

# **ANNUAL BUDGET OF WINNIE MADIKIZELA-MANDELA LOCAL MUNICIPALITY**



## **2025/26 TO 2027/28 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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- **Office of the Municipal Manager**
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## Table of Contents

<b>PART 1 – ANNUAL BUDGET .....</b>	<b>3</b>
1.1 MAYOR’S REPORT .....	3
1.2 COUNCIL RESOLUTIONS .....	11
1.3 EXECUTIVE SUMMARY .....	13
1.4 OPERATING REVENUE FRAMEWORK .....	30
1.5 OPERATING EXPENDITURE FRAMEWORK .....	53
1.6 CAPITAL EXPENDITURE .....	61
1.7 ANNUAL BUDGET TABLES .....	65
<b>2 PART 2 – SUPPORTING DOCUMENTATION .....</b>	<b>80</b>
2.1 OVERVIEW OF BUDGET RELATED-POLICIES .....	80
2.2 COUNCILLOR AND EMPLOYEE BENEFITS .....	84
2.3 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....	88
2.4 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW .....	92
2.5 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	99
2.6 CAPITAL EXPENDITURE DETAILS .....	101
2.7 LEGISLATION COMPLIANCE STATUS .....	103
2.8 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....	111

## List of Tables

Table 1 Consolidated Overview of the 2020/21 MTREF .....	24
Table 2 Summary of revenue classified by main revenue source .....	33
• Table 3 Percentage growth in revenue by main revenue source .....	34
Table 4 Operating Transfers and Grant Receipts .....	35
Table 5 Comparison of proposed rates to be levied for the 2020/21 financial year .....	36
Table 6 Comparison between current waste removal fees and increases .....	40

## List of Figures

No table of figures entries found.

## Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
CM	City Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

## Part 1 – Annual Budget

### 1.1 Mayor's Report

The council of Winnie Madikizela-Mandela Local Municipality, as elected during the 2021 Local Government Elections and now in the third full year of its term, has a responsibility of ensuring that basic service delivery is provided for all within its jurisdiction. This is the provision of the Constitution of the Republic of South Africa which is the supreme law of the land. The Municipal Finance Management Act No. 56 of 2003, section 16, provides that a municipality must compile an annual budget before the start of the financial year. A draft budget must be tabled 90 days before the start of the budget year, which means that for a 2025/26 Annual Budget, the draft budget must be tabled to council by no later than March 31, 2025. The draft budget that was tabled in council on 31 March 2025 was in response and compliance to the afore-mentioned prescripts. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2025.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 30<sup>th</sup> of April 2025. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains during between April 2022 and January 2025 which continues to require resources to help communities recover.

The municipality's development priorities are basic service delivery (Roads, storm water management, electrification, housing, land use management, educational facilities, community services, recreational facilities and related matters) and Local Economic Development (agriculture, farming, forestry, tourism development, SMME support, Business, trade and manufacturing).

#### a) Water and sanitation backlogs

The estimated backlog for water service delivery continues to grow as the number of households with no access to clean water continue to grow at a pace faster than expected. A 73.6% backlog is reported on the latest statistics released by the office of the Statistician General. The estimated backlog for sanitation service delivery is 3 871 households with no access to sanitation resulting in a 6.2% backlog in the provision of sanitation services.

The Alfred Nzo District Municipality as reported in the previous budgets has taken proactive action to develop a strategy and plan for water and sanitation backlog eradication. The success of this strategy relies largely on active participation of all stakeholders to achieve its intended objectives.

The Alfred Nzo District Municipality is currently implementing a number of projects to eradicate water and sanitation backlog within the District which also affects Winnie Madikizela-Mandela Local Municipality.

The following table illustrates the projects that are currently on feasibility and implementation stage in order to eradicate water and sanitation backlogs.

Project Name	Scope of work	Wards	Projected Allocation
Greater Mbizana Water Supply-Phase 1A Reticulation System (Supply Zones A, C, E & O) Project adjustment	Construction of 20km pipeline and 1 reservoir for Mhlanga, Nkhwe and Simakadeni	06, 32, 31	R1 000 000,00
Mbizana ward 10, 12, 13 & 15 water supply scheme: implementation phase	Construction of 80km pipeline and 2 reservoirs for Sizityaneni, Smakadeni, Mampingeni and Swane	10, 12, 13 & 15	R55 000 000,00
Greater Mbizana water supply phase 1B	Construction of 20km pipeline	9, 12	R55 000 000,00
Mbizana WSIG Provincial Capital Expenditure	Construction of 1 water supply scheme (1 borehole pump station), 12.6km reticulation pipeline for Mxinga village and VIP toilets	9, 12, 30	R15 093 570,80
Mbizana stabilisation Ponds 10% MIG refurbishment		01	R10 000 000.00
Mbizana ward 21,23 & 24 water supply scheme – implementation phase		21, 23 & 24	R22 500 000,00
Mbizana ward 29&30 water supply feasibility studies		29 & 30	R22 500 000,00
Maintenance of WMMLM Water scheme	Maintenance of all identified and reported technical issues in all 68 schemes of WMMLM	All wards	R25 000 000,00
Refurbish WMMLM scheme	Complete construction of 500kl galaxy tank at ward 03 (Dumsi village), drilling of 1 borehole in ward 08 (kuBha), replace 700m gravity line from the existing reservoir in Lukholo ward 22	03, 08, 22	R12 000,000,00
Purchase of WMMLM water cart	Purchase of water cart	WMM LM	R2 000 000,00

The Greater Mbizana Water Supply project is divided into 17 supply zones. The estimated cost for the bulk water supply (including secondary bulk) for the entire Mbizana is R 3.5 billion. The estimated Phase 1 reticulation cost is R 848 million, broken down into Phase 1 A at R 353 Million and Phase 1 B at R 495 Million. Phase 1 reticulation will cover 9 supply zones out of 17 supply zones.

#### b) Road Maintenance backlogs

Due the bad conditions of access roads in the entire municipal area, the municipality moved towards insourcing some part of the maintenance of these roads by acquiring two sets of own plant in the past five to seven years. This was an attempt to maximize the available resources to ensure the municipality maintains as much roads as possible while creating enough capacity within the municipality. Over the past four years the municipal area has received substantial amounts of rains which have also caused more damage on our gravel access roads. This has increased the demand while lowering community's tolerance levels. The municipality had allocated over R36 million within the next year to support the municipal plant in the maintenance and refurbishment of road infrastructure including the town area.

EPWP contract labourers to maintain the storm water drainage and also to fix the small to medium potholes within our CBD roads continue being utilized with the municipality supplying the necessary equipment and material.

In the 2024/25 it was planned that a total of 800m<sup>2</sup> of pothole patching will be completed by the end of the current financial year as the service provider was appointed earlier in the calendar year.

In 2025/26 financial year, 950m<sup>2</sup> is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

c) Electrification backlogs and planning

The latest statistics released confirms that 93.3% of households in the municipal area have access to electricity with 1.6% with access to alternative energy like solar energy.

There is a general increase of electricity demand in the Mbizana area as new households are constructed at a rapid pace than would have been anticipated. It is against this that the INEP Allocation for 2025/26 will be utilized to complete three projects that are currently being implemented by the municipality (Zizityaneni, Msarweni and KwaJali villages electrification).

d) Environmental, coastal and waste management

The municipality as a coastal municipality has a responsibility to develop an Integrated Coastal Management Program (ICMP) which has been developed and adopted by the councils, both Winnie Madikizela-Mandela Local Municipality and Alfred Nzo District Municipality. The municipality established a Coastal Working Committee which sits quarterly to discuss all coastal management issues.

Integrated Waste Management Plan was completed and adopted by Council submitted to DEDEAT MEC (EC) for approval, however the plan was never endorsed by MEC and it is currently under review for re-submission to MEC. The municipality gazetted reviewed Waste Management by-laws as per the National Environmental Management Waste Act.

The Winnie Madikizela-Mandela Local Municipality has adopted a climate change strategy which has been included in the IDP and is currently being implemented through conducting workshops in various Tribal Authorities and appointment of a climate change project team which will educate communities and remove alien plants where applicable.

Waste management service is being provided in businesses at an interval of 3 -7 days a week utilizing 3 compactor trucks, 2x 1Ton trucks, 2x Skip loader truck, 39 permanent employees and EPWP participants. Total of 523 businesses and 1367 households area billed by the municipality and 730 households who are receiving free refuse collection services as per the Indigent policy

The municipality has also extended waste management services to rural areas along R61, Ward 13, 23 and 24. The service is provided in the form of communal collection point system. And the collection is inclusive of Formal Businesses and Government Institutions.

The municipality reviewed and adopted its Waste Management Tariff Policy in May 2022. The development of the policy was for the basis of the tariff imposed by the municipality to different users of the service such as Commercial, Residential and NPO'S. Each user/client is placed under specific category depending on production amounts/volumes, frequency of collection, type of waste produced and collection type. Under areas zoned as Businesses, there are 6 categories

and each user/client is billed/charged as per that category. For households' clients, the municipality has a total of 10 categories and again each client is billed/charged as per that category. Exemptions to certain types of clients are applied as specified in the policy.

A total of 295 tonnes of waste characterised as domestic is estimated to be collected on a monthly basis.

The municipality is working with a number of registered and unregistered recyclers, which play a huge role in minimising large amounts of waste taken for disposal. Most of these recycling groups focus mainly on Paper, Plastics, glass bottles and scraps industry. The municipality has 1 registered recycling company which focuses mainly on bottle recycling (Laphum'Khwezi Primary Recycling). The company contributes a lot in diverting large quantities of bottles disposed at dumping site, and as such 10 tonnages of crushed bottles are excavated monthly.

Currently the municipality is operating EXT3 Dumping site which was planned to be rehabilitated for closure as soon as the Majazi landfill site is operational, however, due to community issues the projects has not commenced. The municipality is in the process of applying for a permit to formalize the dumping site into a temporal landfill site.

e) Local economic development

The following plans were developed, adopted by council and are being implemented:

- LED strategy
- Tourism Plan
- Agricultural Plan
- Spatial Development Framework.

The municipality initiated and implemented a Contractor Development programme in the previous years which proved to be fruitful and helpful to the emerging contractors even though the project was discontinued due to a number of teething challenges identified. There is however a plan to revive the programme or similar, while addressing the issues that lead to it being discontinued.

A total of 16 enrolled contractors were provided with job opportunities, 12 contractors graduated from Grade 1 to different grades up to Grade 6, 40 contractors were trained on Project Management, Tendering Processes, Quality Management Systems, Occupational Health and Safety, and Contracts Management

LED Success stories

- O. R. Tambo Garden of Remembrance Construction Project Completed
- Khananda Hill Grave Site completed
- Received General Budget Support Grant from National Treasure for Manufacturing Hub
- Agric -park programme about 28 projects benefited
- 30 New cooperatives registered
- Boat launching site approved
- 35 cooperatives assisted with production inputs
- 50 Cooperative and SMMEs have been trained on basic financial management and cooperative governance by SANAMI
- 20 Enterprises benefited in the Business Incubation Programme
- Dept. of Sport, Recreation Arts & Culture (DSRAC) sponsored Artist with a Complete set of Music system

- 15 crafters benefited from Resident Fashion Designer Program facilitated by Alfred Nzo District Municipality (ANDM) working with Alfred Nzo Development Agency (ANDA)

#### LED CHALLENGES HINDERING ECONOMIC DEVELOPMENT

- Infrastructure
- Access to market opportunities
- Land tenure
- Financial Constrains

#### RED HUB:

This was funded by ECRDA and Facilitated by Mbizana Local Municipality and Alfred Nzo District Municipality. The RED HUB has planted 638ha from the 2020/2021 planting season and each farmer contributed R1500 per hectares.

This is an Agro-processing business that has 14 primary Cooperatives and one secondary with 759 Beneficiaries and has employed 54 people in various Departments.

The CWP programme is implemented in 19 wards with 1564 participants and the funding allocated for this programme was R16 518 296.00.

The following wards (04,05,06,07,08,12,13,15,17,18,19,20,22,23,26,27,29,30 and 31) have Agriculture, construction and social sectors.

#### f) Tourism and Agriculture

The tourism plan was developed, executed and is currently being reviewed to ensure relevance with the current tourism trends and opportunities.

Mbizana Municipality in partnership with ECPTA, Wild Coast Sun and South Coast Tourism have signed a MOU for the promotion and marketing of tourism.

The Municipality purchased paddle boats and mountain bikes for Mzamba Ndikini tours which is operating in Mzamba area as part of tourism development.

On an annual basis the municipality identifies a number of projects in the area with the potential to grow the local economy and create employment. These are assessed to identify the support that the municipality may be able to provide to ensure they are sustainable Land use and spatial planning

Settlement patterns in Mbizana still reflect, to a large extent, spatial planning of the Apartheid past.

The current structure and spread of rural settlements and households therein makes it difficult for the municipality to provide services in an effective and efficient manner.

The municipality has made strides in redressing the imbalances of Apartheid spatial planning in identifying and providing basic services in those areas that were ignored in the past

Land claims still poses a challenge in development of some areas in town but municipality is in talks with CPAs to resolve those issues.

#### g) Electrification of villages



The Winnie Madikizela-Mandela Local Municipality has contributed to ensuring that electricity is rolled out to a number of villages within the jurisdiction of the municipality working with Eskom through the INEP grant supplemented by the municipality's own funds. This has seen the electrification of the following villages from the 2023/24 to 2024/25 financial period which were implemented: -

<b>Project Name</b>	<b>Allocated Amount</b>	<b>Funding Source</b>
Electrification of Nomlacu Phase 3 (245 Households)	R 13 751 000.00	INEP
Matwebu Electrification (204 Households)	R 5 565 500.00	INEP
Nkanini Electrification (198 Households)	R 5 798 500.00	INEP
Electrification Of Zizityaneni Village (315 Households)	R 3 996 043.00	INEP/OWN FUNDING
<b>TOTAL</b>	<b>R 29 111 043.00</b>	

This was still however less than the amounts required to complete projects with the municipality topping up with its own resources to ensure these are completed within stipulated times.

In the current financial year (2025/26) Winnie Madikizela-Mandela Local Municipality received R 22 008 000 INEP funding allocation to implement three (3) projects as per the table below.

<b>Project Name</b>	<b>Allocated amount</b>	<b>Funding Source</b>
Electrification of Nomlacu Phase 4	R 8.3 million	INEP
Electrification of Zizityaneni Village Phase 2	R 6.8 million	INEP
Electrification of Jali Village	R 6.9 million	INEP
<b>TOTAL</b>	<b>R 22 million</b>	

For at least the next three years the municipality will continue to depend on the INEP electrification grant to implement the projects prioritized to strive towards universal access within the municipality. The implementation of these projects in conjunction with Eskom projects is expected to reduce the backlogs drastically bringing the municipality close to universal access which is anticipated to be achieved by 2025/26.

#### h) Infrastructure development

The municipality also receives a Municipal Infrastructure Grant for the construction of infrastructure assets that enhance service delivery to all communities. The total amount to be received of just above R 63.9 million has been allocated as follows:

<b>NAME OF PROJECT</b>	<b>BUDGETED AMOUNT</b>	
Construction of Mtamvuna to Mabheleni via Ndayingana Access Road	R 4 510 917,24	MIG
Construction of Mkhasweni Access Road	R 7 999 986,81	MIG

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of 116 to Somgungqu to Khwanyana Access Road	R 3 999 992,10	MIG
Construction of Mbuthweni to Nokhatshile Access Road	R 5 217 826,78	MIG
Construction of gravel and Concrete Slab Lukhanyo Access Road	R 7 035 695,87	MIG
Rehabilitation of Pelepele Bridge & Access Road	R 7 867 756,40	MIG
Rehabilitation of gravel and Concrete Slab Ntinga Bridge & Access Road	R 5 919 592,46	MIG
Rehabilitation of Mosco Bridge & Access Road	R 1 518 261,00	MIG
Construction of Monti to Ntsimbini Access Road	R 2 909 779,00	MIG
Construction of Vuyisile to Ntsingizi Access Road with Bridge	R 865 982,00	MIG
Construction of Ward 08 Road to Hub Concrete Slab	R 3 001 043,12	MIG
Construction of Ward 16 Road to Hub Access Road	R 2 477 598,65	MIG
Construction of Ngcingo Access Road	R 2 868 319,00	MIG
Phase 3 Construction of Mphuthumi Mafumbatha Sportsfield	R 7 500 000,00	MIG
Phase 3 Construction of Mphuthumi Mafumbatha Sportsfield	R 11 921 220,00	Own Funding
Resurfacing of 4.5km Mqhokweni to Nokhatshile Access Road	R 9 337 500,00	MDRG
Resurfacing of 11km Ntlenzi to Mcetheni Access Road	R 12 491 500,00	MDRG

R 97,495,920.00

The compilation of the 2025/26 annual budget has also taken into consideration the following key considerations that impact directly to our communities: -

**Repairs and Maintenance of Infrastructure and other municipal assets:** The municipality has the understanding that at least 8% of its budget must be set aside for the repairs and maintenance of the existing infrastructure. As part of its drive to ensure that road infrastructure assets are maintained adequately, earthmoving plant has been acquired over the past three years so that the municipality would be able to carry out its own repairs and maintenance. Planned maintenance of rural roads and CBD roads has also been planned to be done internally using labor intensive methods while budgeting for procurement of materials and tools to carry out this task. There is however an additional allocation to supplement the internal mechanisms to fast track rural and CBD road maintenance of up to R35.6 million. A further R3.2 million has been set aside for the maintenance of municipal buildings and another R5.4 million for the maintenance of municipal vehicles and plant.

**Legacy programmes :** The municipality prides itself of being the home of the legendary struggle icons for the freedom of the people of South Africa, Oliver Reginald Tambo and Winnie

Madikizela-Mandela. It is a live conviction of this council to ensure that their legacy lives for the generations to come. It is not the wish of this council to only celebrate through events but tangible legacy projects that will ensure that our claim and ownership of these international icons is validated. A budget allocation of R697 thousand has been provided for these important activities.

**Public participation:** Municipality will continue to embark on community education programs in all wards in order to capacitate our communities on their role during public participation/ hearings on municipal documents. Capacitation of ward committees will also continue getting attention in an attempt to ensure coordinated servicing of our communities as structures closer to people. Program of revival and support of ward war rooms will continue this financial year as part of strengthening community and stakeholder involvement on government programs. An amount of R8.1 million has been set aside for this.

**IDP and performance management:** Council will continue to ensure that our IDP maintains its high credibility status through enhancing maximum public participation of all role players. We will continue to ensure that our mission of promoting and ensuring a culture of performance excellence is achieved at all costs. Although resources are very limited, these important planning and monitoring tools have been budgeted for.

**Special Programs and youth Development:** Council will always contribute in changing lives of our special groups, our focus will be towards improving education in our region through supporting educational improving initiatives, we will also be strengthening capacity to community based structures that assist particularly in fighting violence and crimes targeting our elderly, children and women. We will continue to ensure that our council educates our communities on rights of people with disabilities and support initiatives that combats discrimination against them. An amount of just above R4.8 million has been set aside for these special groups.

**Implementation of SPLUMA:** Implementation of the act and running of the municipal tribunal and payment of the members to sit in the tribunal. The municipal council taken a decision to continue utilizing the district tribunal. The tribunal will consider development applications that will in turn increase the revenue base. We trust that the R1.8 thousand set aside as well for this purpose will be sufficient.

**Geographic Information System (GIS):** Acquisition tool to assist to improve the immovable asset. It is the compliance issue for spatial analysis. This will also assist in the identification of municipal assets and their locations. An amount of just above R300 thousand has been set aside for this.

The Annual Budget as compiled by the municipality seeks to address the imperatives as set out in the Integrated Development Plan and the indicated Delivery Agreement – outcome 9, which is to ensure a responsive, accountable, effective and efficient local government system so as to restore the confidence of citizens in the local government sphere. As such municipalities need to ensure that the basic needs of communities are met; build clean, effective, efficient, responsive and accountable local government; improve performance and professionalism and strengthen partnerships between local government, communities and civil society. The Outcome consists of seven outputs which need to be achieved, viz.

- Implement a differentiated approach to municipal financing, planning and support;
- Improve access to basic services;
- Implementation of the Community Work Programme;
- Actions supportive of the human settlement outcome;
- Deepen democracy through a refined Ward Committee Model;

- Improve administrative and financial capability;
- A single window of coordination.

The Winnie Madikizela-Mandela Local Municipality annual budget and the Integrated Development Plan therefore seeks to ensure that the service delivery priorities as mandated by the constitution like electricity, roads, solid waste removal are provided to the communities. This is done at the same time whilst ensuring co-ordination of other organs of state like the District Municipality for the provision of water and sanitation and other provincial departments for respective services to the communities.

## 1.2 Council Resolutions

The Council of Winnie Madikizela-Mandela Local Municipality met on the 31<sup>st</sup> March 2025 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2025/26 and the Medium-Term Revenue and Expenditure Framework. The council then considers the following resolutions which will become final when the budget is approved.

The council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- a. The annual budget of the municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables:
  - i) Budgeted Financial Performance (revenue and expenditure by functional classification);
  - ii) Budgeted Financial Performance (revenue and expenditure by municipal vote);
  - iii) Budgeted Financial Performance (revenue by source and expenditure by type); and
  - iv) Multi-year and single-year capital appropriations by municipal vote and functional classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
  - i. Budgeted Financial Position;
  - ii. Budgeted Cash Flows;
  - iii. Cash backed reserves and accumulated surplus reconciliation;
  - iv. Asset management; and
  - v. Basic service delivery measurement.
- c. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following proposed tariffs with effect from 1 July 2025:
  - i) the tariffs for property rates
  - ii) the tariffs for electricity
  - iii) the tariffs for solid waste services
  - iv) Other municipal charges

- d. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the proposed tariffs with effect from 1 July 2025 the tariffs for other services, as set out in the paragraphs on tariffs;
- e. To give proper effect to the municipality's annual budget, the Council of Winnie Madikizela-Mandela Local Municipality approves:
  - i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
- f. To enable the proper implementation of the municipality's budget, the council of Winnie Madikizela-Mandela Local Municipality approves the following budget related policies;
  - i) The IDP and Budget Policy
  - ii) Credit control and debt collection policy
  - iii) Property Rates Policy
  - iv) Supply Chain Management Policy
  - v) Tariff Policy
  - vi) Asset Management Policy
  - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
  - viii) Cash Management and Investment Policy
  - ix) Contract Management policy
  - x) Debtors write-off policy
  - xi) Indigent policy
  - xii) Contract Management policy
  - xiii) Retention policy
  - xiv) Cost Containment Management policy
  - xv) Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
  - xvi) Petty Cash policy
  - xvii) Accounts payable policy

### **1.3 Executive Summary**

The municipality continues to find itself highly dependant on grants from the national fiscus which makes it impossible to contribute with the development and service delivery needs as it wishes as these allocations do not depend on the municipality. Despite the municipality having implemented a number of incentives in the past years where some tariffs remained unchanged, collection levels on household and business debt have not improved putting a strain on the limited resources required to deliver services. Monthly reports continue to show growth in the amounts owed to the municipality while resources are required to deliver services in the town area to keep it attractive for business investments. This unfortunately means that the municipality continues to utilise the grants allocated to assist the poor to deliver services in areas that are expected to be able to fund their own development. The report shows just over R1.5 million decrease on the equitable share allocation to the municipality in the next year which is way less than the over R18 million that was seen last year causing a further strain on the available resources in funding the municipal operations and possibly contribute to capital funding. This coupled with debt collection efforts by the municipality with its recently appointed debt collector is expected to bring in the much-needed financial resources to assist the municipality in the implementation of its programmes and plans. This then requires a serious balancing act that is coupled with realistic analysis of affordability levels before any decision is taken.

#### **Previous years audit outcomes**

The municipality has, in the recent years, ensured that there are improved audit outcomes. This has been a concerted effort between the municipality's council and the management in ensuring that there are improved internal controls, historical issues and disparities in the reported information are dealt with and cleared, and that accounting records and procedures are carried out at appropriate intervals. This has seen the municipality receiving unqualified audit opinions since 2015/16 to 2019/20 financial years and a Clean Audits in 2020/21, 2021/22, 2022/23 and an unqualified audit opinion for the 2023/24 financial years. The municipality seeks to improve on these achievements and avoid further regression at all costs including the re-establishment of a clean audit committee that is tasked with monitoring the implementation of the audit action plan as proposed by management and adopted by council.

#### **mSCOA Implementation**

The National Treasury issued a government gazette in 2014, directing that a Municipal Standard Chart of Accounts – mSCOA – would be used by all municipalities from July 01, 2017. This meant that all municipalities have a common set of accounts from which to choose from, instead of each municipality having its own chart of accounts. This resulted in a seamless reporting regime where information from all municipalities can be compared. The introduction of the business reform has meant that management needed to acquaint itself with the requirements and legislations that were meant to ensure implementation of mSCOA by July 01, 2017. The municipality complied with this requirement and the migration from the old system to the new system was done seamlessly with the assistance of the municipality's system vendors.

It is important to note that this did not represent a new system, but rather an introduction of a more detailed and streamlined way of doing business, starting from planning, where it guides you to do proper planning, informed by adequate costing. mSCOA also encourages revenue and expenditure items to be identified for what they really are and not grouped together with no

detailed planning and calculation behind. We will now be able to identify the true cost of the projects that the municipality engages on, and be able to identify, from early on, the communities that stand to benefit from those projects.

Winnie Madikizela-Mandela Local Municipality is no different and has ensured that measures are put in place to ensure compliance. It is therefore important to note that we have made all efforts to ensure that the budget that will be approved is mSCOA compliant.

### **The impact of mSCOA on the virement policy**

Earlier treasury circulars highlighted the principles that must be incorporated into municipal virement policies. Those principles are still applicable and relevant. The only difference is that a transaction in mSCOA relates to six regulated segments, therefore all segments must be considered when making a virement. As a result of this we have had to review and update our reference to “vote” to align to the function segment and indicate the funding applicable to the item being transferred in relation to the funding segment. This therefore means that with the implementation of mSCOA, virements can only take place within a function or sub-function and the same source of funding. The creation of new projects and savings across functions can only take place through an adjustment budget. Virements are not permitted from the repairs and maintenance project in the project segment.

### **Clarification of core and non-core functions**

Core functions provides for the matters in terms of section 156 (1) of the Constitution. These are functions performed by local government and constitutionally assigned to local government in terms of Part B of Schedule 4 and Part B of Schedule 5. Non-core functions performed by local government that are constitutionally assigned to provincial government in terms of section 156(4) of the Constitution. Local government are compensated for delivering these functions on behalf of provincial government and typically receive a management fee from the provincial department.

### **Version changes**

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors.

Towards this end, Version 6.9 is released with this circular. Version 6.9 of the chart will be effective from 2025/26 and must be used to compile the 2025/26 MTREF.

mSCOA version 6.9 went live on 24 March 2025, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2025/26 MTREF on the GoMuni portal.

After going live on version 6.9 of the chart, all the reports available on the LGDRS will be aligned to mSCOA chart version 6.9. This includes the format of the Section 71 report for Q3 and Q4 of 2024/25 and the adjustments budget for 2024/25.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.9 of the chart.

By now, all municipalities should:

Have acquired, upgraded and maintain the hardware, software and licences required to be and remain mSCOA compliant;

Budget, transact and report on all six (6) legislated mSCOA segments and directly on the core financial system and submit the required data strings directly from this system to the LG Portal;

Lock down the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the LG portal;

Closed the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the LGportal; and

Generate regulated Schedules (A, B, C) directly from the core municipal financial systems.

Municipality that have not achieved the above level of implementation as yet, should do the following:

A road map must be provided to the National and respective provincial treasury to indicate how the municipality will become mSCOA compliant;

The municipality's mSCOA Project Steering Committee (chaired by the Accounting Officer) must meet at least monthly (if not more often) to track the progress against the road map and take corrective action where required;

Provincial treasury should be invited to the mSCOA Project Steering Committee meeting; and

Progress against the road map should be presented at the Mid-Year Budget and Performance and Budget Benchmark engagements.

Municipalities are reminded to follow the required due diligence processes in terms of MFMA Circulars No. 80 and 93 and mSCOA Circulars No. 5 and 6 when they procure a core financial system. If the procured system will impose financial obligations on the municipality beyond the three years covered in the MTREF budget, then the provisions of Section 33 of the MFMA should be adhered to.

SLAs with system vendors must also be managed properly.

The NT conducted independent audits on all municipal core financial systems in 2020 to determine to what extent these systems comply with the functionality requirements and 15 business processes required in terms of mSCOA. These results will also inform the new transversal tender for the procurement of municipal financial and internal control systems.

### **Balance sheet and Cashflow budgeting**

A budgeted balance sheet is a report that management uses to predict the levels of assets, liabilities and equity based on the planned revenue and expenditure the current accounting period. The budgeted balance sheet shows where all of the accounts would be at the end of the period if actual performance matched the budgeted estimates. All revenue and expenditure impacts on the Financial Position of the municipality.

Accurate cash flow information will assist the municipality to calculate the cash available using the historical trends.

The following should be considered when preparing estimations for balance sheet budgeting:

- The estimated revenue billings per month. Importantly, assumptions must be based on historical performance, projected growth, cost drivers and economic factors;
- Information on outstanding debtors, debt impairment and actual debt write offs;
- The roll forward movement accounts to establish opening balances; and
- Historical trends the sale of bulk electricity and water inform the estimation for bulk purchases.

Municipalities must not spend what they do not have available in the bank. It is important to link all revenue and expenditure to a funding source through the Fund segment when budgeting and transacting. The Fund segment must be used correctly for cash receipts and payments (i.e. FD001 and FD002). This will enable budgeting, transacting and reporting on the same data string and the identification of the actual cash available per funding source that can be utilised for service delivery. Non-funding should not be used.



Furthermore, budgeting, transacting and reporting must be done directly in and from the integrated ERP system solution on the relevant posting levels to ensure that the built-in controls are triggered to prevent unauthorised expenditure. The high levels of unauthorised expenditure reported by the Auditor-General is evident that a number of municipalities are still working outside of their ERP systems and bypassing budget control functionality.

Municipalities are required to implement balance sheet budgeting and movement accounting to ensure that the cash flow for the 2024/2025 MTREF is populated correctly. If the cash flow is not budgeted correctly, transactions will be a challenge.

### **Depreciation and asset impairment budgeting**

*In terms of MFMA circular no 115, from the analysis of the mSCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates. When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ringfenced, municipalities will not be in a financial position to fund future infrastructure assets.*

The above indicates that the municipality must have revenues that are not allocated for spending in its budget to achieve this goal.

## **1.4 The South African Economy and Inflation Targets**

GDP growth is expected to average 1.8 per cent from 2025 to 2027. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

Headline inflation declined to 2.9 per cent in the fourth quarter of 2024, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 4.3 per cent in 2025 and 4.6 per cent in 2026, picking up slightly as the value-added tax (VAT) increase pushes up prices. The VAT effect is seen mainly in core inflation, which, after averaging 4.3 per cent in 2024, is projected to rise to 4.6 per cent in 2026. Lower global crude oil prices are expected to support muted fuel price inflation.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections or for clear articulation of all the factors affecting the tariffs.

### **Budget Assumptions**

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No. 129 and 130. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

<b>Fiscal year</b>	<b>2025 Estimate</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>
Consumer Price Inflation - CPI	4.4%	4.3%	4.6%	4.4%

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

The following are the key budget assumptions used to prepare the draft budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 12.74% increase on electricity tariffs
- b) 11.32% increase on Electricity Bulk purchases
- c) 44% reduction on property rates due to the implementation of the new valuation roll
- d) 5.05% provision for employee costs which is the average CPI percentages for the period 1 February 2024 until 31 January 2025.
- e) 4.3% increase on the remuneration of councilors
- f) 4.4% for all other expenses, and
- g) 4.3% for other revenue municipal Tariffs

### **Revenue budgeting**

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

### **Maximising the revenue generation of the municipal revenue base**

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2025, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that

the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin). If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to [linda.kruger@treasury.gov.za](mailto:linda.kruger@treasury.gov.za).

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

### **Setting Cost reflective Tariffs**

The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the

full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate.

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

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- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format) illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly.

### **Tariff-setting – the impact of loadshedding**

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require

municipalities to “ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply.” Municipalities are also required to “mobilise available resources” and “provide funds for this purpose, subject to affordability.” As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality’s available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2025/26 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2024/25 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2024/25 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, considering current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and
- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007

### **Eskom Bulk tariff Increases**

On 20 October 2022, the Nelson Mandela Bay Chamber of Business issued a ruling outlining the requirements that municipalities must comply with when determining tariffs. The ruling found NERSA's Guideline and Benchmark method for approving municipal electricity tariffs unlawful and invalid. The court ordered that all electricity tariff applications from 2024/25 Financial Year, should be supported by a Cost of Supply (COS) study. Municipalities are reminded of the critical importance of complying with the court order, failing which, municipalities would be in breach of the court order and in contempt of court. The need for conducting a COS timeously and adhering to the timelines set by NERSA for the submission of applications is imperative as these cannot be approved by NERSA without the COS.

NERSA has indicated that it will be able to process and decide on municipal tariff applications based on Cost of Supply (COS) studies for the financial year 2025/26 by the end of June 2025 for the implementation in the new Financial Year. However, the Minister of Finance will engage NERSA to conclude this process sooner, to allow municipalities sufficient time to take account of the approved tariffs in the finalisation of their budgets. Tariff applications will not be considered unless they are supported by a Cost of Supply study. NERSA has indicated that the approval of Eskom's Retail Tariff Plan (RTP) and Eskom's Retail Tariff Structural Adjustment (ERTSA) for FY2025/26 is anticipated prior to 15 March 2025. Following the ERTSA decision, municipalities will be informed of the outcome to assist them in formulating their individual tariffs, which will then be approved for implementation in FY2025/26.

From the 2025/26 MTREF, municipalities will be required to submit the following documents pertaining to electricity tariff applications to the GoMuni Upload portal:

- NERSA D Form and COS study submitted to NERSA. For the 2025/26 tariff increase, municipalities with the tabled budget and thereafter 31 October 2025 (i.e. applications pertaining to 2026/27 tariff increases and beyond); and
- NERSA tariff approval with the tabled budget.

### **Policy Review**

The municipal council has reviewed a number of policies, proposing amendments to these policies and these are detailed in the later paragraphs in more detail. Most of the adjustments that have been proposed are necessitated by developments and changes in the requirements of key regulatory institutions like the National Treasury and the South African Revenue Services.

The preparation of the budget has relied mainly on the statistics as provided in the 2022 Census and the recent release. Although this has been the basis, we have kept in mind the growth of communities we serve within the municipality through recent community surveys. The assumptions utilized in the compilation of this budget have also been based on the guidance provided by the National Treasury on the inflationary indicators to be utilized. The guidance has also touched on the requirements and expectations from the National Energy Regulator of South Africa (NERSA) on the percentage increase that can be effected on electricity tariffs.

### **Measureable Performance Objectives and Indicators**

As part of the IDP and budget compilation process, management has identified the strategic objectives and performance indicators that would enable the municipality to achieve on the mandated powers and functions. These have been set out in the IDP with measureable performance indicators, and the budgeted amounts for the 2025/26 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget

Implementation Plan for the 2025/26 financial year which must be approved by the Mayor at least 28 days after the adoption of the budget. The objectives have further been provided with projects that will be implemented to achieve the set targets and these projects have been supported by project implementation plans for each of the projects.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:



Table 1 Consolidated Overview of the 2024/25 MTREF

## EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	21 163	21 150	21 713	21 532	23 421	23 421	24 187	25 276	25 907
Service charges	42 139	58 357	49 041	56 844	53 764	53 764	61 186	64 475	67 928
Investment revenue	10 784	21 920	34 468	27 159	37 359	37 359	39 677	41 661	43 744
Transfer and subsidies - Operational	295 672	342 754	352 621	394 792	368 591	368 591	367 150	361 852	378 253
Other own revenue	20 749	36 956	44 008	18 549	37 705	37 705	41 805	35 819	32 237
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>390 507</b>	<b>481 138</b>	<b>501 852</b>	<b>518 876</b>	<b>520 839</b>	<b>520 839</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>
Employee costs	108 100	114 833	127 726	137 766	141 477	141 477	148 023	154 984	162 275
Remuneration of councillors	25 010	26 577	26 454	29 876	29 876	29 876	31 370	32 938	34 585
Depreciation and amortisation	52 674	42 493	41 670	54 371	49 371	49 371	48 219	50 388	50 388
Interest	26	—	41	100	100	100	104	105	108
Inventory consumed and bulk purchases	45 684	47 637	49 228	61 876	61 880	61 880	67 145	70 162	71 916
Transfers and subsidies	1 251	2 503	2 805	4 216	4 471	4 471	5 454	5 699	5 841
Other expenditure	172 965	131 834	165 092	211 626	231 822	231 822	229 157	222 825	224 201
<b>Total Expenditure</b>	<b>405 711</b>	<b>365 878</b>	<b>413 016</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 102</b>	<b>549 314</b>
<b>Surplus/(Deficit)</b>	<b>(15 204)</b>	<b>115 260</b>	<b>88 835</b>	<b>19 046</b>	<b>1 841</b>	<b>1 841</b>	<b>4 535</b>	<b>(8 021)</b>	<b>(1 246)</b>
Transfers and subsidies - capital (monetary allocations)	80 162	77 436	68 482	64 754	89 195	89 195	86 137	62 776	70 556
Transfers and subsidies - capital (in-kind)	79	479	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
Transfers recognised - capital	64 059	73 317	54 629	56 308	77 561	77 561	74 854	53 344	60 484
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	104 230	61 474	66 184	63 154	84 773	84 773	91 018	41 905	25 172
<b>Total sources of capital funds</b>	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Financial position</b>									
Total current assets	401 028	489 633	605 294	323 623	594 366	594 366	529 307	552 889	602 323
Total non current assets	809 673	866 282	943 140	946 807	1 050 903	1 050 903	1 060 793	988 000	978 406
Total current liabilities	102 121	120 578	151 481	103 343	142 145	142 145	146 043	128 522	136 649
Total non current liabilities	22 484	10 632	11 950	11 485	11 950	11 950	11 950	11 950	11 950
Community wealth/Equity	1 083 963	1 224 704	1 385 002	1 155 603	1 491 174	1 491 174	1 432 107	1 400 416	1 432 129
<b>Cash flows</b>									
Net cash from (used) operating	173 089	224 463	255 874	189 425	218 141	218 141	172 239	142 924	162 856
Net cash from (used) investing	(138 669)	(124 887)	(121 558)	(161 090)	(214 363)	(214 363)	(190 043)	(125 766)	(115 114)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the year end</b>	<b>292 581</b>	<b>376 685</b>	<b>494 332</b>	<b>206 790</b>	<b>464 567</b>	<b>464 567</b>	<b>391 902</b>	<b>409 060</b>	<b>456 801</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	277 109	360 015	460 788	206 790	464 567	464 567	391 902	409 060	456 801
Application of cash and investments	38 347	54 374	80 946	33 597	61 610	61 610	(22 283)	(41 090)	(33 053)
<b>Balance - surplus (shortfall)</b>	<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</b>
<b>Asset management</b>									
Asset register summary (WDV)	591 378	708 419	943 140	946 807	1 050 903	1 050 903	1 060 788	988 000	978 406
Depreciation	44 118	41 502	32 417	54 371	46 371	46 371	48 219	50 388	50 388
Renewal and Upgrading of Existing Assets	90 916	83 391	65 543	27 198	41 113	41 113	49 261	20 288	52 388
Repairs and Maintenance	12 285	11 287	21 366	53 184	57 443	57 443	55 196	57 177	58 869
<b>Free services</b>									
Cost of Free Basic Services provided	—	—	4 800	4 800	4 800	4 800	7 500	7 200	7 532
Revenue cost of free services provided	—	5	10	1 198	581	581	265	277	283
<b>Households below minimum service level</b>									
Water:	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—
Energy:	6	6	6	6	6	6	2	2	2
Refuse:	48	48	48	48	48	48	48	48	48

The table above shows the summary of the draft budget for the 2025/26 financial period with the outer years. The table shows that the expected revenue for the 2025/26 financial year adds up to just above R620 million.

#### **a. Revenue**

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 77% of the municipality's anticipated revenues which is a decrease from 78% in the prior year with other sources anticipated to generate only 23% which means the municipality has very little resources to spend without prescribed conditions. This has a potential to limit the municipality in terms of the programmes it would like to implement to improve the lives of the people of Mbizana. The overall increase in revenue is about 2% taking the tune from the national performance as well where the country has seen slight improvements from no growth and negative in some. This will unfortunately continue as the world at large continues to experience situations that have a potential of collapsing economies due to breakdown of diplomatic relations that have continued to spread throughout the world impacting international trade and therefore the world economies at large.

#### **b. Operating expenditure**

##### **i. Non-cash items**

These are expenditure items where no cash will be required to flow as these relate to the accounting for wear and tear of the municipal assets and impairment of portions of debtors considered to be irrecoverable based on the behaviour of individual debtors and their credit profile. These make up 10% of the municipality's operating expenditure.

##### **ii. Depreciation and asset impairment**

In terms of MFMA circular no 115, from the analysis of the mSCOA data strings it was evident that a number of municipalities were allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates. When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ringfenced, municipalities will not be in a financial position to fund future infrastructure assets.

The above indicates that the municipality must have revenues that are not allocated for spending in its budget to achieve this goal. The above table shows that the municipality requires over R48.2 million in the budget year to get anywhere closer to achieving this goal.

##### **iii. Employee Related Cost**

Below are vacant positions that are included in the calculations of these draft budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then almost breaches the maximum limit permitted of 40%, at 39% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

#### **Municipal Manager**

- Children, Elderly & PWD Officer

**Corporate Services**

- House Keeper X 5
- Manager: Admin Support & Aux Services
- Labour Relations Officer

**Community Services**

- Park and Cemetery Supervisor
- VIP X 1
- Cashier
- Community Safety Officer

**Refuse Removal**

- General Assistants

**Engineering Services**

- Truck Driver

**Budget and Treasury Office**

- Asset Management Clerk

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

**iv. Remuneration of councilors**

An increase of 4.3% was used to accommodate any adjustments that might need to be implemented during the year once a new gazette on the remuneration of office bearers has been issued and also ensuring that we have catered for the grade 4 position for the purposes of the remuneration of councilors as outlined in the government gazette issued from time to time for the municipality. The formula for the allocation of the Equitable share includes an allocation to support councillor remuneration and ward committees. This allocation for the budget year is R15.2 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

**v. Bulk purchases**

The municipality is licensed to distribute areas in the municipal area, however such distribution only happens in town with the rest of the areas being distributed by Eskom. The municipality therefore buys electricity from Eskom to distribute to its customers at a charge as approved by NERSA from time to time. The budget has considered a 11.32% increase in line with the guidance provided on MFMA circular 129 and 130.

**vi. Contracted Services**

This item relates to services and goods that can only be provided through the use of external service providers such as catering, hiring of transport, consultants, prepaid electricity vendors, professional services etc. This draft budget includes but not limited to the following allocations:

- R10.4 million for outsourced security services
- R7.2 million for Electrification of Nomlacu Phase 4
- R6 million for Electrification of Jali
- R5.2 million for Electrification of Zizityaneni (refund of municipal funds)
- R7.3 million for legal services
- R25.5 million for road maintenance
  - R1.5 million - Maintenance of Giniswayo Access Road
  - R2.1 million - Maintenance of Mbandana Access Road
  - R120 thousand - Maintenance of Branchini to Mbabazo SPS Access Road
  - R3 million - Maintenance of Nkantolo via Komkhulu Access Road
  - R2 million - Maintenance of Qobo to Mthamvuna Access Road
  - R3.6 million - Maintenance of Reformed via Lukholo to Bethula Access Road
  - R750 thousand - Maintenance of Khananda Access Road
  - R3 million - Maintenance of Pelepele to Jojozi Access Road
  - R3.5 million - Maintenance of Seaview to Mabhoyini Access Road
  - R2.5 million - Maintenance of Matshezini Access Road
  - R2 million - Maintenance of Qadu Access Road
  - R1.4 million Maintenance of Storm water in Ext 2
- R313 thousand for maintenance electricity infrastructure
- R3.1 million for maintenance of municipal buildings
- R5.2 million for casual labour for refuse removal
- R3 million for security casual labour
- R3.1 million for EPWP implementation
- R3.3 million for maintenance of the dumping site
- R4.6 million for waste management services
- R2.7 million maintenance of Community Halls
  - Ward 3
  - Ward 9
  - Ward 18
  - Ward 21
- R1.7 million for Internal Audit fees
- R3.5 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.7 million for landfill site EIA consulting fees
- R1.5 million for debt collection services
- R300 thousand maintenance of Financial Management Systems (FMG)
- R5.4 million for maintenance of municipal vehicles
- R5.6 million on catering for various municipal activities which is a decrease from R5.8 million in the current year adjusted budget
- R1.4 million for compilation of the valuation roll
- R229 thousand for Audit Committee Fees

- R693 for Manufacturing hubs consultations
- R 1.1 million Maintenance of Electricity Infrastructure

There are other municipal programmes included as road marking, survey of municipal land, and all other programmes planned by the municipality for its day to day running and community programs.

#### **vii. Other Expenditure**

These are all other operational expenses of the municipality such as advertising, travel and subsidies, seminar and workshops etc. The following are some of the items that may require special mention when it comes to these expenditures even though the list does not mean these are the only allocated expenditures:

- R6.3 million for compensation of ward committees
- R6 million for maintenance of IT systems and rentals thereof
- R4.3 million for License fees
- R4 million for communication in the form of telephone, fax and cellphones
- R5.99 million for external audit fees
- R5.2 million for free basic electricity
- R2.3 million for solar energy subsidy
- R6.9 million for accommodation of Municipal Officials and Councillors which is a slight increase from R6.3 million in the current year's adjusted budget
- R4.2 million for insurance of municipal assets
- R2 million for SALGA levies and
- R745 thousand for tuitions fees for training and development
- R2.5 million decommissioning of dumping site

There are other smaller items budgeted for that are not included on the explanations above due to their values being small individually.

EC443 Winnie Madikizela Mandela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 - Executive and Council		822	—	100	—	150	150	—	—	—
Vote 2 - Corporate Services		483	1 332	428	449	499	499	220	231	243
Vote 3 - Budget and Treasury Office		318 256	373 657	389 498	388 792	399 182	399 182	399 920	399 845	418 187
Vote 4 - Community Services		11 732	26 957	12 520	15 029	13 967	13 967	15 395	12 486	12 823
Vote 5 - Development Planning		22 001	22 785	37 251	31 734	33 071	33 071	34 816	37 518	38 631
Vote 6 - Engineering Services		117 454	134 323	135 335	147 626	163 166	163 166	169 791	141 776	148 741
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	470 748	559 053	575 133	583 630	610 035	610 035	620 143	591 858	618 625
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		71 791	78 876	80 850	87 695	92 667	92 667	92 264	96 627	100 435
Vote 2 - Corporate Services		40 690	43 613	45 857	68 785	67 464	67 464	68 574	71 703	73 655
Vote 3 - Budget and Treasury Office		24 479	27 987	28 757	43 075	42 856	42 856	44 658	46 737	48 342
Vote 4 - Community Services		59 309	70 569	78 890	92 455	99 263	99 263	111 367	107 338	111 087
Vote 5 - Development Planning		17 186	21 967	28 578	29 543	32 642	32 642	34 737	34 018	34 934
Vote 6 - Engineering Services		193 688	123 218	150 207	178 277	184 106	184 106	177 871	180 684	180 866
Vote 7 - [NAME OF VOTE 7]		—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	407 143	366 230	413 140	499 830	518 998	518 998	529 471	537 106	549 318
Surplus/(Deficit) for the year	2	63 605	192 823	161 994	83 800	91 037	91 037	90 671	54 752	69 306

**a. REVENUE**

Anticipated revenues seem to have increased compared to the 2024/25 budget and this is due to mainly a decrease in the equitable share, Municipal Disaster Recovery Grant, Integrated National Electrification grant while an increase in the Municipal Infrastructure Grant is noted, as may be seen on the table above indicating the grants that have been provisionally confirmed for the municipality. There is also a significant increase of Electricity Service Charges taking from the current year performance.

The decrease in the grants comes in the backdrop of increases that have been getting smaller every year for the part four financial years. This is a worrying picture though considering that the municipality's demands have grown more than the anticipated resources. This is probably one of the most challenging budgets that the municipality will ever produce in the current economic and political climate.

**b. EXPENDITURE**

MM's Office and Council expense

This has taken into account submissions made during the budget sessions and these have been taken into account using the set limits for the overall expenditures and then using those to reprioritise.

#### Budget and Treasury

The major contributors are depreciation, external audit fees. Significant projects in the department are those of the review of the infrastructure fixed assets register, implementation of the contract management findings and action plan thereof.

#### Corporate Services

The major expenditures relate to repairs of municipal vehicles, fuel and oil, ICT licenses, SALGA levies, website maintenance, insurance for municipal assets and employees including councillors, telephone and fax as well as other operational expenses.

#### Development Planning

The department has made provisions for valuation services, Spluma, Tourism, agricultural events and development of SMME's including any support that is provided by the municipality to those. There are also provisions for surveying of municipal properties including the legal fees involved in the process.

#### Community and Social Services

The department has made provision for the rehabilitation of the landfill site, provision of security services, public safety awareness campaigns, the operation and maintenance of the municipal pound, provision of free basic energy, protective clothing and other uniforms. The department on top of the EPWP grant funded casuals has made a provision for more casual labour to assist in the refuse removal services of the municipality. They have also requested overtime to be allocated more funds to cater for public holidays and other special events. The allocations also include maintenance of 4 Community halls as indicated above.

#### Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R23.6 million has been made to cater for external road maintenance, and R3.3 million for maintenance of municipal buildings.

#### Electricity

The department's biggest allocation has gone to the electricity purchases which is paid to Eskom for the supply of electricity as well as electrification projects to be implemented in villages. There are also allocations that are made for purchase of electrical material and maintenance of electrical infrastructure.

### **1.5 Operating Revenue Framework**

Winnie Madikizela-Mandela Local Municipality strives to provide its communities with the required services and for it to succeed in doing that, it has to ensure that it has an operating revenue framework that ensures that it is able to fund its operations. This talks to the fact that there must be strategies in place to maximize the collection of revenue from the streams that already exist, but as well identify new revenue streams to augment the existing ones. A revenue enhancement strategy that was approved by the council in 2014 and reviewed in 2021 is accompanied by a

proposed implementation plan to ensure implementability which was considered to be a big miss on the initial strategy.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipal area and continued economic development;
- Efficient revenue management;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA) as amended;
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

In preparing the budgets, realistically anticipated revenues have been considered, and as has been indicated several times earlier, the tough economic conditions reflect on the reduces anticipated revenues. Electricity and refuse removal show a slight increase and the main consideration has been the declining trend over the past few years, coupled with the weak performance of the said items in terms of revenue collection.

## 1.6 Reconciliation of grants allocations

Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 2025/26 MTREF						
	2024/25 Allocations	Change	% Change	2025/26	2026/27	2027/28
<b>National Allocations</b>						
<b>Operational</b>	<b>399 023 600</b>	<b>-10 597 350</b>		<b>388 426 250</b>	<b>376 119 550</b>	<b>393 108 850</b>
Equitable Share	359 441 000	-1 586 000	0%	357 855 000	355 590 000	371 655 000
Financial Management Grant	2 100 000	-	0%	2 100 000	2 300 000	2 400 000
Municipal Disaster Management Grant	6 314 000	-6 314 000	-100%	-	-	-
Expanded Public Works Programme	2 981 000	130 000	4%	3 111 000	-	-
Municipal Infrastructure Grant	2 825 600	526 650	19%	3 352 250	3 229 550	3 375 850
Integrated National Electrification Grant	25 362 000	-3 354 000	-13%	22 008 000	15 000 000	15 678 000
<b>Capital</b>	<b>75 515 400</b>	<b>-11 822 650</b>		<b>63 692 750</b>	<b>62 361 450</b>	<b>65 141 150</b>
Government Support Grant	-	-	0%	-	-	-
Neighbourhood Development Partnership Grant(Capital)	-	-	0%	-	1 000 000	1 000 000
Municipal Infrastructure Grant	53 686 400	10 006 350	19%	63 692 750	61 361 450	64 141 150
Municipal Disaster Recovery Grant	21 829 000	-21 829 000	-100%	-	-	-



Reconciliation of Winnie Madikizela-Mandela Local Municipality allocations for 2025/26 MTREF						
	2024/25 Allocations	Change	% Change	2025/26	2026/27	2027/28
<b>Provincial Allocations</b>						
<b>Operational</b>	<b>1 347 000</b>	<b>-</b>		<b>1 347 000</b>	<b>1 147 000</b>	<b>1 199 000</b>
Green Municipality Grant	200 000	-	0%	200 000	-	-
Library Grant	1 147 000	-	0%	1 147 000	1 147 000	1 199 000
				-	-	-
<b>TOTAL ALLOCATIONS</b>	<b>475 886 000</b>	<b>-22 420 000</b>	<b>-5%</b>	<b>453 466 000</b>	<b>439 628 000</b>	<b>459 449 000</b>

The above table shows the total of both conditional and unconditional grants to the municipality as confirmed on the Division of Revenue Bill excluding the Provincial Treasury Gazette that is still delayed due to the delays on the national budget processes. From the table, we see a overall decrease of over R23 million on the grants total compared with the with the revised budget. A reduction is seen on the equitable share, the Integrated National Electrification grant which is used to provide electricity in the rural areas of the municipality as well as the Disaster Recovery grant which the municipality has no allocation for the 2025/26 financial year. An increase of just over R10 million is seen on the municipal infrastructure Grant which is made up of the top-up allocation for the construction of sport facilities in the form of required improvements at the Mphuthumi Mafumbatha Stadium as well as price adjustment cushioning in relation of the current economic climate.

**Table 2 Summary of revenue classified by main revenue source****EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	37 937	41 412	44 913	52 684	49 584	49 584	55 986	59 132	62 453
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 202	16 945	4 128	4 160	4 180	4 180	5 200	5 343	5 475
Sale of Goods and Rendering of Services		238	14 590	14 316	201	19 881	19 881	22 481	15 495	11 188
Agency services		1 202	1 361	1 298	1 427	1 427	1 427	1 499	1 574	1 652
Interest								-	-	-
Interest earned from Receivables		1 852	2 953	3 795	3 556	3 593	3 593	3 984	4 164	4 232
Interest earned from Current and Non Current Assets		10 784	21 920	34 468	27 159	37 359	37 359	39 677	41 661	43 744
Dividends								-	-	-
Rent on Land								-	-	-
Rental from Fixed Assets		7 682	7 506	7 970	4 924	5 054	5 054	5 764	6 153	6 509
Licence and permits										
<b>Special rating levies</b>										
Operational Revenue		653	676	957	190	390	390	405	416	428
<b>Non-Exchange Revenue</b>										
Property rates	2	21 163	21 150	21 713	21 532	23 421	23 421	24 187	25 276	25 907
Surcharges and Taxes								-	-	-
Fines, penalties and forfeits		386	1 246	1 286	579	383	383	386	406	426
Licences or permits		2 141	2 169	2 102	2 277	2 277	2 277	2 379	2 484	2 546
Transfer and subsidies - Operational		295 672	342 754	352 621	394 792	368 591	368 591	367 150	361 852	378 253
Interest		2 750	3 961	5 200	5 396	4 700	4 700	4 907	5 128	5 256
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	756	-	-	-	-	-	-	-
Other Gains		3 843	1 738	7 085	-	-	-	-	-	-
Discontinued Operations								-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>390 507</b>	<b>481 138</b>	<b>501 852</b>	<b>518 876</b>	<b>520 839</b>	<b>520 839</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>

**Table 3 Percentage growth in revenue by main revenue source****EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	% Change	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	37 937	41 412	44 913	52 684	49 584	49 584	13%	55 986	59 132	62 453
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 202	16 945	4 128	4 160	4 180	4 180	24%	5 200	5 343	5 475
Sale of Goods and Rendering of Services		238	14 590	14 316	201	19 881	19 881	13%	22 481	15 495	11 188
Agency services		1 202	1 361	1 298	1 427	1 427	1 427	5%	1 499	1 574	1 652
Interest								-	-	-	-
Interest earned from Receivables		1 852	2 953	3 795	3 556	3 593	3 593	11%	3 984	4 164	4 232
Interest earned from Current and Non Current Assets		10 784	21 920	34 468	27 159	37 359	37 359	6%	39 677	41 661	43 744
Dividends								-	-	-	-
Rent on Land								-	-	-	-
Rental from Fixed Assets		7 682	7 506	7 970	4 924	5 054	5 054	14%	5 764	6 153	6 509
Licence and permits								-	-	-	-
Special rating levies								-	-	-	-
Operational Revenue		653	676	957	190	390	390	4%	405	416	428
<b>Non-Exchange Revenue</b>								-			
Property rates	2	21 163	21 150	21 713	21 532	23 421	23 421	3%	24 187	25 276	25 907
Surcharges and Taxes								-	-	-	-
Fines, penalties and forfeits		386	1 246	1 286	579	383	383	1%	386	406	426
Licences or permits		2 141	2 169	2 102	2 277	2 277	2 277	4%	2 379	2 484	2 546
Transfer and subsidies - Operational		295 672	342 754	352 621	394 792	368 591	368 591	0%	367 150	361 852	378 253
Interest		2 750	3 961	5 200	5 396	4 700	4 700	4%	4 907	5 128	5 256
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	756	-	-	-	-	-	-	-	-
Other Gains		3 843	1 738	7 085	-	-	-	-	-	-	-
Discontinued Operations								-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>390 507</b>	<b>481 138</b>	<b>501 852</b>	<b>518 876</b>	<b>520 839</b>	<b>520 839</b>	<b>3%</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>

In line with the prescribed budget formats 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 own revenue generation of the municipality is pillared mainly by electricity distribution and levying of property rates. Although the municipality to a larger extent relies on grants, these own revenue sources remain very important and all efforts need to be made to ensure that maximum returns are realized on them.

Property Rates depend on the availability of the updated valuation roll to be levied. A valuation roll that has been finalized is coming to an end of its validity although it is under constant challenge from the rate payers. The availability of the valuation roll has meant that a detailed and involved process is followed to determine the tariff to be levied instead of using unreliable methods of calculations. The latest valuation roll, updated with the supplementary valuations was utilized in arriving at the possible amounts that can be raised out of property rates.

Electricity distribution forms a significant part of the own funding by the municipality. The performance of this stream of revenue has been under considerable strain over the past few years, and it has become difficult to expect an immediate change out of it, however measures implemented over the past financial year and during the year have begun to show some positive results which still need to be monitored closely.

**Table 4 Operating Transfers and Grant Receipts**

EC443 Winnie Madikizela Mandela - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		<b>297 741</b>	<b>341 206</b>	<b>349 025</b>	<b>392 710</b>	<b>387 144</b>	<b>387 144</b>	<b>366 418</b>	<b>361 120</b>	<b>377 431</b>
Local Government Equitable Share		289 620	320 095	341 204	359 441	359 441	359 441	357 855	355 590	371 655
Finance Management		2 000	2 100	2 100	2 100	2 100	2 100	2 100	2 300	2 400
Expanded Public Works Programme Integrated Grant		3 570	3 687	3 042	2 981	2 981	2 981	3 111	–	–
Municipal Infrastructure Grant		2 551	2 534	2 679	2 826	2 826	2 826	3 352	3 230	3 376
Municipal Disaster Relief Grant		–	12 790	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		–	–	–	25 362	19 797	19 797	–	–	–
<b>Provincial Government:</b>		<b>500</b>	<b>500</b>	<b>500</b>	<b>1 347</b>	<b>1 347</b>	<b>1 347</b>	<b>732</b>	<b>732</b>	<b>732</b>
Sport and Recreation		500	500	500	1 147	1 147	1 147	732	732	732
Greenest Municipality Competition		–	–	–	200	200	200	–	–	–
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>150</b>	<b>–</b>	<b>–</b>	<b>–</b>
District IDP Grant		–	–	–	–	150	150	–	–	–
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>298 241</b>	<b>341 706</b>	<b>349 525</b>	<b>394 057</b>	<b>388 641</b>	<b>388 641</b>	<b>367 150</b>	<b>361 852</b>	<b>378 163</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		<b>86 447</b>	<b>98 354</b>	<b>79 264</b>	<b>53 686</b>	<b>81 081</b>	<b>81 081</b>	<b>63 693</b>	<b>62 361</b>	<b>70 141</b>
Municipal Infrastructure Grant (MIG)		51 023	48 148	50 906	53 686	53 686	53 686	63 693	61 361	64 141
Neighbourhood Development Partnership		6 971	–	9 168	–	–	–	–	1 000	1 000
Municipal Disaster Recovery Grant		–	33 806	–	–	21 829	21 829	–	–	–
Integrated National Electrification Programme Grant		28 453	16 400	–	–	5 566	5 566	–	–	5 000
Municipal Disaster Response Grant		–	–	19 190	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>415</b>	<b>415</b>	<b>415</b>
Greenest Municipality Competition		–	–	–	–	–	–	415	415	415
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>86 447</b>	<b>98 354</b>	<b>79 264</b>	<b>53 686</b>	<b>81 081</b>	<b>81 081</b>	<b>64 108</b>	<b>62 776</b>	<b>70 556</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>384 688</b>	<b>440 060</b>	<b>428 789</b>	<b>447 743</b>	<b>469 722</b>	<b>469 722</b>	<b>431 258</b>	<b>424 628</b>	<b>448 719</b>

Table 4 shows the operating grants that the municipality has been allocated for the 2025/26 financial period and the MTREF. The Equitable Share has decreased from R 359 to R357 million and the municipality revenue has grant funding in the excess of R431 million. It is important to note though that the INEP allocation has seen a significant decrease putting more pressure on the municipal resources when it comes to funding of the capital budget.

- **Financial Management Grant (FMG):** This grant is meant to assist in ensuring that financial management systems of the municipality are functioning and that the staff complement at the Budget and Treasury Office is adequately capacitated in terms of skill and understanding of accounting and municipal finance.
- **Municipal Infrastructure Grant (MIG) (Operational):** The MIG is meant for the development of infrastructure within the municipality, but then 5% of that is utilized for project management, payment of salaries of specific staff members and planning for those infrastructure projects.
- **Department of Sport and Culture – Library:** The grant is meant to assist in the running of the library, including ensuring that the library is appropriately stocked with books.
- **Expanded Public Works Program Grants:** This is meant to assist municipalities and the government to create labour intensive employment opportunities for the previously disadvantaged communities.
- **Integrated National Electrification Program Grant:** This is meant to assist in the eradication of electricity infrastructure backlogs in the rural communities.

### • Tariff Setting for the 2025/26 and MTREF Period

As part of generating own revenue, the municipality needs to set tariffs for the revenue streams for which it has been made responsible for in terms of various legislations. For example the Municipal Property Rates Act empowers the municipality to levy rates on all ratable properties.

A number of considerations have been taken into consideration in setting up the tariffs to be utilized from July 01, 2025 as indicated in earlier paragraphs.

#### 1.6.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. In determining the tariff, the municipality has considered the values of properties on which the municipality will levy rates, the amounts desirable from rates for budget purposes, and the historic tariffs of the previous financial years.

The Property Rates policy is one of the most important documents that we utilise in the determination of property rates. It should be kept in mind though that the Municipal Property Rates Act remains the reference point for this policy.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R40 000 reduction on the market value of a property will be granted in terms of the municipality's own Property Rates Policy. This is maintained from the previous financial year as there has not been any significant changes to the values of the properties;
- Details of further rebates and reductions are provided in the municipality's Property Rates Policy and the Indigent Policy.

The tariff structure has basically changed for residential properties as shown in the table below. However, it was brought into our attention by the National CoGTA that we had in the previous financial years unfairly charge government departments a higher rate than all other properties whilst these are not in the business of making profits. The vacant land has been raised higher to discourage hoarding of pieces of land that have not been developed. We have therefore taken these into consideration in arriving at the tariff as shown below

**Table 5 Comparison of proposed rates to be levied for the 2025/26 financial year**

PROPERTY RATES	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	R/c	R/c	R/c	R/c	R/c
Agriculture Properties	0,0072	0,0056	<b>0,0031</b>	0,0032	0,0033
Residential Properties	0,0072	0,0074	<b>0,0041</b>	0,0043	0,0044
Business and commercial properties	0,0149	0,0152	<b>0,0092</b>	0,0096	0,0099
Properties owned by organ of state	0,0135	0,0148	<b>0,0082</b>	0,0086	0,0088
Public Benefit Organisations Properties	0,0000	0,0000	<b>0,0000</b>	0,0000	0,0000
Vacant Land - Business and commercial properties	0,0112	0,0186	<b>0,0103</b>	0,0108	0,0110
Vacant Land - Residential Properties	0,0112	0,0119	<b>0,0062</b>	0,0065	0,0066

### 1.6.1.2 Sale of Electricity and Impact of Tariff Increases

The municipality distributes electricity in the town area of Mbizana and to do this, a service charge must be levied in order to recover the costs incurred. There has been a noticeable increase in the revenue generated from electricity as a result of projects undertaken that has seen losses reduced. However there is still a lot of work to be done to ensure that this service is at least able to sustain itself, and at some point be able to provide enough revenue for other service delivery imperatives.

As guided by NERSA latest publication, we have therefore applied a 12.74% maximum increase. This is what has been factored in and the tariffs are as follows:-

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

<b>ELECTRICITY TARIFFS DOMESTIC PREPAID TARIFF BLOCK HOMELIGHT 20A</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Block 1 (0-350 KWh)	1,6363	<b>1,8447</b>	1,9296	2,0184
Block 2 ( >350 KWh)	2,1038	<b>2,3718</b>	2,4809	2,5950
<b>DOMESTIC PREPAID TARIFF BLOCK HOMELIGHT 60A</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Block 1 (0-50 KWh)	1,7121	<b>1,9303</b>	2,0191	2,1119
Block 2 (51-350 KWh)	2,2013	<b>2,4818</b>	2,5959	2,7153
Block 3 (351-600 KWh)	3,0981	<b>3,4928</b>	3,6535	3,8216
Block 4 (>600 KWh)	3,6485	<b>4,1133</b>	4,3026	4,5005
<b>DOMESTIC CONVENTIONAL (c/KWh) HOMELIGHT 60A</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
<b>TARIFF BLOCK</b>				
Block 1 (0-50 KWh)	1,7121	<b>1,9303</b>	2,0191	2,1119
Block 2 (51-350 KWh)	2,2013	<b>2,4818</b>	2,5959	2,7153
Block 3 (351-600 KWh)	3,0981	<b>3,4928</b>	3,6535	3,8216
Block 4 (>600 KWh)	3,6485	<b>4,1133</b>	4,3026	4,5005
Basic Charge (R/Month)	349,69	<b>394,2452</b>	412,38	431,35

<b>COMMERCIAL TARIFFS SINGLE PHASE - CONVENTIONAL</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Basic Charge (R/ Month)	738,85	<b>832,98</b>	871,2942	911,3737
Energy Charge (c/KWh)	3,2403	<b>3,6531</b>	3,8212	3,9970
<b>COMMERCIAL SINGLE PHASE - PRE-PAID</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Basic Charge (R/ Month)	738,85	<b>832,98</b>	871,2942	911,3737
Energy Charge (c/KWh)	3,2403	<b>3,6531</b>	3,8212	3,9970
<b>COMMERCIAL THREE PHASE - CONVENTIONAL</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh

<b>COMMERCIAL TARIFFS SINGLE PHASE - CONVENTIONAL</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Basic Charge (R/ Month)	1 382,45	1558,57	1630,2668	1705,2591
Energy Charge (c/KWh)	3,0887	3,4822	3,6424	3,8100
<b>COMMERCIAL THREE PHASE - PRE-PAID</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Basic Charge (R/ Month)	1 372,92	1547,83	1619,0346	1693,5102
Energy Charge (c/KWh)	3,0887	3,4822	3,6424	3,8100
<b>LARGE POWER USER (More than 100KVA Maximum Demand)</b>	2024/2025 @12,74% c/kwh	2025/2026 @12,74% c/kwh	2026/2027 @4.6% c/kwh	2027/2028 @4.6% c/kwh
Basic Charge (R/ Month)	2 298,18	2590,97	2710,1581	2834,8253
Demand Charge (R/KVA)	397,32	447,94	468,5412	490,0941
Energy Charge (c/KWh)	1,5007	1,69	1,7697	1,8511
<b>**EXCLUDING VAT (15%)</b>				
<b>Security deposit:-</b>	1 500	1691,10	1 500	1500
Every applicant for the supply of electricity within the Municipality shall pay a deposit sufficient to cover the estimated cost of three months supply of electricity to the premises concerned with a minimum deposit of :-				

<b>ELECTRICITY NEW CONNECTION FEES</b>	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	R
20 Amps ( Single Phase)	2 735	2 856	2976	3101
60 Amps ( Single Phase)	5 379	5 615	5851	6097
100 Amps ( 3 Phase)	7 149	7 463	7777	8104
Per Kva	7 793	8 136	8478	8834
<b>Inspection and testing of installation:- (new)</b>				
To inspect and/or test consumer's installation for the first test	362	378	394	411
Thereafter				
To inspect and/or test consumer's installation per inspection, per visit.	362	378	394	411
Testing of meters:-				
For the testing of a meter at the consumer's request, per meter, and a refund should the meter prove to be faulty				
<b>Connection fee:-</b>				
The connection fee in respect of any temporary supply, per connection	563	588	613	639
The connection fee / Administration fee in respect of any disconnection and reconnection of services cut-offs	563	588	613	639
Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	582	608	633	660
<b>Meter Hardware costs</b>				
Meter keypad replacement	730	762	794	828
Meter replacement :20 Amps ( Single Phase)	879	918	957	997
Meter replacement :60 Amps ( Single Phase)	1 034	1 079	1125	1172

<b>ELECTRICITY NEW CONNECTION FEES</b>	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	R
Meter replacement :100 Amps ( 3 phase)	2 394	<b>2 499</b>	2604	2713
<b>Tampering fine (Illegal connection) (no VAT)</b>	2024/2025	2025/2026	2026/2027	2027/2028
First temper	20 500	<b>21 402</b>	22 301	23 238
Second temper	28 500	<b>29 754</b>	31 004	32 306
Third temper(permanent disconnection )	33 500	<b>34 974</b>	36 443	37 974
Plus Cost of New meter - Cost + vat				
Any additional offence will constitute the removal of the supply to the premises concerned inclusive of cable and meters to be replaced at cost + 10% + vat payable in advance provided that any reconnection fee or penalty has to be paid prior to the supply being reconnected. The offences mentioned above will be deemed to be from date of application to date of termination of the electrical supply to the premises in question				

<b>EMBEDED ENERGY (EG) PURCHASE COSTS</b>	2023/2024	2024/2025	2025 / 2026	2026/2027	2027/2028
Flat tariff energy purchase costs (c/kWh)	NEW	149,46	<b>156</b>	163	167
<b>TIME OF USE (TOU) energy purchase costs (c/kWh)</b>					
Low Season Off-peak	NEW	93,85	<b>98</b>	102	105
Low Season Standard	NEW	147,92	<b>154</b>	161	165
Low Season Peak	NEW	214,98	<b>224</b>	235	240
High Season Off-peak	NEW	108,41	<b>113</b>	118	121
High Season Standard	NEW	199,57	<b>208</b>	218	223
High Season Peak	NEW	658,97	<b>688</b>	719	737
Fixed charge / basic charge is aligned to each customer category					



### 1.6.1.3 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors to this deficit are repairs and maintenance on vehicles, increases in general expenditure such as petrol and diesel and the cost of remuneration. Considering the deficit, it is recommended that a comprehensive investigation into the cost structure of solid waste function be undertaken, and that this include investigating alternative service delivery models. The outcomes of this investigation will be incorporated into the next planning cycle.

The following table compares current and proposed amounts payable from 1 July 2025:

**Table 6 Comparison between current waste removal fees and increases**

REFUSE - RESIDENTIAL	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	
Category 1	196	205	213	222
Category 2	393	411	428	446
Category 3	789	823	858	894
Category 4	331	346	360	376
Category 5	592	618	644	671
Category 6	196	205	213	222
Category 7	371	387	404	421
Category 8	92	96	100	104
Category 9	94	98	102	106
Category 10 - New		70	73	77
<b>**EXCLUDING VAT (15%)</b>				

REFUSE - COMMERCIAL	2024/2025	2025/2026	2026/2027	2027/2028
Category 1.1	195	204	212	221
Category 1.2	315	329	342	357
Category 2	528	552	575	599
Category 3.1	663	692	721	751
Category 3.2	884	923	961	1002
Category 3.3	1585	1655	1724	1797
Category 4.1	387	404	421	438
Category 4.2	1982	2069	2156	2246
Category 5.1	4624	4827	5030	5241
Category 5.2	3303	3448	3593	3744
Category 5.3	1510	1576	1642	1711
Category 5.4	663	692	721	751
Category 5.5	754	788	821	855
Category 5.6	387	404	421	438

<b>REFUSE - COMMERCIAL</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Category 6	166	173	180	188
Category 7.1	1502	1568	1634	1703
Category 7.2	2000	2088	2176	2267
Category 8 - New		387	404	415
<b>**EXCLUDING VAT (15%)</b>				

<b>DUMPING SITE TARRIFS</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
<b>DISPOSAL:</b>	R	R	R	R
Bakkie per load	95	<b>99</b>	103	108
Truck per load(4 ton)	166	<b>173</b>	180	188
Truck per load(8 ton and above)	277	<b>289</b>	302	314
Clean Rubble (clean Rubble)	0	<b>0</b>	0	0
Grass Cutting per square meter	10	<b>10</b>	10	11
Allien Plant clearing per square meter	843	<b>880</b>	917	955
Disposal of Green Waste - Bakkie	126	<b>131</b>	137	143
Disposal of Green Waste - 4 Ton	90	<b>94</b>	98	102
Disposal of Green Waste - 8 Ton	157	<b>164</b>	171	178
<b>RENT A SKIP SERVICE</b>		<b>0</b>	0	0
Daily	239	<b>250</b>	260	271
Weekly	778	<b>812</b>	846	882
Monthly	3 109	<b>3246</b>	3382	3524
<b>OTHER CHARGES</b>		<b>0</b>	0	0
Special collection of waste (per 240l bin)	52	<b>55</b>	57	59
Special event (cleaning and disposal)	2 092	<b>2184</b>	2276	2371
safe disposal of products/condemned food stuffs (crushed, buried per ton)	471	<b>491</b>	512	534
Voluntary collection	New	<b>70</b>	73	75
Collection in construction/commercial/industrial sites (Monthly)	New	<b>387</b>	404	415
Illegal dumping (household refuse)	New	<b>1 000</b>	1 045	1 071
Illegal dumping (green waste)	New	<b>1 000</b>	1 045	1 071
illegal dumping of rubble	New	<b>2 000</b>	2 090	2 142
Disposal of cacas (Domestic Animals)	New	<b>1 000</b>	1 045	1 071

<b>BEACH FEES - ENTERTAINMENT</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
5 square m per day		NEW	<b>250</b>	261	268
10 square m per day		NEW	<b>500</b>	523	536
100 square m per day		NEW	<b>2 000</b>	2090	2142

**Hiring of municipal facilities**

<b>FACILITIES HIRE</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
<b>HALL HIRE: URBAN AREA</b>	R			
Daily rate	1 052	1 098	1144	1192
Hourly rate	176	183	191	199
Monthly rate	26 294	27 451	28604	29805
IEC Tarrifs Daily	638	667	695	724
IEC Tarrifs Monthly	15 854	16 552	17247	17972
Security	1 527	1 594	1661	1730
<b>HALL HIRE: RURAL AREA</b>				
Daily rate	781	815	850	885
Hourly rate	176	183	191	199
Monthly rate	11 357	11 856	12354	12873
IEC Tarrifs Daily	276	289	301	313
IEC Tarrifs Monthly	7 187	7 503	7818	8147
Security	744	777	810	844
<b>COMMUNITY PARKS AND OPEN SPACE</b>				
Group Entertainment	1 658	1 731	1803	1879

<b>TAXI RANK TARIFFS</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
	R	R		
Taxi per year at stand A	552	<b>577</b>	601	626
Taxi per year at stand B	387	<b>404</b>	421	438
Bus per year	552	<b>577</b>	601	626
Truck per year	552	<b>577</b>	601	626
Meter Taxi per year	166	<b>173</b>	180	188
Bakkie per year	166	<b>173</b>	180	188
Taxi from outside per load	55	<b>58</b>	60	63

<b>STADIUM /SPORTS FIELD</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025 / 2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
<b>MATCHES - ABC MOTSEPE LEAGUE &amp; SASOL</b>	R	R	R	R	R
<b>Deposit fee For Infrastructure - per season</b>		NEW	<b>10 000</b>	12500	15000
<b>Deposit fee - per match</b>		NEW	<b>1 000</b>	12500	12500
ABC MOTSEPE LEAGUE/ Seasonal	5 599	5 873	<b>6 132</b>	6408	6568
Per game	290	304	<b>317</b>	332	340
Mens District League / Seasonal	NEW	3 475	<b>3 628</b>	3791	3886
Per game	NEW	290	<b>303</b>	316	324
Junior Leagues	NEW	387	<b>404</b>	422	433
Provincial Female League / Seasonal	3 475	1 600	<b>1 670</b>	1746	1789
Per game	425	304	<b>317</b>	332	340

STADIUM /SPORTS FIELD	2023/2024	2024/2025	2025 / 2026	2026/2027	2027/2028
Female District League / Seasonal	2 317	880	919	960	984
Per game	290	290	303	316	324
<b>GENERAL PER MATCH</b>					
<b>Deposit fee For Infrastructure - per season</b>		NEW	10 000	12500	15000
<b>Deposit fee - per match</b>		NEW	1 000	12500	12500
General per match / no affiliation	NEW	608	635	663	680
Tournament (commercial)	2 896	3 037	3 171	3314	3397
Tournament (private)	580	1 500	1 566	1636	1677
Training fee per 2 hours	290	304	317	332	340
Wellness program per annum	NEW	3 500	3 654	3818	3914
Wellness program per match	NEW	580	606	633	649
Floodlights per hour w/o lights	116	121	127	132	136
<b>ATHLETICS</b>					
PROVINCIAL/MAJOR EVENTS - Hire per day	1 255	1 316	1 374	1436	1472
DISTRICT/DEVELOPMENT - Hire per day	677	710	741	775	794
SCHOOLS - Hire per day	NEW	387	404	422	433
Training club running track per 2hrs	NEW	60	63	65	67
Individual running track per annum	NEW	500	522	545	559

STADIUM NON SPORTING EVENTS	2023/2024	2024/2025	2025 / 2026	2026/2027	2027/2028
Boardroom rental - per hour	NEW	160	167	175	179
Boardroom rental - per day	NEW	1 050	1 096	1146	1174
<b>Deposit fee - per rental</b>		NEW	1 000	12500	12500
Floodlights per hour	464	487	508	531	544
<b>FILMING</b>					
Filming for commercial use per day	8 973	9 412	9 827	10269	10526
Filming for non commercial use per day	3 362	3 526	3 681	3847	3943
<b>Deposit fee For Infrastructure - per event</b>		NEW	10 000	12500	15000
<b>Deposit fee - per match</b>		NEW	1 000	12500	12500
<b>MUSICAL/FESTIVAL</b>					
Hire Fee per day	25 099	26 329	27 488	28725	29443
<b>Deposit fee For Infrastructure - per event</b>		NEW	20 000	22500	25000
<b>Deposit fee - per event</b>		NEW	1 000	12500	12500
<b>POLITICAL</b>					
Hire Fee per day	1 544	1 620	1 691	1 767	1 812
<b>Deposit fee For Infrastructure - per event</b>		NEW	5 000	7 500	8 500
<b>Deposit fee - per event</b>		NEW	1 000	12 500	12 500
<b>CHURCHES</b>					
Hire Fee per day	4 826	5 063	5 286	5 523	5 662
<b>Deposit fee For Infrastructure - per event</b>		NEW	5 000	7 500	8 500
<b>Deposit fee - per event</b>		NEW	1 000	12 500	12 500

STADIUM NON SPORTING EVENTS	2023/2024	2024/2025	2025 / 2026	2026/2027	2027/2028
<b>FUND RAISING EVENTS</b>					
Hire Fee per day: e.g.Bazaar,Fetes,concert,ect	4 826	5 063	5 286	5 523	5 662
<b>Deposit fee For Infrastructure - per event</b>		NEW	20 000	22 500	25 000
<b>Deposit fee - per event</b>		NEW	1 000	12 500	12 500
<b>COMBINATION COURTS</b>					
Netball Court – Fee per tournament per day	150	157	164	172	176
Netball Court – Training fee per 2 hours per team	70	73	77	80	82
Netball Court – Training fee per 2 hours per school team	60	63	66	69	70
Volley ball – Fee per tournament per day	120	126	131	137	141
Volley ball – Training fee per 2 hours per team	70	73	77	80	82
Volley ball – Training fee per 2 hour per school team	60	63	66	69	70
Tennis - Fee per tournament per day	150	157	164	172	176
Tennis - Training fee per 2 hours per team	70	25	26	27	28
Tennis - Training fee per 2 hours per school team	60	20	21	22	22
Tennis – Individual annual membership fee	450	472	493	515	528
Athletics racing track - Athletics – Provincial / major events- hire per day	1 255	1 316	1 374	1 436	1 472
<b>ATHLETICS RACING TRACK - DISTRICT / DEVELOPMENT</b>					
a) Hire per day - (only athletic turf sport shoes allowed)	677	710	741	775	794
b) Schools hire per day- (only athletic turf sport shoes allowed)	387	406	424	443	454
Athletics racing track – individual annual membership fee (only athletic turf sport shoes allowed)	500	525	548	572	587
<b>RENTAL SPACE FOR BRODCASTING ANTENA</b>					
Rental space - monthly		NEW	350	366	375
Rental space - annually		NEW	3 800	3 971	4 070

### Pound Fees

POUND FEES	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	R
Cattle, Horses, Donkeys and any other animal of similar size per day	77	80	84	87
Goats, sheep and other animals of the same size per day	46	48	50	52
If captured by SAPS(e.g. recovered stolen animals)	46	48	50	52
Motor vehicles	324	338	352	367
Other goods	55	58	60	63
Admission of guilt/Animal (large stock)	304	317	330	344
Admission of guilt/Animal (small stock)	122	127	132	138

POUND FEES	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	R
<i>Where there are more than five animals impounded, from the sixth animal, 50% of the daily rate will be charged. This charge will apply for animals belonging to one owner.</i>				

### Library Services

LIBRARY SERVICES	2024/2025	2025/2026	2026/2027	2027/2028
Library membership	R	R	R	
Adult	free	free	free	
Children (12 years & older) per annum	free	free	free	
Photocopy(B&W per page)	1,10	1,15	1,20	1,25
Color (per page)	2,93	3,06	3,18	3,32
Photocopying A3 page: Black and White	3,53	3,69	3,85	4,01
Photocopying A3 page: Colour	4,42	4,61	4,81	5,01
Printing A4: Black and White	5,85	6,11	6,37	6,64
Printing A4: Colour	8,06	8,42	8,77	9,14
Lost book (market value of the book and admin. Fees)	230,42	240,56	250,66	261,19
Overdue book returns	93,07	97,17	101,25	105,50
Book Tempered with	46,24	48,27	50,30	52,41

### Cemetery Fees

CEMETERY FEES	2024/2025	2025/2026	2026/2027	2027/2028
Burial site - Adult	852	890	927	966
Burial site - Children	429	447	466	486
Burial site - Stillborn	168	175	182	190
Burial of ashes in existing grave	239	250	260	271
Exhumation fee (admin. Fees)	239	250	260	271
Burial site - Non- resident burial	1 197	1 250	1302	1357
	421	440	458	478
Burial on reserved grave	426	445	464	483
Pernalty on extending grave	1 915	2 000	2083	2171

#### 1.6.1.4 Other Municipal Tariffs

The municipality has other tariffs that are proposed to increase as follows:

#### Development Planning Tariffs

Rezoning Application per m2	2024/2025	2025/2026	2026/2027	2027/2028
<b>**EXCLUDING VAT (15%)</b>	R	R		
Erven 0 – 2500m2	2 618	2 733	2848	2967

Rezoning Application per m2	2024/2025	2025/2026	2026/2027	2027/2028
Erven 2501 – 5000m2	4 882	5 097	5311	5534
Erven 5001 0 – 1 Ha	9 610	10 033	10454	10893
Erven 1, 0001Ha – 5Ha	12 648	13 204	13759	14337
Erven over 5Ha	17 309	18 070	18829	19620
<b>Special Consent / Temporary Departure Application m2</b>				
Erven 0 – 2500m2	2 132	2 226	2320	2417
Erven 2501 – 5000m2	4 385	4 578	4770	4971
Erven 5001 0 – 1 Ha	9 190	9 595	9998	10417
Erven 1, 0001Ha – 5Ha	12 438	12 985	13530	14099
Erven over 5Ha	16 392	17 113	17832	18581
<b>Subdivision Application</b>				
Erven 1-2	2 750	2 872	2992	3118
Erven 1-3	3 667	3 829	3989	4157
Erven 1-4	4 584	4 786	4987	5196
Erven 1-5	5 192	5 420	5648	5885
Erven 1-6	6 418	6 700	6981	7275
Erven 1-7	7 335	7 657	7979	8314
Erven 1-8	8 251	8 614	8976	9353
Erven 1-9	9 168	9 572	9974	10392
Erven 1-10	10 085	10 529	10971	11432
Erven more than 10	18 347	19 155	19959	20797

Rezoning Application per m2	2024/2025	2025/2026	2026/2027	2027/2028
<b>Departure Application from the scheme ( Building Lines, height, coverage etc)</b>				
Erven 0 – 530m2	1 727	1 803	1879	1958
Erven 531– more	3 055	3 189	3323	3463
Application for the Removal of Restrictions	13 059	13 634	14206	14803
Zoning Certificate	169	176	184	192
Clearance Certificate	161	168	175	183
Valuation Certificate	161	168	175	183
Town Planning Scheme (soft copy)	219	229	239	249
Town Planning Scheme	424	442	461	480
Spatial Development Framework (soft copy)	353,07	369	384	400
Spatial Development Framework	706	737	768	800
Application for Consolidation of Erven	2 823	2 948	3071	3200
SG Diagram (soft copy)	42	44	46	48
SG Diagram	52	55	57	59
Amendment of the Subdivisional Plan	3 642	3 802	3962	4128
Extension of Validity	6 222	6 496	6769	7053
Sale or Lease of Land( Application fees)	6 277	6 553	6828	7115
<b>Contravention Fines and Penalties</b>				

Rezoning Application per m2	2024/2025	2025/2026	2026/2027	2027/2028
<b>Newspaper(s) and government gazette Advertising Daily dispatch or Gov Gazette Tariff to be borne by the applicant</b>				
<b>Offences for contravention of Zoning: Uses not under Primary Use in terms of section 3 of the WMM Municipality Land Use Scheme Regulations and Uses not in column 2 of the WMM Land Use Scheme Regulations</b>				
Special Residential	2 663	<b>2 780</b>	2896	3018
General Residential	3 195	<b>3 336</b>	3476	3622
General Business	3 195	<b>3 336</b>	3476	3622
Special Business	3 195	<b>3 336</b>	3476	3622
Commercial	3 195	<b>3 336</b>	3476	3622
Industrial	3 195	<b>3 336</b>	3476	3622
Institutional	3 728	<b>3 892</b>	4055	4225
Educational	3 195	<b>3 336</b>	3476	3622
Municipal	3 195	<b>3 336</b>	3476	3622
Government	3 728	<b>3 892</b>	4055	4225
Public Garage	3 195	<b>3 336</b>	3476	3622
Open Space	2 663	<b>2 780</b>	2896	3018
Agricultural	2 663	<b>2 780</b>	2896	3018
Special	2 663	<b>2 780</b>	2896	3018
Undetermined	2 663	<b>2 780</b>	2896	3018
Proposed New Road and	5 325	<b>5 559</b>	5793	6036
<b>Offences for contravention of Coverage: of the Transkei Standard Town Planning Scheme</b>				
Contravention of section 25	4 260	<b>4 447</b>	4634	4829
<b>Offences for contravention of Height: of the Transkei Standard Town Planning Scheme</b>				
Contravention of section 26	4 260	<b>4 447</b>	4634	4829
<b>Offences for contravention of Parking: Contravention of section 4 of the WMM Municipality Land Use Scheme read with section 4.12 of the WMM Spatial Planning Bylaw</b>				
Special and General Residential	2 663	<b>2 780</b>	2896	3018
Business and Commercial Zones	4 260	<b>4 447</b>	4634	4829
Other zones	4 260	<b>4 447</b>	4634	4829
<b>Offences for contravention of Building Lines: of the Transkei Standard Town Planning Scheme Offences for contravention:</b>				
Contravention of s(10)& s(11)	3 728	<b>3 892</b>	4055	4225
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	5 325	<b>5 559</b>	5793	6036

### GIS Tariffs



<b>GIS Tariffs Printing Charges Paper size - Full Ink</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
A4	15	<b>16</b>	17	18
A3	38	<b>39</b>	41	43
A2	60	<b>62</b>	65	68
A1	89	<b>93</b>	97	101
A0	118	<b>123</b>	129	134
<b>GIS Tariffs Printing Charges Paper size - Line Map</b>				
A4	10	<b>10</b>	11	11
A3	21	<b>22</b>	23	24
A2	32	<b>33</b>	35	36
A1	51	<b>53</b>	55	58
A0	63	<b>66</b>	68	71

<b>BILLBOARD LOCAL</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
1m (h) x 1.5m(h) per month	599	<b>625</b>	651	679
1.5m(h) x 2m(w) per month	679	<b>709</b>	739	770
2m(h) x 3m(w) per panel per month	729	<b>761</b>	793	826
3(m) x 4m(w) per structure per month	841	<b>878</b>	914	953
<b>BILLBOARD NATIONAL</b>				
1.5m(h) x 3m(w)	1 736	<b>1 813</b>	1889	1968
3m(h) x 6m(w)	2 551	<b>2 663</b>	2775	2891
6m(h) x 4m(w)	3 363	<b>3 511</b>	3659	3813
9m(h) x 6m(w)	8 243	<b>8 605</b>	8967	9343
<b>BILLBOARD ANNUAL FEES</b>				
Directional Sign ( Per sign face)	837	<b>874</b>	911	949
Illuminated sign (per sign face )	1 056	<b>1 102</b>	1149	1197
Litter Bins	620	<b>647</b>	674	702
Permanent Street Pole Poster	801	<b>836</b>	871	908
Seating Bench	911	<b>951</b>	991	1033
Encroaching Sign	911	<b>951</b>	991	1033
<b>PERMIT FEES</b>				
Banner	621	<b>648</b>	675	704
Mobile Signs	1 858	<b>1 940</b>	2021	2106
Poster maximum 100	1 566	<b>1 635</b>	1704	1775
Standard signage	454	<b>474</b>	494	515
<b>DEPOSITS</b>				
Banner	961	<b>1 003</b>	1045	1089
For Sale	1 509	<b>1 575</b>	1641	1710
Poster	1 509	<b>1 575</b>	1641	1710
Election Poster ( per party)	7 390	<b>7 715</b>	8039	8377

**Town Planning Tariffs**

<b>Building Plan Fees Extension 1 and Extension 2</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Fee per 1m <sup>2</sup>	35	37	38	40
Swimming Pool	556	580	604	630
Retaining /Boundary wall	560	585	609	635
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	
<b>Plan Amendment Fees</b>				
No increase in floor area	538	562	585	610
<b>Temporary Building/Structure Approved by Council</b>				
Storage facility per year	552	2 000	2090	2142
Container per year	552	2 000	2090	2142
Caravan per year	552	2 000	2090	2142
<b>Demolitions</b>				
Per first 100 linear meter	499	521	543	566
Thereof every linear meter exceed 100 meters	36	38	40	41
<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Failure to supervise and/or control plumbing work. S(a)(18) (5)	718	1 000	1 045	1 071
Failure to give notice of intention to commence erection or demolition of a building. S(a)22 (4)	1 657	2 500	2 613	2 678
Use of a building for a purpose other than the purpose shown on approved plans. S(a)25 (2)	1 657	2 500	2 613	2 678
Deviation from approved building plan. S (A)25 (5)	1 657	2 500	2 613	2 678
Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement. A25 (11)	1 657	2 500	2 613	2 678
Failure to safeguard a swimming pool. D4 (2)	1 657	2 500	2 613	2 678
Failure to apply for written permission for demolition. E1 (1)	1 657	2 500	2 613	2 678
Failure to safeguard demolition work. E1 (3)	2 099	2 500	2 613	2 678
Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public. F1 (6)	2 099	2 500	2 613	2 678
Failure to control dust and noise. F6 (3)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice issued in terms of Regulation F6 regarding the Cutting into, laying open and demolishing certain work. F7 (5)	718	1 000	1 045	1 071
Failure to comply with a notice to remove waste material on site. F8 (2)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site. F9 (2)	718	1 000	1 045	1 071

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds. F10 (7)	1 657	2 500	2 613	2 678
Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities. F11 (2)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building. P1 (5)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge. P3 (5)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent. P4 (2)	1 657	2 500	2 613	2 678
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	718	1 000	1 045	1 071
Failure to comply with any provision of or any notice issued in terms of Regulation P6 Unauthorized drainage work. P6 (2)	1 657	2 500	2 613	2 678
Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations. P7 (4)	1 657	2 500	2 613	2 678
Failure to make and maintain adequate provision in terms of the requirements of Regulation T1 (1) (e) or failure to comply with relevant SABS specifications. T2 (1)	1 657	2 500	2 613	2 678
Obstructing or causing to be obstructed of an escape route. T2 (2)	1 657	2 500	2 613	2 678
<b>WAYLEAVE</b>				
Application	R 3 661,00	3 822	3983	4150
Fine	R 7 322,00	7 644	7965	8300
<b>PROPERTY VALUATION</b>				
Valuation certificate	161	169	177	185

<b>DESCRIPTION OF OFFENCE</b>	<b>2024/2025</b>	<b>2025/2026</b>	<b>2026/2027</b>	<b>2027/2028</b>
Building without approved building plan. S4(4)	1 657	2 500	2 613	2 678
Building in contravention of a notice prohibiting any building work. S10(2)	1 657	2 500	2 613	2 678
Failure to demolish, alter or safeguard. S12(6)	1 546	2 500	2 613	2 678
Submit false certificate or issuing thereof. S14(3)	1 491	2 500	2 613	2 678
Occupy or use of building without occupation certificate. S14(4)(a)	1 657	2 500	2 613	2 678
Preventing a building control officer in the execution of his/her duties. S15(2)	1 988	2 500	2 613	2 678
Prohibition on the use of certain building methods and materials. S19(2)	718	1 000	1 045	1 071
Submit false or misleading information. S(a)(2)(3)(f)	NAG	NAG	NAG	

DESCRIPTION OF OFFENCE	2024/2025	2025/2026	2026/2027	2027/2028
Failure to maintain, safeguard or service installation. S(a)(15)(5)	718	1 000	1 045	1 071
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	NAG	NAG	

**Business Licensing and Other Tariffs**

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS</b>				
	2024/2025	2025/2026	2026/2027	2027/2028
	R	R		
Registration for permit for hawker with table	133	<b>138</b>	144	150
Renewal for permit of hawker with table	110	<b>115</b>	120	125
Registration of permit for hawker with shelter	331	<b>346</b>	360	376
Renewal for hawker with shelter	387	<b>404</b>	421	438
Registration of permit for bakkies	552	<b>577</b>	601	626
Renewal of permit for bakkies	552	<b>577</b>	601	626
Registration hawkers outside of town with table	77	<b>81</b>	84	88
Renewal of hawkers outside of town with table	77	<b>81</b>	84	88
Registration for hawkers with shelter outside town	166	<b>173</b>	180	188
Renewal for hawkers with shelter outside town	166	<b>173</b>	180	188
Penalty fee for failure to adhere to by-laws	387	<b>404</b>	421	438
Penalty fee for confiscated goods	552	<b>577</b>	601	626

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF</b>	2024/2025	2025/2026	2026/2027	2027/2028
	R	R	R	
Registration fee: Sale and supply of meals	177	<b>185</b>	193	201
Registration fee: Health and entertainment	177	<b>185</b>	193	201
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	177	<b>185</b>	193	201
<i>NOTE: These fees are once off and only for registration fee.</i>				
Annual License fees (One year fee): Sale and supply of meals	442	<b>461</b>	482	503
Annual License fees (One year fee): Health and entertainment	442	<b>461</b>	482	503
Annual License fees (One year fee): Mechanical electrical apparatus or devices (games) 3 or more	442	<b>461</b>	482	503

## 1.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	1									
<b>Expenditure</b>										
Employee related costs	2	108 100	114 833	127 726	137 766	141 477	141 477	148 023	154 984	162 275
Remuneration of councillors		25 010	26 577	26 454	29 876	29 876	29 876	31 370	32 938	34 585
Bulk purchases - electricity	2	40 211	42 241	43 467	53 792	53 792	53 792	58 448	61 079	62 606
Inventory consumed	8	5 473	5 396	5 761	8 083	8 088	8 088	8 696	9 083	9 310
Debt impairment	3	822	1 059	2 150	6 109	6 109	6 109	6 109	6 366	6 524
Depreciation and amortisation		52 674	42 493	41 670	54 371	49 371	49 371	48 219	50 388	50 388
Interest		26	-	41	100	100	100	104	105	108
Contracted services		62 038	66 434	91 858	123 545	136 958	136 958	132 555	126 856	125 564
Transfers and subsidies		1 251	2 503	2 805	4 216	4 471	4 471	5 454	5 699	5 841
Irrecoverable debts written off				-	-	-	-	-	-	-
Operational costs		64 144	61 197	61 713	81 972	83 555	83 555	90 493	89 603	92 112
Losses on disposal of Assets		45 962	3 126	9 370	-	5 200	5 200	-	-	-
Other Losses		-	18	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>405 711</b>	<b>365 878</b>	<b>413 016</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 102</b>	<b>549 314</b>

The salary and wage collective agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities were expected to implement the agreement with immediate effect as from 1 July 2024.

In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI.

In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.

Municipalities that wish to be exempted from the collective agreement for this financial year, should apply 30-days from the date of approval of the budget of the municipality by the municipal council, or 30 June 2025. The onus to prove the case for the granting of exemption lies with the applicant municipality, and guidance is provided by SALGA.

If the municipality has missed the deadline to apply for exemption, and still wishes to do so, then the municipality will have to apply for condonation for the late referral and must show good cause of the referral as the panellist has the power to condone any failure to meet timelines. The panellist has the powers to grant full or partial exemption, and a municipality can apply to be exempted from any provision in the agreement.

In addition, the municipality must ensure that it enlists responses to all the indicators in terms of Sections 138 and 140 of the Municipal Finance Management Act. All the above are intended to ensure that municipalities find it easier to file appropriate exemption applications backed by relevant financial information.

Below are vacant positions that are included in the calculations of these final budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then almost breaches the maximum limit permitted of 40%, at 38% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

### **Municipal Manager**

- Children, Elderly & PWD Officer

### **Corporate Services**

- House Keeper X 5
- Manager: Admin Support & Aux Services
- Labour Relations Officer

### **Community Services**

- Park and Cemetery Supervisor
- VIP X 1
- Cashier
- Community Safety Officer

### **Refuse Removal**

- General Assistants

### **Engineering Services**

- Truck Driver

### **Budget and Treasury Office**

- **Asset Management Clerk**

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

- **Free Basic Services: Basic Social Services Package**

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy.

The 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.

**i. Non-cash items**

These are expenditure items where no cash will be required to flow as these relate to the accounting for wear and tear of the municipal assets and impairment of portions of debtors considered to be irrecoverable based on the behaviour of individual debtors and their credit profile. These make up 10% of the municipality's operating expenditure.

**ii. Depreciation and asset impairment**

In terms of MFMA circular no 115, from the analysis of the mSCOA data strings it was evident that a number of municipalities were allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates. When depreciation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ringfenced, municipalities will not be in a financial position to fund future infrastructure assets.

The above indicates that the municipality must have revenues that are not allocated for spending in its budget to achieve this goal. The above table shows that the municipality requires over R48.2 million in the budget year to get anywhere closer to achieving this goal.

**iii. Remuneration of councilors**

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. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider the guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by



the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

An increase of 4.3% was used to accommodate any adjustments that might need to be implemented during the year once a new gazette on the remuneration of office bearers has been issued and also ensuring that we have catered for the grade 4 position for the purposes of the remuneration of councillors as outlined in the government gazette issued from time to time for the municipality. The formula for the allocation of the Equitable share includes an allocation to support councillor remuneration and ward committees. This allocation for the budget year is R15.2 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

#### **iv. Bulk purchases**

The municipality is licensed to distribute areas in the municipal area, however such distribution only happens in town with the rest of the areas being distributed by Eskom. The municipality therefore buys electricity from Eskom to distribute to its customers at a charge as approved by NERSA from time to time. The budget has considered a 12.74% increase in line with the guidance provided on NERSA media statement published on 17 March 2025.

#### **v. Contracted Services**

This item relates to services and goods that can only be provided through the use of external service providers such as catering, hiring of transport, consultants, prepaid electricity vendors, professional services etc. This draft budget includes but not limited to the following allocations:

- R10.4 million for outsourced security services
- R7.2 million for Electrification of Nomlacu Phase 4
- R6 million for Electrification of Jali
- R5.2 million for Electrification of Zizityaneni (refund of municipal funds)
- R7.3 million for legal services
- R25.5 million for road maintenance
  - R1.5 million - Maintenance of Giniswayo Access Road
  - R2.1 million - Maintenance of Mbandana Access Road
  - R120 thousand - Maintenance of Branchini to Mbabazo SPS Access Road
  - R3 million - Maintenance of Nkantolo via Komkhulu Access Road
  - R2 million - Maintenance of Qobo to Mthamvuna Access Road
  - R3.6 million - Maintenance of Reformed via Lukholo to Bethula Access Road
  - R750 thousand - Maintenance of Khananda Access Road
  - R3 million - Maintenance of Pelepele to Jojozi Access Road
  - R3.5 million - Maintenance of Seaview to Mabhoyini Access Road
  - R2.5 million - Maintenance of Matshezini Access Road
  - R2 million - Maintenance of Qadu Access Road
  - R1.4 million Maintenance of Storm water in Ext 2
- R313 thousand for maintenance electricity infrastructure
- R3.1 million for maintenance of municipal buildings
- R5.2 million for casual labour for refuse removal
- R3 million for security casual labour

- R3.1 million for EPWP implementation
- R3.3 million for maintenance of the dumping site
- R4.6 million for waste management services
- R2.7 million maintenance of Community Halls
  - Ward 3
  - Ward 9
  - Ward 18
  - Ward 21
- R1.7 million for Internal Audit fees
- R3.5 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.7 million for landfill site EIA consulting fees
- R1.5 million for debt collection services
- R300 thousand maintenance of Financial Management Systems (FMG)
- R5.4 million for maintenance of municipal vehicles
- R5.6 million on catering for various municipal activities which is a decrease from R5.8 million in the current year adjusted budget
- R1.4 million for compilation of the valuation roll
- R229 thousand for Audit Committee Fees
- R693 for Manufacturing hubs consultations
- R 1.1 million Maintenance of Electricity Infrastructure

There are other municipal programmes included as road marking, survey of municipal land, and all other programmes planned by the municipality for its day to day running and community programs.

#### **vi. Other Expenditure**

These are all other operational expenses of the municipality such as advertising, travel and subsidies, seminar and workshops etc. The following are some of the items that may require special mention when it comes to these expenditures even though the list does not mean these are the only allocated expenditures:

- R6.3 million for compensation of ward committees
- R6 million for maintenance of IT systems and rentals thereof
- R4.3 million for License fees
- R4 million for communication in the form of telephone, fax and cellphones
- R5.99 million for external audit fees
- R5.2 million for free basic electricity
- R2.3 million for solar energy subsidy
- R6.9 million for accommodation of Municipal Officials and Councillors which is a slight increase from R6.3 million in the current year's adjusted budget
- R4.2 million for insurance of municipal assets
- R2 million for SALGA levies and
- R745 thousand for tuitions fees for training and development
- R2.5 million decommissioning of dumping site

There are other smaller items budgeted for that are not included on the explanations above due to their values being small individually.

**Table 9 Summary of operating expenditure by functional classification item**

EC443 Winnie Madikizela Mandela - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>340 724</b>	<b>396 138</b>	<b>424 575</b>	<b>420 865</b>	<b>432 667</b>	<b>432 667</b>	<b>434 585</b>	<b>436 207</b>	<b>455 662</b>
Executive and council		—	—	100	—	150	150	—	—	—
Finance and administration		339 902	396 138	424 475	420 865	432 517	432 517	434 585	436 207	455 662
Internal audit		822	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>3 960</b>	<b>6 325</b>	<b>5 369</b>	<b>5 830</b>	<b>5 730</b>	<b>5 730</b>	<b>5 960</b>	<b>5 970</b>	<b>6 144</b>
Community and social services		193	1 597	703	1 383	1 513	1 513	1 569	1 584	1 601
Sport and recreation		—	—	—	200	200	200	200	—	—
Public safety		3 768	4 728	4 666	4 246	4 016	4 016	4 191	4 386	4 543
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>51 861</b>	<b>80 051</b>	<b>74 225</b>	<b>68 136</b>	<b>85 901</b>	<b>85 901</b>	<b>89 245</b>	<b>65 979</b>	<b>68 916</b>
Planning and development		46 324	6 859	5 382	2 936	3 061	3 061	3 723	4 617	4 774
Road transport		5 537	73 192	68 843	65 200	82 840	82 840	85 522	61 361	64 141
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>74 203</b>	<b>76 538</b>	<b>70 964</b>	<b>88 799</b>	<b>85 737</b>	<b>85 737</b>	<b>90 352</b>	<b>83 702</b>	<b>87 903</b>
Energy sources		66 431	55 906	63 813	79 600	77 500	77 500	80 917	77 185	81 224
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		7 772	20 632	7 151	9 199	8 237	8 237	9 434	6 517	6 679
<b>Other</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>470 748</b>	<b>559 053</b>	<b>575 133</b>	<b>583 630</b>	<b>610 035</b>	<b>610 035</b>	<b>620 143</b>	<b>591 858</b>	<b>618 625</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>151 842</b>	<b>167 418</b>	<b>172 626</b>	<b>220 562</b>	<b>224 655</b>	<b>224 655</b>	<b>228 655</b>	<b>239 115</b>	<b>247 194</b>
Executive and council		55 003	59 681	59 119	63 053	67 824	67 824	66 361	69 533	72 385
Finance and administration		93 262	103 754	108 802	152 028	150 508	150 508	156 529	163 550	168 561
Internal audit		3 577	3 984	4 705	5 481	6 323	6 323	5 765	6 031	6 247
<b>Community and public safety</b>		<b>26 795</b>	<b>25 404</b>	<b>29 225</b>	<b>36 259</b>	<b>37 142</b>	<b>37 142</b>	<b>42 942</b>	<b>42 231</b>	<b>44 052</b>
Community and social services		9 955	8 199	8 095	14 083	14 379	14 379	18 414	16 908	17 690
Sport and recreation		2 404	2 015	2 549	3 104	2 938	2 938	2 969	3 104	3 229
Public safety		13 617	14 133	17 493	18 011	18 733	18 733	20 440	21 048	21 905
Housing		818	1 056	1 088	1 061	1 092	1 092	1 119	1 172	1 228
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>116 220</b>	<b>73 746</b>	<b>97 799</b>	<b>114 613</b>	<b>122 594</b>	<b>122 594</b>	<b>115 310</b>	<b>121 043</b>	<b>123 850</b>
Planning and development		24 879	24 436	32 423	33 168	35 613	35 613	38 827	38 307	39 479
Road transport		89 183	47 073	62 836	78 631	84 155	84 155	73 238	79 341	80 839
Environmental protection		2 159	2 236	2 540	2 814	2 827	2 827	3 244	3 395	3 532
<b>Trading services</b>		<b>109 265</b>	<b>96 359</b>	<b>110 076</b>	<b>124 133</b>	<b>130 032</b>	<b>130 032</b>	<b>138 141</b>	<b>130 090</b>	<b>129 424</b>
Energy sources		94 693	71 107	81 010	93 136	93 414	93 414	97 773	94 156	92 487
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		14 573	25 253	29 066	30 996	36 618	36 618	40 368	35 934	36 938
<b>Other</b>	<b>4</b>	<b>3 021</b>	<b>3 303</b>	<b>3 413</b>	<b>4 264</b>	<b>4 574</b>	<b>4 574</b>	<b>4 422</b>	<b>4 627</b>	<b>4 797</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>407 143</b>	<b>366 230</b>	<b>413 140</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 106</b>	<b>549 318</b>
<b>Surplus/(Deficit) for the year</b>		<b>63 605</b>	<b>192 823</b>	<b>161 994</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 752</b>	<b>69 306</b>

The table above gives an overview of the operational expenditure per functional classification or by functional areas within the municipality.

- **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2025/26 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 10 Operational repairs and maintenance**

**EC443 Winnie Madikizela Mandela - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'**

0443 Winnie Madikizela Mandela - Supporting Table SA1 Supporting detail to Budgeted Financial Performance										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Repairs and Maintenance by Expenditure Item	8									
Employee related costs		–	–	8	7 494	7 414	7 414	7 641	8 004	8 384
Inventory Consumed (Project Maintenance)		52	7	52	118	118	118	120	122	125
Contracted Services		12 232	11 280	21 306	44 311	48 650	48 650	46 123	47 679	48 922
Operational Costs		–	–	–	1 261	1 261	1 261	1 312	1 372	1 438
Total Repairs and Maintenance Expenditure	9	12 285	11 287	21 366	53 184	57 443	57 443	55 196	57 177	58 869
Inventory Consumed										
Inventory Consumed - Water		–	–	–	–	–	–	–	–	–
Inventory Consumed - Other		5 473	5 396	5 761	8 083	8 088	8 088	8 696	9 083	9 310
Total Inventory Consumed & Other Material		5 473	5 396	5 761	8 083	8 088	8 088	8 696	9 083	9 310

**EC443 Winnie Madikizela Mandela - Table A9 Asset Management**

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
<b>Repairs and Maintenance by Asset Class</b>		3	12 285	11 287	21 366	53 184	57 443	57 443	55 196	57 177	58 869	
Roads Infrastructure			3 845	1 404	10 197	38 056	40 213	40 213	34 604	36 023	37 133	
Storm water Infrastructure			–	–	–	–	–	–	1 400	4 283	4 390	
Electrical Infrastructure			1 443	562	1 605	550	1 073	1 073	1 113	327	335	
Water Supply Infrastructure			–	–	–	–	–	–	–	–	–	
Sanitation Infrastructure			–	–	–	–	–	–	–	–	–	
Solid Waste Infrastructure			–	–	376	4 049	4 799	4 799	5 000	4 630	4 746	
Rail Infrastructure			–	–	–	–	–	–	–	–	–	
Coastal Infrastructure			–	–	–	–	–	–	–	–	–	
Information and Communication Infrastructure			–	–	–	–	–	–	–	–	–	
<b>Infrastructure</b>				5 288	1 966	12 177	42 655	46 085	46 085	42 118	45 263	46 604
Community Facilities				482	668	908	953	767	767	2 831	1 253	1 278
Sport and Recreation Facilities				–	–	–	–	–	–	–	–	–
<b>Community Assets</b>				482	668	908	953	767	767	2 831	1 253	1 278
<b>Heritage Assets</b>				–	–	–	–	–	–	–	–	–
Revenue Generating				–	–	–	–	–	–	–	–	–
Non-revenue Generating				–	–	–	–	–	–	–	–	–
<b>Investment properties</b>				–	–	–	–	–	–	–	–	–
Operational Buildings				3 472	3 391	783	3 439	3 281	3 281	3 432	3 582	3 736
Housing				–	–	–	–	–	–	–	–	–
<b>Other Assets</b>				3 472	3 391	783	3 439	3 281	3 281	3 432	3 582	3 736
<b>Biological or Cultivated Assets</b>				–	–	–	–	–	–	–	–	–
Servitudes				–	–	–	–	–	–	–	–	–
Licences and Rights				–	–	–	200	200	200	209	218	224
<b>Intangible Assets</b>				–	–	–	200	200	200	209	218	224
Computer Equipment				35	23	21	31	101	101	106	111	113
Furniture and Office Equipment				–	69	167	267	212	212	264	270	274
Machinery and Equipment				256	–	982	901	851	851	872	883	902
Transport Assets				2 753	5 170	6 329	4 738	5 946	5 946	5 364	5 597	5 738
Land				–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals				–	–	–	–	–	–	–	–	–
Mature				–	–	–	–	–	–	–	–	–
Immature				–	–	–	–	–	–	–	–	–
<b>Living Resources</b>			–	–	–	–	–	–	–	–	–	
<b>TOTAL EXPENDITURE OTHER ITEMS</b>			56 403	52 789	53 784	107 555	103 814	103 814	103 414	107 566	109 257	
<b>Renewal and upgrading of Existing Assets as % of total capex</b>			54,0%	61,9%	54,2%	22,8%	25,3%	25,3%	29,7%	21,3%	61,2%	
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>			206,1%	200,9%	202,2%	50,0%	88,7%	88,7%	102,2%	40,3%	104,0%	
<b>R&amp;M as a % of PPE &amp; Investment Property</b>			2,1%	1,6%	2,3%	5,6%	5,5%	5,5%	5,2%	5,8%	6,0%	
<b>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</b>			17,5%	13,4%	9,2%	8,5%	9,4%	9,4%	9,9%	7,8%	11,4%	

An amount of R55.1 million has been set aside in the 2025/26 financial period for the maintenance of municipal assets. The amount is lower than the recommended treasury percentages, the municipality took a decision to rather purchase municipal plant and machinery which is used to repair road infrastructure. This ensures that there is improved access to all the wards in the municipality. There is also an increased need to repair other infrastructure assets like the municipal offices, community halls and the municipal vehicles.

**Table 11 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC443 Winnie Madikizela Mandela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	292 581	376 685	494 332	206 790	464 567	464 567	391 902	409 060	456 801
Other current investments > 90 days		(15 472)	(16 669)	(33 543)	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>277 109</b>	<b>360 015</b>	<b>460 788</b>	<b>206 790</b>	<b>464 567</b>	<b>464 567</b>	<b>391 902</b>	<b>409 060</b>	<b>456 801</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		7 445	8 199	14 409	0	6 885	6 885	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–
Statutory requirements	2	(12 853)	(378)	2 514	(9 281)	(8 050)	(8 050)	(16 036)	(17 332)	(19 596)
Other working capital requirements	3	22 476	26 664	61 741	22 960	40 843	40 843	(28 178)	(45 690)	(35 389)
Other provisions		21 279	19 890	2 282	19 919	21 932	21 932	21 932	21 932	21 932
Long term investments committed	4	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>38 347</b>	<b>54 374</b>	<b>80 946</b>	<b>33 597</b>	<b>61 610</b>	<b>61 610</b>	<b>(22 283)</b>	<b>(41 090)</b>	<b>(33 053)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</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>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</b>

The table above shows the budgeted cash reserves and these are based on the current cash reserves in the municipality. As indicated by the table, there is a need to ensure that these reserves are preserved and built up again. This is after these reserves have been made available for infrastructure development within the municipality.

## 1.8 Capital expenditure

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

EC443 Winnie Madikizela Mandela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		822	–	100	–	150	150	–	–	–
Vote 2 - Corporate Services		483	1 332	428	449	499	499	220	231	243
Vote 3 - Budget and Treasury Office		318 256	373 657	389 498	388 792	399 182	399 182	399 920	399 845	418 187
Vote 4 - Community Services		11 732	26 957	12 520	15 029	13 967	13 967	15 395	12 486	12 823
Vote 5 - Development Planning		22 001	22 785	37 251	31 734	33 071	33 071	34 816	37 518	38 631
Vote 6 - Engineering Services		117 454	134 323	135 335	147 626	163 166	163 166	169 791	141 776	148 741
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>470 748</b>	<b>559 053</b>	<b>575 133</b>	<b>583 630</b>	<b>610 035</b>	<b>610 035</b>	<b>620 143</b>	<b>591 858</b>	<b>618 625</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		71 791	78 876	80 850	87 695	92 667	92 667	92 264	96 627	100 435
Vote 2 - Corporate Services		40 690	43 613	45 857	68 785	67 464	67 464	68 574	71 703	73 655
Vote 3 - Budget and Treasury Office		24 479	27 987	28 757	43 075	42 856	42 856	44 658	46 737	48 342
Vote 4 - Community Services		59 309	70 569	78 890	92 455	99 263	99 263	111 367	107 338	111 087
Vote 5 - Development Planning		17 186	21 967	28 578	29 543	32 642	32 642	34 737	34 018	34 934
Vote 6 - Engineering Services		193 688	123 218	150 207	178 277	184 106	184 106	177 871	180 684	180 866
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>407 143</b>	<b>366 230</b>	<b>413 140</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 106</b>	<b>549 318</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>63 605</b>	<b>192 823</b>	<b>161 994</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 671</b>	<b>54 752</b>	<b>69 306</b>

### MM's Office and Council expense

This has taken into account submissions made during the budget sessions and these have been taken into account using the set limits for the overall expenditures and then using those to reprioritise.

### Budget and Treasury

The major contributors are depreciation, external audit fees. Significant projects in the department are those of the review of the infrastructure fixed assets register, implementation of the contract management findings and action plan thereof.

### Corporate Services

The major expenditures relate to repairs of municipal vehicles, fuel and oil, ICT licenses, SALGA levies, website maintenance, insurance for municipal assets and employees including councillors, telephone and fax as well as other operational expenses.

#### Development Planning

The department has made provisions for valuation services, Spluma, Tourism, agricultural events and development of SMME's including any support that is provided by the municipality to those. There are also provisions for surveying of municipal properties including the legal fees involved in the process.

#### Community and Social Services

The department has made provision for the rehabilitation of the landfill site, provision of security services, public safety awareness campaigns, the operation and maintenance of the municipal pound, provision of free basic energy, protective clothing and other uniforms. The department on top of the EPWP grant funded casuals has made a provision for more casual labour to assist in the refuse removal services of the municipality. They have also requested overtime to be allocated more funds to cater for public holidays and other special events.

#### Road Engineering

The allocations made relate to the day to day operations of the department. There are also allocations for fuel and oil for the municipal plant which will be used to maintain some of the roads within the municipality. A provision of R26.3 million has been made to cater for external road maintenance, and R3.3 million for maintenance of municipal buildings.

#### Electricity

The department's biggest allocation has gone to the electricity purchases which is paid to Eskom for the supply of electricity as well as electrification projects to be implemented in villages. There are also allocations that are made for purchase of electrical material and maintenance of electrical infrastructure.



**Table 12 2025/26 Medium-term capital budget by vote, functional classification and funding**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	2									
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2									
Vote 1 - Executive and Council		30	-	-	1 304	1 304	1 304	1 304	-	-
Vote 2 - Corporate Services		1 855	6 366	4 550	8 587	6 547	6 547	6 283	7 670	4 163
Vote 3 - Budget and Treasury Office		-	-	-	300	474	474	-	-	-
Vote 4 - Community Services		306	4 289	8 061	13 095	12 366	12 366	6 704	19 298	5 491
Vote 5 - Development Planning		597	3 423	715	3 043	11 043	11 043	25 003	24 977	8 696
Vote 6 - Engineering Services		96 277	120 168	107 488	93 133	130 599	130 599	126 579	43 304	67 306
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>99 064</b>	<b>134 247</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Total Capital Expenditure - Vote</b>		<b>99 064</b>	<b>134 247</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>4 051</b>	<b>6 594</b>	<b>4 720</b>	<b>10 556</b>	<b>9 970</b>	<b>9 970</b>	<b>9 591</b>	<b>7 670</b>	<b>4 163</b>
Executive and council		30	-	-	1 304	1 304	1 304	1 304	-	-
Finance and administration		4 021	6 594	4 720	9 252	8 666	8 666	8 287	7 670	4 163
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>221</b>	<b>1 607</b>	<b>2 439</b>	<b>17 650</b>	<b>18 757</b>	<b>18 757</b>	<b>21 446</b>	<b>1 722</b>	<b>1 896</b>
Community and social services		221	1 473	93	17 355	18 386	18 386	21 037	1 461	1 635
Sport and recreation		-	134	90	296	251	251	409	261	261
Public safety		-	-	2 256	-	120	120	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>136 787</b>	<b>123 316</b>	<b>105 080</b>	<b>71 969</b>	<b>113 143</b>	<b>113 143</b>	<b>130 053</b>	<b>60 828</b>	<b>67 079</b>
Planning and development		76 744	21 038	18 242	3 043	11 043	11 043	30 081	26 629	11 304
Road transport		60 044	102 278	86 838	68 926	102 099	102 099	99 972	34 199	55 775
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>27 231</b>	<b>3 274</b>	<b>8 574</b>	<b>19 287</b>	<b>20 464</b>	<b>20 464</b>	<b>4 783</b>	<b>25 029</b>	<b>12 517</b>
Energy sources		27 146	820	3 029	7 374	10 635	10 635	1 652	6 352	7 648
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		85	2 454	5 545	11 913	9 829	9 829	3 130	18 676	4 870
<b>Other</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>	3	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Funded by:</b>										
National Government		64 059	73 317	54 629	55 621	76 874	76 874	74 320	52 983	60 123
Provincial Government		-	-	-	687	687	687	535	361	361
District Municipality		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>64 059</b>	<b>73 317</b>	<b>54 629</b>	<b>56 308</b>	<b>77 561</b>	<b>77 561</b>	<b>74 854</b>	<b>53 344</b>	<b>60 484</b>
<b>Borrowing</b>	6									
<b>Internally generated funds</b>		<b>104 230</b>	<b>61 474</b>	<b>66 184</b>	<b>63 154</b>	<b>84 773</b>	<b>84 773</b>	<b>91 018</b>	<b>41 905</b>	<b>25 172</b>
<b>Total Capital Funding</b>	7	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>

For the 2025/26 Annual budget, there is a decrease in the capital budget of the municipality compared to the adjusted approved budget of the 2024/25 financial year which should be used as a baseline going forward. This accounts for about R9 million of the budget and this is mainly funded from the MIG for roads, community facilities and Sport facilities, and INEP for electrification. It is important though to note that even though the budget seems to have a gradual decrease over the medium-term, the municipality's own funding of the capital budget decreases. It must be understood though that national government is heading for elections which will see increased pressure and protests for service delivery in communities which are unfortunately served by municipalities.

Corporate services

The department has budgeted for the purchase of Municipal Vehicles, IT equipment, as well as office furniture including that for the Civic Center and other municipal offices.

Development Planning

The department has budgeted for the construction of manufacturing hubs to assist with the improvement of local economy and manufacturing.

Community & Social Services

Below is the list of some of the key projects planned for the department:

- |  |                |
|--|----------------|
| • Paving of two community halls                    | R 1 million    |
| • Parks Rejuvenation                               | R 173 thousand |
| • Construction of Ablution facilities Ward 25 Hall | R 434 thousand |
| • Construction of Ablution facilities Ward 13 Hall | R 434 thousand |
| • Library Furniture                                | R 274 thousand |
| • Machinery- Population                            | R 348 thousand |
| • Security Vehicle                                 | R 700 thousand |
| • Disaster Bakkie                                  | R 800 thousand |
| • Grass Cutting Machine                            | R 291 thousand |
| • Vat accrual                                      | R 492 thousand |

Refuse Removal

The department has budgeted for the construction of Landfill site, procurement of a refuse truck, and skip bins.

Road works and Engineering

The following are the projects budgeted for implementation based on the available resources:

- |  |                |
|--|----------------|
| • Mphuthumi Mafumbatha multi-purpose center              | R16.8 million  |
| • Ward 32 Community Hall                                 | R 238 thousand |
| • Ward 16 Community Hall                                 | R 238 thousand |
| • Construction of Ward 11 ECDC                           | R 1.6 million  |
| • Construction of Mbuthweni to Nokhatshile               | R 4.5 million  |
| • Construction of Lukhanyo Access Road                   | R 6.1 million  |
| • Rehabilitation of Mqhokweni to Nokhatshile AR          | R 8.1 million  |
| • Resurfacing of Ntlenzi to Mcetheni Access Road         | R10.8 million  |
| • Construction of 116 to Somgungqu to Khwanyana AR       | R 3.4 million  |
| • Upgrade of CBD   | R 8.6 million  |
| • Rehabilitation of Pelepele Bridge & Access Road        | R 6.8 million  |
| • Rehabilitation of gravel & Concrete Slab Ntinga Bridge | R 5.1 million  |
| • Rehabilitation of Mosco Bridge Access Road             | R 1.3 million  |
| • Rehabilitation of Monti to Ntsimbini Access Road       | R 2.5 million  |
| • Rehabilitation of Vuyisile to Ntsingizi Access Road    | R 753 thousand |

• Rehabilitation of Mgwede Access Road	R 6.9 million
• Rehabilitation of Matshezini Access Road	R 7.8 million
• Construction of Ward 08 Road to Hub Concrete Slab	R 2.6 million
• Construction of Ward 16 Road to Hub Access Road	R 2.1 million
• Construction of Ngcingo Access Road	R 2.4 million
• Mtamvuma to Mabheleni via Ndayingana Access Road	R 3.9 million
• Construction of Mkhasweni Access Road	R 6.9 million
• Construction of Sidanga Bridge	R 4.3 million
• Construction of Mqonjwana to Greenville AR	R 4.3 million
• Construction of Municipal Guardhouse	R 1.6 million
• VAT accrual	R 18.4 million

### Electricity

Included in the electricity budget are the following projects as per the available resources for the next financial year:

• Upgrade of Low Volatage lines	R 1 million
• Solar street lights	R 1.3 million
• VAT Accrual	R 352 thousand

## 1.9 Annual Budget Tables

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

Table 13 MBRR Table A1 - Budget Summary

## EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	21 163	21 150	21 713	21 532	23 421	23 421	24 187	25 276	25 907
Service charges	42 139	58 357	49 041	56 844	53 764	53 764	61 186	64 475	67 928
Investment revenue	10 784	21 920	34 468	27 159	37 359	37 359	39 677	41 661	43 744
Transfer and subsidies - Operational	295 672	342 754	352 621	394 792	368 591	368 591	367 150	361 852	378 253
Other own revenue	20 749	36 956	44 008	18 549	37 705	37 705	41 805	35 819	32 237
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>390 507</b>	<b>481 138</b>	<b>501 852</b>	<b>518 876</b>	<b>520 839</b>	<b>520 839</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>
Employee costs	108 100	114 833	127 726	137 766	141 477	141 477	148 023	154 984	162 275
Remuneration of councillors	25 010	26 577	26 454	29 876	29 876	29 876	31 370	32 938	34 585
Depreciation and amortisation	52 674	42 493	41 670	54 371	49 371	49 371	48 219	50 388	50 388
Interest	26	—	41	100	100	100	104	105	108
Inventory consumed and bulk purchases	45 684	47 637	49 228	61 876	61 880	61 880	67 145	70 162	71 916
Transfers and subsidies	1 251	2 503	2 805	4 216	4 471	4 471	5 454	5 699	5 841
Other expenditure	172 965	131 834	165 092	211 626	231 822	231 822	229 157	222 825	224 201
<b>Total Expenditure</b>	<b>405 711</b>	<b>365 878</b>	<b>413 016</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 102</b>	<b>549 314</b>
<b>Surplus/(Deficit)</b>	<b>(15 204)</b>	<b>115 260</b>	<b>88 835</b>	<b>19 046</b>	<b>1 841</b>	<b>1 841</b>	<b>4 535</b>	<b>(8 021)</b>	<b>(1 246)</b>
Transfers and subsidies - capital (monetary allocations)	80 162	77 436	68 482	64 754	89 195	89 195	86 137	62 776	70 556
Transfers and subsidies - capital (in-kind)	79	479	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
Transfers recognised - capital	64 059	73 317	54 629	56 308	77 561	77 561	74 854	53 344	60 484
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	104 230	61 474	66 184	63 154	84 773	84 773	91 018	41 905	25 172
<b>Total sources of capital funds</b>	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Financial position</b>									
Total current assets	401 028	489 633	605 294	323 623	594 366	594 366	529 307	552 889	602 323
Total non current assets	809 673	866 282	943 140	946 807	1 050 903	1 050 903	1 060 793	988 000	978 406
Total current liabilities	102 121	120 578	151 481	103 343	142 145	142 145	146 043	128 522	136 649
Total non current liabilities	22 484	10 632	11 950	11 485	11 950	11 950	11 950	11 950	11 950
Community wealth/Equity	1 083 963	1 224 704	1 385 002	1 155 603	1 491 174	1 491 174	1 432 107	1 400 416	1 432 129
<b>Cash flows</b>									
Net cash from (used) operating	173 089	224 463	255 874	189 425	218 141	218 141	172 239	142 924	162 856
Net cash from (used) investing	(138 669)	(124 887)	(121 558)	(161 090)	(214 363)	(214 363)	(190 043)	(125 766)	(115 114)
Net cash from (used) financing	—	—	—	—	—	—	—	—	—
<b>Cash/cash equivalents at the year end</b>	<b>292 581</b>	<b>376 685</b>	<b>494 332</b>	<b>206 790</b>	<b>464 567</b>	<b>464 567</b>	<b>391 902</b>	<b>409 060</b>	<b>456 801</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	277 109	360 015	460 788	206 790	464 567	464 567	391 902	409 060	456 801
Application of cash and investments	38 347	54 374	80 946	33 597	61 610	61 610	(22 283)	(41 090)	(33 053)
<b>Balance - surplus (shortfall)</b>	<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</b>
<b>Asset management</b>									
Asset register summary (WDV)	591 378	708 419	943 140	946 807	1 050 903	1 050 903	1 060 788	988 000	978 406
Depreciation	44 118	41 502	32 417	54 371	46 371	46 371	48 219	50 388	50 388
Renewal and Upgrading of Existing Assets	90 916	83 391	65 543	27 198	41 113	41 113	49 261	20 288	52 388
Repairs and Maintenance	12 285	11 287	21 366	53 184	57 443	57 443	55 196	57 177	58 869
<b>Free services</b>									
Cost of Free Basic Services provided	—	—	4 800	4 800	4 800	4 800	7 500	7 200	7 532
Revenue cost of free services provided	—	5	10	1 198	581	581	265	277	283
<b>Households below minimum service level</b>									
Water:	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—
Energy:	6	6	6	6	6	6	2	2	2
Refuse:	48	48	48	48	48	48	48	48	48

**Explanatory adopts to MBRR Table A1 - Budget Summary**

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts for possible approval by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognized is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. Efforts have been made in compiling the budget to ensure that the budget is cash backed. This is reflected by the positive cash flows that the municipality has. This requires the municipality to maintain its prudence to ensure that positive cash flows are maintained over the long term whilst ensuring that there is spending on projects that make a difference to people's livelihoods.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 14 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)****EC443 Winnie Madikizela Mandela - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)**

Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		<b>340 724</b>	<b>396 138</b>	<b>424 575</b>	<b>420 865</b>	<b>432 667</b>	<b>432 667</b>	<b>434 585</b>	<b>436 207</b>	<b>455 662</b>
Executive and council		—	—	100	—	150	150	—	—	—
Finance and administration		339 902	396 138	424 475	420 865	432 517	432 517	434 585	436 207	455 662
Internal audit		822	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		<b>3 960</b>	<b>6 325</b>	<b>5 369</b>	<b>5 830</b>	<b>5 730</b>	<b>5 730</b>	<b>5 960</b>	<b>5 970</b>	<b>6 144</b>
Community and social services		193	1 597	703	1 383	1 513	1 513	1 569	1 584	1 601
Sport and recreation		—	—	—	200	200	200	200	—	—
Public safety		3 768	4 728	4 666	4 246	4 016	4 016	4 191	4 386	4 543
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>51 861</b>	<b>80 051</b>	<b>74 225</b>	<b>68 136</b>	<b>85 901</b>	<b>85 901</b>	<b>89 245</b>	<b>65 979</b>	<b>68 916</b>
Planning and development		46 324	6 859	5 382	2 936	3 061	3 061	3 723	4 617	4 774
Road transport		5 537	73 192	68 843	65 200	82 840	82 840	85 522	61 361	64 141
Environmental protection		—	—	—	—	—	—	—	—	—
<b>Trading services</b>		<b>74 203</b>	<b>76 538</b>	<b>70 964</b>	<b>88 799</b>	<b>85 737</b>	<b>85 737</b>	<b>90 352</b>	<b>83 702</b>	<b>87 903</b>
Energy sources		66 431	55 906	63 813	79 600	77 500	77 500	80 917	77 185	81 224
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		7 772	20 632	7 151	9 199	8 237	8 237	9 434	6 517	6 679
<b>Other</b>	<b>4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Revenue - Functional</b>	<b>2</b>	<b>470 748</b>	<b>559 053</b>	<b>575 133</b>	<b>583 630</b>	<b>610 035</b>	<b>610 035</b>	<b>620 143</b>	<b>591 858</b>	<b>618 625</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>151 842</b>	<b>167 418</b>	<b>172 626</b>	<b>220 562</b>	<b>224 655</b>	<b>224 655</b>	<b>228 655</b>	<b>239 115</b>	<b>247 194</b>
Executive and council		55 003	59 681	59 119	63 053	67 824	67 824	66 361	69 533	72 385
Finance and administration		93 262	103 754	108 802	152 028	150 508	150 508	156 529	163 550	168 561
Internal audit		3 577	3 984	4 705	5 481	6 323	6 323	5 765	6 031	6 247
<b>Community and public safety</b>		<b>26 795</b>	<b>25 404</b>	<b>29 225</b>	<b>36 259</b>	<b>37 142</b>	<b>37 142</b>	<b>42 942</b>	<b>42 231</b>	<b>44 052</b>
Community and social services		9 955	8 199	8 095	14 083	14 379	14 379	18 414	16 908	17 690
Sport and recreation		2 404	2 015	2 549	3 104	2 938	2 938	2 969	3 104	3 229
Public safety		13 617	14 133	17 493	18 011	18 733	18 733	20 440	21 048	21 905
Housing		818	1 056	1 088	1 061	1 092	1 092	1 119	1 172	1 228
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		<b>116 220</b>	<b>73 746</b>	<b>97 799</b>	<b>114 613</b>	<b>122 594</b>	<b>122 594</b>	<b>115 310</b>	<b>121 043</b>	<b>123 850</b>
Planning and development		24 879	24 436	32 423	33 168	35 613	35 613	38 827	38 307	39 479
Road transport		89 183	47 073	62 836	78 631	84 155	84 155	73 238	79 341	80 839
Environmental protection		2 159	2 236	2 540	2 814	2 827	2 827	3 244	3 395	3 532
<b>Trading services</b>		<b>109 265</b>	<b>96 359</b>	<b>110 076</b>	<b>124 133</b>	<b>130 032</b>	<b>130 032</b>	<b>138 141</b>	<b>130 090</b>	<b>129 424</b>
Energy sources		94 693	71 107	81 010	93 136	93 414	93 414	97 773	94 156	92 487
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		14 573	25 253	29 066	30 996	36 618	36 618	40 368	35 934	36 938
<b>Other</b>	<b>4</b>	<b>3 021</b>	<b>3 303</b>	<b>3 413</b>	<b>4 264</b>	<b>4 574</b>	<b>4 574</b>	<b>4 422</b>	<b>4 627</b>	<b>4 797</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>407 143</b>	<b>366 230</b>	<b>413 140</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 106</b>	<b>549 318</b>
<b>Surplus/(Deficit) for the year</b>		<b>63 605</b>	<b>192 823</b>	<b>161 994</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 752</b>	<b>69 306</b>

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

The above table shows the allocations made by the municipality to the different classes or functions within the municipality and the contributions that will be made per standard class. It is pleasing to note that the table shows that the municipality's bigger share is allocated to service deliver functions as well as governance and administration. These are complementary in nature hence the allocations.



**Table 15 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)****EC443 Winnie Madikizela Mandela - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		822	–	100	–	150	150	–	–	–
Vote 2 - Corporate Services		483	1 332	428	449	499	499	220	231	243
Vote 3 - Budget and Treasury Office		318 256	373 657	389 498	388 792	399 182	399 182	399 920	399 845	418 187
Vote 4 - Community Services		11 732	26 957	12 520	15 029	13 967	13 967	15 395	12 486	12 823
Vote 5 - Development Planning		22 001	22 785	37 251	31 734	33 071	33 071	34 816	37 518	38 631
Vote 6 - Engineering Services		117 454	134 323	135 335	147 626	163 166	163 166	169 791	141 776	148 741
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>470 748</b>	<b>559 053</b>	<b>575 133</b>	<b>583 630</b>	<b>610 035</b>	<b>610 035</b>	<b>620 143</b>	<b>591 858</b>	<b>618 625</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and Council		71 791	78 876	80 850	87 695	92 667	92 667	92 264	96 627	100 435
Vote 2 - Corporate Services		40 690	43 613	45 857	68 785	67 464	67 464	68 574	71 703	73 655
Vote 3 - Budget and Treasury Office		24 479	27 987	28 757	43 075	42 856	42 856	44 658	46 737	48 342
Vote 4 - Community Services		59 309	70 569	78 890	92 455	99 263	99 263	111 367	107 338	111 087
Vote 5 - Development Planning		17 186	21 967	28 578	29 543	32 642	32 642	34 737	34 018	34 934
Vote 6 - Engineering Services		193 688	123 218	150 207	178 277	184 106	184 106	177 871	180 684	180 866
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>407 143</b>	<b>366 230</b>	<b>413 140</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 106</b>	<b>549 318</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>63 605</b>	<b>192 823</b>	<b>161 994</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 671</b>	<b>54 752</b>	<b>69 306</b>

Listed in the table above are the revenue and expenditure classifications for all the departments within the municipality.

Explanatory adopts to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

**Table 16 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

EC443 Winnie Madikizela Mandela - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	2	37 937	41 412	44 913	52 684	49 584	49 584	55 986	59 132	62 453
Service charges - Water	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 202	16 945	4 128	4 160	4 180	4 180	5 200	5 343	5 475
Sale of Goods and Rendering of Services		238	14 590	14 316	201	19 881	19 881	22 481	15 495	11 188
Agency services		1 202	1 361	1 298	1 427	1 427	1 427	1 499	1 574	1 652
Interest								-	-	-
Interest earned from Receivables		1 852	2 953	3 795	3 556	3 593	3 593	3 984	4 164	4 232
Interest earned from Current and Non Current Assets		10 784	21 920	34 468	27 159	37 359	37 359	39 677	41 661	43 744
Dividends								-	-	-
Rent on Land								-	-	-
Rental from Fixed Assets		7 682	7 506	7 970	4 924	5 054	5 054	5 764	6 153	6 509
Licence and permits										
Special rating levies										
Operational Revenue		653	676	957	190	390	390	405	416	428
<b>Non-Exchange Revenue</b>	2									
Property rates		21 163	21 150	21 713	21 532	23 421	23 421	24 187	25 276	25 907
Surcharges and Taxes								-	-	-
Fines, penalties and forfeits		386	1 246	1 286	579	383	383	386	406	426
Licences or permits		2 141	2 169	2 102	2 277	2 277	2 277	2 379	2 484	2 546
Transfer and subsidies - Operational		295 672	342 754	352 621	394 792	368 591	368 591	367 150	361 852	378 253
Interest		2 750	3 961	5 200	5 396	4 700	4 700	4 907	5 128	5 256
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	756	-	-	-	-	-	-	-
Other Gains		3 843	1 738	7 085	-	-	-	-	-	-
Discontinued Operations								-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>390 507</b>	<b>481 138</b>	<b>501 852</b>	<b>518 876</b>	<b>520 839</b>	<b>520 839</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>
<b>Expenditure</b>										
Employee related costs	2	108 100	114 833	127 726	137 766	141 477	141 477	148 023	154 984	162 275
Remuneration of councillors		25 010	26 577	26 454	29 876	29 876	29 876	31 370	32 938	34 585
Bulk purchases - electricity	2	40 211	42 241	43 467	53 792	53 792	53 792	58 448	61 079	62 606
Inventory consumed	8	5 473	5 396	5 761	8 083	8 088	8 088	8 696	9 083	9 310
Debt impairment	3	822	1 059	2 150	6 109	6 109	6 109	6 109	6 366	6 524
Depreciation and amortisation		52 674	42 493	41 670	54 371	49 371	49 371	48 219	50 388	50 388
Interest		26	-	41	100	100	100	104	105	108
Contracted services		62 038	66 434	91 858	123 545	136 958	136 958	132 555	126 856	125 564
Transfers and subsidies		1 251	2 503	2 805	4 216	4 471	4 471	5 454	5 699	5 841
Irrecoverable debts written off				-	-	-	-	-	-	-
Operational costs		64 144	61 197	61 713	81 972	83 555	83 555	90 493	89 603	92 112
Losses on disposal of Assets		45 962	3 126	9 370	-	5 200	5 200	-	-	-
Other Losses		-	18	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>405 711</b>	<b>365 878</b>	<b>413 016</b>	<b>499 830</b>	<b>518 998</b>	<b>518 998</b>	<b>529 471</b>	<b>537 102</b>	<b>549 314</b>
<b>Surplus/(Deficit)</b>		<b>(15 204)</b>	<b>115 260</b>	<b>88 835</b>	<b>19 046</b>	<b>1 841</b>	<b>1 841</b>	<b>4 535</b>	<b>(8 021)</b>	<b>(1 246)</b>
Transfers and subsidies - capital (monetary allocations)	6	80 162	77 436	68 482	64 754	89 195	89 195	86 137	62 776	70 556
Transfers and subsidies - capital (in-kind)	6	79	479	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Income Tax										
<b>Surplus/(Deficit) after income tax</b>		<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Associate	7									
Intercompany/Parent subsidiary transactions										
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>65 037</b>	<b>193 175</b>	<b>157 317</b>	<b>83 800</b>	<b>91 037</b>	<b>91 037</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>

**Table 17 MBRR Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source**

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure - Vote</b>										
<b>Multi-year expenditure to be appropriated</b>	<b>2</b>									
<b>Capital multi-year expenditure sub-total</b>	<b>7</b>	–	–	–	–	–	–	–	–	–
<b>Single-year expenditure to be appropriated</b>	<b>2</b>									
Vote 1 - Executive and Council		30	–	–	1 304	1 304	1 304	1 304	–	–
Vote 2 - Corporate Services		1 855	6 366	4 550	8 587	6 547	6 547	6 283	7 670	4 163
Vote 3 - Budget and Treasury Office		–	–	–	300	474	474	–	–	–
Vote 4 - Community Services		306	4 289	8 061	13 095	12 366	12 366	6 704	19 298	5 491
Vote 5 - Development Planning		597	3 423	715	3 043	11 043	11 043	25 003	24 977	8 696
Vote 6 - Engineering Services		96 277	120 168	107 488	93 133	130 599	130 599	126 579	43 304	67 306
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		<b>99 064</b>	<b>134 247</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Total Capital Expenditure - Vote</b>		<b>99 064</b>	<b>134 247</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>4 051</b>	<b>6 594</b>	<b>4 720</b>	<b>10 556</b>	<b>9 970</b>	<b>9 970</b>	<b>9 591</b>	<b>7 670</b>	<b>4 163</b>
Executive and council		30	–	–	1 304	1 304	1 304	1 304	–	–
Finance and administration		4 021	6 594	4 720	9 252	8 666	8 666	8 287	7 670	4 163
Internal audit		–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		<b>221</b>	<b>1 607</b>	<b>2 439</b>	<b>17 650</b>	<b>18 757</b>	<b>18 757</b>	<b>21 446</b>	<b>1 722</b>	<b>1 896</b>
Community and social services		221	1 473	93	17 355	18 386	18 386	21 037	1 461	1 635
Sport and recreation		–	134	90	296	251	251	409	261	261
Public safety		–	–	2 256	–	120	120	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		<b>136 787</b>	<b>123 316</b>	<b>105 080</b>	<b>71 969</b>	<b>113 143</b>	<b>113 143</b>	<b>130 053</b>	<b>60 828</b>	<b>67 079</b>
Planning and development		76 744	21 038	18 242	3 043	11 043	11 043	30 081	26 629	11 304
Road transport		60 044	102 278	86 838	68 926	102 099	102 099	99 972	34 199	55 775
Environmental protection		–	–	–	–	–	–	–	–	–
<b>Trading services</b>		<b>27 231</b>	<b>3 274</b>	<b>8 574</b>	<b>19 287</b>	<b>20 464</b>	<b>20 464</b>	<b>4 783</b>	<b>25 029</b>	<b>12 517</b>
Energy sources		27 146	820	3 029	7 374	10 635	10 635	1 652	6 352	7 648
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		85	2 454	5 545	11 913	9 829	9 829	3 130	18 676	4 870
<b>Other</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>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>
<b>Funded by:</b>										
National Government		64 059	73 317	54 629	55 621	76 874	76 874	74 320	52 983	60 123
Provincial Government		–	–	–	687	687	687	535	361	361
District Municipality		–	–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	<b>4</b>	<b>64 059</b>	<b>73 317</b>	<b>54 629</b>	<b>56 308</b>	<b>77 561</b>	<b>77 561</b>	<b>74 854</b>	<b>53 344</b>	<b>60 484</b>
<b>Borrowing</b>	<b>6</b>									
<b>Internally generated funds</b>		104 230	61 474	66 184	63 154	84 773	84 773	91 018	41 905	25 172
<b>Total Capital Funding</b>	<b>7</b>	<b>168 290</b>	<b>134 790</b>	<b>120 813</b>	<b>119 463</b>	<b>162 334</b>	<b>162 334</b>	<b>165 872</b>	<b>95 249</b>	<b>85 655</b>

**Explanatory adopts to Table A5 - Budgeted Capital Expenditure by vote, functional classification and funding source**

The table above shows capital expenditure by vote and functional classification as well as funding for the expenditure forecasted.

This shows how the municipality's capital budget funding is highly dependent on grant funding.

Table 18 MBRR Table A6 - Budgeted Financial Position

## EC443 Winnie Madikizela Mandela - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSETS										
Current assets										
Cash and cash equivalents		277 109	360 015	460 788	206 790	464 567	464 567	391 902	409 060	456 801
Trade and other receivables from exchange transactions	1	39 555	29 356	35 620	36 399	44 113	44 113	41 667	42 602	42 532
Receivables from non-exchange transactions	1	39 453	45 380	50 451	43 163	50 018	50 018	49 773	53 254	52 839
Current portion of non-current receivables		—	—	—	—	—	—	—	—	—
Inventory	2	450	1 384	786	1 264	2 679	2 679	2 843	2 906	2 988
VAT		32 738	37 405	37 731	17 160	14 148	14 148	24 280	26 225	28 320
Other current assets		11 723	16 092	19 917	18 847	18 842	18 842	18 842	18 842	18 842
Total current assets		401 028	489 633	605 294	323 623	594 366	594 366	529 307	552 889	602 323
Non current assets										
Investments		—	—	—	—	—	—	—	—	—
Investment property		40 472	42 210	49 294 200,00	42 210	49 294	49 294	49 294	49 294	49 294
Property, plant and equipment	3	767 897	822 180	892 082	902 875	1 000 015	1 000 015	1 009 905	937 119	927 526
Biological assets		—	—	—	—	—	—	—	—	—
Living and non-living resources		—	—	—	—	—	—	—	—	—
Heritage assets		1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261	1 261
Intangible assets		43	631	503	461	333	333	333	325	325
Trade and other receivables from exchange transactions		—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—	—	—	—	—
Other non-current assets		—	—	—	—	—	—	—	—	—
Total non current assets		809 673	866 282	943 140	946 807	1 050 903	1 050 903	1 060 793	988 000	978 406
TOTAL ASSETS		1 210 701	1 355 914	1 548 433	1 270 430	1 645 269	1 645 269	1 590 100	1 540 888	1 580 728
LIABILITIES										
Current liabilities										
Bank overdraft		—	—	—	—	—	—	—	—	—
Financial liabilities		—	—	—	—	—	—	—	—	—
Consumer deposits		456	447	447	497	497	497	497	497	497
Trade and other payables from exchange transactions	4	53 057	55 015	94 098	75 049	106 734	106 734	115 372	97 205	105 502
Trade and other payables from non-exchange transactions	5	7 445	8 199	14 409	0	6 885	6 885	—	—	—
Provision		21 279	19 890	2 282	19 919	21 932	21 932	21 932	21 932	21 932
VAT		19 885	37 027	40 245	7 878	6 098	6 098	8 243	8 889	8 719
Other current liabilities		—	—	—	—	—	—	—	—	—
Total current liabilities		102 121	120 578	151 481	103 343	142 145	142 145	146 043	128 522	136 649
Non current liabilities										
Financial liabilities	6	—	—	—	—	—	—	—	—	—
Provision	7	22 484	10 632	11 950	11 485	11 950	11 950	11 950	11 950	11 950
Long term portion of trade payables		—	—	—	—	—	—	—	—	—
Other non-current liabilities		—	—	—	—	—	—	—	—	—
Total non current liabilities		22 484	10 632	11 950	11 485	11 950	11 950	11 950	11 950	11 950
TOTAL LIABILITIES		124 605	131 210	163 431	114 828	154 096	154 096	157 993	140 472	148 600
NET ASSETS		1 086 096	1 224 704	1 385 002	1 155 603	1 491 174	1 491 174	1 432 107	1 400 416	1 432 129
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	8	1 083 963	1 224 704	1 385 002	1 155 603	1 491 174	1 491 174	1 432 107	1 400 416	1 432 129
Reserves and funds	9	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	1 083 963	1 224 704	1 385 002	1 155 603	1 491 174	1 491 174	1 432 107	1 400 416	1 432 129

**Explanatory adopts to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 19 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC443 Winnie Madikizela Mandela - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Cash and investments available</b>										
Cash/cash equivalents at the year end	1	292 581	376 685	494 332	206 790	464 567	464 567	391 902	409 060	456 801
Other current investments > 90 days		(15 472)	(16 669)	(33 543)	-	-	-	-	-	-
Non current investments	1	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>277 109</b>	<b>360 015</b>	<b>460 788</b>	<b>206 790</b>	<b>464 567</b>	<b>464 567</b>	<b>391 902</b>	<b>409 060</b>	<b>456 801</b>
<b>Application of cash and investments</b>										
Unspent conditional transfers		7 445	8 199	14 409	0	6 885	6 885	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-
Statutory requirements	2	(12 853)	(378)	2 514	(9 281)	(8 050)	(8 050)	(16 036)	(17 332)	(19 596)
Other working capital requirements	3	22 476	26 664	61 741	22 960	40 843	40 843	(28 178)	(45 690)	(35 389)
Other provisions		21 279	19 890	2 282	19 919	21 932	21 932	21 932	21 932	21 932
Long term investments committed	4	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>38 347</b>	<b>54 374</b>	<b>80 946</b>	<b>33 597</b>	<b>61 610</b>	<b>61 610</b>	<b>(22 283)</b>	<b>(41 090)</b>	<b>(33 053)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</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>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>238 762</b>	<b>305 641</b>	<b>379 842</b>	<b>173 193</b>	<b>402 957</b>	<b>402 957</b>	<b>414 185</b>	<b>450 150</b>	<b>489 855</b>

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

The above table shows how the municipality's funding will be applied and the targets set for cash backed reserves over the medium. This is informed by anticipated year end targets as well as the plans to be implemented over the medium-term, especially on the revenue management, debt collection as well as expenditure management.

**Table 19 MBRR Table A7 – Budgeted Cash Flows****EC443 Winnie Madikizela Mandela - Table A7 Budgeted Cash Flows**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		21 235	20 224	19 758	25 770	25 770	25 770	27 141	25 006	26 156
Service charges		43 512	54 103	52 241	54 412	54 412	54 412	66 822	69 796	73 089
Other revenue		8 656	11 312	11 082	54 644	83 546	83 546	82 686	69 364	63 369
Transfers and Subsidies - Operational	1	295 692	372 978	357 040	393 546	368 581	368 581	367 150	361 852	378 163
Transfers and Subsidies - Capital	1	87 203	67 082	88 168	54 286	81 681	81 681	64 108	62 776	70 556
Interest		183	1 133	34 473	27 159	37 359	37 359	39 677	41 661	43 744
Dividends								–	–	–
<b>Payments</b>										
Suppliers and employees		(283 390)	(302 368)	(306 890)	(420 293)	(433 108)	(433 108)	(475 241)	(487 421)	(492 109)
Interest		–	–	–	(100)	(100)	(100)	(104)	(109)	(112)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>173 089</b>	<b>224 463</b>	<b>255 874</b>	<b>189 425</b>	<b>218 141</b>	<b>218 141</b>	<b>172 239</b>	<b>142 924</b>	<b>162 856</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								–	–	–
Decrease (increase) in non-current receivables								–	–	–
Decrease (increase) in non-current investments								–	–	–
<b>Payments</b>										
Capital assets		(138 669)	(124 887)	(121 558)	(161 090)	(214 363)	(214 363)	(190 043)	(125 766)	(115 114)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(138 669)</b>	<b>(124 887)</b>	<b>(121 558)</b>	<b>(161 090)</b>	<b>(214 363)</b>	<b>(214 363)</b>	<b>(190 043)</b>	<b>(125 766)</b>	<b>(115 114)</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								–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>34 420</b>	<b>99 576</b>	<b>134 316</b>	<b>28 335</b>	<b>3 778</b>	<b>3 778</b>	<b>(17 804)</b>	<b>17 158</b>	<b>47 741</b>
Cash/cash equivalents at the year begin:	2	258 161	277 109	360 015	178 456	460 788	460 788	409 706	391 902	409 060
Cash/cash equivalents at the year end:	2	292 581	376 685	494 332	206 790	464 567	464 567	391 902	409 060	456 801

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Household service targets</b>	1									
<b>Water:</b>										
<b>Total number of households</b>	5	–	–	–	–	–	–	–	–	–
<b>Energy:</b>										
Electricity (at least min. service level)		200	200	200	287	287	287	318 058	318 058	318 058
Electricity - prepaid (min. service level)		3 836	3 836	3 836	4 068	4 068	4 068	4 194	4 194	4 194
<i>Minimum Service Level and Above sub-total</i>		4 036	4 036	4 036	4 355	4 355	4 355	322 252	322 252	322 252
Electricity (< min. service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		6 000	6 000	6 000	6 000	6 000	6 000	1 890	1 890	1 890
<i>Below Minimum Service Level sub-total</i>		6 000	6 000	6 000	6 000	6 000	6 000	1 890	1 890	1 890
<b>Total number of households</b>	5	<b>10 036</b>	<b>10 036</b>	<b>10 036</b>	<b>10 355</b>	<b>10 355</b>	<b>10 355</b>	<b>324 142</b>	<b>324 142</b>	<b>324 142</b>
<b>Refuse:</b>										
Removed at least once a week		800	800	800	800	800	800	800	800	800
<i>Minimum Service Level and Above sub-total</i>		800	800	800	800	800	800	800	800	800
Removed less frequently than once a week		157	157	157	157	157	157	157	157	157
Using communal refuse dump		250	250	250	250	250	250	250	250	250
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		3	3	3	3	3	3	3	3	3
No rubbish disposal		47 480	47 480	47 480	47 480	47 480	47 480	47 480	47 480	47 480
<i>Below Minimum Service Level sub-total</i>		47 890	47 890	47 890	47 890	47 890	47 890	47 890	47 890	47 890
<b>Total number of households</b>	5	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>	<b>48 690</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	4 800	4 800	4 800	4 800	7 500	7 200	7 532
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	<b>–</b>	<b>–</b>	<b>4 800</b>	<b>4 800</b>	<b>4 800</b>	<b>4 800</b>	<b>7 500</b>	<b>7 200</b>	<b>7 532</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (Rand per household per month)		–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (average litres per week)		–	–	–	–	–	–	–	–	–
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		–	5	10	1 198	581	581	265	277	283
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		–	–	–	–	–	–	–	–	–
<b>Total revenue cost of subsidised services provided</b>	6	<b>–</b>	<b>5</b>	<b>10</b>	<b>1 198</b>	<b>581</b>	<b>581</b>	<b>265</b>	<b>277</b>	<b>283</b>



## **Part 2 – Supporting Documentation**

### **2.1 Overview of the annual budget process**

A budget and IDP process plan was tabled to the municipal council 10 months before the start of the 2024/25 financial year as required by the Municipal Finance Management Act. The process plan sets out a road map with timeframes and tasks clearly set with responsible officials or institutions. The process plan in part of the IDP document and efforts have been made to ensure that these timelines are adhered to the latter.

A draft budget was tabled to council and adopted on 31 March 2025. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2025.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 30<sup>th</sup> of April 2025. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the recent disaster following heavy rains between April 2022 and January 2025 which continues to require resources to help communities recover.

### **2.2 Overview of budget related-policies**

The budget preparation process cannot be separated from the review of related policies that enable the implementation of the budget. The following is a brief look at the budget related policies and where applicable, changes that have been proposed during the budget review:-

#### ***2.2.1 Review of credit control and debt collection policy***

- It is vital to the long term financial viability of the Winnie Madikizela-Mandela Local Municipality that it collects the revenues (such as service charges, rates and taxes) due to it for services rendered. In terms of s96 of the Systems Act, a municipality:
- must collect all money that is due and payable to it subject to this Act and any other applicable legislation; and
- For this purpose, must adopt, maintain and implement a credit control and debt collection policy, which is consistent with rates and tariff policies and complies with the provisions of this Act. This means that appropriate credit control and debtors mechanisms must be maintained. The services provided by the Winnie Madikizela-Mandela Local Municipality include electricity, refuse removal and other municipal services.

#### ***2.2.2 Supply Chain Management Policy***

The policy seeks to ensure compliance with the MFMA and SCM regulations at all times and guiding the municipality's procurement processes and procures.

There has been a number of changes in terms of procurement strategies when it comes to service delivery programs that must be incorporated into the policy to ensure alignment with our procurement mechanisms.

There are a number of procurement recommendations relating to emergency procurement in areas where the municipality struggled to respond over the past years in emergency situations. This has also considered measures to respond to national disasters.

Revisions relating to the Municipal Supply Chain Management Regulations of 2023 have been taken into account, presented to council for consideration and approval, these are further enhanced in this policy reviews.

There are also revisions in response to the utilisation of panels as a procurement strategy that has caused problems for the municipality, these seek to ensure the following is achieved:

- Transparency
- Competitiveness

This will mostly affect delivery of infrastructure programs as these have been as the center of challenges faced during and after the procurement processes.

### ***2.2.3 Budget Policy***

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget, and
- To establish and maintain procedures to ensure adherence to Mbizana's IDP review and budget processes.

The policy ensures compliance with the MFMA, municipal budget and reporting regulations and other prescripts. With the implementation of mSCOA the major changes in this policy relate to the processing of virements.

### ***2.2.4 Cash Management and Investment Policy***

An Accounting Officer has an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible. Effective cash management and competitive investment ensures both short-term and long-term viability and sustainability of the municipality. Hence, it is critical for the Winnie Madikizela-Mandela Local Municipality to have its own Cash Management and Investment Policy located within the local government legislative framework.

The primary and ultimate goal of the investment of funds is to secure the safety, integrity and wholeness of the invested capital, managing liquidity requirements and ensuring the earning of the highest possible return on invested capital at minimum risk (i.e. whilst not risking the partial or total loss of invested capital), within the parameters of authorised instruments as per the MFMA.

The policy ensures the municipality's cash and cash equivalents are managed in a manner that is in line with the MFMA and other regulations governing the municipal cash management and should also take into account comments made by the National Treasury through the Financial Maturity model assessments performed on the municipality. The revisions also relating to the banks the municipality may make investments with

### ***2.2.5 Tariff Policies***

In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.

### ***2.2.6 Property rates policy***

This policy guides the annual setting (or revision) of property rates tariffs. It does not necessarily make specific property rates tariff proposals. Details pertaining to the applications of the various property rates tariffs are annually published in the Provincial Gazette and the municipality's schedule of tariffs, which must be read in conjunction with this policy.

In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners as allowed for in this policy document.

### ***2.2.7 Asset management policy***

The objective of this Asset Management Policy is to ensure that the municipality:

- has consistent application of asset management principles;
- implements accrual accounting;
- complies with the MFMA and other related legislation;
- correctly accounts for Assets under the GRAP accounting framework;
- safeguards and controls the assets of the municipality; and
- Optimizes asset usage.

During the review it was identified that the Asset Management committee did not include the councilors responsible for asset management and this was the proposed change to the policy.

### ***2.2.8 SCM Policy for Infrastructure Procurement and Delivery Management***

The National Treasury issued a circular in October 2015 in relation to the introduction of this policy. The intention of the circular was to a policy that would enable a municipality to separate the supply chain management requirements for general goods and services from those for infrastructure delivery. The infrastructure delivery encompasses a whole range of competencies including planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

### ***2.2.9 Accounts Payable policy***

The policy ensures that services providers are paid within 30 days which includes setting of procedures and processes to ensure that is realised. The major change relates to formalisation of 4 payment runs on the last month of the financial year.

### ***2.2.10 Indigent policy***

The municipality being a rural municipality has a big number of people living below the poverty line which means that there is a number of people requiring free basic services and this policy governs that part.

#### ***2.2.11 Debt Impairment Policy***

The policy seeks to give guidelines on how to treat long outstanding debtors including making provisions for impairment of those debtors when it is not probable that the municipality will recover.

#### ***2.2.12 Inventory Management policy***

This is a policy introduced to regulate the management of the municipality's consumable stores and also ensure adequate stock levels are kept at all times.

## 2.3 Overview of budget assumptions

As the municipality provides services to the communities, a significant amount of costs are incurred and these must be recovered somehow from the consumers. This is where the issue of tariff setting comes in, and we have in this regard been guided by the municipality's performance in the previous financial years, and the guidelines set by the National Treasury in numerous circulars, last of which was MFMA Treasury Circular No.130. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

<b>Fiscal year</b>	<b>2025 Estimate</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>
Consumer Price Inflation - CPI	4.4%	4.3%	4.6%	4.4%

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving its own revenue collection, working more efficiently and implementing cost-containment measures.

The following are the key budget assumptions used to prepare the draft budget with the guidance of National Treasury, NERSA, and SALGBC –

- a) 12.74% increase on electricity tariffs
- b) 11.32% increase on Electricity Bulk purchases
- c) 44% reduction on property rates due to the implementation of the new valuation roll
- d) 5.05% provision for employee costs which is the average CPI percentages for the period 1 February 2024 until 31 January 2025.
- e) 4.3% increase on the remuneration of councilors
- f) 4.4% for all other expenses, and
- g) 4.3% for other revenue municipal Tariffs

## 2.4 Councilor and employee benefits

**Table 21 MBRR SA22 - Summary of councilor and staff benefits**

EC443 Winnie Madikizela Mandela - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		13 357	14 085	14 572	15 896	15 896	15 896	16 690	17 525	18 401
Pension and UIF Contributions		1 110	1 167	1 208	1 325	1 325	1 325	1 391	1 460	1 533
Medical Aid Contributions		1 110	1 167	1 208	1 325	1 325	1 325	1 391	1 460	1 533
Motor Vehicle Allowance		5 513	5 762	5 961	6 623	6 623	6 623	6 954	7 302	7 667
Cellphone Allowance		3 691	4 139	3 003	3 384	3 384	3 384	3 553	3 730	3 917
Housing Allowances										
Other benefits and allowances				1 208	1 325	1 325	1 325	1 391	1 460	1 533
<b>Sub Total - Councillors</b>		<b>24 782</b>	<b>26 321</b>	<b>27 159</b>	<b>29 876</b>	<b>29 876</b>	<b>29 876</b>	<b>31 370</b>	<b>32 939</b>	<b>34 586</b>
<b>% increase</b>	4		<b>6,2%</b>	<b>3,2%</b>	<b>10,0%</b>	<b>-</b>	<b>-</b>	<b>5,0%</b>	<b>5,0%</b>	<b>5,0%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5 172	5 572	5 580	5 602	5 868	5 868	5 921	6 202	6 497
Pension and UIF Contributions		92	176	206	195	207	207	202	211	221
Medical Aid Contributions		429	343	317	308	328	328	221	232	243
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 576	1 477	1 700	1 780	1 865	1 865	1 862	1 950	2 043
Cellphone Allowance	3	129	114	99	94	102	102	99	103	108
Housing Allowances	3	445	426	421	417	438	438	433	454	475
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 843</b>	<b>8 107</b>	<b>8 324</b>	<b>8 396</b>	<b>8 808</b>	<b>8 808</b>	<b>8 737</b>	<b>9 152</b>	<b>9 587</b>
<b>% increase</b>	4		<b>3,4%</b>	<b>2,7%</b>	<b>0,9%</b>	<b>4,9%</b>	<b>-</b>	<b>(0,8%)</b>	<b>4,8%</b>	<b>4,7%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		64 485	79 542	73 681	81 477	82 460	82 460	86 252	90 330	94 599
Pension and UIF Contributions		10 240	11 266	12 314	13 562	13 757	13 757	14 493	15 182	15 903
Medical Aid Contributions		4 888	5 356	6 137	6 640	7 671	7 671	8 220	8 610	9 019
Overtime		1 715	1 387	2 496	3 279	3 389	3 389	4 168	4 366	4 574
Performance Bonus		5 166	5 971	6 106	6 464	6 777	6 777	6 780	7 102	7 439
Motor Vehicle Allowance	3	6 988	7 625	8 089	8 829	9 240	9 240	9 372	9 817	10 283
Cellphone Allowance	3	611	615	593	1 257	1 269	1 269	1 586	1 613	1 642
Housing Allowances	3	3 384	3 728	3 957	4 373	4 555	4 555	4 851	5 082	5 323
Other benefits and allowances	3	1 810	2 017	6 029	3 489	3 551	3 551	3 567	3 734	3 909
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>99 286</b>	<b>117 507</b>	<b>119 402</b>	<b>129 370</b>	<b>132 669</b>	<b>132 669</b>	<b>139 289</b>	<b>145 836</b>	<b>152 692</b>
<b>% increase</b>	4		<b>18,4%</b>	<b>1,6%</b>	<b>8,3%</b>	<b>2,6%</b>	<b>-</b>	<b>5,0%</b>	<b>4,7%</b>	<b>4,7%</b>
<b>Total Parent Municipality</b>		<b>131 912</b>	<b>151 935</b>	<b>154 885</b>	<b>167 642</b>	<b>171 353</b>	<b>171 353</b>	<b>179 396</b>	<b>187 926</b>	<b>196 864</b>
			<b>15,2%</b>	<b>1,9%</b>	<b>8,2%</b>	<b>2,2%</b>	<b>-</b>	<b>4,7%</b>	<b>4,8%</b>	<b>4,8%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>131 912</b>	<b>151 935</b>	<b>154 885</b>	<b>167 642</b>	<b>171 353</b>	<b>171 353</b>	<b>179 396</b>	<b>187 926</b>	<b>196 864</b>
<b>% increase</b>	4		<b>15,2%</b>	<b>1,9%</b>	<b>8,2%</b>	<b>2,2%</b>	<b>-</b>	<b>4,7%</b>	<b>4,8%</b>	<b>4,8%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>107 129</b>	<b>125 614</b>	<b>127 726</b>	<b>137 766</b>	<b>141 477</b>	<b>141 477</b>	<b>148 026</b>	<b>154 987</b>	<b>162 278</b>

### a. Employee costs

Below are vacant positions that are included in the calculations of these final budget amounts that have been agreed on with Corporate Services to ensure these are on the municipality's current organisational structure. In line with the national government's call to manage the public sector wage bill the municipality's employee costs budget plus remuneration of councillors makes up 35% of the operating budget including non-cash items which then almost breaches the maximum limit permitted of 40%, at 38% when we exclude non-cash items. Below are the details of vacant positions included in the draft budget.

### Municipal Manager

- Children, Elderly & PWD Officer

**Corporate Services**

- House Keeper X 5
- Manager: Admin Support & Aux Services
- Labour Relations Officer

**Community Services**

- Park and Cemetery Supervisor
- VIP X 1
- Cashier
- Community Safety Officer

**Refuse Removal**

- General Assistants

**Engineering Services**

- Truck Driver

**Budget and Treasury Office**

- Asset Management Clerk

The above positions exclude those where recruitment processes have already commenced or concluded but the successful incumbents have not resumed duties yet. These have been included as positions that are filled as they should be filled by the time this budget is implemented.

No new positions are proposed to be added on the municipality's organisational structure for the next three financial years.

**b. Remuneration of councillors and Senior Managers**

An increase of 4.3% was used to accommodate any adjustments that might need to be implemented during the year once a new gazette on the remuneration of office bearers has been issued and also ensuring that we have catered for the grade 4 position for the purposes of the remuneration of councillors as outlined in the government gazette issued from time to time for the municipality. The formula for the allocation of the Equitable share includes an allocation to support councillor remuneration and ward committees. This allocation for the budget year is R15.2 million requiring the municipality to also fund the remuneration of councillors from revenues internally generated.

**EC443 Winnie Madikizela Mandela - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	559 236	93 216	333 168			985 620
Chief Whip		1	524 268	87 384	315 696			927 348
Executive Mayor		1	699 024	116 496	403 068			1 218 588
Deputy Executive Mayor			—	—	—			—
Executive Committee		9	4 068 324	678 072	2 590 632			7 337 028
Total for all other councillors		52	10 839 516	1 806 600	8 255 448			20 901 564
<b>Total Councillors</b>	8	64	16 690 368	2 781 768	11 898 012			31 370 148
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)			1 149 840	124 428	471 168	—		1 745 436
Chief Finance Officer			910 668	2 256	570 576	—		1 483 500
Senior Manager - Engineering			967 176	2 136	415 464	—		1 384 776
Senior Manager - Corporate Services			972 504	14 076	332 940	—		1 319 520
Senior Manager - Community Services			964 716	106 812	347 208	—		1 418 736
Senior Manager - Development Planning			955 824	173 016	256 080	—		1 384 920
List of each official with packages >= senior manager								
<b>Total Senior Managers of the Municipality</b>	8,10	—	5 920 728	422 724	2 393 436	—		8 736 888
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								—
<b>Total for municipal entities</b>	8,10	—	—	—	—	—		—
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	64	22 611 096	3 204 492	14 291 448	—		40 107 036



## 2.5 Expenditure on grants and reconciliations of unspent funds

**Table 22 MBRR SA19 – Expenditure on transfers and grant programmes**

EC443 Winnie Madikizela Mandela - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>EXPENDITURE:</b>	<b>1</b>									
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>297 741</b>	<b>341 206</b>	<b>387 144</b>	<b>366 418</b>	<b>361 120</b>	<b>377 431</b>	<b>366 418</b>	<b>361 120</b>	<b>377 431</b>
Local Government Equitable Share		289 620	320 095	359 441	357 855	355 590	371 655	357 855	355 590	371 655
Finance Management		2 000	2 100	2 100	2 100	2 300	2 400	2 100	2 300	2 400
Expanded Public Works Programme Integrated Grant		3 570	3 687	2 981	3 111	–	–	3 111	–	–
Municipal Infrastructure Grant		2 551	2 534	2 826	3 352	3 230	3 376	3 352	3 230	3 376
Municipal Disaster Relief Grant		–	12 790	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		–	–	19 797	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>500</b>	<b>500</b>	<b>500</b>	<b>1 347</b>	<b>1 347</b>	<b>1 347</b>	<b>732</b>	<b>732</b>	<b>732</b>
Sport and Recreation		500	500	500	1 147	1 147	1 147	732	732	732
Greenest Municipality Competition		–	–	–	200	200	200	–	–	–
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>150</b>	<b>–</b>	<b>–</b>	<b>–</b>
District IDP Grant		–	–	–	–	150	150	–	–	–
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total operating expenditure of Transfers and Grants:</b>		<b>298 241</b>	<b>341 706</b>	<b>387 644</b>	<b>367 765</b>	<b>362 617</b>	<b>378 928</b>	<b>367 150</b>	<b>361 852</b>	<b>378 163</b>
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		<b>86 447</b>	<b>98 354</b>	<b>79 264</b>	<b>53 686</b>	<b>81 081</b>	<b>81 081</b>	<b>85 522</b>	<b>62 361</b>	<b>70 141</b>
Municipal Infrastructure Grant (MIG)		51 023	48 148	50 906	53 686	53 686	53 686	63 693	61 361	64 141
Neighbourhood Development Partnership		6 971	–	9 168	–	–	–	–	1 000	1 000
Municipal Disaster Recovery Grant		–	33 806	–	–	21 829	21 829	21 829	–	–
Integrated National Electrification Programme Grant		28 453	16 400	–	–	5 566	5 566	–	–	5 000
Municipal Disaster Response Grant		–	–	19 190	–	–	–	–	–	–
<b>Provincial Government:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>415</b>	<b>415</b>	<b>415</b>
Sport and Recreation		–	–	–	–	–	–	415	415	415
Greenest Municipality Competition		–	–	–	–	–	–	200	–	–
<b>District Municipality:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total capital expenditure of Transfers and Grants</b>		<b>86 447</b>	<b>98 354</b>	<b>79 264</b>	<b>53 686</b>	<b>81 081</b>	<b>81 081</b>	<b>85 937</b>	<b>62 776</b>	<b>70 556</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>384 688</b>	<b>440 060</b>	<b>466 908</b>	<b>421 452</b>	<b>443 697</b>	<b>460 009</b>	<b>453 087</b>	<b>424 628</b>	<b>448 719</b>

**Table 23 MBRR SA20 – Reconciliation of transfers, grant receipts and unspent funds**

EC443 Winnie Madikizela Mandela - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		295 529	338 714	346 786	392 710	387 144	387 144	366 418	361 120	377 431
Repayment of grants										
<b>Conditions met - transferred to revenue</b>		<b>295 529</b>	<b>338 602</b>	<b>346 786</b>	<b>392 710</b>	<b>387 144</b>	<b>387 144</b>	<b>366 418</b>	<b>361 120</b>	<b>377 431</b>
Conditions still to be met - transferred to liabilities			112							
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		804	1 048	12	200	200	200	–	–	–
Current year receipts		500	500	5 000	1 147	1 147	1 147	732	732	732
<b>Conditions met - transferred to revenue</b>		<b>1 304</b>	<b>1 548</b>	<b>4 661</b>	<b>1 347</b>	<b>1 347</b>	<b>1 147</b>	<b>732</b>	<b>732</b>	<b>732</b>
Conditions still to be met - transferred to liabilities				351			200			
<b>District Municipality:</b>										
Balance unspent at beginning of the year								100	–	–
Current year receipts				100		150	150	–	–	–
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>150</b>	<b>150</b>	<b>100</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities				100						
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		<b>296 832</b>	<b>340 150</b>	<b>351 446</b>	<b>394 057</b>	<b>388 641</b>	<b>388 441</b>	<b>367 250</b>	<b>361 852</b>	<b>378 163</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>–</b>	<b>112</b>	<b>451</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year		4 255	6 285	8 087	11 514	5 924	5 924	21 829		
Current year receipts		86 447	98 354	81 943	53 686	75 515	75 515	63 693	62 361	70 141
<b>Conditions met - transferred to revenue</b>		<b>90 702</b>	<b>96 552</b>	<b>76 071</b>	<b>65 200</b>	<b>81 439</b>	<b>81 439</b>	<b>85 522</b>	<b>62 361</b>	<b>70 141</b>
Conditions still to be met - transferred to liabilities			8 087	13 958						
<b>Provincial Government:</b>										
Balance unspent at beginning of the year								200	–	–
Current year receipts								415	415	415
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>615</b>	<b>415</b>	<b>415</b>
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
<b>Conditions met - transferred to revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>90 702</b>	<b>96 552</b>	<b>76 071</b>	<b>65 200</b>	<b>81 439</b>	<b>81 439</b>	<b>86 137</b>	<b>62 776</b>	<b>70 556</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>–</b>	<b>8 087</b>	<b>13 958</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>387 534</b>	<b>436 703</b>	<b>427 518</b>	<b>459 257</b>	<b>470 081</b>	<b>469 881</b>	<b>453 387</b>	<b>424 628</b>	<b>448 719</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>–</b>	<b>8 198</b>	<b>14 409</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table 24 MBRR SA24 – Summary of personnel numbers****EC443 Winnie Madikizela Mandela - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers		Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>											
Councillors (Political Office Bearers plus Other Councillors)			64	–	64	64	–	64	64	–	64
Board Members of municipal entities		4	–	–	–						
<b>Municipal employees</b>											
Municipal Manager and Senior Managers		5									
Other Managers		3	6	5	1	6	5	1	6	5	1
Professionals		7	21	20	1	21	20	1	21	20	1
Finance			11	11	–	11	10	–	11	10	–
Spatial/town planning			4	4	–	–	–	–	–	–	–
Information Technology			2	2	–	7	6	–	7	6	–
Roads			1	1	–	–	–	–	–	–	–
Electricity			2	2	–	2	2	–	2	2	–
Water			1	1	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			1	1	–	–	–	–	–	–	–
Technicians			–	–	–	2	2	–	2	2	–
Finance			18	18	2	10	10	–	10	10	–
Spatial/town planning			6	6	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			2	2	–	2	2	–	2	2	–
Electricity			5	5	–	2	2	–	2	2	–
Water			3	3	–	6	6	–	6	6	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			2	2	2	–	–	–	–	–	–
Clerks (Clerical and administrative)			–	–	–	–	–	–	–	–	–
Service and sales workers			99	99	–	105	98	7	105	98	7
Skilled agricultural and fishery workers			–	–	–	49	36	–	49	36	–
Craft and related trades			2	2	–	2	2	–	2	2	–
Plant and Machine Operators			–	–	–	3	3	–	3	3	–
Elementary Occupations			–	–	–	5	5	–	5	5	–
<b>TOTAL PERSONNEL NUMBERS</b>		9	110	110	–	98	71	–	98	71	–
<b>% increase</b>			336	270	68	374	260	73	374	260	73
<b>Total municipal employees headcount</b>		6, 10	69	69	–	70	68	2	70	68	2
Finance personnel headcount		8, 10	25	25	–	25	24	1	25	24	1
Human Resources personnel headcount		8, 10	44	44	–	45	44	1	45	44	1

## EC443 Winnie Madikizela Mandela - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		13 357	14 085	14 572	15 896	15 896	15 896	16 690	17 525	18 401
Pension and UIF Contributions		1 110	1 167	1 208	1 325	1 325	1 325	1 391	1 460	1 533
Medical Aid Contributions		1 110	1 167	1 208	1 325	1 325	1 325	1 391	1 460	1 533
Motor Vehicle Allowance		5 513	5 762	5 961	6 623	6 623	6 623	6 954	7 302	7 667
Cellphone Allowance		3 691	4 139	3 003	3 384	3 384	3 384	3 553	3 730	3 917
Housing Allowances										
Other benefits and allowances				1 208	1 325	1 325	1 325	1 391	1 460	1 533
<b>Sub Total - Councillors</b>		<b>24 782</b>	<b>26 321</b>	<b>27 159</b>	<b>29 876</b>	<b>29 876</b>	<b>29 876</b>	<b>31 370</b>	<b>32 939</b>	<b>34 586</b>
<b>% increase</b>	4		<b>6,2%</b>	<b>3,2%</b>	<b>10,0%</b>	<b>-</b>	<b>-</b>	<b>5,0%</b>	<b>5,0%</b>	<b>5,0%</b>
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		5 172	5 572	5 580	5 602	5 868	5 868	5 921	6 202	6 497
Pension and UIF Contributions		92	176	206	195	207	207	202	211	221
Medical Aid Contributions		429	343	317	308	328	328	221	232	243
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	1 576	1 477	1 700	1 780	1 865	1 865	1 862	1 950	2 043
Cellphone Allowance	3	129	114	99	94	102	102	99	103	108
Housing Allowances	3	445	426	421	417	438	438	433	454	475
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>7 843</b>	<b>8 107</b>	<b>8 324</b>	<b>8 396</b>	<b>8 808</b>	<b>8 808</b>	<b>8 737</b>	<b>9 152</b>	<b>9 587</b>
<b>% increase</b>	4		<b>3,4%</b>	<b>2,7%</b>	<b>0,9%</b>	<b>4,9%</b>	<b>-</b>	<b>(0,8%)</b>	<b>4,8%</b>	<b>4,7%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		64 485	79 542	73 681	81 477	82 460	82 460	86 252	90 330	94 599
Pension and UIF Contributions		10 240	11 266	12 314	13 562	13 757	13 757	14 493	15 182	15 903
Medical Aid Contributions		4 888	5 356	6 137	6 640	7 671	7 671	8 220	8 610	9 019
Overtime		1 715	1 387	2 496	3 279	3 389	3 389	4 168	4 366	4 574
Performance Bonus		5 166	5 971	6 106	6 464	6 777	6 777	6 780	7 102	7 439
Motor Vehicle Allowance	3	6 988	7 625	8 089	8 829	9 240	9 240	9 372	9 817	10 283
Cellphone Allowance	3	611	615	593	1 257	1 269	1 269	1 586	1 613	1 642
Housing Allowances	3	3 384	3 728	3 957	4 373	4 555	4 555	4 851	5 082	5 323
Other benefits and allowances	3	1 810	2 017	6 029	3 489	3 551	3 551	3 567	3 734	3 909
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>99 286</b>	<b>117 507</b>	<b>119 402</b>	<b>129 370</b>	<b>132 669</b>	<b>132 669</b>	<b>139 289</b>	<b>145 836</b>	<b>152 692</b>
<b>% increase</b>	4		<b>18,4%</b>	<b>1,6%</b>	<b>8,3%</b>	<b>2,6%</b>	<b>-</b>	<b>5,0%</b>	<b>4,7%</b>	<b>4,7%</b>
<b>Total Parent Municipality</b>		<b>131 912</b>	<b>151 935</b>	<b>154 885</b>	<b>167 642</b>	<b>171 353</b>	<b>171 353</b>	<b>179 396</b>	<b>187 926</b>	<b>196 864</b>
			<b>15,2%</b>	<b>1,9%</b>	<b>8,2%</b>	<b>2,2%</b>	<b>-</b>	<b>4,7%</b>	<b>4,8%</b>	<b>4,8%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>131 912</b>	<b>151 935</b>	<b>154 885</b>	<b>167 642</b>	<b>171 353</b>	<b>171 353</b>	<b>179 396</b>	<b>187 926</b>	<b>196 864</b>
<b>% increase</b>	4		<b>15,2%</b>	<b>1,9%</b>	<b>8,2%</b>	<b>2,2%</b>	<b>-</b>	<b>4,7%</b>	<b>4,8%</b>	<b>4,8%</b>
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>107 129</b>	<b>125 614</b>	<b>127 726</b>	<b>137 766</b>	<b>141 477</b>	<b>141 477</b>	<b>148 026</b>	<b>154 987</b>	<b>162 278</b>

## 2.6 Monthly targets for revenue, expenditure and cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Cash Receipts By Source</b>															
Property rates	16 285	987	987	987	987	987	987	987	987	987	987	987	27 141	25 006	26 156
Service charges - electricity revenue	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	62 321	65 265	68 350
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	375	375	375	375	375	375	375	375	375	375	375	375	4 502	4 531	4 739
Rental of facilities and equipment	480	480	480	480	480	480	480	480	480	480	480	480	5 764	6 153	6 509
Interest earned - external investments	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	39 677	41 661	43 744
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	13	13	13	13	13	13	13	13	13	13	13	13	150	85	100
Licences and permits	198	198	198	198	198	198	198	198	198	198	198	198	2 379	2 484	2 546
Agency services	125	125	125	125	125	125	125	125	125	125	125	125	1 499	1 574	1 652
Transfers and Subsidies - Operational	146 860	-	-	-	-	128 503	-	-	91 788	-	-	-	367 150	361 852	378 163
Other revenue	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 074	72 894	59 068	52 562
<b>Cash Receipts by Source</b>	<b>178 910</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>145 255</b>	<b>16 752</b>	<b>16 752</b>	<b>108 540</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>583 477</b>	<b>567 678</b>	<b>584 520</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	25 643	-	-	22 438	-	-	16 027	-	-	-	64 108	62 776	70 556
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>178 910</b>	<b>16 752</b>	<b>42 396</b>	<b>16 752</b>	<b>16 752</b>	<b>167 693</b>	<b>16 752</b>	<b>16 752</b>	<b>124 567</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>647 585</b>	<b>630 454</b>	<b>655 076</b>
<b>Cash Payments by Type</b>															
Employee related costs	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	149 202	156 223	163 572
Remuneration of councillors	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	31 370	32 939	34 586
Interest	9	9	9	9	9	9	9	9	9	9	9	9	104	109	112
Bulk purchases - electricity	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	58 448	61 079	62 606
Acquisitions - water & other inventory	733	733	733	733	733	733	733	733	733	733	733	733	8 800	9 193	9 423
Contracted services	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	10 999	132 334	126 169	126 059
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	21 914	95 087	101 819	95 864
<b>Cash Payments by Type</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>53 574</b>	<b>475 346</b>	<b>487 530</b>	<b>492 221</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	7 982	11 805	10 747	6 514	28 175	23 752	9 177	28 544	10 880	16 187	11 155	25 124	190 043	125 766	115 114
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>46 325</b>	<b>50 148</b>	<b>49 090</b>	<b>44 857</b>	<b>66 518</b>	<b>62 095</b>	<b>47 520</b>	<b>66 887</b>	<b>49 223</b>	<b>54 530</b>	<b>49 498</b>	<b>78 698</b>	<b>665 389</b>	<b>613 296</b>	<b>607 335</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>132 585</b>	<b>(33 395)</b>	<b>(6 694)</b>	<b>(28 104)</b>	<b>(49 765)</b>	<b>105 597</b>	<b>(30 767)</b>	<b>(50 135)</b>	<b>75 344</b>	<b>(37 778)</b>	<b>(32 745)</b>	<b>(61 946)</b>	<b>(17 804)</b>	<b>17 158</b>	<b>47 741</b>
Cash/cash equivalents at the month/year begin:	409 706	542 291	508 896	502 202	474 098	424 332	529 929	499 162	449 027	524 371	486 593	453 848	409 706	391 902	409 060
Cash/cash equivalents at the month/year end:	542 291	508 896	502 202	474 098	424 332	529 929	499 162	449 027	524 371	486 593	453 848	391 902	391 902	409 060	456 801

Table 25 MBRR SA25 – Budgeted monthly revenue and expenditure

EC443 Winnie Madikizela Mandela - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		4 666	4 666	4 666	4 666	4 666	4 666	4 666	4 666	4 666	4 666	4 666	4 665	55 986	59 132	62 453
Service charges - Water		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Water Management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - Waste Management		433	433	433	433	433	433	433	433	433	433	433	433	5 200	5 343	5 475
Sale of Goods and Rendering of Services		1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	1 873	22 481	15 495	11 188
Agency services		125	125	125	125	125	125	125	125	125	125	125	125	1 499	1 574	1 652
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		332	332	332	332	332	332	332	332	332	332	332	332	3 984	4 164	4 232
Interest earned from Current and Non Current Assets		3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	39 677	41 661	43 744
Dividends		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		480	480	480	480	480	480	480	480	480	480	480	480	5 764	6 153	6 509
Licence and permits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Special rating levies</b>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		34	34	34	34	34	34	34	34	34	34	34	34	405	416	428
<b>Non-Exchange Revenue</b>																
Property rates		2 016	2 016	2 016	2 016	2 016	2 016	2 016	2 016	2 016	2 016	2 016	2 016	24 187	25 276	25 907
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		32	32	32	32	32	32	32	32	32	32	32	32	386	406	426
Licences or permits		198	198	198	198	198	198	198	198	198	198	198	198	2 379	2 484	2 546
Transfer and subsidies - Operational		30 596	30 596	30 596	30 596	30 596	30 596	30 596	30 596	30 596	30 596	30 596	30 596	367 150	361 852	378 253
Interest		409	409	409	409	409	409	409	409	409	409	409	409	4 907	5 128	5 256
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Gains		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 501</b>	<b>44 500</b>	<b>534 006</b>	<b>529 081</b>	<b>548 068</b>
<b>Expenditure</b>																
Employee related costs		12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 336	12 333	148 023	154 984	162 275
Remuneration of councillors		2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	31 370	32 938	34 585
Bulk purchases - electricity		4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	58 448	61 079	62 606
Inventory consumed		733	733	733	733	733	733	733	733	733	733	733	733	629	8 696	9 310
Debt impairment		509	509	509	509	509	509	509	509	509	509	509	509	6 109	6 366	6 524
Depreciation and amortisation		4 018	4 018	4 018	4 018	4 018	4 018	4 018	4 018	4 018	4 018	4 018	4 018	48 219	50 388	50 388
Interest		9	9	9	9	9	9	9	9	9	9	9	9	104	105	108
Contracted services		11 046	11 046	11 046	11 046	11 046	11 046	11 046	11 046	11 046	11 046	11 046	11 046	132 555	126 856	125 564
Transfers and subsidies		454	454	454	454	454	454	454	454	454	454	454	454	5 454	5 699	5 841
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Operational costs		7 541	7 541	7 541	7 541	7 541	7 541	7 541	7 541	7 541	7 541	7 541	7 541	90 493	89 603	92 112
Losses on disposal of Assets		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Losses		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total Expenditure</b>		<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 132</b>	<b>44 024</b>	<b>529 471</b>	<b>537 102</b>	<b>549 314</b>
<b>Surplus/(Deficit)</b>		<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>476</b>	<b>4 535</b>	<b>(8 021)</b>	<b>(1 246)</b>
Transfers and subsidies - capital (monetary allocations)		7 161	7 161	7 161	7 161	7 161	7 161	7 161	7 161	7 161	7 161	7 161	7 361	86 137	62 776	70 556
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 838</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Income Tax		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after income tax</b>		<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 838</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) attributable to municipality</b>		<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 838</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	1	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 530</b>	<b>7 838</b>	<b>90 672</b>	<b>54 756</b>	<b>69 310</b>

**Table 26 MBRR SA26 – Budgeted monthly revenue and expenditure (municipal vote)**

EC443 Winnie Madikizela Mandela - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue by Vote</b>																
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		18	18	18	18	18	18	18	18	18	18	18	18	220	231	243
Vote 3 - Budget and Treasury Office		33 327	33 327	33 327	33 327	33 327	33 327	33 327	33 327	33 327	33 327	33 327	33 327	399 920	399 845	418 187
Vote 4 - Community Services		1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 844	15 395	12 486	12 823
Vote 5 - Development Planning		2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901	34 816	37 518	38 631
Vote 6 - Engineering Services		14 149	14 149	14 149	14 149	14 149	14 149	14 149	14 149	14 149	14 149	14 149	14 149	169 791	141 776	148 741
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
<b>Total Revenue by Vote</b>		<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>51 628</b>	<b>52 240</b>	<b>620 143</b>	<b>591 858</b>	<b>618 625</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Executive and Council		7 689	7 689	7 689	7 689	7 689	7 689	7 689	7 689	7 689	7 689	7 689	7 687	92 264	96 627	100 435
Vote 2 - Corporate Services		5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 715	5 713	68 574	71 703	73 655
Vote 3 - Budget and Treasury Office		3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 722	3 721	44 658	46 737	48 342
Vote 4 - Community Services		8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	8 665	16 050	111 367	107 338	111 087
Vote 5 - Development Planning		2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	2 289	9 560	34 737	34 018	34 934
Vote 6 - Engineering Services		14 974	14 974	14 974	14 974	14 974	14 974	14 974	14 974	14 974	14 974	14 974	13 152	177 871	180 684	180 866
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>		<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>43 054</b>	<b>55 882</b>	<b>529 471</b>	<b>537 106</b>	<b>549 318</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>(3 643)</b>	<b>90 671</b>	<b>54 752</b>	<b>69 306</b>
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>8 574</b>	<b>(3 643)</b>	<b>90 671</b>	<b>54 752</b>	<b>69 306</b>

Table 27 MBRR SA27 – Budgeted monthly revenue and expenditure (standard classification)

EC443 Winnie Madikizela Mandela - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	434 585	436 207	455 662
Executive and council														–	–	–
Finance and administration		36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	36 215	434 585	436 207	455 662
Internal audit														–	–	–
<b>Community and public safety</b>		480	480	480	480	480	480	480	480	480	480	480	680	5 960	5 970	6 144
Community and social services		131	131	131	131	131	131	131	131	131	131	131	131	1 569	1 584	1 601
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	200	200	–	–
Public safety		349	349	349	349	349	349	349	349	349	349	349	349	4 191	4 386	4 543
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		7 437	7 437	7 437	7 437	7 437	7 437	7 437	7 437	7 437	7 437	7 437	7 437	89 245	65 979	68 916
Planning and development		310	310	310	310	310	310	310	310	310	310	310	310	3 723	4 617	4 774
Road transport		7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	7 127	85 522	61 361	64 141
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		7 529	7 529	7 529	7 529	7 529	7 529	7 529	7 529	7 529	7 529	7 529	7 529	90 352	83 702	87 903
Energy sources		6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	6 743	80 917	77 185	81 224
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		786	786	786	786	786	786	786	786	786	786	786	786	9 434	6 517	6 679
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>		51 662	51 662	51 662	51 662	51 662	51 662	51 662	51 662	51 662	51 662	51 662	51 861	620 143	591 858	618 625
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		19 055	19 055	19 055	19 055	19 055	19 055	19 055	19 055	19 055	19 055	19 055	19 050	228 655	239 115	247 194
Executive and council		5 530	5 530	5 530	5 530	5 530	5 530	5 530	5 530	5 530	5 530	5 530	5 529	66 361	69 533	72 385
Finance and administration		13 044	13 044	13 044	13 044	13 044	13 044	13 044	13 044	13 044	13 044	13 044	13 041	156 529	163 550	168 561
Internal audit		480	480	480	480	480	480	480	480	480	480	480	480	5 765	6 031	6 247
<b>Community and public safety</b>		3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	3 316	6 470	42 942	42 231	44 052
Community and social services		1 254	1 254	1 254	1 254	1 254	1 254	1 254	1 254	1 254	1 254	1 254	4 623	18 414	16 908	17 690
Sport and recreation		265	265	265	265	265	265	265	265	265	265	265	51	2 969	3 104	3 229
Public safety		1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	1 703	20 440	21 048	21 905
Housing		93	93	93	93	93	93	93	93	93	93	93	93	1 119	1 172	1 228
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		9 684	9 684	9 684	9 684	9 684	9 684	9 684	9 684	9 684	9 684	9 684	8 784	115 310	121 043	123 850
Planning and development		3 084	3 084	3 084	3 084	3 084	3 084	3 084	3 084	3 084	3 084	3 084	4 902	38 827	38 307	39 479
Road transport		6 329	6 329	6 329	6 329	6 329	6 329	6 329	6 329	6 329	6 329	6 329	6 324	73 238	79 341	80 839
Environmental protection		271	271	271	271	271	271	271	271	271	271	271	258	3 244	3 395	3 532
<b>Trading services</b>		11 215	11 215	11 215	11 215	11 215	11 215	11 215	11 215	11 215	11 215	11 215	14 776	138 141	130 090	129 424
Energy sources		8 074	8 074	8 074	8 074	8 074	8 074	8 074	8 074	8 074	8 074	8 074	8 957	97 773	94 156	92 487
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	3 141	5 819	40 368	35 934	36 938
<b>Other</b>		–	–	–	–	–	–	–	–	–	–	–	4 422	4 422	4 627	4 797
<b>Total Expenditure - Functional</b>		43 270	43 270	43 270	43 270	43 270	43 270	43 270	43 270	43 270	43 270	43 270	53 501	529 471	537 106	549 318
<b>Surplus/(Deficit) before assoc.</b>		8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	(1 640)	90 672	54 752	69 306
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit)</b>	1	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	8 392	(1 640)	90 672	54 752	69 306



**Table 28 MBRR SA28 – Budgeted monthly capital expenditure (municipal vote)**

EC443 Winnie Madikizela Mandela - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Development Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Executive and Council		-	-	-	-	-	1 304	-	-	-	-	-	-	1 304	-	-
Vote 2 - Corporate Services		-	-	1 050	-	1 300	-	-	-	1 876	-	-	2 057	6 283	7 670	4 163
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		1 264	1 264	-	1 500	-	2 300	-	-	-	-	-	377	6 704	19 298	5 491
Vote 5 - Development Planning		-	4 800	600	1 250	4 300	5 200	1 200	340	915	3 400	2 500	498	25 003	24 977	8 696
Vote 6 - Engineering Services		5 677	4 201	7 695	2 914	18 900	11 850	6 780	24 481	6 670	10 676	7 200	19 534	126 579	43 304	67 306
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	6 941	10 265	9 345	5 664	24 500	20 654	7 980	24 821	9 461	14 076	9 700	22 465	165 872	95 249	85 655
<b>Total Capital Expenditure</b>	2	6 941	10 265	9 345	5 664	24 500	20 654	7 980	24 821	9 461	14 076	9 700	22 465	165 872	95 249	85 655

**Table 29 MBRR SA29 – Budgeted monthly capital expenditure (functional classification)**

EC443 Winnie Madikizela Mandela - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		-	-	1 050	-	1 300	1 304	-	-	1 876	-	-	4 061	9 591	7 670	4 163
Executive and council		-	-	-	-	-	1 304	-	-	-	-	-	-	1 304	-	-
Finance and administration		-	-	1 050	-	1 300	-	-	-	1 876	-	-	4 061	8 287	7 670	4 163
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1 800	120	3 450	39	-	3 350	-	8 760	1 270	-	-	2 657	21 446	1 722	1 896
Community and social services		1 800	-	3 450	-	-	3 200	-	8 760	1 270	-	-	2 557	21 037	1 461	1 635
Sport and recreation		-	120	-	39	-	150	-	-	-	-	-	100	409	261	261
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		4 560	10 145	3 345	5 225	23 200	16 000	6 980	15 790	6 315	13 940	9 700	14 853	130 053	60 828	67 079
Planning and development		-	8 400	600	1 250	4 300	5 200	1 200	340	915	3 400	2 500	1 976	30 081	26 629	11 304
Road transport		4 560	1 745	2 745	3 975	18 900	10 800	5 780	15 450	5 400	10 540	7 200	12 877	99 972	34 199	55 775
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		581	-	1 500	400	-	-	1 000	271	-	136	-	895	4 783	25 029	12 517
Energy sources		581	-	-	400	-	-	-	271	-	136	-	264	1 652	6 352	7 648
Water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	1 500	-	-	-	1 000	-	-	-	-	630	3 130	18 676	4 870
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	6 941	10 265	9 345	5 664	24 500	20 654	7 980	24 821	9 461	14 076	9 700	22 465	165 872	95 249	85 655
<b>Funded by:</b>																
National Government		5 941	4 500	8 600	2 664	10 900	10 800	5 780	5 820	5 400	5 200	6 200	2 515	74 320	52 983	60 123
Provincial Government		-	-	200	-	-	-	335	-	-	-	-	-	535	361	361
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		5 941	4 500	8 800	2 664	10 900	10 800	6 115	5 820	5 400	5 200	6 200	2 515	74 854	53 344	60 484
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		1 000	5 765	545	3 000	13 600	9 854	1 865	19 001	4 061	8 876	3 500	19 951	91 018	41 905	25 172
<b>Total Capital Funding</b>		6 941	10 265	9 345	5 664	24 500	20 654	7 980	24 821	9 461	14 076	9 700	22 465	165 872	95 249	85 655

Table 30 MBRR SA30 – Budgeted monthly cash flow

EC443 Winnie Madikizela Mandela - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>															
<b>Cash Receipts By Source</b>															
Property rates	16 285	987	987	987	987	987	987	987	987	987	987	987	27 141	25 006	26 156
Service charges - electricity revenue	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	5 193	62 321	65 265	68 350
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	375	375	375	375	375	375	375	375	375	375	375	375	4 502	4 531	4 739
Rental of facilities and equipment	480	480	480	480	480	480	480	480	480	480	480	480	5 764	6 153	6 509
Interest earned - external investments	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	3 306	39 677	41 661	43 744
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	13	13	13	13	13	13	13	13	13	13	13	13	150	85	100
Licences and permits	198	198	198	198	198	198	198	198	198	198	198	198	2 379	2 484	2 546
Agency services	125	125	125	125	125	125	125	125	125	125	125	125	1 499	1 574	1 652
Transfers and Subsidies - Operational	146 860	–	–	–	–	128 503	–	–	91 788	–	–	–	367 150	361 852	378 163
Other revenue	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	6 075	72 894	59 068	52 562
<b>Cash Receipts by Source</b>	<b>178 910</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>145 255</b>	<b>16 752</b>	<b>16 752</b>	<b>108 540</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>583 477</b>	<b>567 678</b>	<b>584 520</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	25 643	–	–	22 438	–	–	16 027	–	–	–	64 108	62 776	70 556
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Receipts by Source</b>	<b>178 910</b>	<b>16 752</b>	<b>42 396</b>	<b>16 752</b>	<b>16 752</b>	<b>167 693</b>	<b>16 752</b>	<b>16 752</b>	<b>124 567</b>	<b>16 752</b>	<b>16 752</b>	<b>16 752</b>	<b>647 585</b>	<b>630 454</b>	<b>655 076</b>
<b>Cash Payments by Type</b>															
Employee related costs	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	12 434	149 202	156 223	163 572
Remuneration of councillors	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	2 614	31 370	32 939	34 586
Interest	9	9	9	9	9	9	9	9	9	9	9	9	104	109	112
Bulk purchases - electricity	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	4 871	58 448	61 079	62 606
Acquisitions - water & other inventory	733	733	733	733	733	733	733	733	733	733	733	733	8 800	9 193	9 423
Contracted services	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	11 030	10 999	132 334	126 169	126 059
Transfers and subsidies - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	21 914	95 087	101 819	95 864
<b>Cash Payments by Type</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>38 343</b>	<b>53 574</b>	<b>475 346</b>	<b>487 530</b>	<b>492 221</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	7 982	11 805	10 747	6 514	28 175	23 752	9 177	28 544	10 880	16 187	11 155	25 124	190 043	125 766	115 114
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>	<b>46 325</b>	<b>50 148</b>	<b>49 090</b>	<b>44 857</b>	<b>66 518</b>	<b>62 095</b>	<b>47 520</b>	<b>66 887</b>	<b>49 223</b>	<b>54 530</b>	<b>49 498</b>	<b>78 698</b>	<b>665 389</b>	<b>613 296</b>	<b>607 335</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>132 585</b>	<b>(33 395)</b>	<b>(6 694)</b>	<b>(28 104)</b>	<b>(49 765)</b>	<b>105 597</b>	<b>(30 767)</b>	<b>(50 135)</b>	<b>75 344</b>	<b>(37 778)</b>	<b>(32 745)</b>	<b>(61 946)</b>	<b>(17 804)</b>	<b>17 158</b>	<b>47 741</b>
Cash/cash equivalents at the month/year begin:	409 706	542 291	508 896	502 202	474 098	424 332	529 929	499 162	449 027	524 371	486 593	453 848	409 706	391 902	409 060
Cash/cash equivalents at the month/year end:	542 291	508 896	502 202	474 098	424 332	529 929	499 162	449 027	524 371	486 593	453 848	391 902	391 902	409 060	456 801

## 2.7 Contracts having future budgetary implications

EC443 Winnie Madikizela Mandela - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
<b>Capital expenditure</b>	1							
Vote 1 - Executive and Council		1 304	–	–	–	–	–	–
Vote 2 - Corporate Services		6 283	7 670	4 163	–	–	–	–
Vote 3 - Budget and Treasury Office		–	–	–	–	–	–	–
Vote 4 - Community Services		6 704	19 298	5 491	–	–	–	–
Vote 5 - Development Planning		25 003	24 977	8 696	–	–	–	–
Vote 6 - Engineering Services		126 579	43 304	67 306	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>					–	–	–	–
<b>Total Capital Expenditure</b>		<b>165 872</b>	<b>95 249</b>	<b>85 655</b>	–	–	–	–
<b>Future operational costs by vote</b>	2							
Vote 1 - Executive and Council		92 264	96 627	100 435	–	–	–	–
Vote 2 - Corporate Services		68 574	71 703	73 655	–	–	–	–
Vote 3 - Budget and Treasury Office		44 658	46 737	48 342	–	–	–	–
Vote 4 - Community Services		111 367	107 338	111 087	–	–	–	–
Vote 5 - Development Planning		34 737	34 018	34 934	–	–	–	–
Vote 6 - Engineering Services		177 871	180 684	180 866	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–
<i>List entity summary if applicable</i>					–	–	–	–
<b>Total future operational costs</b>		<b>529 471</b>	<b>537 106</b>	<b>549 318</b>	–	–	–	–
<b>Future revenue by source</b>	3							
<b>Exchange Revenue</b>		–	–	–	–	–	–	–
Service charges - Electricity		55 986	59 132	62 453	–	–	–	–
Service charges - Water		–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–
Service charges - Waste Management		5 200	5 343	5 475	–	–	–	–
Agency services		1 499	1 574	1 652	–	–	–	–
Sale of Goods and Rendering of Services		22 481	15 495	11 188	–	–	–	–
Interest earned from Receivables		3 984	4 164	4 232	–	–	–	–
Interest earned from Current and Non Current Assets		39 677	41 661	43 744	–	–	–	–
Rental from Fixed Assets		5 764	6 153	6 509	–	–	–	–
Operational Revenue		405	416	428	–	–	–	–
<b>Non-Exchange Revenue</b>		–	–	–	–	–	–	–
Property rates		24 187	25 276	25 907	–	–	–	–
Fines, penalties and forfeits		386	406	426	–	–	–	–
Licences or permits		2 379	2 484	2 546	–	–	–	–
Transfer and subsidies - Operational		367 150	361 852	378 253	–	–	–	–
Transfer and subsidies - Capital		86 137	62 776	70 556	–	–	–	–
Interest		4 907	5 128	5 256	–	–	–	–
<b>Total future revenue</b>		<b>620 143</b>	<b>591 858</b>	<b>618 624</b>	–	–	–	–
<b>Net Financial Implications</b>		<b>75 201</b>	<b>40 497</b>	<b>16 349</b>	–	–	–	–

In terms of the municipality's Supply Chain Management policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial management comments and budget confirmation from the Budget and Treasury office.

2.8 Detailed Capital budget

EC443 Winnie Madikizela Mandela - Supporting Table SA36 Detailed capital budget														
R thousand														
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	2025/26 Medium Term Revenue & Expenditure Framework		
												Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality: <i>List all capital projects grouped by Function</i>														
Support:Corporate Services	Furniture and Office EquipmentOffice Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of office furniture	Furniture and Office Equipment		Admin	29.85623	-30.85607	522	696	696
Community Halls and Facilities:Community Halls and Facilities	Furniture and Office EquipmentMozana Civic Centre		New	Recent effective and development-oriented public ser	Growth	Procurement of office furniture	Furniture and Office Equipment		Admin	29.85623	-30.85607	522	435	435
	Furniture and Office EquipmentOffice Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of office furniture	Furniture and Office Equipment		Admin	29.85623	-30.85607	157	174	174
	Halls:Community Hall		New	Recent effective and development-oriented public ser	Growth	To ensure that all citizens in MLM have access to well-	Community Facilities	Halls	Ward 16	29.854167	-30.861914	1 109	--	--
	Halls:Playing of Community hall		New	Recent effective and development-oriented public ser	Growth	To ensure that all citizens in MLM have access to well-	Community Facilities	Halls	Ward 1	29.854167	-30.861914	1 068	609	609
	Halls:Ward 32 Community Hall		New	Recent effective and development-oriented public ser	Growth	To ensure that all citizens in MLM have access to well-	Community Facilities	Halls	Ward 32	29.854167	-30.861914	239	--	--
	Indoor Facilities:Multi Purpose Centre		New	Recent effective and development-oriented public ser	Growth	To ensure that all citizens in MLM have access to well-	Community Facilities	Halls	Ward 1	29.854167	-30.861914	16 888	--	--
	Machinery and EquipmentAcquisition of Municipal Plant & Machinery		New	Recent effective and development-oriented public ser	Growth	Procurement of Machinery and equipment	Machinery and Equipment		Admin	29.85623	-30.85607	348	259	431
	Machinery and EquipmentGrass cutting Machine		New	Recent effective and development-oriented public ser	Growth	Procurement of Machinery and equipment	Machinery and Equipment		Admin	29.85623	-30.85607	57	59	61
Core Function:Community Parks (including Nurseries)														
	Machinery and EquipmentGrass cutting Machine		New	Recent effective and development-oriented public ser	Growth	Procurement of Machinery and equipment	Machinery and Equipment		Admin	29.85623	-30.85607	235	261	261
	Outdoor Facilities:Parks Revitalisation		New	Recent effective and development-oriented public ser	Growth	tainable services of Parks, Cemeteries and municipal	Sport and Recreation Facilities	Outdoor Facilities	Ward 1	29.860544	-30.8653326	174	--	--
Core Function:Economic Development														
	Manufacturing Plant:Construction of Hubs		New	Recent effective and development-oriented public ser	Growth	structures to contribute to local economic development	Operational Buildings	Manufacturing Plant	Ward 4,8,16	29.413326	-30.504007	22 829	24 977	8 696
	Markets:Market Place		New	Recent effective and development-oriented public ser	Growth	To grow the local economy to 20 % by 2032	Community Facilities	Markets	Ward 1	29.880544	-30.8653326	2 174	--	--
Core Function:Electricity														
	LV Networks:Supply and Installation of High Mast		New	Recent effective and development-oriented public ser	Growth	To have a backup light for our community in ward 1	Electrical Infrastructure	LV Networks	Ward 9	30.858236	-30.864695	--	1 890	4 348
	LV Networks:Supply and Installation of Solar Panel and light		New	Recent effective and development-oriented public ser	Growth	To ensure that all households have access to a reliable electricity network	LV Networks	LV Networks	Ward 1	29.85623	-30.85607	--	1 304	--
	LV Networks:Upgrade to 315 kva		New	Recent effective and development-oriented public ser	Growth	To ensure that all households have access to a reliable electricity network	LV Networks	LV Networks	Ward 1	29.852645	-30.85774	609	--	--
	LV Networks:Upgrading of Low Voltage		New	Recent effective and development-oriented public ser	Growth	To ensure that all households have access to a reliable electricity network	LV Networks	LV Networks	Ward 1	29.860115	-30.858236	1 043	3 158	3 300
Core Function:Fleet Management	Transport Assets:Transport Assets		New	Recent effective and development-oriented public ser	Growth	Provide transport assets for staff and councillor	Transport Assets		Admin	29.85623	-30.85607	3 500	3 017	1 293
Core Function:Information Technology	Computer EquipmentComputer Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of municipal computer equipment	Computer Equipment		Admin	29.85623	-30.85607	1 739	3 522	1 739
Core Function:Municipal Manager Town Secretary and Chief Executive	Works of Art:Sculpture		New	Recent effective and development-oriented public ser	Growth	To construct OR Tambo Statue	Heritage assets	Works of Art	Ward 1	29.85504	-30.86224	1 304	--	--
Core Function:Project Management Unit														
	Crèches:EDCC Ward 11		New	Recent effective and development-oriented public ser	Inclusion and access	To ensure that all citizens in MLM have access to well-	Community Facilities	Crèches	Ward 11	29.854167	-30.861914	--	1 652	--
	Municipal Offices:Buildings		New	Recent effective and development-oriented public ser	Growth	To provide a safe and secure environment for all citizen	Operational Buildings	Municipal Offices	Ward 1	29.85623	-30.85607	1 600	--	--
	Municipal Offices:DLTC		New	Recent effective and development-oriented public ser	Growth	To provide a safe and secure environment for all citizen	Operational Buildings	Municipal Offices	Ward 1	29.85623	-30.85607	1 739	--	2 609
	Municipal Offices:DLTC Ablution Facilities		New	Recent effective and development-oriented public ser	Growth	To provide a safe and secure environment for all citizen	Operational Buildings	Toilet Facilities	Ward 1	29.85623	-30.85607	1 739	--	--
Core Function:Roads														
	Roads:Rehabilitation of Mont to Ntombini AR		Renewal	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 21	29.3412	-30.5639	2 530	5 391	--
	Roads Infrastructure:Roads:Rehabilitation of Mosco AR and Bridge		Renewal	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 25	29.3407	-30.70206	1 320	--	--
	Roads Infrastructure:Roads:Rehabilitation of Vuyisile AR		Renewal	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 17	29.3407	-30.70206	753	--	--
	Roads Infrastructure:Roads:Rehabilitation of Mphokweni to Nkhabhele		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 2	29.3407	-30.70206	8 120	--	--
	Roads Infrastructure:Roads:Rehabilitation of Ninga Bridge and Access Road		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 21	29.3407	-30.70206	5 147	7 391	--
	Roads Infrastructure:Roads:Rehabilitation of Pelalepe Bridge and Access Road		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 29	29.3407	-30.70206	6 842	--	--
	Roads:Resurfacing of Nlenzi to Moeheni		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 10	29.3412	-30.5639	10 862	--	--
	Roads Upgrade of R61 to Nature reserve		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 18	29.5059	-30.5159	--	9 296	9 296
	Roads Infrastructure:Roads Upgrade of CBD		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 1	29.5059	-30.5159	8 696	4 348	9 296
	Roads Infrastructure:Roads Upgrade of Gcinizwe Phase 2		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 25	29.46343	-30.462442	--	9 296	--
	Roads Infrastructure:Roads Upgrade of Mgomanzini AR Phase 3		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 14	29.472568	-30.534393	--	9 296	--
	Roads Infrastructure:Roads Upgrade of R61 to Greenville Hospital		Upgrading	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 21	29.554225	-30.54463	--	9 296	--
	Road Structures:Mabhele Bridge		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Road Structures	Road Structures	Ward 28	29.96466	-31.03005	7 826	--	--
	Roads Infrastructure:Road Structures:Mygeda Bridge		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Road Structures	Ward 25	29.96466	-31.03005	6 957	--	--
	Road Structures:Ward 08 to Hub Concrete Slab		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Road Structures	Ward 8	29.454642	-30.50093	2 610	--	--
	Roads Infrastructure:Road Structures:Ward 10 to Hub Concrete Slab		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 16	29.3412	-30.5639	2 154	--	--
	Roads Infrastructure:Roads:Construction of Ngweni AR		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 13	29.3412	-30.5639	2 454	5 208	--
	Roads Infrastructure:Roads:Construction of 116 to Songumingo to Khayamla		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 19	29.528	-30.5449	--	--	--
	Roads Infrastructure:Roads:Construction of Lukhanyo Access Road		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 3	29.332062	-30.46116	6 118	--	--
	Roads Infrastructure:Roads:Construction of Mphahle bridge and AR		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 29	29.3412	-30.5639	--	4 443	--
	Roads Infrastructure:Roads:Construction of Mthetheni to Nkhabhele Access		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 29	29.3407	-30.70206	4 537	--	--
	Roads Infrastructure:Roads:Construction of Mphaweni Access Road		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 16	29.445278	-31.041435	6 928	--	--
	Roads Infrastructure:Roads:Construction of Mmamuna to Mabhele to Ndzinyi		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 5	29.46343	-30.462442	3 906	--	--
	Roads Infrastructure:Roads:Construction of Mhlangeni to Mlenyezi AR		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 17	29.3412	-30.5639	--	3 631	--
	Roads Infrastructure:Roads:Construction of Road to WSU		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 6	29.3412	-30.5639	--	--	9 296
	Roads Infrastructure:Roads:Garhane access road.		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 24	29.3412	-30.5639	--	3 786	--
	Roads Infrastructure:Roads:Mponyana to Greenville AR		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 18	30.544202	-30.020654	4 348	--	--
	Roads Infrastructure:Roads:Sidanga Bridge		New	Recent effective and development-oriented public ser	Inclusion and access	To construct and maintain roads and related storm wa	Roads Infrastructure	Roads	Ward 28	29.564257	-30.011989	4 348	--	--
Core Function:Security Services														
	Furniture and Office EquipmentCCTV cameras		New	Recent effective and development-oriented public ser	Growth	Procurement of municipal computer equipment	Computer Equipment		Admin	29.85623	-30.85607	1 304	--	--
	Transport Assets:Transport Assets		New	Recent effective and development-oriented public ser	Growth	Provide transport assets for staff and councillor	Transport Assets		Admin	29.85623	-30.85607	700	--	--
Core Function:Solid Waste Removal														
	Solid Waste Infrastructure:Landfill Sites:Landfill		New	nd enhance our environmental assets and natural re	Inclusion and access	To collect manage and dispose waste in an acceptabl	Solid Waste Infrastructure	Waste Processing Facilities	Ward 1	29.85623	-30.85607	1 304	8 696	4 348
	Furniture and Office EquipmentOffice Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of office equipment	Furniture and Office Equipment		Admin	29.85623	-30.85607	87	174	174
	New Furniture and Office EquipmentSkip Bins		New	Recent effective and development-oriented public ser	Growth	To ensure effective and efficient delivery of waste serv	Furniture and Office Equipment		Ward 1	29.85623	-30.85607	--	348	348
	Transport Assets:Refuse Truck		New	Recent effective and development-oriented public ser	Growth	To ensure effective and efficient delivery of waste serv	Transport Assets		Admin	29.85623	-30.85607	1 739	9 459	--
Non-core Function:Libraries and Archives														
	Computer EquipmentComputer Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of municipal computer equipment	Computer Equipment		Admin	29.85623	-30.85607	87	87	87
Non-core Function:Population Development	Furniture and Office EquipmentOffice Equipment		New	Recent effective and development-oriented public ser	Growth	Procurement of office equipment	Furniture and Office Equipment		Admin	29.85623	-30.85607	274	274	274
	Transport Assets:Transport Assets		New	Recent effective and development-oriented public ser	Growth	Provide transport assets for staff and councillor	Transport Assets		Admin	29.85623	-30.85607	800	--	--
Parent Capital expenditure												165 872	95 249	85 655
Entity A														
Entity B														
Entity Capital expenditure												--	--	--
Total Capital expenditure												165 872	95 249	85 655

## 2.9 Capital Expenditure details

**Table 31 MBRR SA34a – Capital expenditure on new assets by asset class**

EC443 Winnie Madikizela Mandela - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>64 737</b>	<b>37 047</b>	<b>44 749</b>	<b>57 640</b>	<b>77 140</b>	<b>77 140</b>	<b>57 006</b>	<b>28 959</b>	<b>17 991</b>
Roads Infrastructure		35 302	35 196	41 868	48 423	65 183	65 183	55 702	17 068	9 296
<i>Roads</i>		35 302	35 196	32 093	34 137	50 897	50 897	36 155	17 068	9 296
<i>Road Structures</i>				9 036	14 286	14 286	14 286	19 547	–	–
<i>Road Furniture</i>				739						
<i>Attenuation</i>										
Electrical Infrastructure		29 278	820	–	522	5 361	5 361	–	3 195	4 348
<i>Power Plants</i>										
<i>HV Substations</i>					522	522	522	–	–	–
<i>MV Substations</i>		28 553				4 840	4 840	–	–	–
<i>MV Switching Stations</i>		724	820							
<i>LV Networks</i>								–	3 195	4 348
Solid Waste Infrastructure		158	1 032	2 881	8 696	6 596	6 596	1 304	8 696	4 348
<i>Landfill Sites</i>			1 032	2 881	8 696	6 596	6 596	1 304	8 696	4 348
<i>Waste Drop-off Points</i>		158								
<b>Community Assets</b>		<b>9 910</b>	<b>5 009</b>	<b>2 357</b>	<b>19 979</b>	<b>22 400</b>	<b>22 400</b>	<b>21 663</b>	<b>2 261</b>	<b>609</b>
Community Facilities		9 910	4 632	2 227	11 118	13 539	13 539	4 601	2 261	609
<i>Halls</i>		6 168	693		8 075	8 756	8 756	2 427	609	609
<i>Crèches</i>		3 743	1 890	1 642					1 652	
<i>Markets</i>		–	2 050	585	3 043	4 783	4 783	2 174	–	–
Sport and Recreation Facilities		–	377	130	8 861	8 861	8 861	17 062	–	–
<i>Indoor Facilities</i>					8 696	8 696	8 696	16 888	–	–
<i>Outdoor Facilities</i>			377	130	165	165	165	174	–	–
<i>Capital Spares</i>										
<b>Heritage assets</b>		<b>30</b>	<b>–</b>	<b>–</b>	<b>1 304</b>	<b>1 304</b>	<b>1 304</b>	<b>1 304</b>	<b>–</b>	<b>–</b>
Works of Art					1 304	1 304	1 304	1 304	–	–
Other Heritage		30	–	–	–	–	–	–	–	–
<b>Other assets</b>		<b>660</b>	<b>997</b>	<b>–</b>	<b>–</b>	<b>6 261</b>	<b>6 261</b>	<b>24 568</b>	<b>24 977</b>	<b>8 696</b>
Operational Buildings		660	997	–	–	6 261	6 261	24 568	24 977	8 696
<i>Yards</i>		63	–	–	–	–	–	–	–	–
<i>Manufacturing Plant</i>		597	997			6 261	6 261	22 829	24 977	8 696
<b>Intangible Assets</b>		<b>–</b>	<b>600</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Licences and Rights		–	600	–	–	–	–	–	–	–
<i>Computer Software and Applications</i>			600							
<b>Computer Equipment</b>		<b>1 834</b>	<b>1 920</b>	<b>2 008</b>	<b>5 083</b>	<b>4 187</b>	<b>4 187</b>	<b>1 826</b>	<b>3 609</b>	<b>1 826</b>
Computer Equipment		1 834	1 920	2 008	5 083	4 187	4 187	1 826	3 609	1 826
<b>Furniture and Office Equipment</b>		<b>84</b>	<b>1 201</b>	<b>674</b>	<b>1 974</b>	<b>3 392</b>	<b>3 392</b>	<b>2 865</b>	<b>2 100</b>	<b>2 100</b>
Furniture and Office Equipment		84	1 201	674	1 974	3 392	3 392	2 865	2 100	2 100
<b>Machinery and Equipment</b>		<b>119</b>	<b>168</b>	<b>215</b>	<b>1 215</b>	<b>1 110</b>	<b>1 110</b>	<b>639</b>	<b>579</b>	<b>753</b>
Machinery and Equipment		119	168	215	1 215	1 110	1 110	639	579	753
<b>Transport Assets</b>		<b>–</b>	<b>4 457</b>	<b>5 298</b>	<b>5 070</b>	<b>5 428</b>	<b>5 428</b>	<b>6 739</b>	<b>12 476</b>	<b>1 293</b>
Transport Assets			4 457	5 298	5 070	5 428	5 428	6 739	12 476	1 293
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>77 374</b>	<b>51 400</b>	<b>55 302</b>	<b>92 264</b>	<b>121 221</b>	<b>121 221</b>	<b>116 611</b>	<b>74 961</b>	<b>33 268</b>

**Table 32 MBRR SA34b – Capital Expenditure on Renewal of Existing Assets by asset class**

EC443 Winnie Madikizela Mandela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>24 090</b>	<b>58 374</b>	<b>22 970</b>	<b>3 478</b>	<b>4 696</b>	<b>4 696</b>	<b>4 603</b>	<b>5 391</b>	<b>–</b>
Roads Infrastructure		24 090	58 374	19 940	3 478	4 696	4 696	4 603	5 391	–
Roads		24 090	58 374	19 940	3 478	4 696	4 696	4 603	5 391	–
Electrical Infrastructure		–	–	3 029	–	–	–	–	–	–
LV Networks				3 029						
<b>Community Assets</b>		<b>26 700</b>	<b>2 374</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Facilities		26 700	2 374	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		26 700	2 374	–	–	–	–	–	–	–
<b>Other assets</b>		<b>(63)</b>	<b>1 243</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 339</b>	<b>–</b>	<b>2 609</b>
Operational Buildings		(63)	1 243	–	–	–	–	3 339	–	2 609
Municipal Offices		(63)	1 243	–	–	–	–	3 339	–	2 609
<b>Total Capital Expenditure on renewal of existing asset</b>	<b>1</b>	<b>50 726</b>	<b>61 992</b>	<b>22 970</b>	<b>3 478</b>	<b>4 696</b>	<b>4 696</b>	<b>7 943</b>	<b>5 391</b>	<b>2 609</b>
<b>Renewal of Existing Assets as % of total capex</b>		<b>30,1%</b>	<b>46,0%</b>	<b>19,0%</b>	<b>2,9%</b>	<b>2,9%</b>	<b>2,9%</b>	<b>4,8%</b>	<b>5,7%</b>	<b>3,0%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>115,0%</b>	<b>149,4%</b>	<b>70,9%</b>	<b>6,4%</b>	<b>10,1%</b>	<b>10,1%</b>	<b>16,5%</b>	<b>10,7%</b>	<b>5,2%</b>

The above table shows that the municipality's anticipated total capital budget is R165.8 million exclusive of VAT for the 2025/26 financial year which decreases in the following year as a result of the decreases in the grants allocation for infrastructure development as well as the municipality's own contribution. A summary of proposed allocations is as follows only highlighting the major line items allocated:

- Community Assets R 21.6 million Excl. VAT
  - Mphuthumi Mafumbatha multi-purpose center R16.8 million
  - Ward 32 Community Hall R 238 thousand
  - Ward 16 Community Hall R 238 thousand
  - Paving of ward 1 multi-purpose center R 521 thousand
  - Parks rejuvenation R 174 thousand
  - Construction of the Market place R 2.2 million
  - Construction of Ward 11 ECDC R 1.6 million
  - Paving of Ward 20 Amos Nogxina Hall R 558 thousand
  - Construction of Ablution facilities Ward 25 Hall R 434 thousand
  - Construction of Ablution facilities Ward 13 Hall R 434 thousand
- Heritage Assets R 1.3 million Excl. VAT
  - Construction of Statue (Winnie) R 1.3 million
- Other Assets R 27.9 million Excl. VAT
  - Construction of Manufacturing hubs Ward 4 R 6.1 million
  - Construction of Manufacturing Hub Ward 8 R 8.3 million
  - Construction of Manufacturing hub Ward 16 R 8.3 million
  - Refurbishment of DLTC R 1.7 million
  - Construction of Ablution Facilities-DLTC R 1.7 million



○ Construction of Municipal Guardhouse	R 1.6 million
• Property, plant and Equipment	R10.7 million Excl. VAT
○ Purchase of Municipal Vehicles	R3.5 million
○ Truck Refuse	R1.7 million
○ Computer Hardware IT	R1.7 million
○ Library Furniture	R273 thousand
○ Machinery- Population	R347 thousand
○ Security Vehicle	R700 thousand
○ Disaster Bakkie	R800 thousand
○ Mbizana Civic Furniture	R521 thousand
○ Waste Receptacles	R87 thousand
○ Furniture Population	R156 thousand
○ Main Offices Furniture	R521 thousand
○ Library Computers	R86.9 thousand
○ Grass Cutting Machine	R291 thousand
• Road Infrastructure	R 99.9 million Incl. VAT
○ Rehabilitation of Mbuthweni to Nokhatshile AR	R 4.3 million
○ Rehabilitation of Mqhokweni to Nokhatshile AR	R 8.1 million
○ Construction of Lukhanyo Access Road	R 6.1 million
○ Resurfacing of Ntlenzi to Mcetheni Access Road	R10.8 million
○ Construction of 116 to Somgungqu to Khwanyana AR	R 3.4 million
○ Upgrade of CBD	R 8.6 million
○ Rehabilitation of Pelepele Bridge & Access Road	R 6.8 million
○ Rehabilitation of gravel & Concrete Slab Ntinga Bridge	R 5.1 million
○ Rehabilitation of Mosco Bridge Access Road	R1.3 million
○ Rehabilitation of Monti to Ntsimbini Access Road	R 2.5 million
○ Rehabilitation of Vuyisile to Ntsingizi Access Road	R 753 thousand
○ Rehabilitation of Mgwede Access Road	R 6.9 million
○ Rehabilitation of Matshezini Access Road	R 7.8 million
○ Construction of Ward 08 Road to Hub Concrete Slab	R 2.6 million
○ Construction of Ward 16 Road to Hub Access Road	R 2.1 million
○ Construction of Ngcingo Access Road	R 2.4
○ Mtamvuma to Mabhelani via Ndayingana Access Road	R 3.9 million
○ Construction of Mkhasweni Access Road	R 6.9 million
○ Construction of Sidanga Bridge	R4.3 million

- |  |                         |
|--|-------------------------|
| ○ Construction of Mqonjwana to Greenville AR | R 4.3 million           |
| ○ Construction of Mgwede Bridge              | R 6.9 million           |
| ○ Construction of Matshezini Bridge          | R 7.8 million           |
| • Solid Waste Infrastructure                 | R 1.3 million Excl. VAT |
| ○ Construction of Dumping site Ext 3         | R 1.3 million           |
| • Electricity Infrastructure                 | R 1.6 million Excl. VAT |
| ○ Upgrade of Low Volatage lines              | R 1 million             |
| ○ Upgrade to 315 Kva S/S in Albany building  | R 608 thousand          |
| ○ VAT Accrual                                | R 23.9 million          |

These are funded from conditional grants and internal funds, which shows the municipality's commitment into delivering services.

**Table 33 MBRR SA34c – Repairs and maintenance by asset class****EC443 Winnie Madikizela Mandela - Supporting Table SA34c Repairs and maintenance expenditure by asset class**

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>5 288</b>	<b>1 966</b>	<b>12 177</b>	<b>42 655</b>	<b>46 085</b>	<b>46 085</b>	<b>42 118</b>	<b>45 263</b>	<b>46 604</b>
Roads Infrastructure		3 845	1 404	10 197	38 056	40 213	40 213	34 604	36 023	37 133
Roads		191	43	45	534	1 134	1 134	520	543	557
Road Structures		3 357	1 117	9 781	36 383	37 535	37 535	33 123	34 610	35 686
Road Furniture		297	244	371	1 139	1 544	1 544	961	869	890
Storm water Infrastructure		–	–	–	–	–	–	1 400	4 283	4 390
Drainage Collection		–	–	–	–	–	–	1 400	4 283	4 390
Electrical Infrastructure		1 443	562	1 605	550	1 073	1 073	1 113	327	335
MV Networks		1 443	562	–	300	823	823	1 113	327	335
LV Networks				1 605	250	250	250	–	–	–
Solid Waste Infrastructure		–	–	376	4 049	4 799	4 799	5 000	4 630	4 746
Landfill Sites		–	–	–	3 000	3 000	3 000	3 500	3 273	3 355
Waste Drop-off Points				376	1 049	1 799	1 799	1 500	1 357	1 391
<b>Community Assets</b>		<b>482</b>	<b>668</b>	<b>908</b>	<b>953</b>	<b>767</b>	<b>767</b>	<b>2 831</b>	<b>1 253</b>	<b>1 278</b>
Community Facilities		482	668	908	953	767	767	2 831	1 253	1 278
Halls			426	563	338	338	338	2 100	500	512
Libraries		69	155	199	350	350	350	350	350	350
Cemeteries/Crematoria			87	145	110	10	10	200	213	221
Police										
Parks		413			155	69	69	181	189	194
<b>Other assets</b>		<b>3 472</b>	<b>3 391</b>	<b>783</b>	<b>3 439</b>	<b>3 281</b>	<b>3 281</b>	<b>3 432</b>	<b>3 582</b>	<b>3 736</b>
Operational Buildings		3 472	3 391	783	3 439	3 281	3 281	3 432	3 582	3 736
Municipal Offices		3 328	3 235	629	3 276	3 098	3 098	3 239	3 380	3 529
Yards		143	157	154	164	184	184	193	202	207
<b>Intangible Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>209</b>	<b>218</b>	<b>224</b>
Licences and Rights		–	–	–	200	200	200	209	218	224
Computer Software and Applications					200	200	200	209	218	224
<b>Computer Equipment</b>		<b>35</b>	<b>23</b>	<b>21</b>	<b>31</b>	<b>101</b>	<b>101</b>	<b>106</b>	<b>111</b>	<b>113</b>
Computer Equipment		35	23	21	31	101	101	106	111	113
<b>Furniture and Office Equipment</b>		<b>–</b>	<b>69</b>	<b>167</b>	<b>267</b>	<b>212</b>	<b>212</b>	<b>264</b>	<b>270</b>	<b>274</b>
Furniture and Office Equipment			69	167	267	212	212	264	270	274
<b>Machinery and Equipment</b>		<b>256</b>	<b>–</b>	<b>982</b>	<b>901</b>	<b>851</b>	<b>851</b>	<b>872</b>	<b>883</b>	<b>902</b>
Machinery and Equipment		256	–	982	901	851	851	872	883	902
<b>Transport Assets</b>		<b>2 753</b>	<b>5 170</b>	<b>6 329</b>	<b>4 738</b>	<b>5 946</b>	<b>5 946</b>	<b>5 364</b>	<b>5 597</b>	<b>5 738</b>
Transport Assets		2 753	5 170	6 329	4 738	5 946	5 946	5 364	5 597	5 738
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>12 285</b>	<b>11 287</b>	<b>21 366</b>	<b>53 184</b>	<b>57 443</b>	<b>57 443</b>	<b>55 196</b>	<b>57 177</b>	<b>58 869</b>

Table 34 MBRR SA34d – Depreciation by asset class

## EC443 Winnie Madikizela Mandela - Supporting Table SA34d Depreciation by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>31 004</b>	<b>30 903</b>	<b>21 876</b>	<b>34 183</b>	<b>30 183</b>	<b>30 183</b>	<b>31 391</b>	<b>32 803</b>	<b>32 803</b>
Roads Infrastructure		29 635	29 555	20 525	32 724	28 724	28 724	29 873	31 217	31 217
Roads		12 902	12 605	3 425	14 071	14 071	14 071	14 634	15 292	15 292
Road Structures		16 295	16 277	16 167	18 165	14 165	14 165	14 732	15 395	15 395
Road Furniture		438	673	933	488	488	488	507	530	530
Capital Spares										
Storm water Infrastructure		543	543	544	588	588	588	611	639	639
Drainage Collection		204	204	205	221	221	221	230	241	241
Storm water Conveyance		338	338	339	366	366	366	381	398	398
Attenuation										
Electrical Infrastructure		659	638	640	691	691	691	718	751	751
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		51	51	51	55	55	55	58	60	60
MV Switching Stations										
MV Networks		453	432	433	467	467	467	486	508	508
LV Networks		155	155	156	168	168	168	175	183	183
Solid Waste Infrastructure		167	167	167	181	181	181	188	196	196
Landfill Sites		167	167	167	181	181	181	188	196	196
<b>Community Assets</b>		<b>2 881</b>	<b>4 683</b>	<b>5 675</b>	<b>9 089</b>	<b>7 089</b>	<b>7 089</b>	<b>7 373</b>	<b>7 704</b>	<b>7 704</b>
Community Facilities		2 110	3 913	4 904	6 344	4 344	4 344	4 518	4 721	4 721
Halls		1 616	3 269	4 409	4 764	2 764	2 764	2 874	3 003	3 003
Centres		–	–	–	–	–	–	–	–	–
Crèches		295	295	296	320	320	320	333	347	347
Cemeteries/Crematoria		13	13	13	14	14	14	15	16	16
Police		–	–	–	–	–	–	–	–	–
Parks		101	251	101	1 068	1 068	1 068	1 111	1 161	1 161
Public Ablution Facilities		27	27	27	114	114	114	118	123	123
Stalls		58	58	58	64	64	64	67	70	70
Sport and Recreation Facilities		772	770	771	2 745	2 745	2 745	2 855	2 983	2 983
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		772	770	771	2 745	2 745	2 745	2 855	2 983	2 983
<b>Other assets</b>		<b>674</b>	<b>645</b>	<b>674</b>	<b>730</b>	<b>730</b>	<b>730</b>	<b>759</b>	<b>793</b>	<b>793</b>
Operational Buildings		661	633	662	716	716	716	744	778	778
Municipal Offices		357	328	356	386	386	386	401	419	419
Pay/Enquiry Points		3	3	3	4	4	4	4	4	4
Yards		77	77	77	83	83	83	86	90	90
Stores		115	115	115	125	125	125	130	135	135
Training Centres		110	110	110	119	119	119	123	129	129
Housing		13	13	13	14	14	14	14	15	15
Social Housing		13	13	13	14	14	14	14	15	15
<b>Intangible Assets</b>		<b>26</b>	<b>11</b>	<b>129</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>178</b>	<b>178</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		26	11	129	170	170	170	170	178	178
Computer Software and Applications		26	11	129	170	170	170	170	178	178
<b>Computer Equipment</b>		<b>2 278</b>	<b>2 380</b>	<b>1 780</b>	<b>2 809</b>	<b>1 309</b>	<b>1 309</b>	<b>1 361</b>	<b>1 422</b>	<b>1 422</b>
Computer Equipment		2 278	2 380	1 780	2 809	1 309	1 309	1 361	1 422	1 422
<b>Furniture and Office Equipment</b>		<b>2 174</b>	<b>143</b>	<b>331</b>	<b>1 341</b>	<b>1 341</b>	<b>1 341</b>	<b>1 395</b>	<b>1 458</b>	<b>1 458</b>
Furniture and Office Equipment		2 174	143	331	1 341	1 341	1 341	1 395	1 458	1 458
<b>Machinery and Equipment</b>		<b>2 894</b>	<b>1 580</b>	<b>865</b>	<b>4 550</b>	<b>4 050</b>	<b>4 050</b>	<b>4 212</b>	<b>4 402</b>	<b>4 402</b>
Machinery and Equipment		2 894	1 580	865	4 550	4 050	4 050	4 212	4 402	4 402
<b>Transport Assets</b>		<b>2 187</b>	<b>1 156</b>	<b>1 087</b>	<b>1 499</b>	<b>1 499</b>	<b>1 499</b>	<b>1 559</b>	<b>1 629</b>	<b>1 629</b>
Transport Assets		2 187	1 156	1 087	1 499	1 499	1 499	1 559	1 629	1 629
<b>Total Depreciation</b>	<b>1</b>	<b>44 118</b>	<b>41 502</b>	<b>32 417</b>	<b>54 371</b>	<b>46 371</b>	<b>46 371</b>	<b>48 219</b>	<b>50 388</b>	<b>50 388</b>

**Table 34 MBRR SA34e – Capital Expenditure on upgrading of existing assets by asset class**

EC443 Winnie Madikizela Mandela - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>652</b>	<b>8 619</b>	<b>22 236</b>	<b>22 416</b>	<b>35 783</b>	<b>35 783</b>	<b>41 319</b>	<b>14 897</b>	<b>49 779</b>
Roads Infrastructure		652	8 619	22 236	16 764	31 809	31 809	39 666	11 739	46 479
Roads		652	8 619	22 236	16 764	31 809	31 809	39 666	11 739	46 479
Electrical Infrastructure		–	–	–	5 652	3 974	3 974	1 652	3 158	3 300
LV Networks					5 652	3 974	3 974	1 652	3 158	3 300
<b>Community Assets</b>		<b>39 537</b>	<b>12 780</b>	<b>20 338</b>	<b>1 304</b>	<b>634</b>	<b>634</b>	<b>–</b>	<b>–</b>	<b>–</b>
Community Facilities		19 960	9 921	13 613	1 304	634	634	–	–	–
Halls		19 960	9 921	13 613	1 304	634	634	–	–	–
Sport and Recreation Facilities		19 577	2 859	6 725	–	–	–	–	–	–
Outdoor Facilities		19 577	2 859	6 725	–	–	–	–	–	–
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1</b>	<b>40 189</b>	<b>21 399</b>	<b>42 574</b>	<b>23 720</b>	<b>36 417</b>	<b>36 417</b>	<b>41 319</b>	<b>14 897</b>	<b>49 779</b>
<i>Upgrading of Existing Assets as % of total capex</i>		23,9%	15,9%	35,2%	19,9%	22,4%	22,4%	24,9%	15,6%	58,1%
<i>Upgrading of Existing Assets as % of deprecn"</i>		91,1%	51,6%	131,3%	43,6%	78,5%	78,5%	85,7%	29,6%	98,8%

## 2.10 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

### 1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis through the submission of Section 71 reports to the Mayor, National Treasury, Provincial Treasury and other stakeholders within 10 working days of the end of each month.

Quarterly reports in terms of s52d have been tabled to the municipal council by the Mayor within 30 days of the end of each quarter and further submitted to all relevant stakeholders as required by law.

The municipality's mid-year assessment report was tabled to the municipal council by 25 January 2025 and further submitted to the relevant stakeholders as required by s72 of the MFMA

### 2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Of the interns trained over the years 12 were absorbed within the municipality's budget and treasury office while 5 have found employment in other municipality's and are now at managerial level. Since the introduction of the Internship programme the Municipality has successfully employed and trained 29 interns through this programme.

### 3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA headed by the Chief Financial Officer. The department has the following sections, each with its own head:

- Supply Chain Management
- Revenue and Management
- Budgeting and Reporting
- Asset Management and stores management

### 4. Audit Committee

The new municipal has extended the term of the current Audit Committee that was established by the previous due to the fact that it was considered to be fully functional. Even though the Audit Committee had resignations in the previous year, an appointment of the new member has been made.

### 5. Service Delivery and Implementation Plan

The municipality has run concurrently the process of developing a detailed SDBIP together with the draft budget to ensure alignment of these plans.

The detailed SDBIP document is at a draft stage and will be finalized after approval of the 2025/26 MTREF in May 2025 directly aligned and informed by the 2025/26 MTREF.

### 6. Financial Misconduct Disciplinary Board

The municipality established the financial misconduct disciplinary board in 2019 with its term ending on 30 June 2021. The council, in a council meeting held on 28 February 2022 took a resolution to re-establish the disciplinary board to assist council in dealing with possible acts of financial misconduct within the municipality.

### 7. Procurement plans

The municipality has also made sure draft procurement plans are developed together with the draft budget to ensure full alignment of this plan as well. The procurement plan will be reviewed and revised where necessary to ensure that it assists the municipality in delivering services within planned timeframes.

#### **8. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Reduction Plans and Strategy**

National Treasury instructed municipalities to develop and adopt plans to reduce UIFW&E over the five year period. Even though the municipality had already cleared these expenditures a reduction strategy was developed and adopted by the municipal council on the 28<sup>th</sup> February 2022 to ensure the municipality continues to find ways to prevent these expenditures from happening.

#### **9. Annual Report**

Annual report has been compiled in terms of the MFMA and National Treasury requirements and an oversight report has also been presented to council on the 31<sup>st</sup> March 2025 after an extensive exercise by the MPAC and consultations with communities.

#### **10. mSCOA**

The municipality has been implementing mSCOA like all municipalities in the country as a business reform since its introduction from 1 July 2017. This was introduced to address among other things ensuring standardisation of treatment of transactions and reporting across all municipalities, to encourage proper planning and put controls in terms of revenue and expenditure management. Introduction of new and improved versions of the mSCOA chart has proven to present problems that sometimes make it impossible to operate normally requiring some extra effort to be put into the operations of the municipality to fulfil its service delivery mandate.

The municipality has completed the process of making sure that all mSCOA structures are revived through replacement of members who have since left the municipality and developing a schedule of meetings for these structures.

#### **11. Budget steering committee**

The Mayor of the municipality appointed members of the executive committee chaired by the Budget and Treasury Portfolio head together with members of Senior management as well as the managers responsible for IDP and Budget within the municipality.

## 2.11 Municipal manager's quality certificate

I Luvuyo Mahlaka, municipal manager of Winnie Madikizela-Mandela Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name

Luvuyo Mahlaka

Municipal manager of Winnie Madikizela-Mandela Local Municipality (EC443)

Signature

[Signature]

Date

30 May 2025