidies – Operational                                 | 122 766         | 134 834         | 144 522         | 151 036              | 151 908         | 151 908            | 149 136           | 155 577   | 158 614                | 163 946                |
| Interest   | 14 038          | 13 330          | 15 501          | 17 045               | 15 675          | 15 675             | 13 804            | 16 223  | 16 758                 | 17 295                 |
| Fuel Levy  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Operational Revenue  | 3 369           | 3 575           | 3 848           | 3 595                | 2 424           | 2 424              | 1 417             | 2 507   | 2 589                  | 2 672                  |
| Gains on disposal of Fixed and Intangible Assets                     | -               | -               | 2 400           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other Gains  | 16 657          | 9 901           | 19 766          | 13 398               | 20 398          | 20 398             | -                 | 23 675  | 13 780                 | 14 221                 |
| 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>719 593</b>  | <b>719 593</b>     | <b>645 011</b>    | <b>771 502</b>                                      | <b>821 851</b>         | <b>882 408</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.

The 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 55 percent of the total revenue mix.

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

- a) Property rates revenue is projected to increase by 3 percent from R115.924 million in 2025/26 to R119.386 million in 2026/2027.
- b) Electricity revenue budget is projected to increase by 11.8 percent from R189.966 million to R218.382 million based on the 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 7.5 percent from R46.104 million to R49.562 million in line with the Water Board (Magalies Water) approved tariff increases. The replacement of faulty and damaged meters will lead to a more accurate reading.
- d) Service charges - Waste Water Management is projected to increase by 3.4 percent in line with the projected CPI, from R24.520 million to R25.353 million.
- e) Service charges - Waste Management is projected to increase by 3.4 percent in line with the projected CPI, from R11.267 million to R11.821 million.
- f) Interest earned from Receivables (exchange and non-exchange) is projected to increase by 3.4 percent as per the projected CPI.
- g) Fines, penalties and forfeits are projected to increase by 5.3% from R103.544 million to R109.064 million. It is noteworthy that the actual revenue for 2025/26 was R107.979 million as of 31 May 2026, meaning the adjustment budget of R103.544 million had already been surpassed. Therefore, the municipality adopted a conservative budget projection for the 2026/27 financial year.
- h) For the 2026/2027 financial year, a 15.5 percent increase in interest income from Interest earned from Current and Non-Current Assets is anticipated. 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 municipality will continue to implement sound cash management principles ensuring a positive cash balance is maintained and substantial interest revenue is earned.
- i) 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.

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

### 1.3.5. Operating Expenditure Framework

Table 5 depicts budgeted expenditure classified by expenditure type for the 2026/27-2028/29 MTREF

| 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>Expenditure</b>                        |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs                    | 143 132         | 147 557         | 169 124         | 181 626              | 193 633         | 193 633            | 157 062           | 215 582   | 221 839                | 228 938                |
| Remuneration of councillors               | 7 835           | 8 810           | 9 034           | 9 715                | 10 297          | 10 297             | 8 149             | 10 648  | 10 999                 | 11 351                 |
| Bulk purchases - electricity              | 111 942         | 136 246         | 156 736         | 178 230              | 178 230         | 178 230            | 159 710           | 194 288   | 211 968                | 231 258                |
| Inventory consumed                        | 26 561          | 25 206          | 27 545          | 36 309               | 38 495          | 38 495             | 31 216            | 39 467  | 41 183                 | 42 501                 |
| Debt impairment                           | 24 566          | 78 441          | 135 102         | 24 996               | 61 318          | 61 318             | 8 816             | 63 521  | 65 617                 | 67 717                 |
| Depreciation, amortisation and impairment | 41 711          | 42 206          | 44 080          | 44 944               | 49 090          | 49 090             | 34 037            | 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                 |
| Contracted services                       | 40 570          | 49 074          | 74 152          | 84 683               | 80 403          | 80 403             | 55 984            | 83 803  | 83 000                 | 85 656                 |
| Transfers and subsidies                   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Irrecoverable debts written off           | 14 365          | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Operational costs                         | 37 190          | 41 843          | 45 319          | 48 485               | 64 522          | 64 522             | 43 335            | 68 802  | 70 234                 | 72 481                 |
| Disposal of Fixed and Intangible Assets   | 1 936           | 3 006           | 7 955           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other Losses                              | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Expenditure</b>                  | <b>467 310</b>  | <b>547 741</b>  | <b>676 564</b>  | <b>627 600</b>       | <b>686 335</b>  | <b>686 335</b>     | <b>498 309</b>    | <b>739 689</b>                                      | <b>770 516</b>         | <b>807 679</b>         |

TABLE 5: OPERATIONAL EXPENDITURE BY TYPE

The 2026/27 annual budget (MTREF) operational expenditure budget has ensured that sufficient provision is made to ensure that the delivery of sustainable basic services to the community is met with the limited resources.

- a) **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.
- b) **Remunerations of councillors** 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.
- c) **Bulk purchases:**
  - 1) **Electricity** is estimated to increase by 9.01 percent in line with the NERSA approved increase.
  - 2) **Water** is projected to increase by 7.5 percent which is as per guideline of water board (Magalies Water)
- d) **Repairs and Maintenance:** The municipality has, over the last two financial years, struggled to increase the investment in repairs and maintenance due to cash flow challenges. For Municipality to be able to be within the norm, this means will need to

*budget at least R90 million in a single year which will therefore represent huge spending to be incurred in a single year.*

- e) **Debt impairment** budget provision increased by 3.6 percent, and **Depreciation** increased by 7.1 percent.
- f) **Interest expense** increases by 6.3 percent to provide for finance lease liability and provisions.
- g) **Contracted Services** increased by 4.0 percent to provide for the maintenance of the landfill site and other contractual commitments.
- h) **Operational costs** are projected to increase by 6.7 percent to provide for inter alia legal and audit fees.

#### 1.4. Capital expenditure

**Table 6 depicts budgeted capital expenditure classified by vote, funding and funding source for the 2026/27-2028/29 MTREF**

| Vote Description  | 2022/23         | 2023/24         | 2024/25         | Current Year 2025/26 |                 |                    |                   | 2026/27 Medium Term Revenue & Expenditure |                        |                        |
|---|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|   | 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                | 3 883           | 3 883              | 3 330             | 7 831                                     | -                      | -                      |
| Executive and council   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Finance and administration  | 2 937           | 9 451           | 2 279           | 3 280                | 3 883           | 3 883              | 3 330             | 7 831                                     | -                      | -                      |
| Internal audit  | -               | -               | -               | 300                  | -               | -                  | -                 | -   | -                      | -                      |
| <b>Community and public safety</b>  | -               | 3 933           | 2 921           | 1                    | 1 233           | 1 233              | 233               | 2 032                                     | 4 348                  | 5 217                  |
| Community and social services   | -               | 41              | 153             | 411                  | 58              | 58                 | 21                | 1 441                                     | 4 348                  | 5 217                  |
| Sport and recreation  | -               | 3 892           | 2 466           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Public safety   | -               | -               | 302             | 1 150                | 1 175           | 1 175              | 211               | 591                                       | -                      | -                      |
| Housing   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Health  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Economic and environmental services</b>  | 8 732           | 25 222          | 16 479          | 28                   | 32 495          | 32 495             | 24 741            | 42 042                                    | 23 971                 | 7 617                  |
| Planning and development  | (130)           | -               | -               | 500                  | 250             | 250                | -                 | 222                                       | -                      | -                      |
| Road transport  | 8 862           | 25 222          | 16 479          | 28 450               | 32 245          | 32 245             | 24 741            | 41 820                                    | 23 971                 | 7 617                  |
| Environmental protection  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Trading services</b>   | 59 494          | 73 074          | 146 277         | 117                  | 121 820         | 121 820            | 91 430            | 92 229                                    | 91 674                 | 111 647                |
| Energy sources  | 11 421          | 6 897           | 63 647          | 25 752               | 26 885          | 26 885             | 15 076            | 14 124                                    | 11 697                 | 14 831                 |
| Water management  | 1 665           | 5 255           | 18 797          | 57 338               | 57 374          | 57 374             | 49 065            | 43 501                                    | 42 509                 | 58 051                 |
| Waste water management  | 29 720          | 50 093          | 48 402          | 28 213               | 29 721          | 29 721             | 22 909            | 31 155                                    | 37 468                 | 25 517                 |
| Waste management  | 16 688          | 10 829          | 15 431          | 6 616                | 7 839           | 7 839              | 4 380             | 3 449                                     | -                      | 13 248                 |
| <b>Other</b>  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Capital Expenditure - Functional</b>   | <b>71 163</b>   | <b>111 680</b>  | <b>167 956</b>  | <b>152 011</b>       | <b>159 431</b>  | <b>159 431</b>     | <b>119 734</b>    | <b>144 135</b>                            | <b>119 993</b>         | <b>124 481</b>         |
| <b>Funded by:</b>   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| National  | 56 747          | 77 646          | 114 413         | 131 349              | 138 632         | 138 632            | 113 081           | 121 813                                   | 119 993                | 124 481                |
| Government  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Provincial Government   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Transfers recognised - capital  | 56 747          | 77 646          | 114 413         | 131 349              | 138 632         | 138 632            | 113 081           | 121 813                                   | 119 993                | 124 481                |
| <b>Borrowing</b>  | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Internally generated funds  | 14 217          | 17 290          | 13 665          | 20 662               | 20 799          | 20 799             | 6 653             | 22 322                                    | -                      | -                      |
| <b>Total Capital Funding</b>  | <b>70 964</b>   | <b>94 936</b>   | <b>128 078</b>  | <b>152 011</b>       | <b>159 431</b>  | <b>159 431</b>     | <b>119 734</b>    | <b>144 135</b>                            | <b>119 993</b>         | <b>124 481</b>         |

**TABLE 7: CAPITAL EXPENDITURE BY FUNCTIONAL CLASSIFICATION AND SOURCE OF FUNDING**

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

The total capital expenditure for 2026/27 is projected at R144.135 million excluding VAT. The capital expenditure is funded R121.813 million by capital grants and R22.322 million is funded by internally generated funds. The amounts in the above table are exclusive of VAT.

Error! Reference source not found. **below details the municipality's three-year consolidated MIG infrastructure investment program for 2026/27 to 2028/29 MTREF.**

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

| <b>Municipal Infrastructure Grant (MIG) Projects</b>                          |                     |                    |                       |                       |                       |
|---|---------------------|--------------------|-----------------------|-----------------------|-----------------------|
| <b>Project Description</b>  | <b>Project Type</b> | <b>Budget Type</b> | <b>2026/27 Budget</b> | <b>2027/28 Budget</b> | <b>2028/29 Budget</b> |
| Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)           | New                 | Multi Year         | R 3 856 467           | R -                   | R -                   |
| Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4     | New                 | Multi Year         | R 2 376 612           | R -                   | R -                   |
| Construction of Road Paving and Stormwater in Rapotokwane -Phase 1            | New                 | Multi Year         | R 19 878 921          | R 10 962 394          | R -                   |
| Develop New Cemetery - Pienaarsrivier   | New                 | Multi Year         | R 1 000 000           | R 5 000 000           | R 6 000 000           |
| Construction of Road Paving and Bulk stormwater in Masakhane - Phase 1        | New                 | Multi Year         | R 1 000 000           | R 6 500 000           | R -                   |
| Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 2          | New                 | Multi year         | R 1 000 000           | R 6 895 316           | R 4 104 684           |
| Construction of Road Paving and Stormwater in Bela Bela X6B - Phase 4         | New                 | Multi Year         | R 509 000             | R 3 209 368           | R 3 781 632           |
| Hetbad Warmbad landfill site Closure and Rehabilitation                       | New                 | Multi Year         | R -                   | R -                   | R 13 378 292          |
| Construction of Solar Highmast Lights in various areas in Bela-Bela - Phase 1 | New                 | Single Year        | R -                   | R -                   | R 3 507 576           |
| Construction of Road Paving and Stormwater in Bela Bela X9 - Phase 1          | New                 | Multi Year         | R -                   | R -                   | R 873 730             |
| Upgrading of the Bela Bela Municipal landfill site - Phase 2 (Ward 2)         | New                 | Multi Year         | R -                   | R -                   | R 1 856 786           |
| PMU Operational Costs   |                     |                    | R 1 559 000           | R 1 714 050           | R 1 763 300           |
| <b>Total</b>  |                     |                    | <b>R 31 180 000</b>   | <b>R 34 281 128</b>   | <b>R 35 266 000</b>   |

**TABLE 9: CAPITAL PROJECTS FUNDED BY MUNICIPAL INFRASTRUCTURE GRANT**

Water Services Infrastructure Grant (WSIG) allocation of R81.044 for 2026/2027 to 2028/29 MTREF will be allocated as follows:

| <b>Water Services Infrastructure Grant (WSIG) Projects</b>   |                     |                    |                       |                       |                       |
|--|---------------------|--------------------|-----------------------|-----------------------|-----------------------|
| <b>Project Description</b>   | <b>Project Type</b> | <b>Budget Type</b> | <b>2026/27 Budget</b> | <b>2027/28 Budget</b> | <b>2028/29 Budget</b> |
| Upgrading of the Industrial outfall sewer line (Ward 2)  | Upgrading           | Multi Year         | R 3 811 463           | R -                   | R -                   |
| Replacement of Bulk Raw Water AC Pipeline from Lapa to Bela-Bela Water Treatment Works (Ward 1 & 9)  | Upgrading           | Multi Year         | R 888 537             | R -                   | R -                   |
| Water Supply Source Augmentation using SASSA Borehole and construction of Water Treatment Plant (Ward 1)   | New                 | Multi-Year         | R 18 000 000          | R 408 494             | R -                   |
| Water Supply Source Augmentation using Showground Borehole and construction of Water Treatment Plant (Ward 2)  | New                 | Multi-Year         | R 8 300 000           | R 5 034 659           | R -                   |
| Replacement of AC Water Pipes in Bela-Bela Town - Gifflan, Botha, Van Der Merwe, Pretoria, Voortrekker, Sutter, Marx, Crockery and Potgieter Street (Ward 1) | Refurbishment       | Multi Year         | R 20 743 153          | R 41 441 962          | R -                   |
| Upgrading of the Pienaarsrivier Sewer Pump Station and Waste Water Treatment Works (Ward 8)  | Upgrading           | Multi Year         | R 15 000 000          | R 21 364 369          | R -                   |
| Upgrading of the Masakhane Waste Water Treatment Works (Ward 9)  | Upgrading           | Multi Year         | R 14 300 847          | R 21 067 868          | R -                   |
| Construction of Additional Aventura Sewer Pump Station (Ward 1)  | New                 | Multi Year         | R -                   | R 655 648             | R 29 344 352          |

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

|  |               |             |                     |                     |                     |
|--|---------------|-------------|---------------------|---------------------|---------------------|
| Refurbishment of the water reticulation network at the Old Location (Ward 2&5)   | Refurbishment | Multi Year  | R -                 | R 500 000           | R 24 500 000        |
| Refurbishment of the Platrivier Dam (Ward 9)   | Refurbishment | Multi Year  | R -                 | R 500 000           | R 9 500 000         |
| Construction of the Rapotokwane Water Package Plant Desludge Pipeline (Ward 8)   | New           | Multi Year  | R -                 | R 500 000           | R 11 500 000        |
| Upgrading of the Steel Elevated Water Tank in Masakhane (Ward 9)   | Upgrading     | Multi Year  | R -                 | R 500 000           | R 9 500 000         |
| Installation of Water Meters in Jacob Zuma Settlement (Ward 2 & 3)   | New           | Single-Year | 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)  | New           | Multi Year  | R -                 | R -                 | R 1 000 000         |
| Upgrading of the Second Steel Elevated Water Tank in Pienaarsrivier and Pump Station (Ward 9)  | Upgrading     | Multi Year  | 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) | Refurbishment | Multi Year  | R -                 | R -                 | R 3 758 648         |
| <b>Total</b>   |               |             | <b>R 81 044 000</b> | <b>R 91 973 000</b> | <b>R 96 103 000</b> |

**TABLE 10: CAPITAL PROJECTS FUNDED BY WATER SERVICE INFRASTRUCTURE GRANT**

Integrated National Electrification (INEP) allocation of R8.3 million for 2026/2027 to 2028/29 MTREF will be allocated as follows:

| Integrated National Electrification programme                          |                     |                          |                        |
|--|---------------------|--------------------------|------------------------|
| Description  | Budget Year 2026/27 | Budget Year +1 2027/2028 | Budget Year +2 2028/29 |
| 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 11: CAPITAL PROJECTS FUNDED BY INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME**

The municipality has been allocated R8.3 million of the INEP grant for the 2026/27 financial year according to Division of Revenue Bill (DORB). A total amount of R5 million was provisioned for the completion of phase 1 of the Construction of the 132/11kva X 20 MVA Sub-station.

The remaining R3.3 million was allocated for Retrofits to the electrical infrastructure (as per grant conditions).

*The amount includes Vat.*

As depicted in the table below, a **Municipal Disaster Recovery Grant (MDRG)** amounting to R18.570 million is allocated for the 2026/27 financial year. This is an anticipated rollover from the 2025/26 financial year. The budget amounts include VAT

| Municipal Disaster Recovery Grant (MDRG)     |                        |                |                |
|--|------------------------|----------------|----------------|
| PROJECT DESCRIPTION                          | 2026/27 Budget         | 2027/28 Budget | 2028/29 Budget |
| Rehabilitation of Meininger Street (Ward 1)  | R 3 050 000.00         | 0              | 0              |
| Rehabilitation of Industrial Road (Ward 6)   | R 7 800 000.00         | 0              | 0              |
| Rehabilitation of Paul Sauer Street (Ward 6) | R 7 720 000.00         | 0              | 0              |
| <b>Total</b>                                 | <b>R 18 570 000.00</b> | <b>0</b>       | <b>0</b>       |

**TABLE 12: CAPITAL PROJECTS FUNDED BY MUNICIPAL DISASTER RESPONSE GRANT**

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

The table below depicts **Municipal Disaster Response Grant (MDRG) funded** project amounting to R2.550 million anticipated to be rolled over from 2025/26 financial year. The budget amounts include VAT.

| <b>Municipal Disaster Response Grant (MDRG)</b> |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|
| <b>PROJECT DESCRIPTION</b>                      | <b>2026/27 Budget</b> | <b>2027/28 Budget</b> | <b>2028/29 Budget</b> |
| Repair of Moloto-Masemola (Ward 2)              | R2 550 000.00         | 0                     | 0                     |

**TABLE 13: CAPITAL PROJECTS FUNDED BY MUNICIPAL DISASTER RECOVERY GRANT**

Internally funded capital expenditure comprises mainly the acquisition of moveable assets. The table below is a summary of the assets that will be acquired in 2026/27 through internally generated funds

| <b>Project Segment</b>  | <b>Amount</b> |
|---|---------------|
| 16 litres Knapsack spay (X2)  | R 6 500       |
| Tools and Kits  | R 20 000      |
| Information boards for community facilities                                     | R 23 480      |
| Toolbox (113 piece)(X2)   | R 25 000      |
| Pienaarsrivier: Procurement of Pumps and motors                                 | R 30 000      |
| Radium: Procurement of Pumps and motors   | R 30 000      |
| Crane Chain Block with remote for aventura PS                                   | R 30 000      |
| Illegal Dumping prohibition boards  | R 31 740      |
| Procurement of Auditorium Audio   | R 31 740      |
| Breatherlyzers  | R 43 476      |
| Skip Bins (X5)  | R 45 000      |
| Pressure Reduction Valves   | R 50 000      |
| District Meter Area   | R 50 000      |
| Drinking Water Quality Testing Kits and Instruments                             | R 50 000      |
| Procurement of Fire Extinguishers   | R 50 000      |
| Bitumen Emulsion Sprayer  | R 50 000      |
| Ride on mower   | R 60 000      |
| Installation of swing bins  | R 63 480      |
| Procurement of digital camera   | R 63 480      |
| Cleaning Equipment( Carpet & Upholtry Cleaners and others)                      | R 95 220      |
| OHS equipments (boards first aid kits instruments)                              | R 95 220      |
| Rapotokwane: Procurement of Pumps and motors                                    | R 100 000     |
| Tsakane: Procurement of Pumps and motors  | R 100 000     |
| Vingerkraal: Procurement of Pumps and motors                                    | R 100 000     |
| Wastewater Quality Testing Kits and Instruments (6 Sludge cones 3 Ph meter 3    | R 100 000     |
| Masakhane/ Radium Sewer Ponds and Pump Station: Procurement of Pumps motors and | R 100 000     |
| Pienaarsrivier Sewer Ponds and Pump Station: Procurement of Pumps motors and va | R 100 000     |
| Lab Testing instruments   | R 100 000     |
| Tools and kits  | R 100 000     |
| Printers  | R 126 960     |
| Tables and Chairs at Community facilities                                       | R 158 700     |
| Grass cutting and Trees pruning equipment                                       | R 166 960     |
| Sluice Gates  | R 180 000     |
| Actuators (X6)  | R 200 000     |
| Installation of fence and gate at Mokoena cemetery                              | R 222 168     |
| Construction of Informal Training Stalls  | R 222 168     |

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

|  |          |                   |
|--|----------|-------------------|
| CCTV installation  | R        | 222 168           |
| Installation of Electronic Monitoring Reservoir Level Indicator          | R        | 300 000           |
| Bela-Bela WTW and Lapa PS: Procurement of Pumps and motors               | R        | 300 000           |
| Security of Switching Stations (Heavy duty Steel Doors and Burglar Bars) | R        | 300 000           |
| Procurement of New Aircons   | R        | 300 000           |
| Procurement of Streetlight Retrofits                                     | R        | 300 000           |
| Electricity meters   | R        | 300 000           |
| Procurement of Highmast Winch  | R        | 300 000           |
| Office Furniture   | R        | 317 388           |
| Warmbad WWTW and Pump Stations: Procurement of Pumps and motors          | R        | 400 000           |
| VTS equipment refurbishment  | R        | 547 824           |
| Water meters   | R        | 711 508           |
| SCADA for BB WWTW WTW and PS (MI)  | R        | 1 015 656         |
| Acquisition of Computer Equipment  | R        | 1 079 136         |
| Fencing of Public Works  | R        | 1 200 000         |
| Procurement of Transformers and Maniatures                               | R        | 1 314 788         |
| Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station -Phase 1   | R        | 1 891 786         |
| Switch gear refurbishment  | R        | 2 700 000         |
| Municipal Fleet Acquisition  | R        | 5 800 000         |
| <b>Total</b>   | <b>R</b> | <b>22 321 546</b> |

**TABLE 14: CAPITAL PROJECTS FUNDED FROM INTERNALLY GENERATED FUNDS (OWN SOURCE).**

## 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*.

| 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 thousands</b>   |                |                |                 |                      |                |                |                |   |                |                |
| <b>Financial Performance</b>   |                |                |                 |                      |                |                |                |   |                |                |
| Property rates   | 108 940        | 95 606         | 107 614         | 115 924              | 115 924        | 115 924        | 102 555        | 119 386   | 123 325        | 127 272        |
| Service charges  | 189 890        | 219 861        | 239 932         | 277 130              | 272 023        | 272 023        | 241 618        | 305 119   | 352 699        | 397 986        |
| Investment revenue   | 1 432          | 2 752          | 4 789           | 5 000                | 8 000          | 8 000          | 5 620          | 9 244   | 9 549          | 9 854          |
| Transfer and subsidies - Operational                                 | 122 766        | 134 834        | 144 522         | 151 036              | 151 908        | 151 908        | 149 136        | 155 577   | 158 614        | 163 946        |
| Other own revenue  | 90 327         | 92 426         | 161 755         | 107 516              | 171 739        | 171 739        | 146 082        | 182 177   | 177 664        | 183 349        |
| <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>719 593</b> | <b>719 593</b> | <b>645 011</b> | <b>771 502</b>                                      | <b>821 851</b> | <b>882 408</b> |
| Employee costs   | 143 132        | 147 557        | 169 124         | 181 626              | 193 633        | 193 633        | 157 062        | 215 582   | 221 839        | 228 938        |
| Remuneration of councillors  | 7 835          | 8 810          | 9 034           | 9 715                | 10 297         | 10 297         | 8 149          | 10 648  | 10 999         | 11 351         |
| Depreciation, amortisation and impairment                            | 41 711         | 42 206         | 44 080          | 44 944               | 49 090         | 49 090         | 34 037         | 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              | 216 725        | 216 725        | 190 926        | 233 756   | 253 152        | 273 759        |
| Transfers and subsidies  | -              | -              | -               | -                    | -              | -              | -              | -   | -              | -              |
| Other expenditure  | 118 625        | 172 364        | 262 528         | 158 164              | 206 244        | 206 244        | 108 135        | 216 126   | 218 851        | 225 854        |
| <b>Total Expenditure</b>   | <b>467 310</b> | <b>547 741</b> | <b>676 564</b>  | <b>627 600</b>       | <b>686 335</b> | <b>686 335</b> | <b>498 309</b> | <b>739 689</b>                                      | <b>770 516</b> | <b>807 679</b> |
| <b>Surplus/(Deficit)</b>   | <b>46 046</b>  | <b>(2 261)</b> | <b>(17 953)</b> | <b>29 006</b>        | <b>33 258</b>  | <b>33 258</b>  | <b>146 702</b> | <b>31 813</b>                                       | <b>51 335</b>  | <b>74 729</b>  |
| Transfers and subsidies - capital (monetary allocations)             | 83 242         | 89 986         | 131 124         | 151 051              | 159 427        | 159 427        | (128 593)      | 140 085   | 137 992        | 145 530        |
| Transfers and subsidies - capital (in-kind)                          | -              | 16 744         | 52 437          | -                    | -              | -              | -              | -   | -              | -              |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>129 288</b> | <b>104 469</b> | <b>165 608</b>  | <b>180 058</b>       | <b>192 685</b> | <b>192 685</b> | <b>18 109</b>  | <b>171 898</b>                                      | <b>189 327</b> | <b>220 259</b> |
| Share of Surplus/Deficit attributable to Associate                   | 129 288        | 104 469        | 165 608         | 180 058              | 192 685        | 192 685        | 18 109         | 171 898   | 189 327        | 220 259        |
| <b>Surplus/(Deficit) for the year</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>159 431</b> | <b>159 431</b> | <b>119 734</b> | <b>144 135</b>                                      | <b>119 993</b> | <b>124 481</b> |
| Transfers recognised - capital                                       | 56 747         | 77 646         | 114 413         | 131 349              | 138 632        | 138 632        | 113 081        | 121 813   | 119 993        | 124 481        |
| Borrowing  | -              | -              | -               | -                    | -              | -              | -              | -   | -              | -              |
| Internally generated funds   | 14 217         | 17 290         | 13 665          | 20 662               | 20 799         | 20 799         | 6 653          | 22 322  | -              | -              |
| <b>Total sources of capital funds</b>                                | <b>70 964</b>  | <b>94 936</b>  | <b>128 078</b>  | <b>152 011</b>       | <b>159 431</b> | <b>159 431</b> | <b>119 734</b> | <b>144 135</b>                                      | <b>119 993</b> | <b>124 481</b> |
| <b>Financial position</b>  |                |                |                 |                      |                |                |                |   |                |                |
| Total current assets   | 263 835        | 315 632        | 421 530         | 482 780              | 589 606        | 589 606        | 660 150        | 384 504   | 513 090        | 640 931        |
| Total non current assets   | 919 439        | 1 006 140      | 1 130 172       | 1 101 446            | 1 250 472      | 1 250 472      | 1 215 869      | 1 235 069   | 1 209 633      | 1 212 824      |
| Total current liabilities  | 246 593        | 254 818        | 341 440         | 380 844              | 437 782        | 437 782        | 390 444        | 327 660   | 360 160        | 372 095        |
| Total non current liabilities  | 151 647        | 163 647        | 141 717         | 173 982              | 141 717        | 141 717        | 141 717        | 76 807  | 76 807         | 76 807         |
| Community wealth/Equity  | 785 033        | 903 307        | 1 068 544       | 1 029 400            | 1 260 580      | 1 260 580      | 1 343 859      | 1 215 106   | 1 285 756      | 1 404 854      |
| <b>Cash flows</b>  |                |                |                 |                      |                |                |                |   |                |                |
| Net cash from (used) operating                                       | 221 356        | 174 087        | 152 008         | 197 033              | 206 786        | 206 786        | 206 786        | 139 579   | 178 375        | 204 196        |
| Net cash from (used) investing                                       | (77 848)       | (95 319)       | (127 725)       | (152 011)            | (181 432)      | (181 432)      | (181 432)      | (107 478)   | (90 209)       | (96 157)       |
| Net cash from (used) financing                                       | (915)          | (2 730)        | (3 541)         | -                    | -              | -              | -              | -   | -              | -              |
| <b>Cash/cash equivalents at the year end:</b>                        | <b>156 701</b> | <b>87 276</b>  | <b>46 010</b>   | <b>70 293</b>        | <b>78 226</b>  | <b>78 226</b>  | <b>78 226</b>  | <b>84 972</b>                                       | <b>173 138</b> | <b>281 177</b> |
| <b>Cash backing/surplus reconciliation</b>                           |                |                |                 |                      |                |                |                |   |                |                |
| Cash and investments available                                       | 156 701        | 87 276         | 46 010          | 70 293               | 78 226         | 78 226         | 78 226         | 84 972  | 173 138        | 281 177        |
| Application of cash and investments                                  | (21 549)       | (112 144)      | (123 084)       | (93 162)             | (143 255)      | (143 255)      | (337 372)      | 10 673  | 18 871         | 13 935         |
| <b>Balance - surplus (shortfall)</b>                                 | <b>178 250</b> | <b>199 420</b> | <b>169 094</b>  | <b>163 455</b>       | <b>221 481</b> | <b>221 481</b> | <b>415 598</b> | <b>74 299</b>                                       | <b>154 267</b> | <b>267 242</b> |
| <b>Asset management</b>  |                |                |                 |                      |                |                |                |   |                |                |
| Asset register summary (WDV)   | 821 246        | 897 924        | 959 758         | 869 465              | 937 536        | 937 536        | -              | 938 250   | 919 226        | 917 929        |
| 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               | 97 762         | 97 762         | -              | 93 729  | 79 542         | 67 481         |
| Repairs and Maintenance  | 7 805          | 9 370          | 7 911           | 25 040               | 26 965         | 26 965         | -              | 57 576  | 59 476         | 61 379         |
| <b>Free services</b>   |                |                |                 |                      |                |                |                |   |                |                |
| Cost of Free Basic Services provided                                 | (34 781)       | (34 714)       | (6 151)         | (39 671)             | (39 671)       | (39 671)       | -              | (38 192)  | (37 630)       | (38 834)       |
| Revenue cost of free services provided                               | (39 981)       | (49 819)       | (47 145)        | (50 730)             | (50 730)       | (50 730)       | -              | (45 751)  | (51 485)       | (53 184)       |
| <b>Households below minimum service level</b>                        |                |                |                 |                      |                |                |                |   |                |                |
| Water:   | -              | -              | -               | -                    | -              | -              | -              | -   | -              | -              |
| Sanitation/sewerage:   | -              | -              | -               | -                    | -              | -              | -              | -   | -              | -              |
| Energy:  | -              | -              | -               | -                    | -              | -              | -              | -   | -              | -              |
| Refuse:  | 3              | 3              | 3               | 3                    | 3              | 3              | -              | 3   | 3              | 3              |

TABLE 15: MBRR TABLEA1 - BUDGET SUMMARY

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

## 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 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 R31.813 million after taking non-cash item into consideration.

| Functional Classification Description      | ###      | 2022/23         | 2023/24         | 2024/25         | Current Year 2025/26 |                 |                    | 2026/27 Medium Term Revenue & Expenditure Framework |                        |                        |
|--|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|---|------------------------|------------------------|
|  |          | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget      | Adjusted Budget | Full Year Forecast | Budget Year 2026/27                                 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| <b>R thousand</b>                          | <b>1</b> |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Revenue - Functional</b>                |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Governance and administration</b>       |          | 292 167         | 289 215         | 381 820         | 343 477              | 406 303         | 406 303            | 344 055   | 347 655                | 361 475                |
| Executive and council                      |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Finance and administration                 |          | 292 167         | 289 215         | 381 820         | 343 477              | 406 303         | 406 303            | 344 055   | 347 655                | 361 475                |
| 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               | 57 731          | 57 731             | 66 600  | 49 105                 | 50 564                 |
| Planning and development                   |          | 10 460          | 9 186           | 10 503          | 5 432                | 12 415          | 12 415             | 15 859  | 16 538                 | 17 062                 |
| Road transport                             |          | 27 673          | 43 588          | 36 662          | 40 051               | 45 317          | 45 317             | 50 741  | 32 567                 | 33 503                 |
| Environmental protection                   |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Trading services</b>                    |          | 258 039         | 302 925         | 406 278         | 408 732              | 404 996         | 404 996            | 488 935   | 552 276                | 604 746                |
| Energy sources                             | 4        | 119 697         | 148 960         | 241 918         | 208 891              | 211 181         | 211 181            | 249 165   | 297 636                | 342 563                |
| Water management                           |          | 103 409         | 109 988         | 121 707         | 151 677              | 148 396         | 148 396            | 160 475   | 173 266                | 179 262                |
| Waste water management                     |          | 23 358          | 28 003          | 29 232          | 34 022               | 31 883          | 31 883             | 46 806  | 48 439                 | 49 541                 |
| Waste management                           |          | 11 576          | 15 975          | 13 421          | 14 142               | 13 536          | 13 536             | 32 489  | 32 934                 | 33 380                 |
| <b>Other</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>879 020</b>  | <b>879 020</b>     | <b>911 587</b>                                      | <b>959 843</b>         | <b>1 027 937</b>       |
| <b>Expenditure - Functional</b>            |          |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <b>Governance and administration</b>       |          | 189 080         | 145 529         | 197 551         | 170 620              | 204 921         | 204 921            | 213 689   | 220 741                | 227 805                |
| Executive and council                      |          | 24 571          | 26 842          | 28 273          | 25 374               | 26 298          | 26 298             | 27 846  | 28 765                 | 29 685                 |
| 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>         |          | 57 363          | 79 548          | 129 867         | 79 141               | 102 733         | 102 733            | 111 555   | 113 883                | 117 527                |
| Community and social services              |          | 37 651          | 34 985          | 36 005          | 39 620               | 38 511          | 38 511             | 39 372  | 39 318                 | 40 576                 |
| Sport and recreation                       |          | 527             | 2 642           | 2 027           | 2 510                | 2 309           | 2 309              | 2 142   | 2 212                  | 2 283                  |
| Public safety                              |          | 19 185          | 41 921          | 91 834          | 37 011               | 61 912          | 61 912             | 70 041  | 72 353                 | 74 668                 |
| Housing                                    |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Health                                     |          | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |

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

|  |   |                |                |                |                |                |                |                |                |                |
|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <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>61 582</b>  | <b>59 983</b>  | <b>61 903</b>  |
| Planning and development                   |   | 10 381         | 10 605         | 15 288         | 17 647         | 16 451         | 16 451         | 21 788         | 18 876         | 19 480         |
| Road transport                             |   | 28 719         | 28 559         | 29 795         | 31 886         | 31 161         | 31 161         | 39 794         | 41 107         | 42 423         |
| Environmental protection                   |   | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Trading services</b>                    |   | <b>182 255</b> | <b>283 623</b> | <b>304 400</b> | <b>328 505</b> | <b>331 769</b> | <b>331 769</b> | <b>352 863</b> | <b>375 908</b> | <b>400 443</b> |
| Energy sources                             | 4 | 119 105        | 181 768        | 195 550        | 215 606        | 221 051        | 221 051        | 237 927        | 257 048        | 277 779        |
| Water management                           |   | 33 399         | 43 220         | 60 502         | 66 785         | 67 095         | 67 095         | 71 771         | 74 553         | 76 939         |
| Waste water management                     |   | 18 366         | 32 744         | 19 078         | 15 497         | 15 905         | 15 905         | 12 633         | 13 050         | 13 467         |
| Waste management                           |   | 11 384         | 25 890         | 29 270         | 30 617         | 27 718         | 27 718         | 30 531         | 31 258         | 32 258         |
| <b>Other</b>                               |   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total Expenditure - Functional</b>      | 3 | <b>467 798</b> | <b>547 865</b> | <b>676 900</b> | <b>627 799</b> | <b>687 034</b> | <b>687 034</b> | <b>739 689</b> | <b>770 516</b> | <b>807 679</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>191 985</b> | <b>191 985</b> | <b>171 898</b> | <b>189 327</b> | <b>220 259</b> |

**TABLE 16: MBRR TABLE A2 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY STANDARD CLASSIFICATION)**

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

- i. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.
- ii. Table A2 was one of the budget tables which are re-aligned to comply with mSCOA.

| Vote Description                              | ### | 2022/23        | 2023/24        | 2024/25        | Current Year 2025/26 |                |                | 2026/27 Medium Term Revenue & Expenditure Framework |                |                  |
|---|-----|----------------|----------------|----------------|----------------------|----------------|----------------|---|----------------|------------------|
|   |     | Audited        | Audited        | Audited        | Original Budget      | Adjusted       | Full Year      | Budget Year   | Budget Year +1 | Budget Year +2   |
| <b>Revenue by Vote</b>                        | 1   |                |                |                |                      |                |                |   |                |                  |
| Vote 1 - Budget and Treasury                  |     | 279 569        | 287 645        | 376 726        | 341 972              | 404 606        | 404 606        | 342 389   | 346 193        | 359 966          |
| 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         | 14 300  | 14 824         | 15 298           |
| Vote 7 - Social and Community Services        |     | 19 834         | 23 270         | 20 330         | 24 108               | 23 526         | 23 526         | 44 486  | 43 741         | 44 532           |
| Vote 8 - Speaker                              |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 9 - Technical Services                   |     | 274 137        | 330 539        | 429 519        | 434 641              | 436 777        | 436 777        | 507 187   | 551 909        | 604 869          |
| Vote 10 - Technical Services                  |     | 1 457          | 1 413          | 1 482          | 1 542                | 1 542          | 1 542          | 1 559   | 1 714          | 1 763            |
| Vote 11 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 12 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 13 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 14 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 15 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| <b>Total Revenue by Vote</b>                  | 2   | <b>596 598</b> | <b>652 209</b> | <b>842 173</b> | <b>807 657</b>       | <b>879 020</b> | <b>879 020</b> | <b>911 587</b>                                      | <b>959 843</b> | <b>1 027 937</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         | 17 144  | 17 710         | 18 276           |
| 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         | 18 421  | 15 398         | 15 891           |
| Vote 7 - Social and Community Services        |     | 68 748         | 105 439        | 159 137        | 109 758              | 130 451        | 130 451        | 142 086   | 145 141        | 149 785          |
| 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        | 328 427              | 334 884        | 334 884        | 360 520   | 384 099        | 408 897          |
| Vote 10 - Technical Services                  |     | 3 620          | 2 760          | 3 973          | 3 766                | 4 119          | 4 119          | 4 973   | 5 137          | 5 301            |
| Vote 11 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 12 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 13 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 14 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| Vote 15 -                                     |     | -              | -              | -              | -                    | -              | -              | -   | -              | -                |
| <b>Total Expenditure by Vote</b>              | 2   | <b>467 798</b> | <b>547 865</b> | <b>676 900</b> | <b>627 799</b>       | <b>687 034</b> | <b>687 034</b> | <b>739 389</b>                                      | <b>770 206</b> | <b>807 359</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>191 985</b> | <b>191 985</b> | <b>172 198</b>                                      | <b>189 637</b> | <b>220 579</b>   |

**TABLE 17: 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 FINAL 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 |                        |                        |
|--|----------|----------------|-------------------|-----------------|----------------------|-----------------|--------------------|-------------------|---|------------------------|------------------------|
|  |          |                |                   |                 | Original Budget      | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2026/27                                 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|  |          | R thousand     | 1 Audited Outcome | Audited Outcome | Audited Outcome      |                 |                    |                   |   |                        |                        |
| <b>Revenue</b>   |          |                |                   |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Exchange Revenue</b>  |          |                |                   |                 |                      |                 |                    |                   |   |                        |                        |
| Service charges - Electricity  | 2        | 117 903        | 147 596           | 167 898         | 189 484              | 189 966         | 189 966            | 171 454           | 218 382   | 262 342                | 304 738                |
| Service charges - Water  | 2        | 43 438         | 39 510            | 39 836          | 50 250               | 46 104          | 46 104             | 38 507            | 49 562  | 51 197                 | 52 836                 |
| Service charges - Waste Water Management                             | 2        | 19 025         | 22 158            | 21 661          | 26 128               | 24 520          | 24 520             | 21 269            | 25 353  | 26 947                 | 27 810                 |
| Service charges - Waste Management                                   | 2        | 9 524          | 10 596            | 10 537          | 11 267               | 11 433          | 11 433             | 10 389            | 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              | 1 222             | 1 448   | 1 548                  | 1 597                  |
| Agency services  | 2        | 4 883          | 4 602             | 4 193           | 6 000                | 6 000           | 6 000              | 4 493             | 6 204   | 6 508                  | 6 716                  |
| Interest   |          | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Interest earned from Receivables                                     | 2        | 9 046          | 12 652            | 13 904          | 15 389               | 14 029          | 14 029             | 11 664            | 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              | 5 620             | 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              | 1 216             | 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              | 2 094             | 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            | 102 555           | 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            | 107 979           | 109 064   | 112 663                | 116 269                |
| Licences or permits  | 2        | 2 160          | 2 200             | 2 193           | 3 447                | 3 447           | 3 447              | 2 194             | 3 564   | 3 681                  | 3 799                  |
| Transfer and subsidies - Operational                                 | 2        | 122 766        | 134 834           | 144 522         | 151 036              | 151 908         | 151 908            | 149 136           | 155 577   | 158 614                | 163 946                |
| Interest   | 2        | 14 038         | 13 330            | 15 501          | 17 045               | 15 675          | 15 675             | 13 804            | 16 223  | 16 758                 | 17 295                 |
| Fuel Levy  | 2        | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Operational Revenue  | 2        | 3 369          | 3 575             | 3 848           | 3 595                | 2 424           | 2 424              | 1 417             | 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             | -                 | 23 675  | 13 780                 | 14 221                 |
| 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>719 593</b>  | <b>719 593</b>     | <b>645 011</b>    | <b>771 502</b>                                      | <b>821 851</b>         | <b>882 408</b>         |
| <b>Expenditure</b>   |          |                |                   |                 |                      |                 |                    |                   |   |                        |                        |
| Employee related costs   | 2        | 143 132        | 147 557           | 169 124         | 181 626              | 193 633         | 193 633            | 157 062           | 215 582   | 221 839                | 228 938                |
| Remuneration of councillors  | 2        | 7 835          | 8 810             | 9 034           | 9 715                | 10 297          | 10 297             | 8 149             | 10 648  | 10 999                 | 11 351                 |
| Bulk purchases - electricity   | 2        | 111 942        | 136 246           | 156 736         | 178 230              | 178 230         | 178 230            | 159 710           | 194 288   | 211 968                | 231 258                |
| Inventory consumed   | 2,8      | 26 561         | 25 206            | 27 545          | 36 309               | 38 495          | 38 495             | 31 216            | 39 467  | 41 183                 | 42 501                 |
| 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             | 34 037            | 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               | 80 403          | 80 403             | 55 984            | 83 803  | 83 000                 | 85 656                 |
| Transfers and subsidies  | 2        | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Irrecoverable debts written off                                      | 2        | 14 365         | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Operational costs  | 2        | 37 190         | 41 843            | 45 319          | 48 485               | 64 522          | 64 522             | 43 335            | 68 802  | 70 234                 | 72 481                 |
| Disposal of Fixed and Intangible Assets                              | 2        | 1 936          | 3 006             | 7 955           | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Other Losses   | 2        | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Total Expenditure</b>   |          | <b>467 310</b> | <b>547 741</b>    | <b>676 564</b>  | <b>627 600</b>       | <b>686 335</b>  | <b>686 335</b>     | <b>498 309</b>    | <b>739 689</b>                                      | <b>770 516</b>         | <b>807 679</b>         |
| <b>Surplus/(Deficit)</b>   |          | <b>46 046</b>  | <b>(2 261)</b>    | <b>(17 953)</b> | <b>29 006</b>        | <b>33 258</b>   | <b>33 258</b>      | <b>146 702</b>    | <b>31 813</b>                                       | <b>51 335</b>          | <b>74 729</b>          |
| Transfers and subsidies - capital (monetary allocations)             | 6        | 83 242         | 89 986            | 131 124         | 151 051              | 159 427         | 159 427            | (128 593)         | 140 085   | 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>129 288</b> | <b>104 469</b>    | <b>165 608</b>  | <b>180 058</b>       | <b>192 685</b>  | <b>192 685</b>     | <b>18 109</b>     | <b>171 898</b>                                      | <b>189 327</b>         | <b>220 259</b>         |
| Income Tax   |          | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) after income tax</b>                            |          | <b>129 288</b> | <b>104 469</b>    | <b>165 608</b>  | <b>180 058</b>       | <b>192 685</b>  | <b>192 685</b>     | <b>18 109</b>     | <b>171 898</b>                                      | <b>189 327</b>         | <b>220 259</b>         |
| Share of Surplus/Deficit attributable to Joint Venture               |          | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Share of Surplus/Deficit attributable to Minorities                  |          | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) attributable to municipality</b>                |          | <b>129 288</b> | <b>104 469</b>    | <b>165 608</b>  | <b>180 058</b>       | <b>192 685</b>  | <b>192 685</b>     | <b>18 109</b>     | <b>171 898</b>                                      | <b>189 327</b>         | <b>220 259</b>         |
| Share of Surplus/Deficit attributable to Associate                   | 7        | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Intercompany/Parent subsidiary transactions                          |          | -              | -                 | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>1</b> | <b>129 288</b> | <b>104 469</b>    | <b>165 608</b>  | <b>180 058</b>       | <b>192 685</b>  | <b>192 685</b>     | <b>18 109</b>     | <b>171 898</b>                                      | <b>189 327</b>         | <b>220 259</b>         |

**TABLE 18: MBRR TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE) BY TYPE**

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

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

- i. Municipality anticipates generating revenue (excluding capital transfers and contributions) of R771.41 million in 2026/27 as compared to the 2025/26 adjusted budget revenue of R719.593 million. This represents the percentage increase of 7.2% against adjusted budget.
- 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 2025/26 financial year and other factors that affect the valuation roll;
- iii. Services charges relating to electricity, water, sanitation, and refuse removal constitute the biggest component of the revenue basket of the municipality totaling R305.19 million for 2026/27 which increased from R272.023 million of 2025/26 adjusted budget. Services charges constitute 40% of the total revenue (excluding capital transfers and contributions) base;
- iv. Transfers and subsidies – operational includes the local government equitable share and other operating grants from national and provincial government is estimated to be R155.577 million in 2026/27 compared adjustment of 2025/26 which amounted to R151.908 million; and
- v. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

| Vote Description                                  | ### | 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>Capital expenditure - Vote</b>                 |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - Budget and Treasury                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 2 - Corporate Services                       |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 3 - Mayor                                    |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 4 - Municipal Manager                        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 5 - Internal Audit                           |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 6 - Planning and Economic Development        |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 7 - Social and Community Services            |     | -               | -               | -               | 261                  | 0               | 0                  | -                 | 870   | 4 348                  | 18 465                 |
| Vote 8 - Speaker                                  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 9 - Technical Services                       |     | -               | -               | 2 999           | 29 661               | 29 920          | 29 920             | -                 | 87 243  | 111 267                | 97 749                 |
| Vote 10 - Technical Services                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 11 -   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 12 -   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 13 -   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 14 -   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 15 -   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>Capital multi-year expenditure sub-total</b>   | 7   | -               | -               | 2 999           | 29 922               | 29 920          | 29 920             | -                 | 88 112  | 115 615                | 116 214                |
| <b>Single-year expenditure to be appropriated</b> | 2   |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Vote 1 - Budget and Treasury                      |     | 199             | 7 583           | 1 104           | 80                   | 527             | 527                | -                 | 5 800   | -                      | -                      |
| Vote 2 - Corporate Services                       |     | 2 738           | 1 868           | 1 100           | 3 200                | 3 356           | 3 356              | -                 | 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                | 9 072           | 9 072              | -                 | 4 611   | -                      | -                      |
| Vote 8 - Speaker                                  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vote 9 - Technical Services                       |     | 51 669          | 87 467          | 144 326         | 110 093              | 116 306         | 116 306            | -                 | 43 358  | 4 378                  | 8 267                  |
| Vote 10 - Technical Services                      |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |

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

|   |          |               |                |                |                |                |                |                |                |                |                |
|---|----------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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>129 511</b> | <b>129 511</b> | <b>-</b>       | <b>56 022</b>  | <b>4 378</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>159 431</b> | <b>159 431</b> | <b>-</b>       | <b>144 135</b> | <b>119 993</b> | <b>124 481</b> |
| <b>Capital Expenditure - Functional</b>   |          |               |                |                |                |                |                |                |                |                |                |
| <b>Governance and administration</b>  |          | <b>2 937</b>  | <b>9 451</b>   | <b>2 279</b>   | <b>3 580</b>   | <b>3 883</b>   | <b>3 883</b>   | <b>3 330</b>   | <b>7 831</b>   | <b>-</b>       | <b>-</b>       |
| Executive and council   |          | -             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Finance and administration  |          | 2 937         | 9 451          | 2 279          | 3 280          | 3 883          | 3 883          | 3 330          | 7 831          | -              | -              |
| Internal audit  |          | -             | -              | -              | 300            | -              | -              | -              | -              | -              | -              |
| <b>Community and public safety</b>  |          | <b>-</b>      | <b>3 933</b>   | <b>2 921</b>   | <b>1 561</b>   | <b>1 233</b>   | <b>1 233</b>   | <b>233</b>     | <b>2 032</b>   | <b>4 348</b>   | <b>5 217</b>   |
| Community and social services   |          | -             | 41             | 153            | 411            | 58             | 58             | 21             | 1 441          | 4 348          | 5 217          |
| Sport and recreation  |          | -             | 3 892          | 2 466          | -              | -              | -              | -              | -              | -              | -              |
| Public safety   |          | -             | -              | 302            | 1 150          | 1 175          | 1 175          | 211            | 591            | -              | -              |
| Housing   |          | -             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Health  |          | -             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Economic and environmental services</b>  |          | <b>8 732</b>  | <b>25 222</b>  | <b>16 479</b>  | <b>28 950</b>  | <b>32 495</b>  | <b>32 495</b>  | <b>24 741</b>  | <b>42 042</b>  | <b>23 971</b>  | <b>7 617</b>   |
| Planning and development  |          | (130)         | -              | -              | 500            | 250            | 250            | -              | 222            | -              | -              |
| Road transport  |          | 8 862         | 25 222         | 16 479         | 28 450         | 32 245         | 32 245         | 24 741         | 41 820         | 23 971         | 7 617          |
| Environmental protection  |          | -             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Trading services</b>   |          | <b>59 494</b> | <b>73 074</b>  | <b>146 277</b> | <b>117 920</b> | <b>121 820</b> | <b>121 820</b> | <b>91 430</b>  | <b>92 229</b>  | <b>91 674</b>  | <b>111 647</b> |
| Energy sources  |          | 11 421        | 6 897          | 63 647         | 25 752         | 26 885         | 26 885         | 15 076         | 14 124         | 11 697         | 14 831         |
| Water management  |          | 1 665         | 5 255          | 18 797         | 57 338         | 57 374         | 57 374         | 49 065         | 43 501         | 42 509         | 58 051         |
| Waste water management  |          | 29 720        | 50 093         | 48 402         | 28 213         | 29 721         | 29 721         | 22 909         | 31 155         | 37 468         | 25 517         |
| Waste management  |          | 16 688        | 10 829         | 15 431         | 6 616          | 7 839          | 7 839          | 4 380          | 3 449          | -              | 13 248         |
| <b>Other</b>  |          | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</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>159 431</b> | <b>159 431</b> | <b>119 734</b> | <b>144 135</b> | <b>119 993</b> | <b>124 481</b> |
| <b>Funded by:</b>   |          |               |                |                |                |                |                |                |                |                |                |
| National Government   |          | 56 747        | 77 646         | 114 413        | 131 349        | 138 632        | 138 632        | 113 081        | 121 813        | 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 Corporations, Higher Educ Institutions) |          | -             | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Transfers recognised - capital  | <b>4</b> | <b>56 747</b> | <b>77 646</b>  | <b>114 413</b> | <b>131 349</b> | <b>138 632</b> | <b>138 632</b> | <b>113 081</b> | <b>121 813</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>       |
| Internally generated funds  |          | 14 217        | 17 290         | 13 665         | 20 662         | 20 799         | 20 799         | 6 653          | 22 322         | -              | -              |
| <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>159 431</b> | <b>159 431</b> | <b>119 734</b> | <b>144 135</b> | <b>119 993</b> | <b>124 481</b> |

**TABLE 19: 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. Grant funded capital expenditure has been appropriated at R121.813 million excluding VAT for the 2026/27 budget year.
- iii. Internally funded capital expenditure for 2026/27 is projected at R22.322 million excluding VAT; and

| 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               | 78 226           | 78 226             | 130 387           | 84 972  | 173 138                | 281 177                |
| Short term Investments                                  | 2   | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| Trade and other receivables from exchange transactions  | 3   | 123 092          | 166 239          | 224 948          | 230 778              | 288 058          | 288 058            | 307 347           | 154 887   | 188 225                | 201 222                |
| Receivables from non-exchange transactions              | 3   | 65 112           | 68 416           | 75 870           | 88 078               | 114 581          | 114 581            | 184 118           | 100 418   | 101 228                | 102 039                |
| Current portion of non-current receivables              | 4   | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| Inventory   | 5   | 362              | 481              | 287              | 989                  | 795              | 795                | 366               | 475   | 491                    | 526                    |
| VAT Receivable  | 6   | 63 069           | 54 275           | 66 720           | 91 687               | 107 112          | 107 112            | 37 143            | 42 918  | 49 173                 | 55 132                 |
| Other current assets                                    | 7   | 939              | 955              | 835              | 955                  | 835              | 835                | 790               | 835   | 835                    | 835                    |
| <b>Total current assets</b>                             |     | <b>263 835</b>   | <b>315 632</b>   | <b>421 530</b>   | <b>482 780</b>       | <b>589 606</b>   | <b>589 606</b>     | <b>660 150</b>    | <b>384 504</b>                                      | <b>513 090</b>         | <b>640 931</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            | 95 843  | 96 283                 | 96 724                 |
| Property, plant and equipment                           | 10  | 856 446          | 929 198          | 1 045 503        | 1 027 851            | 1 155 377        | 1 155 377          | 1 131 241         | 1 136 145   | 1 111 287              | 1 114 041              |
| Biological assets                                       | 11  | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| Living resources  | 12  | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| Heritage assets   | 13  | 539              | 539              | 539              | 539                  | 539              | 539                | 539               | 539   | 539                    | 539                    |
| Intangible assets                                       | 14  | 1 596            | 1 862            | 1 486            | 2 458                | 1 912            | 1 912              | 1 445             | 2 402   | 1 383                  | 1 380                  |
| Trade and other receivables from exchange transactions  | 15  | 141              | 141              | 141              | 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>1 250 472</b> | <b>1 250 472</b>   | <b>1 215 869</b>  | <b>1 235 069</b>                                    | <b>1 209 633</b>       | <b>1 212 824</b>       |
| <b>TOTAL ASSETS</b>                                     |     | <b>1 183 274</b> | <b>1 321 772</b> | <b>1 551 701</b> | <b>1 584 226</b>     | <b>1 840 079</b> | <b>1 840 079</b>   | <b>1 876 019</b>  | <b>1 619 573</b>                                    | <b>1 722 723</b>       | <b>1 853 756</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             | 3 365   | 3 365                  | 3 365                  |
| Consumer deposits                                       | 19  | 6 955            | 7 236            | 7 445            | 7 239                | 7 445            | 7 445              | 7 561             | 7 445   | 7 445                  | 7 445                  |
| Trade and other payables from exchange transactions     | 20  | 155 062          | 138 356          | 111 955          | 205 175              | 152 453          | 152 453            | 88 147            | 176 172   | 202 053                | 207 665                |
| Trade and other payables from non-exchange transactions | 21  | 7 441            | 50               | 10 925           | 0                    | 18 570           | 18 570             | 50 702            | 0   | -                      | -                      |
| Provision   | 22  | (25 953)         | (23 524)         | 18 235           | 2 490                | 18 235           | 18 235             | 18 235            | 29 235  | 29 598                 | 29 962                 |
| VAT Payable   | 23  | 99 760           | 125 086          | 185 899          | 162 498              | 223 311          | 223 311            | 218 818           | 42 918  | 49 173                 | 55 132                 |
| Other current liabilities                               | 24  | 2 231            | 3 443            | 3 617            | 3 443                | 14 403           | 14 403             | 3 617             | 68 527  | 68 527                 | 68 527                 |
| <b>Total current liabilities</b>                        |     | <b>246 593</b>   | <b>254 818</b>   | <b>341 440</b>   | <b>380 844</b>       | <b>437 782</b>   | <b>437 782</b>     | <b>390 444</b>    | <b>327 660</b>                                      | <b>360 160</b>         | <b>372 095</b>         |
| <b>Non current liabilities</b>                          |     |                  |                  |                  |                      |                  |                    |                   |   |                        |                        |
| Financial liabilities                                   | 25  | 706              | 4 015            | 1 692            | 4 015                | 1 692            | 1 692              | 1 692             | 1 692   | 1 692                  | 1 692                  |
| Provision   | 26  | 99 408           | 101 193          | 68 133           | 101 193              | 68 133           | 68 133             | 68 133            | 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            | 6 982   | 6 982                  | 6 982                  |
| <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>76 807</b>                                       | <b>76 807</b>          | <b>76 807</b>          |
| <b>TOTAL LIABILITIES</b>                                |     | <b>398 241</b>   | <b>418 465</b>   | <b>483 157</b>   | <b>554 826</b>       | <b>579 499</b>   | <b>579 499</b>     | <b>532 161</b>    | <b>404 467</b>                                      | <b>436 967</b>         | <b>448 902</b>         |
| <b>NET ASSETS</b>                                       |     | <b>785 033</b>   | <b>903 307</b>   | <b>1 068 544</b> | <b>1 029 400</b>     | <b>1 260 580</b> | <b>1 260 580</b>   | <b>1 343 859</b>  | <b>1 215 106</b>                                    | <b>1 285 756</b>       | <b>1 404 854</b>       |
| <b>COMMUNITY WEALTH/EQUITY</b>                          |     |                  |                  |                  |                      |                  |                    |                   |   |                        |                        |
| Accumulated surplus/(deficit)                           | 29  | 785 033          | 903 307          | 1 068 544        | 1 029 400            | 1 260 580        | 1 260 580          | 1 343 859         | 1 215 106   | 1 285 756              | 1 404 854              |
| Reserves and funds                                      | 30  | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| Other   | 31  | -                | -                | -                | -                    | -                | -                  | -                 | -   | -                      | -                      |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>                    | 32  | <b>785 033</b>   | <b>903 307</b>   | <b>1 068 544</b> | <b>1 029 400</b>     | <b>1 260 580</b> | <b>1 260 580</b>   | <b>1 343 859</b>  | <b>1 215 106</b>                                    | <b>1 285 756</b>       | <b>1 404 854</b>       |

**TABLE 20: 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).

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- iii. Table A6 is also consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet);
- iv. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
- Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current liabilities;
  - Changes in net assets; and
  - Reserves.
- v. The Municipal's equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community; and
- vi. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

| 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   |     | 77 567          | 94 157          | 87 274          | 104 332              | 93 898          | 93 898             | 93 898            | 102 672   | 106 060                | 109 454                |
| Service charges  |     | 191 414         | 222 417         | 253 317         | 249 416              | 239 360         | 239 360            | 239 360           | 284 212   | 305 548                | 344 566                |
| Other revenue  | 1   | 12 756          | 39 149          | 52 484          | 78 146               | 95 688          | 95 688             | 95 688            | 70 073  | 72 537                 | 74 858                 |
|  | 1   | 146 027         | 132 867         | 142 995         | 151 036              | 151 518         | 151 518            | 151 518           | 155 577   | 158 614                | 163 946                |
| Transfers and Subsidies - Operational  |     | 80 466          | 84 007          | 143 531         | 140 291              | 167 461         | 167 461            | 167 461           | 118 965   | 137 992                | 145 530                |
| Transfers and Subsidies - Capital  |     | 1 413           | 2 766           | 7 179           | 32 960               | 33 638          | 33 638             | 33 638            | 35 671  | 36 848                 | 38 027                 |
| Interest   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Dividends  |     | (288 288)       | (401 276)       | (534 772)       | (559 147)            | (574 778)       | (574 778)          | (574 778)         | (627 591)   | (639 223)              | (672 185)              |
| <b>Payments</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Suppliers and employees Finance charges Transfers and Subsidies                    | 1   | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>                                   |     | <b>221 356</b>  | <b>174 087</b>  | <b>152 008</b>  | <b>197 033</b>       | <b>206 786</b>  | <b>206 786</b>     | <b>206 786</b>    | <b>139 579</b>                                      | <b>178 375</b>         | <b>204 196</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| <b>Receipts</b>  |     |                 |                 |                 |                      |                 |                    |                   |   |                        |                        |
| Proceeds on disposal of PPE  |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Vat Control (receipts)   |     | -               | -               | -               | -                    | -               | -                  | -                 | 36 657  | 29 784                 | 28 324                 |
| Decrease (increase) in non-current receivables                                     |     | (84)            | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Decrease (increase) in non-current investments                                     |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Insurance Refund - Capital   |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |
| Interest on Short Term Investment (Greater than 90 days) and Long Term Investments |     | -               | -               | -               | -                    | -               | -                  | -                 | -   | -                      | -                      |

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|  |   |                 |                 |                  |                  |                  |                  |                  |                  |                 |                 |
|--|---|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| <b>Payments</b>                                  |   | (77 764)        | (95 319)        | (127 725)        | (152 011)        | (181 432)        | (181 432)        | (181 432)        |                  |                 |                 |
| Capital assets                                   |   | -               | -               | -                | -                | -                | -                | -                | (144 135)        | (119 993)       | (124 481)       |
| Retention (Capital)                              |   | -               | -               | -                | -                | -                | -                | -                | -                | -               | -               |
| <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>(181 432)</b> | <b>(181 432)</b> | <b>(181 432)</b> | <b>(107 478)</b> | <b>(90 209)</b> | <b>(96 157)</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)         | (3 541)          | -                | -                | -                | -                | -                | -               | -               |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> |   | <b>(915)</b>    | <b>(2 730)</b>  | <b>(3 541)</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>        | <b>-</b>        |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     |   | <b>142 594</b>  | <b>76 038</b>   | <b>20 742</b>    | <b>45 022</b>    | <b>25 354</b>    | <b>25 354</b>    | <b>25 354</b>    | <b>32 101</b>    | <b>88 166</b>   | <b>108</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           | 84 972          | 039             |
| Cash/cash equivalents at the year end:           | 2 | 156 701         | 87 276          | 46 010           | 70 293           | 78 226           | 78 226           | 78 226           | 84 972           | 173 138         | 173 138         |
|  |   |                 |                 |                  |                  |                  |                  |                  |                  |                 | 281 177         |

**TABLE 21: MBRR TABLE A7 - BUDGETED CASH FLOW STATEMENT**

**Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

- i. The budgeted cash flow statement is the first measurement in determining if the budget is funded;
- ii. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget; and
- iii. The cash position will continue to be managed by strict implementation of the credit control policy and cost containment measures.

| Description   | ### | 2022/23         | 2023/24          | 2024/25          | Current Year 2025/26 |                  |                  |                  | 2026/27 Medium Term Revenue & Expenditure Framework |                |                |
|---|-----|-----------------|------------------|------------------|----------------------|------------------|------------------|------------------|---|----------------|----------------|
|   |     | Audited         | Audited          | Audited          | Original Budget      | Adjusted         | Full Year        | Pre-audit        | Budget Year   | Budget Year +1 | Budget Year +2 |
| <b>R thousand</b>   |     |                 |                  |                  |                      |                  |                  |                  |   |                |                |
| <b>Cash and investments available</b>   |     |                 |                  |                  |                      |                  |                  |                  |   |                |                |
| Cash/cash equivalents at the year end   | 1   | 156 701         | 87 276           | 46 010           | 70 293               | 78 226           | 78 226           | 78 226           | 84 972  | 173 138        | 281 177        |
| Other current investments > 90 days Non current Investments                             | 1   | -               | -                | -                | -                    | -                | -                | -                | -   | -              | -              |
| <b>Cash and investments available:</b>  |     | <b>156 701</b>  | <b>87 276</b>    | <b>46 010</b>    | <b>70 293</b>        | <b>78 226</b>    | <b>78 226</b>    | <b>78 226</b>    | <b>84 972</b>                                       | <b>173 138</b> | <b>281 177</b> |
| <b>Application of cash and investments</b>  |     |                 |                  |                  |                      |                  |                  |                  |   |                |                |
| Unspent conditional transfers   |     | 7 441           | 50               | 10 925           | 0                    | 18 570           | 18 570           | 50 702           | 0   | -              | -              |
| Unspent borrowing   |     | -               | -                | -                | -                    | -                | -                | -                | -   | -              | -              |
| Statutory requirements  | 2   | (7 821)         | (5 230)          | (8 706)          | (480)                | (6 982)          | (6 982)          | 518              | 17 153  | 18 301         | 19 378         |
| Other working capital requirements  | 3   | 2 553           | (86 883)         | (147 156)        | (98 614)             | (187 482)        | (187 482)        | (366 739)        | (35 715)  | (29 027)       | (35 404)       |
| Other provisions  |     | -               | -                | -                | -                    | -                | -                | -                | -   | -              | -              |
| Long term investments committed   | 4   | (23 722)        | (20 081)         | 21 852           | 5 933                | 32 638           | 32 638           | (21 852)         | 29 235  | 29 598         | 29 962         |
| Reserves to be backed by cash/investments   | 5   | -               | -                | -                | -                    | -                | -                | -                | -   | -              | -              |
| <b>Total Application of cash and investments:</b>                                       |     | <b>(21 549)</b> | <b>(112 144)</b> | <b>(123 084)</b> | <b>(93 162)</b>      | <b>(143 255)</b> | <b>(143 255)</b> | <b>(337 372)</b> | <b>10 673</b>                                       | <b>18 871</b>  | <b>13 935</b>  |
| <b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b> |     | <b>178 250</b>  | <b>199 420</b>   | <b>169 094</b>   | <b>163 455</b>       | <b>221 481</b>   | <b>221 481</b>   | <b>415 598</b>   | <b>74 299</b>                                       | <b>154 267</b> | <b>267 242</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>178 250</b>  | <b>199 420</b>   | <b>169 094</b>   | <b>163 455</b>       | <b>221 481</b>   | <b>221 481</b>   | <b>415 598</b>   | <b>74 299</b>                                       | <b>154 267</b> | <b>267 242</b> |

**TABLE 22: MBRR TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION**

**2026/27 FINAL 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>                      |     |                 |                 |                 |                      |                 |                    |   |                        |                        |
| <u>Total New Assets</u>                         | 1   | 32 040          | 41 118          | 86 188          | 61 996               | 61 669          | 61 669             | 50 406  | 40 451                 | 57 001                 |
| Roads Infrastructure                            |     | 6 621           | 24 896          | 13 537          | 18 894               | 18 196          | 18 196             | 21 558  | 23 971                 | 7 617                  |
| Storm water Infrastructure                      |     | 2 241           | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                       |     | 11 421          | 174             | 58 734          | 13 043               | 16 490          | 16 490             | 9 709   | 11 697                 | 14 831                 |
| Water Supply Infrastructure                     |     | 3 676           | 1 780           | 6 995           | 13 636               | 13 082          | 13 082             | 400   | 435                    | 16 087                 |
| Sanitation Infrastructure                       |     | 5 275           | 575             | 1 477           | -                    | -               | -                  | 410   | -                      | -                      |
| Solid Waste Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | 13 248                 |
| Rail Infrastructure                             |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                           |     | <b>29 234</b>   | <b>27 425</b>   | <b>80 743</b>   | <b>45 573</b>        | <b>47 767</b>   | <b>47 767</b>      | <b>32 077</b>                                       | <b>36 104</b>          | <b>51 783</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>2 795</b>    | <b>2 795</b>       | <b>2 634</b>  | <b>-</b>               | <b>-</b>               |
| Furniture and Office Equipment                  |     | 578             | 322             | 350             | 380                  | 380             | 380                | 476   | -                      | -                      |
| Machinery and Equipment                         | 2   | 199             | 371             | (416)           | 11 282               | 9 677           | 9 677              | 7 127   | -                      | -                      |
| Transport Assets                                |     | -               | 7 008           | -               | -                    | -               | -                  | 5 800   | -                      | -                      |
| Land  |     | -               | -               | -               | -                    | -               | -                  | 1 200   | -                      | -                      |
| <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>               |
| <u>Total Renewal of Existing Assets</u>         |     | <b>-</b>        | <b>326</b>      | <b>2 518</b>    | <b>13 704</b>        | <b>16 639</b>   | <b>16 639</b>      | <b>36 403</b>                                       | <b>36 906</b>          | <b>32 834</b>          |
| Roads Infrastructure                            |     | -               | 326             | 2 912           | 9 357                | 13 935          | 13 935             | 18 365  | -                      | -                      |
| Storm water Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Electrical Infrastructure                       |     | -               | -               | (395)           | 2 609                | 2 270           | 2 270              | -   | -                      | -                      |
| Water Supply Infrastructure                     |     | -               | -               | -               | 1 739                | 435             | 435                | 18 038  | 36 906                 | 32 834                 |
| Sanitation Infrastructure                       |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Solid Waste Infrastructure                      |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Rail Infrastructure                             |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Coastal Infrastructure                          |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Information and Communication Infrastructure    |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Infrastructure</b>                           |     | <b>-</b>        | <b>326</b>      | <b>2 518</b>    | <b>13 704</b>        | <b>16 639</b>   | <b>16 639</b>      | <b>36 403</b>                                       | <b>36 906</b>          | <b>32 834</b>          |
| Community Facilities                            |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| Sport and Recreation Facilities                 |     | -               | -               | -               | -                    | -               | -                  | -   | -                      | -                      |
| <b>Community Assets</b>                         |     | <b>-</b>        | <b>-</b>        | <b>-</b>        | <b>-</b>             | <b>-</b>        | <b>-</b>           | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>Heritage Assets</b>                          |     | <b>-</b>        | <b>-</b>        | <b>-</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>               |

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

|   |   |         |        |        |        |        |        |        |        |        |
|---|---|---------|--------|--------|--------|--------|--------|--------|--------|--------|
| Operational Buildings                               | 6 | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| Housing   |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Other Assets</b>                                 |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| <b>Biological or Cultivated Assets</b>              |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| Servitudes  |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| Licences and Rights                                 |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| <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 Upgrading of Existing Assets</b>           |   | 39 123  | 70 236 | 79 250 | 76 311 | 81 122 | 81 122 | 57 326 | 42 636 | 34 647 |
| <i>Roads Infrastructure</i>                         |   | -       | -      | -      | -      | -      | -      | -      | -      | -      |
| <i>Storm water Infrastructure</i>                   |   | -       | -      | 29     | -      | -      | -      | -      | -      | -      |
| <i>Electrical Infrastructure</i>                    |   | -       | 6 415  | 5 543  | 4 500  | 4 500  | 4 500  | 1 315  | -      | -      |
| <i>Water Supply Infrastructure</i>                  |   | (2 010) | 3 475  | 11 357 | 39 564 | 41 657 | 41 657 | 23 642 | 5 168  | 9 130  |
| <i>Sanitation Infrastructure</i>                    |   | 24 445  | 49 518 | 46 890 | 25 931 | 27 435 | 27 435 | 28 793 | 37 468 | 25 517 |
| <i>Solid Waste Infrastructure</i>                   |   | 16 688  | 10 829 | 15 431 | 6 316  | 7 530  | 7 530  | 3 353  | -      | -      |
| <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 | 81 122 | 81 122 | 57 104 | 42 636 | 34 647 |
| 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                             |   | -      | -       | -       | -       | -       | -       | -       | -       | -       |
| <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>                | 4 | 71 163 | 111 680 | 167 956 | 152 011 | 159 431 | 159 431 | 144 135 | 119 993 | 124 481 |
| <i>Roads Infrastructure</i>                     |   | 6 621  | 25 222  | 16 450  | 28 250  | 32 131  | 32 131  | 39 923  | 23 971  | 7 617   |
| <i>Storm water Infrastructure</i>               |   | 2 241  | -       | 29      | -       | -       | -       | -       | -       | -       |
| <i>Electrical Infrastructure</i>                |   | 11 421 | 6 589   | 63 882  | 20 152  | 23 259  | 23 259  | 11 024  | 11 697  | 14 831  |
| <i>Water Supply Infrastructure</i>              |   | 1 665  | 5 255   | 18 352  | 54 938  | 55 174  | 55 174  | 42 080  | 42 509  | 58 051  |
| <i>Sanitation Infrastructure</i>                |   | 29 720 | 50 093  | 48 367  | 25 931  | 27 435  | 27 435  | 29 203  | 37 468  | 25 517  |
| <i>Solid Waste Infrastructure</i>               |   | 16 688 | 10 829  | 15 431  | 6 316   | 7 530   | 7 530   | 3 353   | -       | 13 248  |
| <i>Rail Infrastructure</i>                      |   | -      | -       | -       | -       | -       | -       | -       | -       | -       |
| <i>Coastal Infrastructure</i>                   |   | -      | -       | -       | -       | -       | -       | -       | -       | -       |

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

|   |   |                |                |                |                |                |                |                |                |                |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Information and Communication Infrastructure</i> |   | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| <b>Infrastructure</b>                               |   | <b>68 356</b>  | <b>97 987</b>  | <b>162 511</b> | <b>135 588</b> | <b>145 529</b> | <b>145 529</b> | <b>125 584</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>       |
| Computer Equipment                                  |   | 2 030          | 1 547          | 2 970          | 3 200          | 2 795          | 2 795          | 2 634          | -              | -              |
| Furniture and Office Equipment                      |   | 578            | 322            | 350            | 380            | 380            | 380            | 476            | -              | -              |
| Machinery and Equipment                             |   | 199            | 371            | (416)          | 11 282         | 9 677          | 9 677          | 7 127          | -              | -              |
| <b>Transport Assets</b>                             |   | <b>-</b>       | <b>7 008</b>   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>5 800</b>   | <b>-</b>       | <b>-</b>       |
| Land  |   | -              | -              | -              | -              | -              | -              | 1 200          | -              | -              |
| <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>159 431</b> | <b>159 431</b> | <b>144 135</b> | <b>119 993</b> | <b>124 481</b> |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>           | 5 | <b>821 246</b> | <b>897 924</b> | <b>959 758</b> | <b>869 465</b> | <b>937 536</b> | <b>937 536</b> | <b>938 250</b> | <b>919 226</b> | <b>917 929</b> |
| <i>Roads Infrastructure</i>                         |   | 165 600        | 191 693        | 177 695        | 127 716        | 163 946        | 163 946        | 163 747        | 163 229        | 162 766        |
| <i>Storm water Infrastructure</i>                   |   | 73 879         | 71 513         | 69 290         | 69 006         | 66 783         | 66 783         | 66 783         | 66 700         | 66 618         |
| <i>Electrical Infrastructure</i>                    |   | 45 676         | 50 162         | 92 255         | 50 647         | 92 326         | 92 326         | 88 162         | 86 049         | 85 851         |
| <i>Water Supply Infrastructure</i>                  |   | 143 724        | 147 146        | 148 512        | 140 150        | 141 969        | 141 969        | 142 019        | 141 340        | 141 111        |
| <i>Sanitation Infrastructure</i>                    |   | 133 427        | 174 129        | 193 918        | 168 546        | 188 810        | 188 810        | 188 120        | 187 505        | 187 300        |
| <i>Solid Waste Infrastructure</i>                   |   | 736            | 16             | (29)           | (1 209)        | (454)          | (454)          | (1 254)        | (1 294)        | (1 335)        |
| <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>653 381</b> | <b>653 381</b> | <b>647 578</b> | <b>643 531</b> | <b>642 311</b> |
| <b>Community Assets</b>                             |   | <b>71 329</b>  | <b>67 095</b>  | <b>70 108</b>  | <b>64 466</b>  | <b>67 483</b>  | <b>67 483</b>  | <b>66 953</b>  | <b>66 390</b>  | <b>66 271</b>  |
| <b>Heritage Assets</b>                              |   | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     | <b>539</b>     |
| <b>Investment properties</b>                        |   | <b>60 717</b>  | <b>74 400</b>  | <b>82 503</b>  | <b>70 458</b>  | <b>92 503</b>  | <b>92 503</b>  | <b>95 843</b>  | <b>96 283</b>  | <b>96 724</b>  |
| <b>Other Assets</b>                                 |   | <b>19 262</b>  | <b>3 651</b>   | <b>16 787</b>  | <b>(1 195)</b> | <b>15 592</b>  | <b>15 592</b>  | <b>15 592</b>  | <b>15 552</b>  | <b>15 513</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>       |
| <b>Intangible Assets</b>                            |   | <b>1 596</b>   | <b>1 862</b>   | <b>1 486</b>   | <b>2 458</b>   | <b>1 912</b>   | <b>1 912</b>   | <b>2 402</b>   | <b>1 383</b>   | <b>1 380</b>   |
| <b>Computer Equipment</b>                           |   | <b>1 879</b>   | <b>2 594</b>   | <b>3 579</b>   | <b>2 191</b>   | <b>4 523</b>   | <b>4 523</b>   | <b>3 930</b>   | <b>2 368</b>   | <b>2 330</b>   |
| <b>Furniture and Office Equipment</b>               |   | <b>1 413</b>   | <b>1 607</b>   | <b>1 591</b>   | <b>4 348</b>   | <b>4 063</b>   | <b>4 063</b>   | <b>2 479</b>   | <b>920</b>     | <b>898</b>     |
| <b>Machinery and Equipment</b>                      |   | <b>786</b>     | <b>903</b>     | <b>1 095</b>   | <b>72 387</b>  | <b>3 435</b>   | <b>3 435</b>   | <b>4 165</b>   | <b>776</b>     | <b>766</b>     |
| <b>Transport Assets</b>                             |   | <b>19 385</b>  | <b>22 564</b>  | <b>12 378</b>  | <b>17 658</b>  | <b>6 055</b>   | <b>6 055</b>   | <b>9 518</b>   | <b>3 433</b>   | <b>3 146</b>   |
| <b>Land</b>   |   | <b>81 301</b>  | <b>88 051</b>  | <b>88 051</b>  | <b>81 301</b>  | <b>88 051</b>  | <b>88 051</b>  | <b>89 251</b>  | <b>88 051</b>  | <b>88 051</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>       |
| <b>Living Resources</b>                             |   | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</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>937 536</b> | <b>937 536</b> | <b>938 250</b> | <b>919 226</b> | <b>917 929</b> |
| <b>EXPENDITURE OTHER ITEMS</b>                      |   | <b>46 778</b>  | <b>50 654</b>  | <b>52 027</b>  | <b>69 984</b>  | <b>76 055</b>  | <b>76 055</b>  | <b>110 153</b> | <b>113 788</b> | <b>117 429</b> |
| <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 | <b>7 805</b>   | <b>9 370</b>   | <b>7 911</b>   | <b>25 040</b>  | <b>26 965</b>  | <b>26 965</b>  | <b>57 576</b>  | <b>59 476</b>  | <b>61 379</b>  |
| <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         | 11 000         | 11 000         | 31 196         | 32 226         | 33 257         |
| <i>Water Supply Infrastructure</i>                  |   | 686            | 1 105          | 759            | 5 320          | 4 820          | 4 820          | 5 120          | 5 289          | 5 458          |
| <i>Sanitation Infrastructure</i>                    |   | 620            | 476            | 883            | 4 600          | 3 950          | 3 950          | 750            | 775            | 800            |
| <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>           |  | <b>5 897</b> | <b>7 809</b> | <b>5 998</b> | <b>23 170</b> | <b>23 165</b> | <b>23 165</b> | <b>52 226</b> | <b>53 949</b> | <b>55 675</b> |
| Community Facilities            |  | 11           | 95           | 94           | 150           | 150           | 150           | 150           | 155           | 160           |
| Sport and Recreation Facilities |  | 542          | 589          | 245          | 1 150         | 1 200         | 1 200         | 1 650         | 1 704         | 1 759         |

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

|   |        |        |        |        |        |        |         |         |         |
|---|--------|--------|--------|--------|--------|--------|---------|---------|---------|
| Community Assets  | 553    | 683    | 339    | 1 300  | 1 350  | 1 350  | 1 800   | 1 859   | 1 919   |
| Heritage Assets   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Revenue Generating  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Non-revenue   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Generating  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Investment properties   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Operational   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Buildings Housing   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Other Assets  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Biological or Cultivated Assets                                     | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Servitudes  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Licences and Rights   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Intangible Assets   | -      | -      | 51     | 70     | 70     | 70     | 100     | 103     | 107     |
| Computer Equipment  | 146    | 200    | 208    | 500    | 430    | 430    | 550     | 568     | 586     |
| Furniture and Office Equipment                                      | 1 209  | 678    | 1 315  | -      | 1 950  | 1 950  | 2 900   | 2 996   | 3 092   |
| Machinery and Equipment   | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Transport Assets  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Land  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Zoo's, Marine and Non-biological Animals                            | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Mature  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Immature  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| Living Resources  | -      | -      | -      | -      | -      | -      | -       | -       | -       |
| TOTAL EXPENDITURE OTHER ITEMS                                       | 46 778 | 50 654 | 52 027 | 69 984 | 76 055 | 76 055 | 110 153 | 113 788 | 117 429 |
| Renewal and upgrading of Existing Assets as % of total capex        | 55.0%  | 63.2%  | 48.7%  | 59.2%  | 61.3%  | 61.3%  | 65.0%   | 66.3%   | 54.2%   |
| Renewal and upgrading of Existing Assets as % of deprecn            | 100.4% | 170.9% | 185.3% | 200.3% | 199.1% | 199.1% | 178.3%  | 146.5%  | 120.4%  |
| R&M as a % of PPE & Investment Property                             | 1.0%   | 1.0%   | 0.8%   | 2.9%   | 2.9%   | 2.9%   | 6.2%    | 6.5%    | 6.7%    |
| Renewal and upgrading and R&M as a % of PPE and Investment Property | 5.7%   | 8.9%   | 9.4%   | 13.3%  | 13.3%  | 13.3%  | 16.2%   | 15.2%   | 14.1%   |

**TABLE 23: MBRR TABLE A9 - ASSET MANAGEMENT**

**Explanatory notes to Table A9 - Asset Management**

- i. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- ii. The table shows that all the capital allocations are for new assets.
- iii. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of the total value of PPE.
- iv. As noted in the previous reporting financial year, the Council has noted with concern the current level of allocation for renewal of assets and maintenance. For this reason, the Technical Services Department has developed master plan for electricity network and water services.

| Description                                      | ### | 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  | 22 604               | 22 604          | 22 604             | 22 604  | 22 604                 | 22 604                 |
| Piped water inside yard (but not in dwelling)    |     | 14 073  | 14 073  | 14 073  | 22 604               | 22 604          | 22 604             | 22 604  | 22 604                 | 22 604                 |
| Using public tap (at least min.service level)    | 2   | 3 136   | 3 136   | 1 294   | 1 294                | 1 294           | 1 294              | 1 294   | 1 294                  | 1 294                  |
| Other water supply (at least min.service level)  | 4   | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <i>Minimum Service Level and Above sub-total</i> |     | 31 282  | 31 282  | 29 440  | 46 502               | 46 502          | 46 502             | 46 502  | 46 502                 | 46 502                 |
| Using public tap (< min.service level)           | 3   | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| Other water supply (< min.service level)         | 4   | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| No water supply                                  |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |
| <i>Below Minimum Service Level sub-total</i>     |     | -       | -       | -       | -                    | -               | -                  | -   | -                      | -                      |

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

|   |  |          |          |          |          |          |          |          |          |          |
|---|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>Total number of households</b>   | 5  | 31 282   | 31 282   | 29 440   | 46 502   | 46 502   | 46 502   | 46 502   | 46 502   | 46 502   |
| <b>Sanitation/sewerage:</b>   |  |          |          |          |          |          |          |          |          |          |
| Flush toilet (connected to sewerage)  |  | 14 928   | 14 928   | 17 546   | 17 546   | 17 546   | 17 546   | 17 546   | 17 546   | 17 546   |
| Flush toilet (with septic tank)   |  | 875      | 875      | 1 236    | 1 236    | 1 236    | 1 236    | 1 236    | 1 236    | 1 236    |
| Chemical toilet   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Pit toilet (ventilated)   |  | 987      | 987      | 814      | 814      | 814      | 814      | 814      | 814      | 814      |
| Other toilet provisions (> min.service level)   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
|   | <i>Minimum Service Level and Above sub-total</i> | 16 790   | 16 790   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   |
| Bucket toilet   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Other toilet provisions (< min.service level)   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| No toilet provisions  |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
|   | <i>Below Minimum Service Level sub-total</i>     | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| <b>Total number of households</b>   | 5  | 16 790   | 16 790   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   | 19 596   |
| <b>Energy:</b>  |  |          |          |          |          |          |          |          |          |          |
| Electricity (at least min.service level)  |  | 577      | 577      | 418      | 418      | 287      | 287      | 287      | 287      | 287      |
| Electricity - prepaid (min.service level)   |  | 14 556   | 14 556   | 11 909   | 11 909   | 43 312   | 43 312   | 43 312   | 43 312   | 43 312   |
|   | <i>Minimum Service Level and Above sub-total</i> | 15 133   | 15 133   | 12 327   | 12 327   | 43 599   | 43 599   | 43 599   | 43 599   | 43 599   |
| Electricity (< min.service level)   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Electricity - prepaid (< min. service level)  |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Other energy sources  |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
|   | <i>Below Minimum Service Level sub-total</i>     | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| <b>Total number of households</b>   | 5  | 15 133   | 15 133   | 12 327   | 12 327   | 43 599   | 43 599   | 43 599   | 43 599   | 43 599   |
| <b>Refuse:</b>  |  |          |          |          |          |          |          |          |          |          |
| Removed at least once a week  |  | 9 501    | 9 501    | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   |
|   | <i>Minimum Service Level and Above sub-total</i> | 9 501    | 9 501    | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   | 16 611   |
| Removed less frequently than once a week  |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Using communal refuse dump  |  | 3 088    | 3 088    | 3 088    | 3 088    | 3 088    | 3 088    | 3 088    | 3 088    | 3 088    |
| Using own refuse dump   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Other rubbish disposal  |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| No rubbish disposal   |  | 20       | 20       | 20       | 20       | 20       | 20       | 20       | 20       | 20       |
|   | <i>Below Minimum Service Level sub-total</i>     | 3 108    | 3 108    | 3 108    | 3 108    | 3 108    | 3 108    | 3 108    | 3 108    | 3 108    |
| <b>Total number of households</b>   | 5  | 12 609   | 12 609   | 19 719   | 19 719   | 19 719   | 19 719   | 19 719   | 19 719   | 19 719   |
| <b>Households receiving Free Basic Service</b>  |  |          |          |          |          |          |          |          |          |          |
| Water (6 kilolitres per household per month)  | 7  | 4 647    | 4 700    | 4 850    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    |
| Sanitation (free minimum level service)   |  | 4 647    | 4 700    | 4 850    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    |
| Electricity/other energy (50kwh per household per month)  |  | 3 752    | 3 600    | 4 850    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    | 5 000    |
| Refuse (removed at least once a week)   |  | 4 688    | 4 688    | 4 850    | 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)   |  | (7 744)  | (7 265)  | (1 234)  | (12 757) | (12 757) | (12 757) | (11 747) | (12 135) | (12 523) |
| Sanitation (free sanitation service to indigent households)   |  | (13 766) | (14 940) | (0)      | (15 543) | (15 543) | (15 543) | (15 543) | (14 234) | (14 690) |
| Electricity/other energy (50kwh per indigent household per month)   |  | (8 000)  | (6 869)  | (4 917)  | (6 388)  | (6 388)  | (6 388)  | (5 926)  | (6 122)  | (6 317)  |
| Refuse (removed once a week for indigent households)  |  | (5 271)  | (5 640)  | (0)      | (4 983)  | (4 983)  | (4 983)  | (4 976)  | (5 140)  | (5 304)  |
| <b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>                           |  |          |          |          |          |          |          |          |          |          |
| <b>Total cost of FBS provided</b>   | 8  | (34 781) | (34 714) | (6 151)  | (39 671) | (39 671) | (39 671) | (38 192) | (37 630) | (38 834) |
| <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      | 291      | 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      | 107      | 110      | 114      |
| <b>Revenue cost of subsidised services provided (R'000)</b>   |  |          |          |          |          |          |          |          |          |          |
| Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)                           | 9  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) |  | (39 981) | (49 819) | (47 145) | (50 730) | (50 730) | (50 730) | (45 751) | (51 485) | (53 184) |
| 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   |  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Other   | 6  | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| <b>Total revenue cost of subsidised services provided</b>   |  | (39 981) | (49 819) | (47 145) | (50 730) | (50 730) | (50 730) | (45 751) | (51 485) | (53 184) |

**TABLE 24: MBRR TABLE A10 - BASIC SERVICE DELIVERY MEASUREMENT**

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

### **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 categori

**Municipal Manager's Quality Certification**

I, **Tsatsi George Ramagaga**, the municipal manager of **Bela-Bela Local Municipality**, hereby certify that-

❖ 2026/27 Final Budget (MTREF)

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

Name: **Mr T.G Ramagaga**

Municipal manager of **Bela-Bela Local Municipality (LIM366)**

Signature .....  .....

Date: **04 June 2026**