

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



**2026/27 TO 2028/29
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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- **In the Mayor's office**
- **Office of the Municipal Manager**
- **Main Municipal library**
- **At www.winniemmlm.gov.za**

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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 fifth 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 2026/27 Annual Budget, the draft budget must be tabled to council by no later than March 31, 2026. This draft budget tabled in the council on March 24, 2026 is in response and compliance to the afore-mentioned prescripts. This budget will then be taken to communities for consultation where comments will be solicited and incorporated when the final budget is being prepared for council to approve at least 30 days before the start of the budget year.

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 1B	<ul style="list-style-type: none"> Construction of 500kl reservoir Construction of bulk pipeline with diameter 250mm, 200mm, 160mm, 110mm, 90mm, 75mm mPVC Class 12 to a length of 7.943km. Construction of village reticulation pipelines with diameter varying from 50-63mm HDPE to a length of 19.079km Construction of 256 standpipes 	17 & 32	R66 339 043.78

Project Name	Scope of work	Wards	Projected Allocation
Mbizana ward 21,23 & 24 water supply scheme – implementation phase	<ul style="list-style-type: none"> Installation of approximately 2km of Bulk pipelines Construction of 3No. of reinforced concrete reservoir 500kl and 200kl 	21	R21 952 583.51
Mbizana ward 29&30 water supply feasibility studies	<ul style="list-style-type: none"> Pipe Construction: Installation of approximately 30 km of pipelines ranging from 50 mm to 315 mm diameter, utilizing mPVC and HDPE Class 12 and 16 pipes Construction of a 250kl Elevated Steel Tank Break Pressure Tanks (BPTs): Supply and Installation of 4 Break Pressure Tanks to manage pressure along the pipeline route Standpipes: Installation of 140 standpipes to provide community water access 	30	R52 176 363.86

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 2025/26 financial year, 950m² is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

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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 2026/27 will be utilized to electrify households in three villages that are currently prioritized for implementation by the municipality (Goxe, Mngungu and Bhekela villages electrification).

Due to the increase in demand for electrification and the rapid growth of in the municipal households, there are villages where current projects being implemented already show that there will be households left unattended that has a potential to cause problems for the municipality in the form of community demonstrations.

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 extended its services through introduction of cage system in rural areas in the form of providing the waste management services. The project was initially piloted in 3 wards (ward 13, 23 and 24) with a total of 15 sites, in the current financial year the municipality continued to provide the service through a contracted serviced service provider and further extended the service to 53 rural areas inhouse.

The municipality reviewed and adopted its Waste Management Tariff Policy in May 2022 which is now being reviewed annually as part of the budget related policies of the municipality. 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.

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

The municipality has an initiative to motivate recycling projects which assists in waste minimisation within Mbizana jurisdiction. The municipality supports 4 waste recycling cooperatives.

- Two are situated at EXT 3 Disposal site in ward 1 (Sibambene recycling responsible for cardboards and Kwakhanya recycling responsible for plastics).
- Laphum'khwezi recycling cooperative is situated at Nikhwe Village in ward 32 responsible for bottles.
- Athandiwe Nursery is situated at Mathwebu Village in ward 13 responsible for composting.

There are also a number of informal waste pickers focusing mostly on cardboards, plastics and can recycling. All of these waste pickers are at the primary stage of recycling, meaning that they sell their products to other companies such as Voli Waste, Infinity recycling, Amabhengu Waste who then sell to Consol, Mondi, Collect A Can for processing and manufacturing.

The municipality assists these waste pickers in finding buyers for their products as the municipality has no buy back centre to receive all recyclables. Currently there are 3 privately owned buy-back centres (Amabhengu waste, Infinity recycling and Voli Waste) which focus on cardboard, plastics and cans. The municipality has also initiated partnership with PETCO in enhancing recycling through workshops and upskilling waste pickers and buy-back centres within the municipality. There are plans in place to engage 5 different schools for waste separation at source. WMMLM has installed information boards along R61 to prevent illegal dumping; the boards indicate the distances to waste receptacles

The municipality currently has two waste disposal facilities namely; the licensed Majazi landfill site and unlicensed Ext 3 disposal site. However, the Majazi landfill site is in abeyance as per the council resolutions. Rehabilitation and maintenance of Ext 3 disposal site is conducted through contracted service provider. The municipality has lodged an application for closure licence through the competent authorities and awaiting an informed decision, in preparation for closure the municipality has rehabilitated an area of 4550 m². The municipality has initiated a process of acquiring new land for establishment of a 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 Treasury 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)
- The municipality has allocated funding for Bricks & Blocks Manufacturing Hubs and in a process to finalise construction of Hubs.
- The municipality has provided one lifeguard tower for Mtentu beach.
- Supported two small-scale fisheries with fishing equipment and material.
- Supported twenty local farmers with production inputs.
- W&R seta assisted 34 retailers on entrepreneur's programme with training and start-up capital
- W&R seta assisted 50 informal traders with training and start-up capital
- SEFTA assisted 61 retailers with training and start-up capital
- Supported one House Racing Association with travelling logistics to the Dundee July Horse racing event.
- Supported the O.R Tambo Homage Concert of 2024.
- Supported the O.R Tambo cultural festival and isicathamiya.
- The municipality has incubated 20 business SMMEs.
- DEDEAT is in the process of gazetting the Mzamba Public Boat launching site.
- Visitor Information Centre is well maintained and is well operating

LED CHALLENGES HINDERING ECONOMIC DEVELOPMENT

- Poor access to tourist and heritage sites
- Lack of product supply chain system to link producers to market
- Economic activities are dense in ward 01
- Law enforcement remains a challenge and the Municipality is losing revenue from Informal trading due to law enforcement
- Limited resources are key challenges in Economic Development. This refers to the financial resources and skills to execute our bankable plans and do day to day business management.
- Land claims protract development in the area as in some areas there are financial resources allocated but the implementation cannot commence due to land claims.
- Poor Economic infrastructure is a challenge in the Municipality as it keeps investment at bay.
- The above-mentioned challenges need to be taken into consideration as it may impact negatively in the broader economic development of the area. This is the cause for economic leakage to neighbouring municipalities and province.

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 (Now Winnie Madikizela-Mandela) Local Municipality in partnership with ECPTA, Wild Coast Sun and South Coast Tourism 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 2025/26 financial period which were implemented:

-

Project Name	Allocated Amount	Funding Source
Electrification of Zizityaneni Ph2	R 9 082 789,00	INEP
Electrification of Nomlacu Village Ph4	R 8 308 000,00	INEP

Electrification of KwaJali	R 4 617 210,00	INEP
TOTAL	R 22 008 000,00	

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 (2026/27) Winnie Madikizela-Mandela Local Municipality is expected to receive R 9 932 000,00 INEP funding allocation to implement three (3) projects as per the table below.

Project Name	Allocated amount	Funding Source
Electrification of Goxe	R 3 590 000.00	INEP
Electrification of Bhekela	R 4 770 000.00	INEP
Electrification of Mgungu	R 1 572 000.00	INEP
TOTAL	R 9 932 000.00	

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 2026/27.

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 60.2 million has been allocated as follows:

NAME OF PROJECT	BUDGETED AMOUNT	
Multi-Purpose Centre- Mphuthumi Mafumbatha	R 1 396 791,30	MIG
Multi-Purpose Center- Mphuthumi Mafumbatha (own)	R 10 434 782,61	Own Funding
Rehabilitation of Monti to Ntsimbini AR	R 6 871 174,78	MIG
Rehabilitation of Vuyisile to Ntsingizi AR	R 2 101 126,09	MIG
Construction of Mgwede Bridge	R 5 441 693,91	MIG
Construction of Mbhatshe Bridge and Access Road	R 2 603 213,91	MIG
Rehabilitation of Mtshawedikazi Bridge and Brigde A/R	R 4 256 732,17	MIG
Rehabilitation of Garhane Brigde A/R	R 3 785 804,35	MIG
Construction of Ward 31 Hub Access Road	R 1 017 888,70	MIG
Rehabilitation of Mabhanoyini Bridge & Access Road	R 5 702 051,30	MIG
Rehabilitation of Hlolweni Bridge & Access Road	R 4 951 632,17	MIG

NAME OF PROJECT	BUDGETED AMOUNT	
Construction of Ngcingo to Matwebu Access Road with Bridge	R 3 990 486,96	MIG
Construction of Ntsingizi to Mbenya AR	R 1 075 448,70	MIG
Rehabilitation of Mxhantini Bridge and A/R	R 3 256 951,30	MIG
Rehabilitation of Mosco AR with Bridge	R 3 343 873,91	MIG
Input Tax Accrual:Recognised	R 7 469 230,43	MIG
Construction of Mgwede Bridge	R 3 043 478,26	Own Funding
Construction of Matshezini Bridge	R 5 217 391,30	Own Funding
Upgrade of CBD	R 8 695 652,17	Own Funding
Input Tax Accrual:Recognised	R 4 648 771,57	Own Funding
Renovation of Municipal Offices:buildings	R 3 426 593,04	Own Funding
	<u>R 92 730 768,93</u>	

The compilation of the 2026/27 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 R29.4 million while R49.4 million is allocated to Rehabilitation and upgrading of existing roads. A further R5.3 million has been set aside for the maintenance of municipal buildings and another R7.2 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 R851 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 R8.2 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 R3.1 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 R1.9 million 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 R670 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 24th of March 2026 to consider the annual budget tabled by the Mayor at least 90 days before the start of the financial year 2026/27 and the Medium-Term Revenue and Expenditure Framework. The council must then consider the following resolutions which will become final when the budget is adopted.

The Mayor of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 16(2)(1) of the Municipal Finance Management Act, (Act 56 of 2003) tabled the draft budget in a council meeting which adopts:

- a. The draft annual budget of the municipality for the financial year 2026/27 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 adopted 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) adopts the following proposed tariffs with effect from 1 July 2026:
 - i) the tariffs for property rates
 - ii) the tariffs for electricity
 - i. Municipal Cost of Study for the 2026/27 financial year
 - 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) adopts the proposed tariffs with effect from 1 July 2026 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 adopts:
- 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 adopts 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) UIFWE Reduction Strategy
 - xvii) Petty Cash policy
 - xviii) Accounts payable policy

1.3 Executive Summary

The municipality continues to find itself highly dependent 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 economic investments. This unfortunately means that the municipality continues to utilise the grants allocated to assist the poor by delivering basic services to deliver services in areas that are expected to be able to fund their own development. The report shows just over R7.8 million decrease on the equitable share allocation to the municipality in the next year which is a massive funding gap in the budget 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 appointed debt collectors 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 unqualified audit opinions for the 2023/24 and 2024/25 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 7.1 was released with circular number 132. Version 7.1 of the chart will be effective from 2026/27 and must be used to compile the 2026/27 MTREF.

The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 7.1 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 continue to be 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.

Alignment of cash flow linkages

In terms of GRAP 2, cash flows should be classified in accordance with the nature of the activity to which they relate (operating, investing or financing) which requires that:

- The item for *Interest, Insurance Refund and Retentions* must be accounted for both operating and investing activities based on the nature of the transactions; and
- The *Interest on Short-Term investment (greater than 90 days)* and *Long-Term Investments* must be populated within investing activities. Short-Term Investments is disclosed on the Statement of Financial Performance.

To give effect to this GRAP standard, a new operational funding source, Insurance Refunds, has been created under the Investing Activities of MBRR tables A7 and SA30. Therefore, with effect from version 7.1 of the mSCOA chart:

- The VAT Receipts will be populated using the Bank Deposits (IA001001 – "DEPOSITS") and VAT Receipt funding source. The VAT Control account receipts will not be used for this purpose;
- Construction Contract Revenue will no longer form part of Sales of Goods and Rendering of Services. A new funding source was created to separately populate Construction Contract Revenue as part of Other Revenue on the MBRR supporting table SA30; and
- Development Charges will no longer form part of Operational Revenue. A new funding source was created to separately populate Development Charges as part of Other Revenue on MBRR supporting table SA30.

The structure of the MBRR table A7 and its related cash flow linkages has also been aligned with the mSCOA chart version 7.1.

Intercompany Transfers

In terms of the MFMA, municipalities with entities must submit budgets, in-year Section 71 reports, annual financial statements and annual reports for the parent municipality, as well as consolidated documents for both the parent and its entity. Furthermore, in accordance with GRAP 35 paragraph

39, a controlling entity shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidation procedures prescribed in GRAP 35 paragraph 41(a) and (c) state that consolidated financial statements combine like items of assets, liabilities, net assets, revenue, expenses, and cash flows of the controlling entity with those of its controlled entities. Consolidated financial statements should eliminate in full intra-economic entity assets, liabilities, net assets, revenue, expenses, and cash flows relating to transactions between entities of the economic entity (surpluses or deficits resulting from intra-economic entity transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-economic entity losses may indicate an impairment that requires recognition in the consolidated financial statements.

To support the implementation of the process outlined in GRAP 35 paragraph 41(c), *mSCOA* chart version 7.1 has been revised to enable the proper recording and reporting of all intercompany and parent–subsidiary transactions. These revisions introduce new and updated items relating to assets, liabilities, net assets, and expenses, which may be found on the *mSCOA* chart version 7.1 and represented as follows:

- Assets: Non-current Assets: Intercompany/Parent-subsidiary Transactions;
- Assets: Current Assets: Intercompany/Parent-subsidiary Transactions;
- Liabilities: Non-current Liabilities: Intercompany/Parent-subsidiary Transactions and Net Assets: Intercompany/Parent-subsidiary Transactions; and
- Expenditure: Intercompany/Parent-subsidiary Transactions.

The intercompany items available on the chart makes provision for the elimination of transactions between the entity and the parent and should be considered where possible during the preparation of your respective budget to ensure budgeted financial information between municipalities and their entities is accurately reflected and remains consistent across all reporting levels.

In terms of MBRR No. 39, the annual budget and supporting documentation of a municipal entity must be in the format specified in Schedule D and include all the required tables, charts and explanatory information considering any guidelines issued by the Minister in terms of section 168(1)(a) of the MFMA. Municipalities with entities must submit the necessary documents to the GoMuni Upload portal in accordance with the prescribed Regulations.

Improving mSCOA implementation

mSCOA e-Road Map

Municipalities are required to develop and implement a *mSCOA* road map to address gaps in the implementation of the *mSCOA* Regulations and the minimum business processes and system specifications articulated in MFMA Circular No 80 and its Annexure B.

The *mSCOA* road map has been incorporated as a module into the web-based Financial Management Capability Maturity Model (FMCMM). From the 2026/27 MTREF, all municipalities will be required to prepare their *mSCOA* road maps on the FMCMM web-based platform. The web-based *mSCOA* Road Map assesses compliance with regards to *mSCOA* implementation for the following focus area:

- System landscape, i.e. the ICT architecture that enables compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- Governance and institutional arrangements to drive compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- The functionality of the integrated system solution, as per the requirements articulated in MFMA Circular No 80 and its Annexure B; and
- Proficiency of municipal officials in utilising the integrated financial system solution.

Gaps in implementation will require the development of an action plan in the FMCMM web-based platform. Progress on the implementation of the *m*SCOA road map will be monitored via the FMCMM platform by National and Provincial Treasuries. From the 2026/27 financial year, this will form the basis for decisions on the withholding of the equitable share pertaining to *m*SCOA non-compliance, as well as the *m*SCOA compliance certificate to be issued by the National Treasury in respect of the Metro Trading Services reform.

Regulation of the minimum business process and system specifications for *m*SCOA

The National Treasury will conclude the consultation and preparatory work to regulate the minimum business process and system requirements for *m*SCOA in 2026/27. Once promulgated, the regulations will be applicable to municipalities and their entities.

Municipalities are encouraged to start preparing for these regulations by addressing gaps in the current *m*SCOA implementation and resolving them prior to the promulgation of the regulations on the minimum business process and system requirements for *m*SCOA.

All consultation documents that were presented at the Integrated Consultative Forums (ICF) can be located on the MFMA Webpage under *m*SCOA – Municipal Standard Chart of Accounts/Regulations on Minimum Business Processes and Technical Specifications for *m*SCOA/ Working Groups on the following link:

<https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/mSCOA%20Minimum%20Requirements/Forms/AllItems.aspx>

The draft documents are also available on the *m*SCOA one drive for comments and inputs on the following link and provide sufficient guidance to municipalities and system vendors to prepare for the new regulations prior to promulgation:

[E1_Draft Regulations - Consultation – Shared](#)

All comments and submissions are requested **by 31 January 2026** and must be submitted to mscoa@treasury.gov.za to allow for consolidation and inclusion in the final regulations

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 2026 to 2028. Medium-term growth will be underpinned by household consumption supported by further gains in real purchasing power, moderately stronger wage growth, easing inflation, wealth gains from rising asset prices, improved consumer sentiment and better credit conditions. 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.

South Africa's economy is expected to grow by 1.2 per cent in 2025/26, down from the 1.4 per cent estimated in the 2025/26 budget. Real GDP growth is forecast to strengthen, averaging 1.8 per cent over the medium-term, supported by a revival in investment as new infrastructure allocations take effect and reform implementation builds.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

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. 132 and 134. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2026 Estimate	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
Consumer Price Inflation - CPI	3.2%	3.4%	3.3%	3.2%

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) 12.5% increase on electricity tariffs (in line with the COS)
- b) 8.76% increase on Electricity Bulk purchases
- c) 0% increase on property rates
- d) 4.75% provision for employee costs as confirmed on Circular No.: 04/2026 of the SALGBC.
- e) 4.3% increase on the remuneration of councilors
- f) 3.7% for all other expenses, and

- g) 3.7% for other revenue municipal Tariffs

Revenue Management

a. Prioritise funding the Electricity Revenue Protection Programme

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities (with the electricity function) as a result, at higher risk of non-technical losses, particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in reduced collections and a related strain on cash flow and the ability to pay creditors.

Municipalities are advised to prioritise the following Revenue Protection measures in 2026/27 and future MTREFs if not already implemented:

- A dedicated Revenue Protection Unit for Electricity, Water, Wastewater and Refuse services administered by the senior manager responsible for the municipal Electricity Infrastructure Directorate, taking into consideration the recommendations and standards set out in NRS055 (Code of Practice for Revenue Protection);
- Allocating adequate funds in the budget to fund the municipality's Electricity, Water, Wastewater and Refuse services and the Revenue Protection Unit's operational needs;
- In allocating funding, the business threat of increasing non-technical losses to the municipality's particular specifics must be considered to achieve a balance, while ensuring the Revenue Protection staff organogram and operational program is adequately funded and able to fulfil its role;
- The municipality to demonstrate in its MTREF submission (narrative and *m*SCOA data strings) that a percentage of the revenue from the Energy, Water, Wastewater and Refuse function is ring-fenced to fund the municipal Revenue Protection Programme operational need(s) towards developing the program to fruition; and
- The municipality must implement the Municipal Systems Act principle of consolidated billing and strengthen the revenue policies to use electricity and water (in Eskom supply areas or where the municipality does not have the electricity function) to collect on the consolidated municipal bill. The policies should explicitly provide for credit control in this manner

b. Revenue Management Assessment Tool

Every municipality, in anticipation of the annual budget process and its review of critical revenue management related policies, should assess and review its revenue management value chain to identify any gaps, duplications, and / or inefficiencies, aligning with the approved organogram and related delegations. Refer to MFMA Budget Circular No. 126 (Annexure B: Submission checklist: Revenue Management Documents), MFMA Budget Circular No. 128 (Item 7.3 contained in Annexure A) and MFMA Budget Circular No.130 (Item 3.2 contained in Annexure A). The municipality is required to annually submit its assessment or review thereof to the National Treasury in the format of the Municipal Revenue Management Assessment Tool – to be uploaded to the National Treasury GoMuni upload portal annually as part of the Revenue Management Documents that are required.

The Revenue Assessment Tool was developed through the collaboration of the National Treasury, the Department of Cooperative Governance (DCoG) and the South African Local Government Association (SALGA) to integrate and align our support in this area, prevent duplicated efforts and facilitate stronger and systemic change across municipalities through the Single Integrated Revenue Management Framework (SIRMF).

The SIRMF is a national framework for revenue management that guides and outlines the intervention and leadership role both municipalities and oversight bodies should play in addressing challenges relating to the revenue management value chain and ultimately financial sustainability. The SIRMF emphasises the significant role of National and Provincial Government in supporting municipalities in the process of revenue management improvement and how the relevant departments will coordinate their support and their monitoring and evaluation role(s).

The SIRMF aligns with the existing statutory framework and emphasises compliance. The related tasks and responsibilities set out in the SIRMF provides guidance on how municipalities can enhance revenue management as a key approach to increasing the municipality's viability and sustainability. Completing the Municipal Revenue Assessment Tool can assist the municipal council, senior management team and oversight bodies to assess, understand, and improve critical revenue management practices of the municipality.

The tool provides an indication of gaps, flaws, duplications, inefficiencies, and risks in the existing revenue value chain that could compromise or affect whether the revenue component of the budget sufficiently caters for long-term planning and is credible and funded. It further provides a comprehensive overview of current revenue management processes by identifying strengths, weaknesses, and areas that need improvement. The tool focuses on eighteen (18) critical areas within the revenue management value chain and helps pinpoint specific areas to optimise revenue collection processes ultimately.

All municipalities had to complete the tool during the 2025/26 MTREF and are required, as part of the upcoming 2026/27 MTREF preparation process to thoroughly review the revenue value chain and affect changes to the tool reflective of such review as may be needed. As part of the review, the municipality must record clear progress and corrective actions undertaken in relation to each focus area identified during the municipality's 2025/26 compilation of the tool. It is noted that municipalities with revenue collection rates below 85 per cent (per the 2024/25 annual financial statements (AFS) and all municipalities participating in both the Municipal (Eskom) and or Water Debt Relief programs must annually undertake the full exercise (not only a review) until they achieve an average annual collection of 95 per cent as outlined in MFMA Circular No. 71.

The National Treasury recently strengthened Functional Area nine (9) – Finance Department Functions of the tool to enable municipalities to capture comments under this functional area. With effect from December 2025, any municipality compiling and or reviewing its revenue value chain as required in terms of this circular must use the updated Municipal Revenue Assessment Tool included as Annexure A to this Circular. The entire tool must be uploaded together with all the required worksheets included.

c. Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended and implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) and or tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjusted MTREF submissions to the National Treasury GoMuni portal (refer MFMA Budget Circular No. 129. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased in over two to three years and can be approved for the outer years (2027/28, 2028/29 and 2029/30). Thus, the indicative tariffs should be phased in over a period of three years.

The National Treasury Tariff Tool was updated to provide alternative methods of wastewater tariff modelling and to allow municipalities to allocate the municipality-specific percentage of indirect cost allocated across the different services. The municipality must ensure that the percentage allocated to indirect costs used in the Tariff Tool compilation perfectly aligns with the municipality's Budget- and Tariff-related Policies submitted as part of the tabled, adopted, and adjusted MTREF submissions. With effect 2025/26 (Quarter 3), metropolitan- and secondary cities are also required to complete and upload the Cost Reflective Tariff Tool in the National Treasury Tariff Tool format to the GoMuni portal as part of the tabled, adopted, and adjusted MTREF submissions.

Should the municipality through the completion of the Tariff Tool identify major flaws and or gaps in any tariff, the National Treasury recommend it is prudent for the municipality to undertake a full Cost of Supply study (COS) for that service since tariff gaps may be indicative of an unfunded revenue component of the municipality's MTREF. With effect from 2025/26 (Quarter 3), all municipalities must use the updated National Treasury Tariff Tool included as Annexure B to this Circular. A Tariff Tool procedural manual is also included in Annexure B to this Circular to assist municipalities in undertaking the Tariff Tool exercise.

d. Electricity Tariffs

Cost of Supply Study (COS) and NERSA D-forms for electricity tariff applications

The submission of tariff applications is an obligation enshrined in the Electricity Regulation Act, 2006 ('ERA') (as amended), read with the MFMA and incorporated in the licence conditions of licensees (also municipalities). Municipalities are therefore reminded that all municipal tariff applications for the 2026/27 financial year must be accompanied by the required Cost of Supply (COS) studies and submitted to NERSA before the outer deadline of 12 December 2025. Failure to comply with these requirements will result in the municipality being prohibited from making any adjustment to the electricity tariffs for the 2026/27 financial year. NERSA already confirmed to municipalities that only complete municipal applications received before 12 December 2025 will be processed and approved for implementation with effect from 01 July 2026.

Failure to apply to NERSA for approval of tariffs is a breach of the licence conditions and a violation of the provisions of the ERA. Section 15 of the ERA prevents any licensee from charging a tariff that is not approved by the Regulator. Licensed distributors should note that their current tariffs will expire on 30 June 2026 and that there will be no automatic extension, as the tariffs are approved annually.

To facilitate timely submissions to NERSA and the opportunity to supplement where NERSA identify any gaps in municipal submissions, the National Treasury urges municipalities to annually before 31 October submit to NERSA and subsequently upload to the GoMuni Portal, the municipality's:

- **Latest updated and or reviewed COS** (approved by Council) supporting its Electricity tariffs application for the MTREF to NERSA and parallel upload such to the GoMuni Revenue Portal. The COS must be uploaded to the GoMuni Revenue Portal in PDF format (the content must be in the NERSA content format), and include a file heading of: "Demarcation Code_Municipality Name_Cost of Supply Study (period)";
- **NERSA D-forms submitted to NERSA**, supporting its Electricity tariffs application for the 2026/27 MTREF to the GoMuni Revenue Portal in the Excel format required by NERSA, and include a file heading of: "Demarcation Code_Municipality Name_NERSA D-form (period)"; and
- **NERSA's letter approving the municipality's energy tariffs** for the MTREF annually with the tabled and adopted MTREFs. The municipality must upload the letter with the correct saving convention: "Demarcation Code_Municipality Name_NERSA tariff approval (period)".

e. Municipal Valuation Roll Reconciliation Tool

Reference is made to MFMA Circulars No. 93 (paragraph 3), No.98 (paragraph 4.1), No. 123 (paragraph 5.1), No. 126, (paragraph 3.1), and No. 130 (paragraph 3.5). To ensure the municipality's rates base is complete, aligns with the Municipal Property Rates Act (MPRA) section 23-Part A: Register of the latest consolidated general valuation roll (GVR), and the MPRA categories. With effect 2025/26 (Quarter 3), the municipality needs to monthly undertake the reconciliation in the format of the updated National Treasury Municipal Valuation Roll Reconciliation Tool included in Annexure C to this Circular. Municipalities will note that although, the tool interface remained the same, changes were made to some formula calculations to simplify the municipal experience of the tool.

f. Smart Meter end-to-end solutions

"Smart Meters" means meters that are components of an integrated end-to-end solution procured under the National Treasury's transversal contract RT29-2024, or any future transversal contract replacing RT29-2024. This solution includes smart meter hardware, installation, the central platform, systems integration, training and skills transfer, support, and ongoing monitoring.

Municipalities are reminded that a smart meter is not just the physical device and are cautioned against only procuring the meter hardware. The latter is insufficient and will not deliver the intended benefits of smart metering. The full value is realised only when the meter is connected to a functioning platform, integrated with the billing system, supported by trained staff, and monitored continuously. Buying only the device is similar to purchasing a cell phone without a

SIM card and network service: the handset exists, but the core functionality is unavailable. The same principle applies to smart metering.

The integrated solution under RT29-2024 is designed to support key municipal priorities:

- Improved service delivery through accurate, timely consumption data, fewer billing disputes, and quicker identification of faults and tampering;
- Financial sustainability through better revenue collection, reduced technical and non-technical losses, and more reliable cash flow; and
- Transparency and accountability through auditable metering data, consistent reporting, and better information for council, management, and oversight bodies.

An end-to-end solution ensures seamless data transfer from the meter to the back-office systems, enabling automated billing, exception reporting, and management dashboards. It also embeds structured training, and skills transfer so that municipal officials can operate and manage the system, rather than relying indefinitely on service providers. Support and monitoring components are essential to keep the system stable, secure and functional over time.

Municipalities are cautioned against partial procurement, such as buying only the meter hardware or bypassing the transversal contract for individual components. This often results in:

- Incomplete or manual integration with billing and finance systems;
- Limited or no training and skills transfer to municipal staff;
- Weak monitoring and reporting, undermining loss-reduction and revenue-enhancement efforts; and
- Poor value for money, project failures and potential audit concerns.

Municipalities are encouraged to use plain language when communicating smart metering projects internally and with council. Avoid unnecessary technical jargon and frame the discussion around strategic objectives: better service delivery, stronger revenue, and improved governance. It is useful to briefly explain to council as part of any decision-making process related to smart metering:

- why the full integrated solution is required;
- reference the terms and safeguards built into RT29-2024 or its successor;
- the components of the smart metering solution (meter, communication, platform, integration, training, support, monitoring); and
- The risks of procuring only one component versus an end-to-end system; etc.

It will assist non-technical stakeholders to better understand and assess the difference between a “device-only” purchase vs a true smart metering solution towards facilitating that any smart metering procurement is well planned, budgeted and implemented as a complete, integrated solution envisaged in RT29-2024.

g. Large Power Users (LPU) – Advanced Metering Infrastructure (AMI)

Advanced Metering Infrastructure (AMI) for Large Power Users (LPUs) is not a technical luxury. It is a core financial control that helps municipalities stabilise cash flow, protect the bulk supply (i.e. Eskom) account, and reduce audit findings related to billing and losses. The National Treasury urges municipalities to treat AMI as essential revenue infrastructure and to plan, fund and implement for such accordingly.

Municipalities manage a large number of meters and should invest in bulk intake points to reconcile the volume of electricity consumed. If the LPU (Three Phase Direct Connect and Three Phase CT/VT Connect) are not measured accurately, the municipality will under-bill, lose revenue, and struggle to reconcile its bulk electricity (i.e. Eskom) account. AMI directly addresses this risk.

Three Phase Direct Connect Smart Electricity Meter and Three Phase CT/VT Connect Smart Electricity Meter requires Cellular Communication & Platform access – these smart meters require 2-way communication to transmit data from the meters to the Head-End System or Dashboards and vice versa.

A current transformer (CT) is a device that acts as a step-down transformer to be connected to metering devices. It is used with AMI to measure the large current for meters/ relays etc. LPU customers normally have potential transformers (PT's) also known as a Voltage Transformers (VT) as part of the customer metering. By capturing the full load of these customers, smart LPU meters close gaps where older or incorrect metering leads to under-registration and hidden revenue leakage. Three-phase meters are critical for industrial and commercial users with complex load profiles. They support correct billing for businesses, reduce disputes and manual corrections, and improve predictability of revenue from this important customer group.

Check meters at bulk intake points provide an independent reading against which bulk supply invoices can and should be reconciled. This strengthens the municipality's position when validating bulk charges, detecting errors quickly and supporting credible disputes where required. Zonal meters divide the distribution network into manageable areas and make it possible to identify where technical and non-technical losses are concentrated, instead of relying on system-wide estimates. Statistical meters provide the data needed for demand forecasting, tariff design, and investment planning, including time-of-use and other advanced tariff structures.

In combination, CT/VT direct connect meters, three-phase meters, check meters, zonal meters and statistical meters give municipalities the ability to eliminate billing anomalies, reduce losses and strengthen cash flow. For example, correcting even a modest under-billing of five per cent on the top twenty LPUs can generate additional annual revenue sufficient to cover a substantial portion of the capital or lease cost of the metering programme.

Over the 2026 MTREF and beyond, municipalities are expected to identify all LPUs, bulk intake points and key zones that must be brought onto AMI, and to prioritise funding for this rollout ahead of non-essential projects. AMI commitments should be clearly reflected in the capital budget, the revenue-enhancement or loss-reduction strategy, and in the assumptions used for medium-term revenue projections. AMI data must also be used to refine tariff models, update loss-reduction targets, and support the monthly MFMA Section 71 in-year monitoring and reporting.

National Treasury and sector stakeholders will increasingly rely on AMI-derived information to assess revenue performance, system losses and the risk of non-payment of bulk supply. Municipalities are therefore encouraged to plan and fund AMI as a central part of their financial recovery and sustainability agenda, rather than as a stand-alone ICT or technical project.

h. Request for Meter Statistical Information in terms of MFMA Section 74

The National Treasury, in terms of MFMA section 74 requests municipalities to provide certain minimum statistical meter information and in the format of the "Meter Statistical information –

Water and Electricity” workbook included as Annexure D to this Circular. The template workbook is designed to help municipalities move from high-level smart metering decisions to concrete MTREF’s, credible schedules, and monthly reporting. It brings together municipal details, meter requirements, trading services information, and budget information in one place so that electricity and water smart metering can be planned, costed, and monitored in a consistent way. Municipalities are expected to complete and submit this template bi-annually (before the 10th working day of January and July) as part of the relevant MFMA Section 71 and or 72 statement(s). The submissions should cover meter data and key trading service information for the preceding six-month period.

The Municipal Meter Requirements:

- The electricity sheet of the template workbook that needs to be completed, gathers detailed information on existing and planned electricity meters. It records, by ward or area, the number of smart, conventional and prepaid meters, unmetered points, and new meter requirements. This part of the workbook establishes the baseline and the size of the gap that the smart metering project must address. It allows municipalities to see clearly where the largest shortfalls and opportunities are within their electricity network; and
- The water sheet of the template workbook performs the same function for water services. It records ward-level water meter data, including existing meters, unmetered connections and new meter requirements. Together, the electricity and water requirements sheets define the total scope of metering work that must be funded and implemented, rather than relying on rough estimates

i. Smart Metering Financing Solutions

Municipalities are cautioned against concluding agreements with service providers that are offering smart meter solutions at unreasonable costs. The National Treasury LGBA Chief Directorate, in collaboration with the Office of the Chief Procurement Officer (OCPO) are developing alternative funding solutions that will be more affordable, equitable, fair, and transparent, while also protecting municipalities and their revenue sources. Official notification regarding these solutions will be communicated in due course. Municipalities are advised to wait for this official communication before finalising any smart meter-related agreements, or alternatively to formally request the National Treasury’s input on such solutions before proceeding. Requests can be directed to RevenueManagement@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

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 2026/27 financial year and the two outer years. This information has further been detailed more in the draft Service Delivery Budget Implementation Plan for the 2026/27 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 2026/27 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2026/27 MTREF

EC443 Winnie Madikizela Mandela - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	21 150	21 713	22 853	24 187	35 187	35 187	39 054	36 935	38 597	39 562
Service charges	58 357	53 841	59 048	61 186	61 523	61 523	40 170	58 377	60 232	62 094
Investment revenue	21 920	34 777	39 708	39 677	39 677	39 677	24 049	40 977	42 329	43 683
Transfer and subsidies - Operational	342 754	352 621	368 646	367 150	367 494	367 494	273 933	359 020	353 467	379 173
Other own revenue	36 956	44 040	44 959	41 805	39 260	39 260	32 692	27 811	33 980	35 335
Total Revenue (excluding capital transfers and contributions)	481 138	506 992	535 214	534 006	543 140	543 140	409 898	523 119	528 604	559 848
Employee costs	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 230	168 326	176 082
Remuneration of councillors	26 577	27 159	27 795	31 370	31 370	31 370	18 576	32 625	33 701	34 780
Depreciation, amortisation and impairment	42 493	55 227	59 105	48 219	69 709	69 709	33 347	63 373	65 464	67 559
Interest, Dividends and Rent on Land	-	41	183	104	104	104	-	100	103	107
Inventory consumed and bulk purchases	47 637	49 228	59 684	67 145	67 593	67 593	39 918	73 128	79 057	81 587
Transfers and subsidies	2 593	2 805	4 984	5 454	6 166	6 166	248	5 635	5 821	5 352
Other expenditure	132 096	168 883	183 536	229 157	255 197	255 197	126 908	234 730	225 450	208 924
Total Expenditure	366 230	431 069	469 536	529 471	582 737	582 737	307 116	569 821	577 922	574 930
Surplus/(Deficit)	114 908	75 923	65 678	4 535	(39 597)	(39 597)	102 782	(46 702)	(49 318)	(14 541)
Transfers and subsidies - capital (monetary allocations)	77 436	68 482	67 746	86 137	85 313	85 313	56 434	57 701	63 935	22 115
Transfers and subsidies - capital (in-kind)	479	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	19 230
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	61 474	66 434	48 820	91 018	106 092	106 092	19 688	83 521	76 283	85 636
Total sources of capital funds	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866
Financial position										
Total current assets	489 633	571 379	657 223	529 307	498 391	498 391	748 064	398 251	329 435	293 252
Total non current assets	866 282	930 561	979 692	1 060 793	1 077 343	1 077 343	1 036 041	1 046 876	999 561	939 701
Total current liabilities	120 578	116 194	116 675	146 043	114 063	114 063	89 354	89 919	90 690	90 728
Total non current liabilities	10 632	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 343 258	1 226 356	1 129 204
Cash flows										
Net cash from (used) operating	225 840	255 874	224 901	172 239	146 398	146 398	168 617	62 307	66 182	55 262
Net cash from (used) investing	(136 324)	(136 247)	(130 210)	(190 043)	(206 375)	(206 375)	(70 345)	(150 627)	(146 396)	(116 376)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	366 625	479 642	555 479	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Cash backing/surplus reconciliation										
Cash and investments available	360 015	460 788	540 242	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Application of cash and investments	15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(27 150)	(39 746)	(61 999)
Balance - surplus (shortfall)	344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024
Asset management										
Asset register summary (WDV)	723 381	781 195	905 290	906 991	908 866	908 866	922 339	885 527	854 597	-
Depreciation	41 502	45 975	52 424	48 219	60 936	60 936	63 373	65 464	67 559	-
Renewal and Upgrading of Existing Assets	83 391	65 511	(65 186)	49 261	60 793	60 793	60 094	50 164	26 681	-
Repairs and Maintenance	11 287	21 366	33 280	55 196	73 836	73 836	57 727	49 197	36 333	-
Free services										
Cost of Free Basic Services provided	-	-	-	(7 500)	(7 500)	(7 500)	-	(7 500)	(7 748)	-
Revenue cost of free services provided	(5)	(10)	(484)	(265)	(265)	(265)	(477)	(499)	(511)	-
Households below minimum service level										
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 2026/27 financial period with the outer years. The table shows that the expected revenue for the 2026/27 financial year adds up to just above R580 million.

a. Revenue

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 72% of the municipality's anticipated revenues which is a decrease from 77% in the prior year with other sources anticipated to generate only 28% 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 anticipated decrease in revenue is about 8% which reflects the impact of the grant allocations cut to the municipality as will be dealt with in other parts of this budget document. 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 11% 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 R63.3 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 34% 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

- Junior Internal Auditor

- Data Capturer
- Admin Clerk

Corporate Services

- Manager: Admin Support & Aux Services
- Registry Clerk
- Receptionist

Community Services

- Manager: Traffic and Law Enforcement
- Community Safety Officer

Development Planning

- LED Officer: Co-op and SMME

Budget and Treasury Office

- Stores 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.

a. Review of human resource policies, benefits not provided for in collective agreements

Municipalities face rising financial pressure from providing in-service and post-employment benefits that are not covered by any South African Local Government Bargaining Council (SALGBC) collective agreement or supported by a long-term affordability assessment. These benefits create long-term liabilities and spending that are not aligned with the MFMA while municipalities overreach by setting unaffordable tariffs to accommodate such expenses in the budget. To support financial sustainability, municipalities must review all benefits provided to current and former employees to identify benefits that fall outside SALGBC agreements and identify any practices or policies that create irregular, unnecessary, or unaffordable expenditure.

Examples of benefits not provided for in SALGBC agreements include annual leave encashment during service (not linked to termination of services) and post-employment medical aid contributions. These benefits strain operating budgets and expose municipalities to irregular, unauthorised, fruitless, and wasteful expenditure. They cost millions each year and, in the case of post-employment medical aid, create liabilities that run into billions for municipalities. When post-employment medical aid contribution is paid for former employees, the municipality receives no value in return.

For the 2026/27 budget, municipalities must accordingly identify all benefits paid to current or former employees that are not within the SALGBC agreements, or a valid council policy supported by a long-term affordability and compliance assessment. Where such benefits exist, for example, annual leave encashment during service, municipalities must consult with labour unions and

discontinue the expenditure. Another option is that municipalities may consider a phased approach to discontinue the expenditure over two or three years, subject to affordability.

In the case of post-employment medical aid benefits, these must not be granted to employees appointed from a future date, for example, from 1 July 2026. Where a municipality provides the benefit without a policy, it must adopt a policy that reflects existing practice while excluding future employees from receiving the benefit and setting upper limits on the municipality's contributions. The policy and council decision must specify the effective date of exclusion for future employees. Benefits such as post-employment medical aid should not be extended to senior managers or councillors covered by the annual upper-limits gazette notices.

Accounting officers must ensure that human resource policies, payroll practices, and benefit structures comply with the law, and that any unauthorised or unaffordable benefits are stopped in accordance with the correct procedure. All municipalities must, accordingly, as part of their annual review of their 2026/27 budget-related policies, review all human resource benefit policies to identify benefits the municipality should discontinue with effect from 1 July 2026, on affordability grounds. Accounting officers remain responsible for preventing irregular, fruitless, and wasteful expenditure, and the contemplated policy reviews must be conducted by municipal staff, not consultants

iv. Remuneration of councillors

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 R15.7 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 8.76% increase in line with the guidance provided by NERSA as the Eskom approved tariff hike.

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:

- R12.6 million for outsourced security services
- R7.3 million for legal fees which remains unchanged
- R3.6 million for Electrification of Goxe
- R4.7 million for Electrification of Bhekela
- R1.5 million for Electrification of Mngungu
- R24 million for road maintenance

- R3.7 million - Maintenance of Ntlenzi-Bhukuveni to Galatyeni Access Road
- R2.9 million - Maintenance of Mzambana SPS Access Road
- R3.5 million - Maintenance of Mkhandlwini Access Road
- R4.4 million - Maintenance of Isikelo Authority to Thandabantu Access Road
- R3 million - Maintenance of Meje Access Road
- R2.9 million - Maintenance of R61 to Didi School Access Road
- R3.5 million - Maintenance of Mpofana to Ganyile Access Road
- R1.1 million for maintenance electricity infrastructure
- R1.1 million for maintenance of municipal buildings – excluding the renovations included in the capital budget
- R12.8 million for casual labour
- R3.6 million for maintenance of the dumping site
- R4.7 million for waste management services
- R1.5 million for Internal Audit fees
- R3 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.3 million for landfill site EIA consulting fees
- R1.2 million for debt collection services
- R2.9 million for CBD and Storm water maintenance
- R1 million maintenance of Financial Management Systems (FMG)
- R6.3 million for maintenance of municipal vehicles
- R1.8 million for Automated Meter reading
- R2.8 million for maintenance of the Sceptic Tank
- R1 million for Indigent Verification
- R 1 million for Planning Survey Munic Hass
- R 1 million for Spatial Redefination of Settlement
- R6.2 million on catering for various municipal activities which is a decrease from R6.8 million in the current year adjusted budget
- R1.2 million for maintenance of 3 community halls
- R800 thousand for compilation and maintenance of the valuation roll
- R360 thousand for Audit Committee Fees
- R300 thousand for AFS review for new standards implementation

There are other municipal programmes included as road marking, survey of municipal land, maintenance of CCTV Cameras, cemeteries, Jungle Gym, nursery, pound parks 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
- R6.6 million for License fees

- R4 million for communication in the form of telephone, fax and cellphones
- R8.1 million for external audit fees
- R5.2 million for free basic electricity
- R2.3 million for solar energy subsidy
- R7.3 million for accommodation of Municipal Officials and Councillors which is a slight increase from R6.8 million in the current year’s adjusted budget
- R4.3 million for insurance of municipal assets
- R2 million for SALGA levies and
- R741 thousand for tuitions fees for training and development

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	100	150	–	150	150	–	–	–
Vote 2 - Corporate Services		1 332	428	1 765	220	220	220	230	237	245
Vote 3 - Budget and Treasury Office		373 657	389 498	409 684	399 920	399 920	399 920	393 672	392 075	419 020
Vote 4 - Community Services		26 957	12 520	13 327	15 395	23 439	23 439	17 407	23 628	23 930
Vote 5 - Development Planning		22 785	37 251	33 477	34 816	45 826	45 826	47 062	67 704	55 814
Vote 6 - Engineering Services		134 323	135 676	144 557	169 791	158 898	158 898	122 450	108 895	82 953
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	559 053	575 474	602 960	620 143	628 453	628 453	580 820	592 539	581 963
Expenditure by Vote	1									
Vote 1 - Executive and Council		78 876	81 555	82 825	92 264	98 011	98 011	100 229	103 950	106 981
Vote 2 - Corporate Services		43 613	45 912	60 894	68 574	74 329	74 329	63 709	66 204	68 758
Vote 3 - Budget and Treasury Office		27 987	28 757	38 297	44 658	40 184	40 184	42 409	44 003	44 723
Vote 4 - Community Services		70 569	78 909	95 513	111 367	119 701	119 701	132 442	125 199	121 396
Vote 5 - Development Planning		21 967	28 578	29 806	34 737	39 583	39 583	41 404	40 645	41 587
Vote 6 - Engineering Services		123 218	167 358	162 201	177 871	210 930	210 930	189 628	197 921	190 945
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	366 230	431 069	469 536	529 471	582 737	582 737	569 821	577 922	574 390
Surplus/(Deficit) for the year	2	192 823	144 405	133 424	90 672	45 716	45 716	10 999	14 617	7 573

a. REVENUE

Anticipated revenues show a massive decline compared to the 2025/26 budget and this is due to mainly a decrease in the equitable share, Municipal Disaster Recovery Grant, Integrated National Electrification grant, as well as the Municipal Infrastructure Grant as may be seen on the table above indicating the grants that have been provisionally confirmed for the municipality. There is also a significant decrease 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 past five 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

Executive and Council

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 over R24 million has been made to cater for external road maintenance, and R1.5 million for maintenance of municipal buildings excluding the renovations that have been included in the capital budget.

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 earlier, the tough economic conditions reflect on the reduced 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

GRANTS RECONCILIATION ALLOCATIONS					
Reconciliation of Winnie Madikizela Mandela Local Municipality Allocations for 2026/2027 MTREF					
	Revised 2025/26	Change	2026/27	2027/28	2028/29
National Allocations					
Operational	388 426 250,00	- 20 184 350,00	368 241 900,00	368 411 250,00	394 803 300,00
Equitable Share	357 855 000,00	- 7 803 000,00	350 052 000,00	346 992 000,00	372 471 000,00
Financial Management Grant	2 100 000,00	200 000,00	2 300 000,00	2 400 000,00	2 500 000,00
Expanded Public Works Programme	3 111 000,00	- 167 000,00	2 944 000,00	-	-
Municipal Infrastructure Grant 5%	3 352 250,00	- 338 350,00	3 013 900,00	3 341 250,00	3 445 300,00
Neighbourhood Development Partnership Grant	-	-	-	-	-
Intergrated National Electrification	22 008 000,00	-12 076 000,00	9 932 000,00	15 678 000,00	16 387 000,00
Disaster Relief Grant	-	-	-	-	-
Capital	84 592 749,00	-27 328 649,00	57 264 100,00	63 483 750,00	65 460 700,00
Municipal Infrastructure Grant	63 692 750,00	- 6 428 650,00	57 264 100,00	63 483 750,00	65 460 700,00
Intergrated National Electrification	-	-	-	-	-
Disaster Recovery Grant	20 899 999,00	-20 899 999,00	0	0	0
Provincial Allocations					
Operational	1 645 895,00	- 498 895,00	1 147 000,00	1 199 000,00	-
Library Grant	1 445 895,00	- 298 895,00	1 147 000,00	1 199 000,00	-
Greenest Municipality Grant	200 000,00	- 200 000,00	-	-	-
District Allocations					
Operational	150 000,00	- 150 000,00	-	-	-
IDP Grant Assistance	150 000,00	- 150 000,00	-	-	-
TOTAL ALLOCATIONS	474 814 894,00	-48 161 894,00	426 653 000,00	433 094 000,00	460 264 000,00

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 always delayed due to the timing differences between the municipal budget processes against the Provincial Budget processes. From the table, we see a overall decrease of over R48.1 million on the grants total compared with the with the revised budget of the 2025/26 financial year. 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 2026/27 financial year. A further decrease of just over R7.8 million is seen on the municipal infrastructure Grant which causes a serious strain on the decision making processes that will need to be followed due to the increased demand of road infrastructure investment as well as price adjustment cushioning in relation of the current economic climate.

The reality of the above table is that it means the municipality cannot even afford to implement the current year's budget with the funding confirmed for the next financial year, a serious cause for concern.

Table 2 Summary of revenue classified by main revenue source

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	52 474	54 182	55 892
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	16 945	4 128	4 662	5 200	5 130	5 130	3 657	5 902	6 051	6 203
Sale of Goods and Rendering of Services	2	158	249	559	473	473	473	344	498	514	531
Agency services	2	1 361	1 298	1 234	1 499	1 499	1 499	892	1 554	2 000	2 064
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	2 953	3 827	2 194	3 984	4 134	4 134	2 215	3 499	3 614	3 730
Interest earned from Current and Non Current Assets	2	21 920	34 777	39 708	39 677	39 677	39 677	24 049	40 977	42 329	43 683
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	7 506	7 970	7 958	5 764	5 914	5 914	3 768	6 272	6 434	6 728
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	14 432	14 067	16 871	22 008	19 137	19 137	18 969	8 637	13 633	14 250
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	676	957	1 929	405	405	405	322	470	485	501
Non-Exchange Revenue											
Property rates	2	21 150	21 713	22 853	24 187	35 187	35 187	39 054	36 935	38 597	39 562
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 246	1 286	1 074	386	401	401	38	375	578	596
Licences or permits	2	2 169	2 102	2 171	2 379	2 389	2 389	1 794	2 483	2 565	2 647
Transfer and subsidies - Operational	2	342 754	352 621	368 646	367 150	367 494	367 494	273 933	359 020	353 467	379 173
Interest	2	3 961	5 200	5 243	4 907	4 907	4 907	4 350	4 023	4 156	4 289
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	756	-	1 387	-	-	-	-	-	-	-
Other Gains	2	1 738	7 085	4 340	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		481 138	506 992	535 214	534 006	543 140	543 140	409 898	523 119	528 604	559 848

Table 3 Percentage growth in revenue by main revenue source

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26					2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	% Change	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue												
Exchange Revenue												
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	-7%	52 474	54 182	55 892
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	16 945	4 128	4 662	5 200	5 130	5 130	3 657	15%	5 902	6 051	6 203
Sale of Goods and Rendering of Services	2	158	249	559	473	473	473	344	5%	498	514	531
Agency services	2	1 361	1 298	1 234	1 499	1 499	1 499	892	4%	1 554	2 000	2 064
Interest	2	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	2 953	3 827	2 194	3 984	4 134	4 134	2 215	-15%	3 499	3 614	3 730
Interest earned from Current and Non Current Assets	2	21 920	34 777	39 708	39 677	39 677	39 677	24 049	3%	40 977	42 329	43 683
Dividends	2	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	7 506	7 970	7 958	5 764	5 914	5 914	3 768	6%	6 272	6 434	6 728
Licence and permits	2	-	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	14 432	14 067	16 871	22 008	19 137	19 137	18 969	-55%	8 637	13 633	14 250
Development Charges	2	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	676	957	1 929	405	405	405	322	16%	470	485	501
Non-Exchange Revenue												
Property rates	2	21 150	21 713	22 853	24 187	35 187	35 187	39 054	5%	36 935	38 597	39 562
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 246	1 286	1 074	386	401	401	38	-6%	375	578	596
Licences or permits	2	2 169	2 102	2 171	2 379	2 389	2 389	1 794	4%	2 483	2 565	2 647
Transfer and subsidies - Operational	2	342 754	352 621	368 646	367 150	367 494	367 494	273 933	-2%	359 020	353 467	379 173
Interest	2	3 961	5 200	5 243	4 907	4 907	4 907	4 350	-18%	4 023	4 156	4 289
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	756	-	1 387	-	-	-	-	-	-	-	-
Other Gains	2	1 738	7 085	4 340	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		481 138	506 992	535 214	534 006	543 140	543 140	409 898	-4%	523 119	528 604	559 848

In line with the prescribed budget formats by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating revenues, 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 new valuation roll that was implemented in for the first time in the 2025/26 financial year has revealed some errors that may need correction or confirmation through a supplementary valuation. 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 have been implemented over the past financial years which were beginning to show some positive results seem to have regressed and therefore resulting in an anticipated revenue generation in line with the Cost of Study performed by the municipality.

Table 4 Operating Transfers and Grant Receipts

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations										
Equitable Share		320 095	341 204	359 441	357 855	357 855	357 855	350 052	346 992	372 471
Expanded Public Works Programme Integrated Grant		3 687	3 042	2 981	3 111	3 111	3 111	2 944	-	-
Infrastructure Skills Development Grant		-	240	252	-	-	-	-	-	-
Integrated National Electrification Programme [Schedule 5B]		-	-	403	-	-	-	-	-	-
Local Government Financial Management Grant		2 100	2 100	2 093	2 100	2 100	2 100	2 300	2 400	2 500
Municipal Disaster Grant		12 790	2 895	-	-	-	-	-	-	-
Municipal Infrastructure Grant		2 534	2 679	2 826	3 352	3 352	3 352	3 014	3 341	3 445
Total Monetary Allocations		341 206	352 160	367 996	366 418	366 418	366 418	358 310	352 733	378 416
Total Operating/National Government		341 206	352 160	367 996	366 418	366 418	366 418	358 310	352 733	378 416
Provincial Government										
Monetary Allocations										
Capacity Building and Other		1 548	461	650	732	925	925	710	733	757
Total Monetary Allocations		1 548	461	650	732	925	925	710	733	757
Total Operating/Provincial Government		1 548	461	650	732	925	925	710	733	757
District Municipalities										
Monetary Allocations										
Capacity Building and Other		-	-	-	-	150	150	-	-	-
Total Monetary Allocations		-	-	-	-	150	150	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	150	150	-	-	-
Other Grant Providers										
Monetary Allocations										
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Operating	5	342 754	352 621	368 646	367 150	367 494	367 494	359 019 873	353 466 651	379 173 169
Capital										
National Government										
Monetary Allocations										
Integrated National Electrification Programme (Municipal Grant) [S		-	-	5 557	-	-	-	-	-	-
Municipal Disaster Recovery Grant		27 735	4 671	1 905	21 829	20 900	20 900	-	-	-
Municipal Disaster Relief Grant		-	10 371	5 924	-	-	-	-	-	-
Municipal Infrastructure Grant		48 148	50 906	53 686	63 693	63 693	63 693	57 264	63 484	21 649
Neighbourhood Development Partnership Grant		1 553	2 534	-	-	-	-	-	-	-
Total Monetary Allocations		77 436	68 482	67 072	85 522	84 593	84 593	57 264 100	63 483 750	21 648 702
Total Capital/National Government		77 436	68 482	67 072	85 522	84 593	84 593	57 264 100	63 483 750	21 648 702
Provincial Government										
Monetary Allocations										
Capacity Building and Other		-	-	673	615	721	721	437	451	466
Total Monetary Allocations		-	-	673	615	721	721	437 027	451 449	465 895
Allocations In-kind										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Provincial Government		-	-	673	615	721	721	437	451	466
District Municipalities										
Total Capital	5	77 436	68 482	67 746	86 137	85 313	85 313	57 701	63 935	22 115
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		420 190	421 102	436 392	453 287	452 807	452 807	416 721	417 402	401 288

Table 4 shows the operating grants that the municipality has been allocated for the 2026/27 financial period and the MTREF. The Equitable Share has decreased from R 357 to R350 million and the municipality revenue has grant funding in the excess of R416 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 as well as another noticeable decrease on the Municipal Infrastructure as well.

- **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 2026/27 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, 2026 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 2026/27 financial year

PROPERTY RATES	2025/2026	2026/2027	2027/2028	2027/2028
	R/c	R/c	R/c	R/c
Agriculture Properties	0,0056	0,0058	0,0059	0,0061
Residential Properties	0,0074	0,0077	0,0079	0,0081
Business and commercial properties	0,0152	0,0159	0,0163	0,0167
Properties owned by organ of state	0,0148	0,0155	0,0159	0,0162
Public Benefit Organisations Properties	0,0000	0,0000	0,0000	0,0000
Vacant Land - Business and commercial properties	0,0186	0,0194	0,0199	0,0204
Vacant Land - Residential Properties	0,0119	0,0124	0,0127	0,0131

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 the Cost of study, we have therefore applied a 12.5% 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.

BLOCK TARIFFS

1. ELECTRICITY TARIFFS	APPROVED TARIFF 2025/2026 - VAT EXCLUSIVE	PROPOSED TARIFF 2026/2027 -VAT EXCLUSIVE
1.1. DOMESTIC PREPAID TARIFF BLOCK HOMELIGHTH 60A		
Block 1 (0-50 KWh)	1,9302	1,9381
Block 2 (51-350 KWh)	2,4817	2,5020
Block 3 (351-600 KWh)	3,4927	3,5371
Block 4 (>600 KWh)	4,1132	4,1654
1.2. DOMESTIC CONVENTIONAL TARRIF BLOCK (c/KWh) HOMELIGHTH 60A		
Block 1 (0-50 KWh)	1,9302	1,9381
Block 2 (51-350 KWh)	2,4817	2,5020
Block 3 (351-600 KWh)	3,4927	3,5371
Block 4 (>600 KWh)	4,1132	4,1654
Basic Charge (R/Month)	R419,80	R437,01

TIME OF USE TARIFFS (TOU)

2025/26		Active energy charge [c/kWh]					
Customer categories	Voltage	High demand season [Jun - Aug]					
		Peak		Standard		Off Peak	
		<i>VAT Excl</i>	<i>VAT incl</i>	<i>VAT Excl</i>	<i>VAT incl</i>	<i>VAT Excl</i>	<i>VAT incl</i>
LARGE POWER USER	415V	3,168	3,6432	2,254	2,5921	1,879	2,16085
THREE PHASES	415V	4,874	5,6051	3,249	3,73635	2,493	2,86695
SINGLE PHASE	230V	4,874	5,6051	3,249	3,73635	2,493	2,86695

2025/26	Active energy charge [c/kWh]
----------------	-------------------------------------

Customer categories	Voltage	Low demand season [Sep - May]					
		Peak		Standard		Off Peak	
		VAT Excl	VAT incl	VAT Excl	VAT incl	VAT Excl	VAT incl
LARGE POWER USER	415V	3,168	3,6432	2,254	2,5921	1,879	2,16085
THREE PHASES	415V	4,874	5,6051	3,249	3,73635	2,493	2,86695
SINGLE PHASE	230V	4,874	5,6051	3,249	3,73635	2,493	2,86695

TIME OF USE TARIFFS (TOU)

2026/2027		Active energy charge [c/kWh]					
Customer categories	Voltage	High demand season [Jun - Aug]					
		Peak		Standard		Off Peak	
		VAT Excl	VAT incl	VAT Excl	VAT incl	VAT Excl	VAT incl
LARGE POWER USER	415V	3,5703	4,1059	2,5403	2,9213	2,1176	2,4353
THREE PHASES	415V	5,4930	6,3169	3,6616	4,2109	2,8096	3,2311
SINGLE PHASE	230V	5,4930	6,3169	3,6616	4,2109	2,8096	3,2311

2026/2027		Active energy charge [c/kWh]					
Customer categories	Voltage	Low demand season [Sep - May]					
		Peak		Standard		Off Peak	
		VAT Excl	VAT incl	VAT Excl	VAT incl	VAT Excl	VAT incl
LARGE POWER USER	415V	3,5703	4,1059	2,5403	2,9213	2,1176	2,4353
THREE PHASES	415V	5,4930	6,3169	3,6616	4,2109	2,8096	3,2311
SINGLE PHASE	230V	5,4930	6,3169	3,6616	4,2109	2,8096	3,2311

Customer categories	Basic charge [R/account/day] in all time-of-use	
	VAT Excl	VAT incl
2025/26		
LARGE POWER USER	R2 636,30	R3 031,75
THREE PHASES	R1 458,70	R1 677,51
SINGLE PHASE	R1 458,70	R1 677,51
DOMESTIC (CONVENTIONAL)	R419,80	R482,77
DOMESTIC (PREPAID)	R419,80	R482,77
Customer categories	Network demand charge [R/KVA/m] in all time-of-use periods	

	VAT Excl.	VAT Incl.
LARGE POWER USER	R175,30	R201,60

Customer categories	Basic charge [R/account/day] in all time-of-use	
	VAT Excl	VAT incl
2026/2027		
LARGE POWER USER	R2 971,11	R3 416,78
THREE PHASES	R1 643,95	R1 890,55
SINGLE PHASE	R1 643,95	R1 890,55
DOMESTIC (CONVENTIONAL)	R473,11	R544,08
DOMESTIC (PREPAID)	R437,01	R502,56
Customer categories	Network demand charge [R/KVA/m] in all time-of-use periods	
	VAT Excl.	VAT Incl.
LARGE POWER USER	R197,56	R227,20

ELECTRICITY NEW CONNECTION FEES	2025 / 2026	DRAFT 2026/2027	PROJECTED 2027/2028	PROJECTED 2027/2028
20 Amps (Single Phase)	2 856	2 961	3 059	3 157
60 Amps (Single Phase)	5 615	5 823	6 015	6 208
100 Amps (3 Phase)	7 463	7 740	7 995	8 251
Per Kva	8 136	8 437	8 716	8 995
Inspection and testing of installation:- (new)		-	-	-
To inspect and/or test consumer's installation for the first test	378	392	405	418
Thereafter		-	-	-
To inspect and/or test consumer's installation per inspection, per visit.	378	392	405	418
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		-	-	-
Connection fee:-		-	-	-
The connection fee in respect of any temporary supply, per connection	588	610	630	650
The connection fee / Administration fee in respect of any disconnection and reconnection of services cutt-offs	588	610	630	650
Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	608	630	651	672
Meter Hardware costs		-	-	-
Meter keypad replacement	762	790	817	843
Meter replacement :20 Amps (Single Phase)	918	952	983	1 015
Meter replacement :60 Amps (Single Phase)	1 079	1 119	1 156	1 193

ELECTRICITY NEW CONNECTION FEES	2025 / 2026	DRAFT 2026/2027	PROJECTED 2027/2028	PROJECTED 2027/2028
Meter replacement :100 Amps (3 phase)	2 499	2 591	2 677	2 763

Tampering fine (Illegal connection) (no VAT)	2025 / 2026	PROPOSED 2026/2027	2027/2028	2027/2028
First temper	21 500	22 296	23 031	23 768
Second temper	30 000	31 110	32 137	33 165
Third temper(permanent disconnection)	35 000	36 295	37 493	38 693
Plus Cost of New meter - Cost + vat				
<i>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</i>				

EMBEDED ENERGY (EG) PURCHASE COSTS	2025 / 2026	2026/2027	2027/2028	2027/2028
Flat tariff energy purchase costs (c/kWh)	156	162	167	172
TIME OF USE (TOU) energy purchase costs (c/kWh)	-	-	-	-
Low Season Off-peak	98	102	105	108
Low Season Standard	154	160	165	171
Low Season Peak	224	233	240	248
High Season Off-peak	113	117	121	125
High Season Standard	208	216	223	230
High Season Peak	688	713	737	761
<i>Fixed charge / basic charge is aligned to each customer category</i>				

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 2026:

Table 6 Comparison between current waste removal fees and increases

REFUSE - RESIDENTIAL	2025/2026	2026/2027	2027/2028	2027/2028
	R	R	R	R
Category 1 - RREF01	205	212	219	226
Category 2 - RREF02	410	425	440	454
Category 3 - RREF03	824	854	882	911
Category 4 - RREF04	346	358	370	382
Category 5 - RREF05	618	641	662	683
Category 6 - RREF06	205	212	219	226
Category 7 - RREF07	387	402	415	428
Category 8 - RREF08	96	99	103	106
Category 9 - RREF09	98	102	105	108
Category 10	70	73	75	77
**EXCLUDING VAT (15%)				

REFUSE - COMMERCIAL	2025/2026	2026/2027	2027/2028	2027/2028
Category 1.1	204	211	218	225
Category 1.2	329	341	352	363
Category 2	552	572	591	610
Category 3.1	692	718	741	765
Category 3.2	923	957	988	1 020
Category 3.3	1 655	1 716	1 773	1 829
Category 4.1	404	419	432	446
Category 4.2	2 069	2 145	2 216	2 287
Category 5.1	4 827	5 006	5 171	5 336
Category 5.2	3 448	3 575	3 693	3 812
Category 5.3	1 576	1 634	1 688	1 742
Category 5.4	692	718	741	765
Category 5.5	788	817	844	871
Category 5.6	404	419	432	446

REFUSE - COMMERCIAL	2025/2026	2026/2027	2027/2028	2027/2028
Category 6	173	179	185	191
Category 7.1	1 568	1 626	1 680	1 734
Category 7.2	2 088	2 165	2 237	2 308
Category 8	387	401	415	428
**EXCLUDING VAT (15%)				

DUMPING SITE TARRIFS	2025/2026	2026/2027	2027/2028	2027/2028
DISPOSAL:				
Bakkie per load	99	103	106	110
Truck per load (1.3 -3 ton)	125	130	134	138
Truck per load(4 ton)	173	179	185	191
Truck per load(8 ton and above)	289	300	310	320
Clean Rubble (clean Rubble)	0	-	-	-
Grass Cutting per square meter	10	10	11	11
Clearing of overgrown sites per square meter	16	17	18	18
Tree felling per hour	887	920	951	981
Disposal of Green Waste - Bakkie	131	136	141	145
Disposal of Green waste -1.3 to 3	887	920	951	981
Disposal of Green Waste - 4 Ton	94	98	101	104
Disposal of Green Waste - 8 Ton	164	170	176	182
RENT A SKIP SERVICE - Per Load		-	-	-
Daily	250	259	268	276
Weekly	812	842	870	898
Monthly	3246	3 366	3 477	3 589
OTHER CHARGES		-	-	-
Special collection of waste (per 240l bin)	55	57	58	60
Special event (cleaning and disposal)	2184	2 265	2 340	2 414
safe disposal of products/condemned food stuffs (crushed, burried per ton)	491	510	526	543
Voluntary collection	70	73	75	77
Collection in construction/commercial/industrial sites(Monthly)	387	401	415	428
Illegal dumping(household refuse)	1000	1 037	1 071	1 106
Illegal dumping(green waste)	1000	1 037	1 071	1 106
illegal dumping of rubble	2000	2 074	2 142	2 211
Disposal of cacas(Domestic Animals)	1000	1 037	1 071	1 106
Electricity Security deposit:-	1 500	1500	1500	1500
<i>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 :-</i>				

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

Hiring of municipal facilities

FACILITIES HIRE	2025 / 2026	2026/2027	2027/2028	2027/2028
HALL HIRE: URBAN AREA				
Daily rate	1 101	1 142	1 180	1 218
Hourly rate	183	189	196	202
Monthly rate	27 452	28 468	29 407	30 348
IEC Tariffs Daily	668	693	716	739
IEC Tariffs Monthly	16 553	17 165	17 732	18 299
Security deposit	1 592	1 651	1 705	1 760
HALL HIRE: RURAL AREA				
Daily rate	814	844	872	900
Hourly rate	183	189	196	202
Monthly rate	11 860	12 299	12 705	13 111
IEC Tariffs Daily	287	298	308	317
IEC Tariffs Monthly	7 506	7 784	8 041	8 298
Security deposit	788	817	844	871
COMMUNITY PARKS AND OPEN SPACE				
Group Entertainment	1 733	1 797	1 856	1 916

TAXI RANK TARIFFS	2025 / 2026	2026/2027	2027/2028	2028/2029
Taxi per year at stand A	577	598	618	637
Taxi per year at stand B	404	419	432	446
Bus per year	577	598	618	637
Truck per year	577	598	618	637
Meter Taxi per year	173	179	185	191
Bakkie per year	173	179	185	191
Taxi from outside per load	58	60	62	64

STADIUM /SPORTS FIELD	2025 / 2026	2026/2027	2027/2028	2027/2028
MATCHES - ABC MOTSEPE LEAGUE & SASOL	R	R	R	R
Deposit fee For Infrastructure - per season	10 000	10 370	10 712	11 055
Deposit fee - per match	1 000	1 037	1 071	1 106
ABC MOTSEPE LEAGUE/ Seasonal	6 132	6 359	6 569	6 779

STADIUM /SPORTS FIELD	2025 / 2026	2026/2027	2027/2028	2027/2028
Per game	317	329	340	351
Mens District League / Seasonal	3 628	3 762	3 886	4 011
Per game	303	314	324	335
Junior Leagues	404	419	433	447
Provincial Female League / Seasonal	1 670	1 732	1 789	1 847
Per game	317	329	340	351
Female District League / Seasonal	919	953	984	1 016
Per game	303	314	324	335
GENERAL PER MATCH		-	-	-
Deposit fee For Infrastructure - per season	10 000	10 370	10 712	11 055
Deposit fee - per match	1 000	1 037	1 071	1 106
General per match / no affiliation	635	658	680	702
Tournament (commercial)	3 171	3 288	3 397	3 506
Tournament (private)	1 566	1 624	1 678	1 731
Training fee per 2 hours	317	329	340	351
Wellness program per annum	3 654	3 789	3 914	4 039
Wellness program per match	606	628	649	669
Floodlights per hour w/o lights	127	131	136	140
ATHLETICS		-	-	-
PROVINCIAL/MAJOR EVENTS - Hire per day	1 374	1 425	1 472	1 519
DISTRICT/DEVELOPMENT - Hire per day	741	769	794	819
SCHOOLS - Hire per day	404	419	433	447
Training club running track per 2hrs	63	65	67	69
Individual running track per annum	522	541	559	577

STADIUM NON SPORTING EVENTS	2025 / 2026	2026/2027	2027/2028	2027/2028
Boardroom rental - per hour	167	173	179	185
Boardroom rental - per day	1 096	1 137	1 174	1 212
Deposit fee - per rental	1 000	1 037	1 071	1 106
Floodlights per hour	508	527	544	562
FILMING		-	-	-
Filming for commercial use per day	9 827	10 190	10 526	10 863
Filming for non commercial use per day	3 681	3 818	3 944	4 070
Deposit fee For Infrastructure - per event	10 000	10 370	10 712	11 055
Deposit fee - per match	1 000	1 037	1 071	1 106

STADIUM NON SPORTING EVENTS	2025 / 2026	2026/2027	2027/2028	2027/2028
MUSICAL/FESTIVAL		-	-	-
Hire Fee per day	27 488	28 505	29 445	30 388
Deposit fee For Infrastructure - per event	20 000	20 740	21 424	22 110
Deposit fee - per event	1 000	1 037	1 071	1 106
POLITICAL		-	-	-
Hire Fee per day	1 691	1 754	1 812	1 870
Deposit fee For Infrastructure - per event	5 000	5 185	5 356	5 528
Deposit fee - per event	1 000	1 037	1 071	1 106
CHURCHES		-	-	-
Hire Fee per day	5 286	5 481	5 662	5 843
Deposit fee For Infrastructure - per event	5 000	5 185	5 356	5 528
Deposit fee - per event	1 000	1 037	1 071	1 106
FUND RAISING EVENTS		-	-	-
Hire Fee per day: e.g.Bazaar,Fetes,concert,ect	5 286	5 481	5 662	5 843
Deposit fee For Infrastructure - per event	20 000	20 740	21 424	22 110
Deposit fee - per event	1 000	1 037	1 071	1 106
COMBINATION COURTS		-	-	-
Netball Court – Fee per tournament per day	164	170	176	182
Netball Court – Training fee per 2 hours per team	77	79	82	85
Netball Court – Training fee per 2 hours per school team	66	68	70	73
Volley ball – Fee per tournament per day	131	136	141	145
Volley ball – Training fee per 2 hours per team	77	79	82	85
Volley ball – Training fee per 2 hour per school team	66	68	70	73
Tennis - Fee per tournament per day	164	170	176	182
Tennis - Training fee per 2 hours per team	26	27	28	29
Tennis - Training fee per 2 hours per school team	21	22	22	23
Tennis – Individual annual membership fee	493	511	528	545
Athletics racing track - Athletics – Provincial / major events- hire per day	1 374	1 425	1 472	1 519
ATHLETICS RACING TRACK - DISTRICT / DEVELOPMENT		-	-	-
a) Hire per day - (only athletic turf sport shoes allowed)	741	769	794	820
b) Schools hire per day- (only athletic turf sport shoes allowed)	424	440	454	469
Athletics racing track – individual annual membership fee (only athletic turf sport shoes allowed)	548	568	587	605
RENTAL SPACE FOR BRODCASTING ANTENA		-	-	-
Rental space - monthly	350	363	375	387
Rental space - annually	3 800	3 941	4 071	4 201

Pound Fees

POUND FEES	2025 / 2026	2026/2027	2027/2028	2027/2028
Cattle, Horses, Donkeys and any other animal of similar size per day	80	83	86	89
Goats, sheep and other animals of the same size per day	48	50	51	53
If captured by SAPS(e.g. recovered stolen animals)	48	50	51	53
Motor vehicles	338	351	362	374
Other goods	58	60	62	64
Admission of guilt/Animal (large stock)	317	329	340	351
Admission of guilt/Animal (small stock)	127	132	136	141
<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	2025 / 2026	2026/2027	2027/2028	2027/2028
Burial site - Adult	890	923	953	984
Burial site - Child (1-12yrs)	447	464	479	495
Burial site - Stillborn & Infant	175	181	187	193
Burial of ashes in existing grave	250	259	268	276
Exhumation fee (admin. Fees)	250	259	268	276
Burial site - Non- resident burial - Adult	1 250	1 296	1 339	1 382
Burial site - Non- resident burial - Child	522	541	559	577
Burial site - Non- resident burial - Still born & Infant	440	456	471	486

CEMETERY FEES	2025 / 2026	2026/2027	2027/2028	2027/2028
Burial on reserved grave	445	461	477	492
Pernalty on extending grave	2 000	2 073	2 142	2 210
Reservation of burial site	440	457	472	487
Enlarge or Deepining of burial site	522	541	559	577
Burial after hours	835	866	895	923
BEACH FEES - ENTERTAINMENT				
5 square m per day	250	259	268	276
10 square m per day	500	519	536	553
100 square m per day	2 000	2 074	2 142	2 211

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	2025 / 2026	2026/2027	2027/2028	2027/2028
**EXCLUDING VAT (15%)				
Erven 0 – 2500m2	2 733	2 834	2 928	3 021
Erven 2501 – 5000m2	5 097	5 286	5 460	5 635
Erven 5001 0 – 1 Ha	10 033	10 404	10 747	11 091
Erven 1, 0001Ha – 5Ha	13 204	13 693	14 145	14 597
Erven over 5Ha	18 070	18 739	19 357	19 977
Special Consent / Temporary Departure Application m2		-	-	-
Erven 0 – 2500m2	2 226	2 309	2 385	2 461
Erven 2501 – 5000m2	4 578	4 748	4 904	5 061
Erven 5001 0 – 1 Ha	9 595	9 950	10 278	10 607
Erven 1, 0001Ha – 5Ha	12 985	13 465	13 910	14 355
Erven over 5Ha	17 113	17 747	18 332	18 919
Subdivision Application		-	-	-
Erven 1-2	2 872	2 978	3 076	3 174
Erven 1-3	3 829	3 970	4 101	4 233
Erven 1-4	4 786	4 963	5 127	5 291
Erven 1-5	5 420	5 621	5 806	5 992
Erven 1-6	6 700	6 948	7 177	7 407
Erven 1-7	7 657	7 941	8 203	8 465
Erven 1-8	8 614	8 933	9 228	9 523
Erven 1-9	9 572	9 926	10 253	10 581
Erven 1-10	10 529	10 918	11 279	11 639
Erven more than 10	19 155	19 863	20 519	21 175

Rezoning Application per m2	2025 / 2026	2026/2027	2027/2028	2027/2028
Departure Application from the scheme (Building Lines, height, coverage etc)				
Erven 0 – 530m2	1 803	1 870	1 932	993 ¹
Erven 531– more	3 189	3 307	3 417	526 ³
Application for the Removal of Restrictions	13 634	14 138	14 605	072 ¹⁵
Zoning Certificate	176	183	189	195
Clearance Certificate	168	175	180	186
Valuation Certificate	168	175	180	186
Town Planning Scheme (soft copy)	229	237	245	253
Town Planning Scheme	442	459	474	489
Spatial Development Framework (soft copy)	369	382	395	407
Spatial Development Framework	737	764	790	815
Application for Consolidation of Erven	2 948	3 057	3 158	259 ³
SG Diagram (soft copy)	44	45	47	48
SG Diagram	55	57	59	61
Amendment of the Subdivisional Plan	3 802	3 943	4 073	203 ⁴
Extension of Validity	6 496	6 736	6 959	181 ⁷
Sale or Lease of Land(Application fees)	6 553	6 795	7 019	244 ⁷
Contravention Fines and Penalties				
<i>Newspaper(s) and government gazette Advertising Daily dispatch or Gov Gazette Tariff to be borne by the applicant</i>				
<i>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</i>				
Residential (ii)B - (iii)	2 780	2 883	2 978	073 ³
Residential (iv) to (v)	3 336	3 459	3 573	688 ³
Business (i)	3 336	3 459	3 573	688 ³
Business (ii)	3 336	3 459	3 573	688 ³
Business (iii)	3 336	3 459	3 573	688 ³
Industrial (i) - (ii)	3 336	3 459	3 573	688 ³
Institutional (i)	3 892	4 036	4 169	302 ⁴
Institutional (ii)	3 336	3 459	3 573	688 ³
Institutional (iii)	3 336	3 459	3 573	688 ³
Resort	3 892	4 036	4 169	302 ⁴
Open Space	3 336	3 459	3 573	688 ³

Rezoning Application per m2	2025 / 2026	2026/2027	2027/2028	2027/2028
Agricultural	2 780	2 883	2 978	073 ³
Transport (i)	2 780	2 883	2 978	073 ³
Transport (ii) to (iii)	2 780	2 883	2 978	073 ³
Transport (iv)	2 780	2 883	2 978	073 ³
Athourity and Utility	5 559	5 765	5 955	146 ⁶
Proposed New Road and Widening	3 336	3 459	3 573	688 ³
Offences for contravention of Coverage: of the WMM LM Town Planning Scheme				
Contravention of Scheme	4 447	4 612	4 764	917 ⁴
Offences for contravention of Height: of the WMM LM Town Planning Scheme				
Contravention of Scheme	4 447	4 612	4 764	917 ⁴
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				
Residential Zones	2 780	2 883	2 978	073 ³
Business and Industrial Zones	4 447	4 612	4 764	917 ⁴
Other zones	4 447	4 612	4 764	917 ⁴
Offences for contravention of Building Lines: of the WMM LM Town Planning Scheme Offences for contravention:				
Contravention of s(10)& s(11)	3 892	4 036	4 169	302 ⁴
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	5 559	5 765	5 955	146 ⁶

GIS Tariffs

GIS Tariffs Printing Charges Paper size - Full Ink	2025 / 2026	2026/2027	2027/2028	2027/2028
A4	16	17	17	18
A3	39	41	42	43
A2	62	65	67	69
A1	93	97	100	103
A0	123	128	132	136
GIS Tariffs Printing Charges Paper size - Line Map				
A4	10	11	11	11
A3	22	23	23	24
A2	33	35	36	37
A1	53	55	57	59
A0	66	68	70	73

BILLBOARD	2025 / 2026	2026/2027	2027/2028	2027/2028
LOCAL (ANNUALLY)				
0- 10m/sq	625	648	670	691
11-20m/sq	709	735	760	784
21-30m/sq	761	789	815	841
31 m/sq and above	878	910	940	970
NATIONAL (PER MONTH)		-	-	-
0- 30m/sq	1 813	1 880	1 942	2 004
31- 40m/sq	2 663	2 761	2 852	2 944
41- 50m/sq	3 511	3 641	3 762	3 882
50 m/sq and above	8 605	8 924	9 218	9 513
TEMPORAL BILLBOARD		-	-	-
Directional Sign (Per sign face)	874	906	936	966
Illuminated sign (per sign face)	1 102	1 143	1 181	1 219
Litter Bins	647	671	693	715
Permanent Street Pole Poster	836	867	896	924
Seating Bench	951	987	1 019	1 052
Encroaching Sign	951	987	1 019	1 052
PERMIT FEES		-	-	-
Banner	648	672	694	716
Mobile Signs	1 940	2 011	2 078	2 144
Poster maximum 100	1 635	1 696	1 752	1 808
Standard signage	474	492	508	524
DEPOSITS		-	-	-
Banner	1 003	1 040	1 075	1 109
For Sale	1 575	1 634	1 687	1 741
Poster	1 575	1 634	1 687	1 741
Election Poster (per party)	7 715	8 000	8 264	8 529

Town Planning Tariffs

Building Plan Fees Ext 1 and Ext 2	2025 / 2026	2026/2027	2027/2028	2027/2028
Fee per 1m ²	37	38	40	41
Swimming Pool	580	602	621	641
Retaining /Boundary wall	585	606	626	646
Building plan elapses after a year	Full Fee	Full Fee	Full Fee	Full Fee
Plan Amendment Fees				

Building Plan Fees Ext 1 and Ext 2	2025 / 2026	2026/2027	2027/2028	2027/2028
No increase in floor area	562	582	602	621
Temporary Building/Structure Approved by Council				
Storage facility per year	2 000	2 074	2 142	2 211
Container per year	2 000	2 074	2 142	2 211
Caravan per year	2 000	2 074	2 142	2 211
Demolitions				
Per first 100 linear meter	521	541	558	576
Thereof every linear meter exceed 100 meters	38	39	41	42
NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE				
Building without approved building plan. S4(4)	2 500	2 593	2 678	2 764
Building in contravention of a notice prohibiting any building work. S10(2)	2 500	2 593	2 678	2 764
Failure to demolish, alter or safeguard. S12(6)	2 500	2 593	2 678	2 764
Submit false certificate or issuing thereof. S14(3)	2 500	2 593	2 678	2 764
Occupy or use of building without occupation certificate. S14(4)(a)	2 500	2 593	2 678	2 764
Preventing a building control officer in the execution of his/her duties. S15(2)	2 500	2 593	2 678	2 764
Prohibition on the use of certain building methods and materials. S19(2)	1 000	1 037	1 071	1 106
Submit false or misleading information. S(a)(2)(3)(f)	NAG	NAG	NAG	NAG
Failure to maintain, safeguard or service installation. S(a)(15)(5)	1 000	1 037	1 071	1 106
Illegal or withdrawn certificate of identity. S(a)(17)(4)	NAG	NAG	NAG	NAG

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE	2025 / 2026	2026/2027	2027/2028	2027/2028
Failure to supervise and/or control plumbing work. S(a)(18) (5)	1 000	1 037	1 071	1 106
Failure to give notice of intention to commence erection or demolition of a building. S(a)22 (4)	2 500	2 593	2 678	2 764
Use of a building for a purpose other than the purpose shown on approved plans. S(a)25 (2)	2 500	2 593	2 678	2 764
Deviation from approved building plan. S (A)25 (5)	2 500	2 593	2 678	2 764
Failure to comply with any provision of or any notice issued in terms of Regulation A25 General Enforcement. A25 (11)	2 500	2 593	2 678	2 764
Failure to safeguard a swimming pool. D4 (2)	2 500	2 593	2 678	2 764
Failure to apply for written permission for demolition. E1 (1)	2 500	2 593	2 678	2 764
Failure to safeguard demolition work. E1 (3)	2 500	2 593	2 678	2 764
Failure to comply with any provision of or any notice issued in terms of Regulation F1 Protection of the public. F1 (6)	2 500	2 593	2 678	2 764
Failure to control dust and noise. F6 (3)	1 000	1 037	1 071	1 106

NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977				
DESCRIPTION OF OFFENCE	2025 / 2026	2026/2027	2027/2028	2027/2028
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)	1 000	1 037	1 071	1 106
Failure to comply with a notice to remove waste material on site. F8 (2)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice issued in terms of Regulation F9 Cleaning of site. F9 (2)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice issued in terms of Regulation F10 Builder's sheds. F10 (7)	2 500	2 593	2 678	2 764
Failure to comply with any provision of or any notice issued terms if Regulation F11 Sanitary facilities. F11 (2)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice issued in terms of Regulation P1 Compulsory drainage building. P1 (5)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice issued in terms off Regulation P3 Control of objectionable discharge. P3 (5)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice in terms of Regulation P4 Industrial effluent. P4 (2)	2 500	2 593	2 678	2 764
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	1 000	1 037	1 071	1 106
Failure to comply with any provision of or any notice issued in terms of Regulation P6 Unauthorized drainage work. P6 (2)	2 500	2 593	2 678	2 764
Failure to comply with any provision of or any notice issued in terms of Regulations P7 Inspection and testing of drainage installations. P7 (4)	2 500	2 593	2 678	2 764
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)	2 500	2 593	2 678	2 764
Obstructing or causing to be obstructed of an escape route. T2 (2)	2 500	2 593	2 678	2 764
Failure to comply with a notice to remove an illegal structure	2 500	2 593	2 678	2 764
WAYLEAVE		-	-	-
Application	3 822	3 964	4 094	4 225
Fine	7 700	7 985	8 248	8 512
PROPERTY VALUATION		-	-	-
Valuation certificate	176	183	189	195

DESCRIPTION OF OFFENCE	2024/2025	2025/2026	2026/2027	2027/2028
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

DESCRIPTION OF OFFENCE	2024/2025	2025/2026	2026/2027	2027/2028
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	
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

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS	2025 / 2026	2026/2027	2027/2028	2027/2028
Registration for permit for hawker with table	138	144	148	153
Renewal for permit of hawker with table	115	120	124	127
Registration of permit for hawker with shelter	346	359	371	382
Renewal for hawker with shelter	404	419	432	446
Registration of permit for bakkies	577	598	618	637
Renewal of permit for bakkies	577	598	618	637
Registration hawkers outside of town with table	81	84	86	89
Renewal of hawkers outside of town with table	81	84	86	89
Registration for hawkers with shelter outside town	173	179	185	191
Renewal for hawkers with shelter outside town	173	179	185	191
Penalty fee for confiscated goods	577	598	618	637
Registration for Spaza Shop / Tuck Shop / Store	139	144	149	154
Renewal for Spaza Shop / Tuck Shop / Store	116	120	124	128
Penalty fee for late renewal for informal business	110	114	118	122
Penalty fee for late renewal for formal Business	523	542	560	578
penalty fee for continuing or carry on doing business without a permit or business license	3 000	3 111	3 214	317 3
Penalty fee for having a pet in the business that trades food items	5 000	5 185	5 356	528 5
Penalty fee for selling decantant food items	3 000	3 111	3 214	317 3
Penalty fee for selling expired food items	5 000	5 185	5 356	528 5
penalty fee for preparing food without a Certificate of Acceptability	5 000	5 185	5 356	528 5
penalty fee for business selling food without proper waste management / vetting control	2 000	2 074	2 142	211 2
penalty fee for business displaying food outside the shop	1 000	1 037	1 071	106 1
penalty fee for failure to adhere to the street trading bylaw	404	419	433	447

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF	2025 / 2026	2026/2027	2027/2028	2027/2028
Registration fee: Sale and supply of meals	700	726	750	774
Registration fee: Health and entertainment	185	191	198	204
Registration fee: Mechanical electrical apparatus or devices (games) 3 or more	185	191	198	204

BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF	2025 / 2026	2026/2027	2027/2028	2027/2028
<i>NOTE: These fees are once off and only for registration fee.</i>		-	-	-
	1 000	1	1	1
Annual License fees (One year fee): Sale and supply of meals		037	071	106
Annual License fees (One year fee): Health and entertainment	461	478	494	510
Annual License fees (One year fee): Mechanical electrical apparatus or devices (games) 3 or more	461	478	494	510

1.7 Operating Expenditure Framework

The Municipality's expenditure framework for the 2026/27 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 2026/27 budget and MTREF (classified per main type of operating expenditure):

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Expenditure											
Employee related costs	2	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 230	168 326	176 082
Remuneration of councillors	2	26 577	27 159	27 795	31 370	31 370	31 370	18 576	32 625	33 701	34 780
Bulk purchases - electricity	2	42 241	43 467	53 481	58 448	58 448	58 448	35 055	63 569	69 182	71 395
Inventory consumed	2,8	5 396	5 761	6 203	8 696	9 144	9 144	4 863	9 560	9 875	10 191
Debt impairment	2,3	1 059	2 117	6 630	6 109	6 109	6 109	-	7 566	7 816	6 837
Depreciation, amortisation and impairment	2	42 493	55 227	59 105	48 219	69 709	69 709	33 347	63 373	65 464	67 559
Interest, Dividends and Rent on Land	2	-	41	183	104	104	104	-	100	103	107
Contracted services	2	66 434	91 858	103 682	132 555	156 980	156 980	82 511	129 029	120 331	104 131
Transfers and subsidies	2	2 593	2 805	4 984	5 454	6 166	6 166	248	5 635	5 821	5 352
Irrecoverable debts written off	2	280	124	1 339	-	-	-	-	-	-	-
Operational costs	2	61 180	61 768	67 664	90 493	92 108	92 108	44 397	98 134	97 303	97 956
Disposal of Fixed and Intangible Assets	2	3 126	13 016	4 184	-	-	-	-	-	-	-
Other Losses	2	18	-	38	-	-	-	-	-	-	-
Total Expenditure		366 230	431 069	469 536	529 471	582 737	582 737	307 116	569 821	577 922	574 390

The budgeted increase on the employee related cost of 4.75% in line with the provision for employee costs as confirmed on Circular No.: 04/2026 of the SALGBC.

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 34% 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

- Junior Internal Auditor
- Data Capturer
- Admin Clerk

Corporate Services

- Manager: Admin Support & Aux Services
- Registry Clerk
- Receptionist

Community Services

- Manager: Traffic and Law Enforcement
- Community Safety Officer

Development Planning

- LED Officer: Co-op and SMME

Budget and Treasury Office

- Stores 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 13% 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 R63.3 million in the budget year to get anywhere closer to achieving this goal.

iii. 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 councilor remuneration and ward committees. This allocation for the budget year is R15.7 million requiring the municipality to also fund the remuneration of councilors 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 8.76% increase in line with the guidance provided by NERSA as the Eskom approved tariff hike.

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:

- R12.6 million for outsourced security services
- R7.3 million for legal fees which remains unchanged
- R3.6 million for Electrification of Goxe
- R4.7 million for Electrification of Bhekela
- R1.5 million for Electrification of Mngungu
- R24 million for road maintenance
 - R3.7 million - Maintenance of Ntlenzi-Bhukuveni to Galatyeni Access Road
 - R2.9 million - Maintenance of Mzambana SPS Access Road
 - R3.5 million - Maintenance of Mkhandlwini Access Road
 - R4.4 million - Maintenance of Isikelo Authority to Thandabantu Access Road
 - R3 million - Maintenance of Meje Access Road
 - R2.9 million - Maintenance of R61 to Didi School Access Road
 - R3.5 million - Maintenance of Mpofana to Ganyile Access Road
- R1.1 million for maintenance electricity infrastructure

- R1.1 million for maintenance of municipal buildings – excluding the renovations included in the capital budget
- R12.8 million for casual labour
- R3.6 million for maintenance of the dumping site
- R4.7 million for waste management services
- R1.5 million for Internal Audit fees
- R3 million for the maintenance and review of the Infrastructure Fixed Asset Register
- R1.3 million for landfill site EIA consulting fees
- R1.2 million for debt collection services
- R2.9 million for CBD and Storm water maintenance
- R1 million maintenance of Financial Management Systems (FMG)
- R6.3 million for maintenance of municipal vehicles
- R1.8 million for Automated Meter reading
- R2.8 million for maintenance of the Sceptic Tank
- R1 million for Indigent Verification
- R 1 million for Planning Survey Munic Hass
- R 1 million for Spatial Redefinition of Settlement
- R6.2 million on catering for various municipal activities which is a decrease from R6.8 million in the current year adjusted budget
- R1.2 million for maintenance of 3 community halls
- R800 thousand for compilation and maintenance of the valuation roll
- R360 thousand for Audit Committee Fees
- R300 thousand for AFS review for new standards implementation

There are other municipal programmes included as road marking, survey of municipal land, maintenance of CCTV Cameras, cemeteries, Jungle Gym, nursery, pound parks 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
- R6.6 million for License fees
- R4 million for communication in the form of telephone, fax and cellphones
- R8.1 million for external audit fees
- R5.2 million for free basic electricity
- R2.3 million for solar energy subsidy
- R7.3 million for accommodation of Municipal Officials and Councillors which is a slight increase from R6.8 million in the current year's adjusted budget
- R4.3 million for insurance of municipal assets
- R2 million for SALGA levies and

- R741 thousand for tuitions fees for training and development

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Revenue - Functional										
Governance and administration		396 138	424 575	444 561	434 585	445 585	445 585	440 564	440 912	469 238
Executive and council		-	100	-	-	-	-	-	-	-
Finance and administration		396 138	424 475	444 561	434 585	445 585	445 585	440 564	440 912	469 238
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 325	5 369	6 135	5 960	12 425	12 425	6 134	4 868	5 023
Community and social services		1 597	703	1 365	1 569	9 518	9 518	3 331	1 782	1 839
Sport and recreation		-	-	158	200	200	200	-	-	-
Public safety		4 728	4 666	4 612	4 191	2 707	2 707	2 803	3 086	3 184
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		80 051	74 257	64 866	89 245	82 475	82 475	60 626	54 675	11 350
Planning and development		6 859	5 382	3 203	3 723	3 883	3 883	3 414	22 445	9 286
Road transport		73 192	68 875	61 662	85 522	78 591	78 591	57 212	32 230	2 064
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		76 538	71 273	87 399	90 352	87 968	87 968	73 496	92 084	96 351
Energy sources		55 906	64 122	80 207	80 917	78 453	78 453	63 778	75 324	79 508
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		20 632	7 151	7 192	9 434	9 514	9 514	9 718	16 760	16 843
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	559 053	575 474	602 960	620 143	628 453	628 453	580 820	592 539	581 963
Expenditure - Functional										
Governance and administration		167 418	173 386	203 129	228 655	236 268	236 268	233 902	239 205	244 500
Executive and council		59 681	59 824	60 076	66 361	69 303	69 303	72 577	75 224	77 400
Finance and administration		103 754	108 857	136 781	156 529	158 518	158 518	154 096	156 512	159 318
Internal audit		3 984	4 705	6 272	5 765	8 447	8 447	7 230	7 469	7 782
Community and public safety		25 404	29 225	33 650	42 942	46 354	46 354	54 578	53 933	54 748
Community and social services		8 199	8 095	13 249	18 383	21 310	21 310	27 408	26 376	26 777
Sport and recreation		2 015	2 549	2 252	2 969	3 761	3 761	3 654	3 822	3 997
Public safety		14 133	17 493	17 043	20 472	20 132	20 132	21 475	22 449	22 623
Housing		1 056	1 088	1 105	1 119	1 151	1 151	2 040	1 286	1 351
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		73 746	115 003	98 391	115 310	149 245	149 245	133 541	130 378	120 698
Planning and development		24 436	32 423	32 276	38 827	43 840	43 840	43 796	44 237	45 031
Road transport		47 073	80 039	63 134	73 238	101 995	101 995	86 498	82 749	72 125
Environmental protection		2 236	2 540	2 981	3 244	3 409	3 409	3 247	3 392	3 541
Trading services		96 359	110 043	130 337	138 141	146 473	146 473	143 196	149 608	149 445
Energy sources		71 107	80 958	91 447	97 773	102 535	102 535	95 848	107 344	110 658
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 253	29 086	38 889	40 368	43 938	43 938	47 348	42 264	38 787
Other	4	3 303	3 413	4 030	4 422	4 397	4 397	4 604	4 798	4 999
Total Expenditure - Functional	3	366 230	431 069	469 536	529 471	582 737	582 737	569 821	577 922	574 390
Surplus/(Deficit) for the year		192 823	144 405	133 424	90 672	45 716	45 716	10 999	14 617	7 573

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 2026/27 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'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Repairs and Maintenance by Expenditure Item	8										
Employee related costs			8	6 733	7 641	8 081	8 081	4 859	8 382	8 801	9 241
Inventory Consumed (Project Maintenance)		7	52	336	120	170	170	82	250	258	267
Contracted Services		11 280	21 306	24 960	46 123	64 262	64 262	30 704	47 628	38 621	25 260
Operational Costs				1 251	1 312	1 322	1 322	864	1 467	1 516	1 565
Total Repairs and Maintenance Expenditure	9	11 287	21 366	33 280	55 196	73 836	73 836	36 509	57 727	49 197	36 333

EC443 Winnie Madikizela Mandela - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and Maintenance by Asset Class	3	11 287	21 366	33 280	55 196	73 836	73 836	57 727	49 197	36 333
<i>Roads Infrastructure</i>		1 404	10 197	20 119	34 604	48 101	48 101	36 983	32 153	20 451
<i>Storm water Infrastructure</i>		-	-	-	1 400	1 292	1 292	1 452	1 500	1 548
<i>Electrical Infrastructure</i>		562	1 605	663	1 113	1 113	1 113	1 154	1 192	1 231
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	376	5 225	5 000	6 320	6 320	5 848	4 000	3 000
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		1 966	12 177	26 008	42 118	56 827	56 827	45 438	38 845	26 229
Community Facilities		668	908	671	2 831	2 842	2 842	2 396	1 235	1 274
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		668	908	671	2 831	2 842	2 842	2 396	1 235	1 274
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		3 391	783	781	3 432	3 162	3 162	1 569	1 621	1 673
Housing		-	-	-	-	-	-	-	-	-
Other Assets		3 391	783	781	3 432	3 162	3 162	1 569	1 621	1 673
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	38	209	209	209	210	217	224
Intangible Assets		-	-	38	209	209	209	210	217	224
Computer Equipment		23	21	95	106	(0)	(0)	74	77	79
Furniture and Office Equipment		69	167	60	264	429	429	400	413	427
Machinery and Equipment		-	982	-	872	1 143	1 143	1 378	907	936
Transport Assets		5 170	6 329	5 627	5 364	9 224	9 224	6 262	5 882	5 490
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		52 789	67 341	85 704	103 414	134 771	134 771	121 100	114 661	103 892
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		61,9%	54,1%	-60,5%	29,7%	33,7%	33,7%	44,9%	38,0%	25,4%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		200,9%	142,5%	-124,3%	102,2%	99,8%	99,8%	94,8%	76,6%	39,5%
<i>R&M as a % of PPE & Investment Property</i>		1,6%	2,7%	3,7%	6,1%	8,1%	8,1%	6,2%	5,5%	4,2%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>		13,1%	11,1%	-3,5%	11,5%	14,8%	14,8%	12,8%	11,2%	7,4%

An amount of R57.7 million has been set aside in the 2026/27 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	378 062	494 023	567 761	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Other current investments > 90 days		(18 047)	(33 234)	(27 520)	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		360 015	460 788	540 242	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Application of cash and investments											
Unspent conditional transfers		8 199	14 409	21 756	0	-	-	21 797	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(378)	76	(657)	(16 036)	(18 863)	(18 863)	(12 100)	(8 005)	(8 476)	(8 908)
Other working capital requirements	3	(11 847)	11 836	(31 066)	(53 654)	(79 977)	(79 977)	(87 131)	(20 450)	(29 905)	(51 460)
Other provisions		19 890	2 282	2 653	21 932	1 305	1 305	2 241	1 305	(1 365)	(1 631)
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(27 150)	(39 746)	(61 999)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to		344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to		344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024

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 A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote	2										
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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
	2										
Vote 1 - Executive and Council		-	-	-	1 304	1 004	1 004	-	-	-	-
Vote 2 - Corporate Services		6 366	4 550	97 014	6 283	5 831	5 831	-	7 813	3 827	2 842
Vote 3 - Budget and Treasury Office		-	-	279	-	-	-	-	-	-	-
Vote 4 - Community Services		4 289	8 061	15 400	6 704	7 592	7 592	-	10 858	19 059	17 643
Vote 5 - Development Planning		3 423	715	4 169	25 003	25 003	25 003	-	26 087	34 505	27 810
Vote 6 - Engineering Services		120 712	107 738	(9 052)	126 579	140 832	140 832	-	88 938	74 487	56 571
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]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		134 790	121 063	107 809	165 872	180 262	180 262	-	133 696	131 878	104 866
Total Capital Expenditure - Vote		134 790	121 063	107 809	165 872	180 262	180 262	-	133 696	131 878	104 866

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 and the market place to assist with the improvement of local economy and manufacturing.

Community & Social Services

The department has budgeted for Improvement of the DLTC, grass cutting machines, installation of CCTV cameras, and Security equipment.

Refuse Removal

The department has budgeted for the procurement of a refuse truck, and skip bins and other small assets.

Road works and Engineering

The department has budgeted the construction of sporting facilities, construction of new roads, rehabilitation of existing roads, upgrading of existing roads, renovations of municipal offices as well as other assets as indicated in the previous section.

Electricity

The department has budgeted for upgrading of low voltage lines, solar street lights installation as well as installation of a solar or alternative energy backup system.

Table 12 2026/27 Medium-term capital budget by vote, functional classification and funding

EC443 Winnie Madikizela Mandela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital Expenditure - Functional											
Governance and administration		6 594	4 720	97 343	9 591	8 153	8 153	1 303	7 813	3 827	2 842
Executive and council					1 304	1 004	1 004	-			
Finance and administration		6 594	4 720	97 343	8 287	7 149	7 149	1 303	7 813	3 827	2 842
Internal audit											
Community and public safety		1 607	2 439	9 523	21 446	18 065	18 065	4 695	19 915	14 517	13 192
Community and social services		1 473	93	9 169	21 037	17 709	17 709	4 475	14 002	7 470	7 709
Sport and recreation		134	90	235	409	356	356	220	261	348	359
Public safety			2 256	120					5 652	6 699	5 123
Housing											
Health											
Economic and environmental services		123 316	105 080	(12 366)	130 053	149 457	149 457	57 379	95 042	88 563	62 361
Planning and development		21 038	18 242	(87 420)	30 081	34 041	34 041	966	29 514	44 813	39 353
Road transport		102 278	86 838	75 054	99 972	115 416	115 416	56 413	65 529	43 750	23 007
Environmental protection											
Trading services		3 274	8 824	13 308	4 783	4 586	4 586	1 507	10 926	24 971	26 472
Energy sources		820	3 029	7 483	1 652	2 415	2 415	1 507	7 926	13 351	14 716
Water management											
Waste water management											
Waste management		2 454	5 795	5 826	3 130	2 171	2 171	-	3 000	11 620	11 756
Other											
Total Capital Expenditure - Functional	3	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866
Funded by:											
National Government		73 317	54 629	58 324	74 320	73 559	73 559	44 879	49 795	55 203	18 825
Provincial Government				665	535	610	610	316	380	393	405
District Municipality											
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)											
Transfers recognised - capital	4	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	19 230
Borrowing	6										
Internally generated funds		61 474	66 434	48 820	91 018	106 092	106 092	19 688	83 521	76 283	85 636
Total Capital Funding	7	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866

For the 2026/27 Annual budget, there is a decrease in the capital budget of the municipality compared to the adjusted approved budget of the 2025/26 financial year which should be used as a baseline going forward. 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 and the market place to assist with the improvement of local economy and manufacturing.

Community & Social Services

The department has budgeted for Improvement of the DLTC, grass cutting machines, installation of CCTV cameras, and Security equipment.

Refuse Removal

The department has budgeted for the procurement of a refuse truck, and skip bins and other small assets.

Road works and Engineering

The department has budgeted the construction of sporting facilities, construction of new roads, rehabilitation of existing roads, upgrading of existing roads, renovations of municipal offices as well as other assets as indicated in the previous section.

Electricity

The department has budgeted for upgrading of low voltage lines, solar street lights installation as well as installation of a solar or alternative energy backup system

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 2026/27 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	21 150	21 713	22 853	24 187	35 187	35 187	39 054	36 935	38 597	39 562
Service charges	58 357	53 841	59 048	61 186	61 523	61 523	40 170	58 377	60 232	62 094
Investment revenue	21 920	34 777	39 708	39 677	39 677	39 677	24 049	40 977	42 329	43 683
Transfer and subsidies - Operational	342 754	352 621	368 646	367 150	367 494	367 494	273 933	359 020	353 467	379 173
Other own revenue	36 956	44 040	44 959	41 805	39 260	39 260	32 692	27 811	33 980	35 335
Total Revenue (excluding capital transfers and contributions)	481 138	506 992	535 214	534 006	543 140	543 140	409 898	523 119	528 604	559 848
Employee costs	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 230	168 326	176 082
Remuneration of councillors	26 577	27 159	27 795	31 370	31 370	31 370	18 576	32 625	33 701	34 780
Depreciation, amortisation and impairment	42 493	55 227	59 105	48 219	69 709	69 709	33 347	63 373	65 464	67 559
Interest, Dividends and Rent on Land	-	41	183	104	104	104	-	100	103	107
Inventory consumed and bulk purchases	47 637	49 228	59 684	67 145	67 593	67 593	39 918	73 128	79 057	81 587
Transfers and subsidies	2 593	2 805	4 984	5 454	6 166	6 166	248	5 635	5 821	5 352
Other expenditure	132 096	168 883	183 536	229 157	255 197	255 197	126 908	234 730	225 450	208 924
Total Expenditure	366 230	431 069	469 536	529 471	582 737	582 737	307 116	569 821	577 922	574 390
Surplus/(Deficit)	114 908	75 923	65 678	4 535	(39 597)	(39 597)	102 782	(46 702)	(49 318)	(14 541)
Transfers and subsidies - capital (monetary allocations)	77 436	68 482	67 746	86 137	85 313	85 313	56 434	57 701	63 935	22 115
Transfers and subsidies - capital (in-kind)	479	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	19 230
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	61 474	66 434	48 820	91 018	106 092	106 092	19 688	83 521	76 283	85 636
Total sources of capital funds	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866
Financial position										
Total current assets	489 633	571 379	657 223	529 307	498 391	498 391	748 064	398 251	329 435	293 252
Total non current assets	866 282	930 561	979 692	1 060 793	1 077 343	1 077 343	1 036 041	1 046 876	999 561	939 701
Total current liabilities	120 578	116 194	116 675	146 043	114 063	114 063	89 354	89 919	90 690	90 728
Total non current liabilities	10 632	-	-	-	-	-	-	-	-	-
Community wealth/Equity	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 343 258	1 226 356	1 129 204
Cash flows										
Net cash from (used) operating	225 840	255 874	224 901	172 239	146 398	146 398	168 617	62 307	66 182	55 262
Net cash from (used) investing	(136 324)	(136 247)	(130 210)	(190 043)	(206 375)	(206 375)	(70 345)	(150 627)	(146 396)	(116 376)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	366 625	479 642	555 479	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Cash backing/surplus reconciliation										
Cash and investments available	360 015	460 788	540 242	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Application of cash and investments	15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(27 150)	(39 746)	(61 999)
Balance - surplus (shortfall)	344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024
Asset management										
Asset register summary (WDV)	723 381	781 195	905 290	906 991	908 866	908 866	922 339	885 527	854 597	-
Depreciation	41 502	45 975	52 424	48 219	60 936	60 936	63 373	65 464	67 559	-
Renewal and Upgrading of Existing Assets	83 391	65 511	(65 186)	49 261	60 793	60 793	60 094	50 164	26 681	-
Repairs and Maintenance	11 287	21 366	33 280	55 196	73 836	73 836	57 727	49 197	36 333	-
Free services										
Cost of Free Basic Services provided	-	-	-	(7 500)	(7 500)	(7 500)	-	(7 500)	(7 748)	-
Revenue cost of free services provided	(5)	(10)	(484)	(265)	(265)	(265)	(477)	(499)	(511)	-
Households below minimum service level										
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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Revenue - Functional										
Governance and administration		396 138	424 575	444 561	434 585	445 585	445 585	440 564	440 912	469 238
Executive and council		–	100	–	–	–	–	–	–	–
Finance and administration		396 138	424 475	444 561	434 585	445 585	445 585	440 564	440 912	469 238
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		6 325	5 369	6 135	5 960	12 425	12 425	6 134	4 868	5 023
Community and social services		1 597	703	1 365	1 569	9 518	9 518	3 331	1 782	1 839
Sport and recreation		–	–	158	200	200	200	–	–	–
Public safety		4 728	4 666	4 612	4 191	2 707	2 707	2 803	3 086	3 184
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		80 051	74 257	64 866	89 245	82 475	82 475	60 626	54 675	11 350
Planning and development		6 859	5 382	3 203	3 723	3 883	3 883	3 414	22 445	9 286
Road transport		73 192	68 875	61 662	85 522	78 591	78 591	57 212	32 230	2 064
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		76 538	71 273	87 399	90 352	87 968	87 968	73 496	92 084	96 351
Energy sources		55 906	64 122	80 207	80 917	78 453	78 453	63 778	75 324	79 508
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		20 632	7 151	7 192	9 434	9 514	9 514	9 718	16 760	16 843
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	559 053	575 474	602 960	620 143	628 453	628 453	580 820	592 539	581 963
Expenditure - Functional										
Governance and administration		167 418	173 386	203 129	228 655	236 268	236 268	233 902	239 205	244 500
Executive and council		59 681	59 824	60 076	66 361	69 303	69 303	72 577	75 224	77 400
Finance and administration		103 754	108 857	136 781	156 529	158 518	158 518	154 096	156 512	159 318
Internal audit		3 984	4 705	6 272	5 765	8 447	8 447	7 230	7 469	7 782
Community and public safety		25 404	29 225	33 650	42 942	46 354	46 354	54 578	53 933	54 748
Community and social services		8 199	8 095	13 249	18 383	21 310	21 310	27 408	26 376	26 777
Sport and recreation		2 015	2 549	2 252	2 969	3 761	3 761	3 654	3 822	3 997
Public safety		14 133	17 493	17 043	20 472	20 132	20 132	21 475	22 449	22 623
Housing		1 056	1 088	1 105	1 119	1 151	1 151	2 040	1 286	1 351
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		73 746	115 003	98 391	115 310	149 245	149 245	133 541	130 378	120 698
Planning and development		24 436	32 423	32 276	38 827	43 840	43 840	43 796	44 237	45 031
Road transport		47 073	80 039	63 134	73 238	101 995	101 995	86 498	82 749	72 125
Environmental protection		2 236	2 540	2 981	3 244	3 409	3 409	3 247	3 392	3 541
Trading services		96 359	110 043	130 337	138 141	146 473	146 473	143 196	149 608	149 445
Energy sources		71 107	80 958	91 447	97 773	102 535	102 535	95 848	107 344	110 658
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		25 253	29 086	38 889	40 368	43 938	43 938	47 348	42 264	38 787
Other	4	3 303	3 413	4 030	4 422	4 397	4 397	4 604	4 798	4 999
Total Expenditure - Functional	3	366 230	431 069	469 536	529 471	582 737	582 737	569 821	577 922	574 390
Surplus/(Deficit) for the year		192 823	144 405	133 424	90 672	45 716	45 716	10 999	14 617	7 573

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote										
Vote 1 - Executive and Council	1	-	100	150	-	150	150	-	-	-
Vote 2 - Corporate Services		1 332	428	1 765	220	220	220	230	237	245
Vote 3 - Budget and Treasury Office		373 657	389 498	409 684	399 920	399 920	399 920	393 672	392 075	419 020
Vote 4 - Community Services		26 957	12 520	13 327	15 395	23 439	23 439	17 407	23 628	23 930
Vote 5 - Development Planning		22 785	37 251	33 477	34 816	45 826	45 826	47 062	67 704	55 814
Vote 6 - Engineering Services		134 323	135 676	144 557	169 791	158 898	158 898	122 450	108 895	82 953
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	559 053	575 474	602 960	620 143	628 453	628 453	580 820	592 539	581 963
Expenditure by Vote										
Vote 1 - Executive and Council	1	78 876	81 555	82 825	92 264	98 011	98 011	100 229	103 950	106 981
Vote 2 - Corporate Services		43 613	45 912	60 894	68 574	74 329	74 329	63 709	66 204	68 758
Vote 3 - Budget and Treasury Office		27 987	28 757	38 297	44 658	40 184	40 184	42 409	44 003	44 723
Vote 4 - Community Services		70 569	78 909	95 513	111 367	119 701	119 701	132 442	125 199	121 396
Vote 5 - Development Planning		21 967	28 578	29 806	34 737	39 583	39 583	41 404	40 645	41 587
Vote 6 - Engineering Services		123 218	167 358	162 201	177 871	210 930	210 930	189 628	197 921	190 945
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	366 230	431 069	469 536	529 471	582 737	582 737	569 821	577 922	574 390
Surplus/(Deficit) for the year	2	192 823	144 405	133 424	90 672	45 716	45 716	10 999	14 617	7 573

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	52 474	54 182	55 892
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	16 945	4 128	4 662	5 200	5 130	5 130	3 657	5 902	6 051	6 203
Sale of Goods and Rendering of Services	2	158	249	559	473	473	473	344	498	514	531
Agency services	2	1 361	1 298	1 234	1 499	1 499	1 499	892	1 554	2 000	2 064
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	2 953	3 827	2 194	3 984	4 134	4 134	2 215	3 499	3 614	3 730
Interest earned from Current and Non Current Assets	2	21 920	34 777	39 708	39 677	39 677	39 677	24 049	40 977	42 329	43 683
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	7 506	7 970	7 958	5 764	5 914	5 914	3 768	6 272	6 434	6 728
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	14 432	14 067	16 871	22 008	19 137	19 137	18 969	8 637	13 633	14 250
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	676	957	1 929	405	405	405	322	470	485	501
Non-Exchange Revenue											
Property rates	2	21 150	21 713	22 853	24 187	35 187	35 187	39 054	36 935	38 597	39 562
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	1 246	1 286	1 074	386	401	401	38	375	578	596
Licences or permits	2	2 169	2 102	2 171	2 379	2 389	2 389	1 794	2 483	2 565	2 647
Transfer and subsidies - Operational	2	342 754	352 621	368 646	367 150	367 494	367 494	273 933	359 020	353 467	379 173
Interest	2	3 961	5 200	5 243	4 907	4 907	4 907	4 350	4 023	4 156	4 289
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	756	-	1 387	-	-	-	-	-	-	-
Other Gains	2	1 738	7 085	4 340	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		481 138	506 992	535 214	534 006	543 140	543 140	409 898	523 119	528 604	559 848
Expenditure											
Employee related costs	2	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 230	168 326	176 082
Remuneration of councillors	2	26 577	27 159	27 795	31 370	31 370	31 370	18 576	32 625	33 701	34 780
Bulk purchases - electricity	2	42 241	43 467	53 481	58 448	58 448	58 448	35 055	63 569	69 182	71 395
Inventory consumed	2,8	5 396	5 761	6 203	8 696	9 144	9 144	4 863	9 560	9 875	10 191
Debt impairment	2,3	1 059	2 117	6 630	6 109	6 109	6 109	-	7 566	7 816	6 837
Depreciation, amortisation and impairment	2	42 493	55 227	59 105	48 219	69 709	69 709	33 347	63 373	65 464	67 559
Interest, Dividends and Rent on Land	2	-	41	183	104	104	104	-	100	103	107
Contracted services	2	66 434	91 858	103 682	132 555	156 980	156 980	82 511	129 029	120 331	104 131
Transfers and subsidies	2	2 593	2 805	4 984	5 454	6 166	6 166	248	5 635	5 821	5 352
Irrecoverable debts written off	2	280	124	1 339	-	-	-	-	-	-	-
Operational costs	2	61 180	61 768	67 664	90 493	92 108	92 108	44 397	98 134	97 303	97 956
Disposal of Fixed and Intangible Assets	2	3 126	13 016	4 184	-	-	-	-	-	-	-
Other Losses	2	18	-	38	-	-	-	-	-	-	-
Total Expenditure		366 230	431 069	469 536	529 471	582 737	582 737	307 116	569 821	577 922	574 390
Surplus/(Deficit)		114 908	75 923	65 678	4 535	(39 597)	(39 597)	102 782	(46 702)	(49 318)	(14 541)
Transfers and subsidies - capital (monetary allocations)	6	77 436	68 482	67 746	86 137	85 313	85 313	56 434	57 701	63 935	22 115
Transfers and subsidies - capital (in-kind)	6	479	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	192 823	144 405	133 424	90 672	45 716	45 716	159 216	10 999	14 617	7 573

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

EC443 Winnie Madikizela Mandela - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote	2										
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]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
	2										
Vote 1 - Executive and Council		-	-	-	1 304	1 004	1 004	-	-	-	-
Vote 2 - Corporate Services		6 366	4 550	97 014	6 283	5 831	5 831	-	7 813	3 827	2 842
Vote 3 - Budget and Treasury Office		-	-	279	-	-	-	-	-	-	-
Vote 4 - Community Services		4 289	8 061	15 400	6 704	7 592	7 592	-	10 858	19 059	17 643
Vote 5 - Development Planning		3 423	715	4 169	25 003	25 003	25 003	-	26 087	34 505	27 810
Vote 6 - Engineering Services		120 712	107 738	(9 052)	126 579	140 832	140 832	-	88 938	74 487	56 571
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]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		134 790	121 063	107 809	165 872	180 262	180 262	-	133 696	131 878	104 866
Total Capital Expenditure - Vote		134 790	121 063	107 809	165 872	180 262	180 262	-	133 696	131 878	104 866
Capital Expenditure - Functional											
Governance and administration		6 594	4 720	97 343	9 591	8 153	8 153	1 303	7 813	3 827	2 842
Executive and council		-	-	-	1 304	1 004	1 004	-	-	-	-
Finance and administration		6 594	4 720	97 343	8 287	7 149	7 149	1 303	7 813	3 827	2 842
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		1 607	2 439	9 523	21 446	18 065	18 065	4 695	19 915	14 517	13 192
Community and social services		1 473	93	9 169	21 037	17 709	17 709	4 475	14 002	7 470	7 709
Sport and recreation		134	90	235	409	356	356	220	261	348	359
Public safety		-	2 256	120	-	-	-	-	5 652	6 699	5 123
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		123 316	105 080	(12 366)	130 053	149 457	149 457	57 379	95 042	88 563	62 361
Planning and development		21 038	18 242	(87 420)	30 081	34 041	34 041	966	29 514	44 813	39 353
Road transport		102 278	86 838	75 054	99 972	115 416	115 416	56 413	65 529	43 750	23 007
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		3 274	8 824	13 308	4 783	4 586	4 586	1 507	10 926	24 971	26 472
Energy sources		820	3 029	7 483	1 652	2 415	2 415	1 507	7 926	13 351	14 716
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		2 454	5 795	5 826	3 130	2 171	2 171	-	3 000	11 620	11 756
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866
Funded by:											
National Government		73 317	54 629	58 324	74 320	73 559	73 559	44 879	49 795	55 203	18 825
Provincial Government		-	-	665	535	610	610	316	380	393	405
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	19 230
Borrowing	6										
Internally generated funds		61 474	66 434	48 820	91 018	106 092	106 092	19 688	83 521	76 283	85 636
Total Capital Funding	7	134 790	121 063	107 809	165 872	180 262	180 262	64 883	133 696	131 878	104 866

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	360 015	460 788	540 242	391 902	347 673	347 673	563 120	259 353	179 139	118 025
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	35 814	46 928	45 094	57 895	57 196	57 196	55 275	44 997	51 812	62 775
Receivables from non-exchange transactions	3	45 380	50 451	55 514	49 773	58 822	58 822	84 061	66 885	71 594	85 200
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	1 384	786	1 246	2 844	4 787	4 787	1 766	1 258	631	535
VAT Receivable	6	30 948	(7 523)	(8 553)	8 052	8 052	8 052	20 161	3 897	4 397	4 856
Other current assets	7	16 092	19 949	23 680	18 842	21 861	21 861	23 680	21 861	21 861	21 861
Total current assets		489 633	571 379	657 223	529 307	498 391	498 391	748 064	398 251	329 435	293 252
Non current assets											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	42 210	49 294	53 619	49 294	53 619	53 619	53 619	58 323	62 406	66 774
Property, plant and equipment	10	822 180	874 730	919 174	1 009 906	1 022 055	1 022 055	975 661	981 832	930 617	866 577
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	1 261	1 261	1 261	1 261	1 260	1 260	1 261	1 260	1 260	1 260
Intangible assets	14	631	503	579	333	409	409	441	402	219	31
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	4 773	5 059	-	-	-	5 059	5 059	5 059	5 059
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		866 282	930 561	979 692	1 060 793	1 077 343	1 077 343	1 036 041	1 046 876	999 561	939 701
TOTAL ASSETS		1 355 914	1 501 940	1 636 915	1 590 100	1 575 733	1 575 733	1 784 105	1 445 127	1 328 997	1 232 953
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	-	-	-	-	-	-	-	-	-	-
Consumer deposits	19	447	447	475	497	525	525	429	525	525	525
Trade and other payables from exchange transactions	20	58 002	96 541	85 928	115 372	103 989	103 989	42 556	88 089	88 800	88 573
Trade and other payables from non-exchange transactions	21	8 199	14 409	21 756	0	-	-	21 797	-	-	-
Provision	22	19 126	1 067	1 305	21 932	1 305	1 305	1 305	1 305	1 365	1 631
VAT Payable	23	34 040	2 515	5 863	8 243	8 243	8 243	22 333	-	-	-
Other current liabilities	24	765	1 215	1 348	-	-	-	935	-	-	-
Total current liabilities		120 578	116 194	116 675	146 043	114 063	114 063	89 354	89 919	90 690	90 728
Non current liabilities											
Financial liabilities	25	-	-	-	-	-	-	-	-	-	-
Provision	26	10 632	11 950	13 021	11 950	13 021	13 021	13 021	11 950	11 950	13 021
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	-	-	-	-	-	-	-	-	-	-
Total non current liabilities		10 632	11 950	13 021	11 950	13 021	13 021	13 021	11 950	11 950	13 021
TOTAL LIABILITIES		131 210	128 145	129 696	157 993	127 084	127 084	102 375	101 870	102 640	103 749
NET ASSETS		1 224 704	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 729	1 343 258	1 226 356	1 129 204
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 343 258	1 226 356	1 129 204
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 343 258	1 226 356	1 129 204

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	378 062	494 023	567 761	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Other current investments > 90 days		(18 047)	(33 234)	(27 520)	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		360 015	460 788	540 242	391 902	349 728	349 728	507 978	259 353	179 139	118 025
Application of cash and investments											
Unspent conditional transfers		8 199	14 409	21 756	0	-	-	21 797	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(378)	76	(657)	(16 036)	(18 863)	(18 863)	(12 100)	(8 005)	(8 476)	(8 908)
Other working capital requirements	3	(11 847)	11 836	(31 066)	(53 654)	(79 977)	(79 977)	(87 131)	(20 450)	(29 905)	(51 460)
Other provisions		19 890	2 282	2 653	21 932	1 305	1 305	2 241	1 305	(1 365)	(1 631)
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(27 150)	(39 746)	(61 999)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to		344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to		344 152	432 185	547 555	439 661	447 263	447 263	583 172	286 503	218 885	180 024

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		20 224	19 758	19 714	27 141	34 291	34 291	14 282	31 191	30 408	29 100
Service charges		54 103	52 241	66 860	66 822	66 796	66 796	29 913	53 408	55 626	57 340
Other revenue		11 312	11 082	36 385	82 686	90 804	90 804	25 200	32 325	38 620	41 039
Transfers and Subsidies - Operational	1	372 978	357 040	368 573	367 150	367 300	367 300	273 612	380 362	374 625	399 590
Transfers and Subsidies - Capital	1	67 082	88 168	81 681	64 108	64 108	64 108	55 657	64 423	70 236	23 516
Interest		1 133	34 473	40 118	39 677	39 752	39 752	22 501	43 879	45 327	46 777
Dividends									-	-	-
Payments											
Suppliers and employees		(300 991)	(306 890)	(388 430)	(475 241)	(514 368)	(514 368)	(250 369)	(543 182)	(548 557)	(541 993)
Finance charges		-	-	-	(104)	(2 285)	(2 285)	(2 180)	(100)	(103)	(107)
Transfers and Subsidies	1								-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		225 840	255 874	224 901	172 239	146 398	146 398	168 617	62 307	66 182	55 262
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	(309)	(286)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(124 887)	(121 558)	(117 641)	(190 043)	(206 375)	(206 375)	(70 345)	(150 627)	(146 396)	(116 376)
Retention (Capital)		(11 437)	(14 381)	(12 282)	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(136 324)	(136 247)	(130 210)	(190 043)	(206 375)	(206 375)	(70 345)	(150 627)	(146 396)	(116 376)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		89 516	119 627	94 691	(17 804)	(59 978)	(59 978)	98 272	(88 320)	(80 214)	(61 114)
Cash/cash equivalents at the year begin:	2	277 109	360 015	460 788	409 706	409 706	409 706	409 706	347 673	259 353	179 139
Cash/cash equivalents at the year end:	2	366 625	479 642	555 479	391 902	349 728	349 728	507 978	259 353	179 139	118 025

Table 20 MBRR Table A10 – Basic Service Delivery Measurement

EC443 Winnie Madikizela Mandela - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
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
Total number of households	5	10 036	10 036	10 036	10 355	10 355	10 355	324 142	324 142	324 142
Refuse:										
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
Total number of households	5	48 690	48 690	48 690	48 690	48 690	48 690	48 690	48 690	48 690
Households receiving Free Basic Service	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		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	(7 500)	(7 500)	(7 500)	(7 500)	(7 500)	(7 748)
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
	8	-	-	-	(7 500)	(7 500)	(7 500)	-	(7 500)	(7 748)
Highest level of free service provided per household										
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)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		(5)	(10)	(484)	(265)	(265)	(265)	(477)	(499)	(511)
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		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	(5)	(10)	(484)	(265)	(265)	(265)	(477)	(499)	(511)

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 2026/27 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 has been tabled to council on 24 March 2026. Inputs will then be sought from all stakeholders within the communities and therefore community consultations will be carried out in April and May 2026. The final budget adoption will have to take into consideration these inputs.

Other inputs will be received from the Provincial Treasury after having received the draft, and an engagement between the Provincial Treasury and the Municipality that will take place. A review document will be produced by the Provincial Treasury and concerns raised in this document and the engagement will, as far as possible, be taken into consideration in the final compilation.

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. 132 and 134. According to this circular, municipalities must consider the following consumer price index or inflationary indications:

Fiscal year	2026 Estimate	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
Consumer Price Inflation - CPI	3.2%	3.4%	3.3%	3.2%

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) 12.5% increase on electricity tariffs (in line with the COS)
- b) 8.76% increase on Electricity Bulk purchases
- c) 0% increase on property rates
- d) 4.75% provision for employee costs as confirmed on Circular No.: 04/2026 of the SALGBC.
- e) 4.3% increase on the remuneration of councilors
- f) 3.7% for all other expenses, and
- g) 3.7% 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 councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Allowances and Service Related Benefits										
Basic Salary		14 218	14 572	14 959	16 690	16 690	16 690	17 358	17 931	18 505
Cell phone Allowance		3 006	3 003	3 006	3 553	3 553	3 553	3 695	3 817	3 939
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Out-of-pocket Expenses		-	-	-	-	-	-	-	-	-
Travelling Allowance		5 818	5 961	6 114	6 954	6 954	6 954	7 232	7 471	7 710
Use of Personal Facilities		-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		24 220	24 744	25 318	28 588	28 588	28 588	29 732	30 713	31 696
Social Contributions										
Medial Aid Benefits		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Pension Fund Contributions		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Total Social Contributions		2 357	2 416	2 478	2 782	2 782	2 782	2 892	2 988	3 084
Total Councillors		26 577	27 159	27 795	31 370	31 370	31 370	32 625	33 701	34 780
% increase	4		2,2%	2,3%	12,9%	(0,0%)	-	4,0%	3,3%	3,2%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		4 821	5 158	5 175	5 472	9 137	9 137	7 820	8 211	8 622
Bonuses		985	422	431	448	448	448	611	642	674
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	116	99	93	99	98	98	180	189	198
Housing Benefits	3	437	421	409	433	433	433	583	612	642
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	1 513	1 700	1 761	1 862	1 862	1 862	2 471	2 595	2 724
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		2 067	2 221	2 263	2 393	2 393	2 393	3 234	3 396	3 565
Service Related Benefits										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		7 873	7 801	7 869	8 314	11 979	11 979	11 665	12 249	12 861
Social Contributions										
Bargaining Council		-	-	-	-	-	-	-	-	-
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		352	317	310	221	341	341	428	450	472
Pension		167	193	178	188	188	188	257	270	283
Unemployment Insurance		12	13	13	13	13	13	13	13	14
Total Social Contributions		531	523	501	423	543	543	698	733	770
Post-retirement Benefit										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 404	8 324	8 370	8 737	12 522	12 522	12 363	12 982	13 631
% increase	4		(1,0%)	0,6%	4,4%	43,3%	-	(1,3%)	5,0%	5,0%
Other Municipal Staff	4									
Salaries and Allowances										
Basic Salary		68 420	73 681	78 836	86 252	86 238	86 238	91 676	96 378	101 110
Bonuses		201	-	-	-	-	-	-	-	-
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	615	593	612	1 586	1 643	1 643	1 989	2 087	2 191
Housing Benefits	3	3 728	3 957	4 230	4 851	4 776	4 776	4 843	5 084	4 765
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	7 625	8 089	8 600	9 372	9 594	9 594	9 980	10 473	10 997
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		11 968	12 639	13 442	15 808	16 014	16 014	16 812	17 644	17 953
Service Related Benefits										
Acting	3	-	-	-	-	-	-	-	-	-
Bonus	3	5 770	6 106	6 464	6 780	7 065	7 065	7 046	7 394	7 764
Danger Allowance	3	-	-	-	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-	-
Fire Brigade	3	-	-	-	-	-	-	-	-	-
In-kind Benefits	3	-	-	-	-	-	-	-	-	-
Leave Pay	3	324	3 834	2 742	2 000	2 000	2 000	2 000	2 100	2 205
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Long Service Award		441	815	689	-	-	-	-	-	-
Overtime		1 387	2 496	2 125	4 168	4 238	4 238	4 223	4 434	4 656
Scarcity	3	-	-	-	-	-	-	-	-	-
Standby Allowance	3	1 231	1 304	1 424	1 473	1 666	1 666	1 691	1 775	1 864
Tools Allowance	3	-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	3	30	40	47	50	50	50	45	47	50
Leave gratuity		-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-
Total Service Related Benefits		9 184	14 595	13 490	14 472	15 019	15 019	15 004	15 751	16 538
Total Salaries and Allowances		89 774	100 915	105 768	116 533	117 271	117 271	123 492	129 773	135 601
Social Contributions										
Bargaining Council		33	36	38	43	43	43	45	47	49
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		5 356	6 137	7 004	8 220	8 421	8 421	8 999	9 435	9 907
Pension		10 733	11 755	12 491	13 854	13 699	13 699	14 692	15 419	16 190
Unemployment Insurance		533	559	577	639	644	644	639	671	704
Total Social Contributions		16 655	18 487	20 110	22 756	22 806	22 806	24 374	25 572	26 850
Post-retirement Benefit										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		106 429	119 402	125 878	139 288	140 078	140 078	147 867	155 344	162 451
% increase	4		12,2%	5,4%	10,7%	0,6%	-	5,6%	5,1%	4,6%
Total Parent Municipality		141 410	154 885	162 043	179 395	183 969	183 969	192 855	202 027	210 861
TOTAL SALARY, ALLOWANCES & BENEFITS		141 410	154 885	162 043	179 395	183 969	183 969	192 855	202 027	210 861
% increase	4		9,5%	4,6%	10,7%	2,5%	-	4,8%	4,8%	4,4%
TOTAL MANAGERS AND STAFF	5,7	114 833	127 726	134 248	148 025	152 599	152 599	160 230	168 326	176 082

a. Employee costs

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 34% 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

- Junior Internal Auditor
- Data Capturer
- Admin Clerk

Corporate Services

- Manager: Admin Support & Aux Services
- Registry Clerk
- Receptionist

Community Services

- Manager: Traffic and Law Enforcement
- Community Safety Officer

Development Planning

- LED Officer: Co-op and SMME

Budget and Treasury Office

- Stores 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 R15.7 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 manage

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	582	97	346			1 024 971
Chief Whip		1	545	91	328			964
Executive Mayor		1	727	121	419			1 267
Deputy Executive Mayor		–	–	–	–			–
Executive Committee		9	4 231	705	2 694			7 630
Total for all other councillors		52	11 273	1 879	8 586			21 738
Total Councillors	8	0	17 358	2 893	12 374			32 625
Senior Managers of the Municipality	5							
Municipal Manager (MM)		0	1 441	153	568	108		2 269
Chief Finance Officer		0	1 257	2	760	–		2 019
Senior Manager - Engineering		0	1 223	2	603	191		2 019
Senior Manager - Corporate Services		0	1 407	161	450	–		2 019
Senior Manager - Community Services		0	1 244	238	383	154		2 019
Senior Manager - Development Planning		0	1 248	142	470	159		2 019
<i>List of each official with packages >= senior manager</i>								
Total Senior Managers of the Municipality	8,10	0	7 820	698	3 234	611		12 363
A Heading for Each Entity	6,7							
List each member of board by designation								
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	70	25 178 049	3 590 931	15 607 589	611 495		44 988 064

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Equitable Share		234 855	256 638	275 698	323 800	336 238	336 238	346 910	352 368	355 778
Expanded Public Works Programme Integrated Grant		3 687	3 042	2 981	3 111	3 111	3 111	2 944	-	-
Integrated National Electrification Programme [Schedule 5B]		14 432	14 067	247	-	-	-	-	-	-
Local Government Financial Management Grant		1 344	1 918	1 891	2 100	2 100	2 100	2 196	2 152	2 239
Municipal Disaster Recovery Grant		-	583	-	-	-	-	-	-	-
Municipal Infrastructure Grant		2 679	2 806	2 405	3 352	3 242	3 242	3 014	3 341	3 445
Neighbourhood Development Partnership Grant		354	2 357	-	-	-	-	-	-	-
Total Monetary Allocations		257 351	281 411	283 222	332 363	344 691	344 691	355 064	357 861	361 463
Total National Government		257 351	281 411	283 222	332 363	344 691	344 691	355 064	357 861	361 463
Provincial Government										
Monetary Allocations										
Capacity Building and Other- Library Grant		475	375	463	702	925	925	644	666	687
Total Monetary Allocations		475	375	463	702	925	925	644	666	687
Total Provincial Government		475	375	463	702	925	925	644	666	687
District Municipalities										
Monetary Allocations										
Capacity Building and Other- IDO Grant		-	-	150	-	150	150	-	-	-
Total Monetary Allocations		-	-	150	-	150	150	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	150	-	150	150	-	-	-
Other Grant Providers										
Monetary Allocations										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		257 826	281 786	283 835	333 065	345 766	345 766	355 708	358 527	362 150
Capital										
National Government										
Monetary Allocations										
Integrated National Electrification Programme (Municipal Grant) [-	-	4 832	-	-	-	-	-	-
Local Government Financial Management Grant		600	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		27 626	9 128	1 656	18 982	18 174	18 174	-	-	-
Municipal Disaster Relief Grant		10 089	11 536	5 151	-	-	-	-	-	-
Municipal Infrastructure Grant		34 005	33 965	46 684	55 338	55 385	55 385	49 795	55 203	18 825
Neighbourhood Development Partnership Grant		997	-	-	-	-	-	-	-	-
Total Monetary Allocations		73 317	54 629	58 324	74 320	73 559	73 559	49 795	55 203	18 825
Total National Government		73 317	54 629	58 324	74 320	73 559	73 559	49 795	55 203	18 825
Provincial Government										
Monetary Allocations										
Capacity Building and Other- Librant Grant		-	-	665	535	610	610	380	393	405
Total Monetary Allocations		-	-	665	535	610	610	380	393	405
Total Provincial Government		-	-	665	535	610	610	380	393	405
District Municipalities										
Monetary Allocations										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		73 317	54 629	58 989	74 854	74 169	74 169	50 175	55 596	19 230
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		331 143	336 415	342 824	407 919	419 936	419 936	405 883	414 123	381 380

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		0	12 349	17 629	-	-	-	-	-	-
Current year receipts		(21 111)	(15 117)	(8 302)	(8 563)	(8 563)	(8 563)	(8 258)	(5 741)	(5 945)
Repayment of grants		2 716	2 015	6 634	-	-	-	-	-	-
Conditions met - transferred to revenue		6 046	7 821	8 303	8 563	8 563	8 563	8 258	5 741	5 945
Conditions still to be met - transferred to liabilities		(12 349)	(17 629)	(10 994)				-	-	-
Provincial Government:										
Balance unspent at beginning of the year		293	755	616	-	499	499	-	-	-
Current year receipts		(500)	(500)	(547)	(732)	(732)	(732)	(710)	(733)	(757)
Conditions met - transferred to revenue		1 548	361	500	732	1 446	1 446	710	733	757
Conditions still to be met - transferred to liabilities		755	616	569	-	215	215	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		1 027	1 027	1 027	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		(1 027)	(1 027)	(1 027)	-	-	-	-	-	-
Total operating transfers and grants revenue		7 594	8 182	8 803	9 295	10 009	10 009	8 968	6 475	6 702
Total operating transfers and grants - CTBM	2	(12 621)	(18 041)	(11 452)	-	215	215	-	-	-
Capital transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		8 780	4 262	3 671	22 029	20 900	20 900	-	-	-
Current year receipts		(96 386)	(86 035)	(81 081)	(63 693)	(63 693)	(63 693)	(57 264)	(63 484)	(21 649)
Conditions met - transferred to revenue		91 868	85 444	67 072	85 522	84 593	84 593	57 264	63 484	21 649
Conditions still to be met - transferred to liabilities		4 262	3 671	(10 338)	(200)	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	200	-	-	-	-	-	-
Current year receipts		-	(200)	(600)	(415)	(415)	(415)	(437)	(451)	(466)
Conditions met - transferred to revenue		-	-	673	615	200	200	437	451	466
Conditions still to be met - transferred to liabilities		-	(200)	(127)	200	(215)	(215)	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		160	160	160	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		160	160	160	-	-	-	-	-	-
Total capital transfers and grants revenue		91 868	85 444	67 746	86 137	84 793	84 793	57 701	63 935	22 115
Total capital transfers and grants - CTBM	2	4 422	3 631	(10 304)	-	(215)	(215)	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		99 462	93 625	76 549	95 432	94 802	94 802	66 669	70 410	28 817
TOTAL TRANSFERS AND GRANTS - CTBM		(8 199)	(14 409)	(21 756)	-	0	0	-	-	-

Table 24 MBRR SA24 – Summary of personnel numbers

EC443 Winnie Madikizela Mandela - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	2024/25			Current Year 2025/26			Budget Year 2026/27		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		64	–	64	64	–	64	64	–	64
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6	5	1	6	5	1	6	5	1
Other Managers	7	21	20	1	21	20	1			
Professionals		11	10	–	11	10	–	11	10	–
<i>Finance</i>		–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>		7	6	–	7	6	–	7	6	–
<i>Information Technology</i>		–	–	–	–	–	–	–	–	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		–	–	–	–	–	–	–	–	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		2	2	–	2	2	–	2	2	–
Technicians		10	10	–	10	10	–	10	10	–
<i>Finance</i>		–	–	–	–	–	–	–	–	–
<i>Spatial/town planning</i>		–	–	–	–	–	–	–	–	–
<i>Information Technology</i>		2	2	–	2	2	–	2	2	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		6	6	–	6	6	–	6	6	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		–	–	–	–	–	–	–	–	–
Clerks (Clerical and administrative)		105	98	–	105	98	–	105	98	–
Service and sales workers		49	36	7	49	36	7	49	49	7
Skilled agricultural and fishery workers		2	2	–	2	2	–	2	2	–
Craft and related trades		3	3	–	3	3	–	3	3	–
Plant and Machine Operators		5	5	–	5	5	–	5	5	–
Elementary Occupations		98	71	–	98	71	–	98	98	–
TOTAL PERSONNEL NUMBERS	9	374	260	73	374	260	73	353	280	72
% increase								(5,6%)	7,7%	(1,4%)
Total municipal employees headcount	6, 10	70	68	2	70	68	2	67	65	2
Finance personnel headcount	8, 10	25	24	1	25	24	1	24	23	1
Human Resources personnel headcount	8, 10	45	44	1	45	44	1	43	42	1

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

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		14 218	14 572	14 959	16 690	16 690	16 690	17 358	17 931	18 505
Cell phone Allowance		3 006	3 003	3 006	3 553	3 553	3 553	3 695	3 817	3 939
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Out of pocket Expenses		-	-	-	-	-	-	-	-	-
Travelling Allowance		5 818	5 961	6 114	6 954	6 954	6 954	7 232	7 471	7 710
Use of Personal Facilities		-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		24 220	24 744	25 318	28 588	28 588	28 588	29 732	30 713	31 696
Social Contributions										
Medial Aid Benefits		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Pension Fund Contributions		1 179	1 208	1 239	1 391	1 391	1 391	1 446	1 494	1 542
Total Social Contributions		2 357	2 416	2 478	2 782	2 782	2 782	2 893	2 988	3 084
Total Councillors		26 577	27 159	27 795	31 370	31 370	31 370	32 625	33 701	34 780
% increase			2,2%	2,3%	12,9%	(0,0%)	-	4,0%	3,3%	3,2%
Senior Managers of the Municipality										
Salaries and Allowances										
Basic Salary		4 821	5 158	5 175	5 472	9 137	9 137	7 820	8 211	8 622
Bonuses		985	422	431	448	448	448	611	642	674
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone		116	99	93	99	98	98	180	189	198
Housing Benefits		437	421	409	433	433	433	583	612	642
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle		1 513	1 700	1 761	1 862	1 862	1 862	2 471	2 595	2 724
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		2 067	2 221	2 263	2 393	2 393	2 393	3 234	3 396	3 565
Service Related Benefits										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		7 873	7 801	7 869	8 314	11 979	11 979	11 665	12 249	12 861
Social Contributions										
Bargaining Council		-	-	-	-	-	-	-	-	-
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		352	317	310	221	341	341	428	450	472
Pension		167	193	178	188	188	188	257	270	283
Unemployment Insurance		12	13	13	13	13	13	13	13	14
Total Social Contributions		531	523	501	423	543	543	698	733	770
Post-retirement Benefit										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 404	8 324	8 370	8 737	12 522	12 522	12 363	12 982	13 631
% increase			(1,0%)	0,6%	4,4%	43,3%	-	(1,3%)	5,0%	5,0%
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		68 420	73 681	78 836	86 252	86 238	86 238	91 676	96 378	101 110
Bonuses		201	-	-	-	-	-	-	-	-
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone		615	593	612	1 586	1 643	1 643	1 989	2 087	2 191
Housing Benefits		3 728	3 957	4 230	4 851	4 776	4 776	4 843	5 084	4 765
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle		7 625	8 089	8 600	9 372	9 594	9 594	9 980	10 473	10 997
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		11 968	12 639	13 442	15 808	16 014	16 014	16 812	17 644	17 953
Service Related Benefits										
Acting		-	-	-	-	-	-	-	-	-
Bonus		5 770	6 106	6 464	6 780	7 065	7 065	7 046	7 394	7 764
Danger Allowance		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Fire Brigade		-	-	-	-	-	-	-	-	-
In-kind Benefits		-	-	-	-	-	-	-	-	-
Leave Pay		324	3 834	2 742	2 000	2 000	2 000	2 000	2 100	2 205
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Long Service Award		441	815	689	-	-	-	-	-	-
Overtime		1 387	2 496	2 125	4 168	4 238	4 238	4 223	4 434	4 656
Scarcity		-	-	-	-	-	-	-	-	-
Standby Allowance		1 231	1 304	1 424	1 473	1 666	1 666	1 691	1 775	1 864
Tools Allowance		-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing		30	40	47	50	50	50	45	47	50
Leave gratuity		-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-
Total Service Related Benefits		9 184	14 595	13 490	14 472	15 019	15 019	15 004	15 751	16 538
Total Salaries and Allowances		89 774	100 915	105 768	116 533	117 271	117 271	123 492	129 773	135 601
Social Contributions										
Bargaining Council		33	36	38	43	43	43	45	47	49
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		5 356	6 137	7 004	8 220	8 421	8 421	8 999	9 435	9 907
Pension		10 733	11 755	12 491	13 854	13 699	13 699	14 692	15 419	16 190
Unemployment Insurance		533	559	577	639	644	644	639	671	704
Total Social Contributions		16 655	18 487	20 110	22 756	22 806	22 806	24 374	25 572	26 850
Post-retirement Benefit										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		106 429	119 402	125 878	139 288	140 078	140 078	147 867	155 344	162 451
% increase			12,2%	5,4%	10,7%	0,6%	-	5,6%	5,1%	4,6%
Total Parent Municipality		141 410	154 885	162 043	179 395	183 969	183 969	192 855	202 027	210 861
TOTAL SALARY, ALLOWANCES & BENEFITS		141 410	154 885	162 043	179 395	183 969	183 969	192 855	202 027	210 861
% increase			9,5%	4,6%	10,7%	2,5%	-	4,8%	4,8%	4,4%
TOTAL MANAGERS AND STAFF		114 833	127 726	134 248	148 025	152 599	152 599	160 230	168 326	176 082

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 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand															
Cash Receipts by Source															
Property rates	18 177	1 122	1 008	1 318	1 272	1 324	1 262	1 122	1 081	1 031	1 001	1 475	31 191	30 408	29 100
Service charges - electricity revenue	4 261	3 795	4 400	4 574	4 526	4 527	4 532	4 271	1 851	4 276	4 030	2 467	47 508	49 578	51 140
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	487	485	484	489	485	484	486	486	553	487	487	488	5 900	6 048	6 200
Rental of facilities and equipment	467	467	484	470	469	470	470	470	497	497	498	501	5 761	5 906	6 183
Interest earned - external investments	3 103	3 608	3 617	3 192	3 256	3 608	3 566	3 257	3 385	3 736	3 410	3 238	40 977	42 329	43 683
Interest earned - outstanding debtors	-	256	268	275	287	260	272	230	199	213	203	190	2 902	2 998	3 094
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30	34	33	37	29	29	29	30	30	31	30	39	379	581	600
Licences and permits	242	218	248	248	4	243	374	186	7	2	733	8	2 513	2 596	2 679
Agency services	149	147	146	171	147	148	165	147	147	146	146	163	1 821	2 198	2 269
Transfers and Subsidies - Operational	149 687	2 972	2 716	2 984	2 048	118 683	2 259	2 096	89 540	1 875	2 483	3 020	380 362	374 625	399 590
Other revenue	568	866	618	1 263	767	1 486	1 065	866	594	568	595	1 734	10 989	16 770	17 514
Cash Receipts by Source	177 170	13 970	14 023	15 021	13 289	131 260	14 478	13 160	97 884	12 862	13 615	13 322	530 304	534 038	562 052
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 119	5 320	3 350	7 894	4 474	8 318	6 353	5 119	4 479	3 199	3 199	9 598	64 423	70 236	23 516
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)	509	867	511	1 180	871	1 191	1 167	898	803	612	612	1 640	10 862	10 568	11 794
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	180 798	20 157	17 884	24 096	18 634	140 770	21 998	19 177	103 166	16 673	17 427	24 560	605 589	614 843	597 362
Cash Payments by Type															
Employee related costs	13 491	13 493	13 491	13 496	13 493	13 496	13 494	13 493	13 493	13 491	13 491	13 497	161 921	170 099	177 939
Remuneration of councillors	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	32 625	33 701	34 780
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	100	103	107
Bulk purchases - Electricity	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272	7 732	7 732	7 732	7 732	73 104	79 559	82 105
Acquisition inventory - water and other inventory	515	515	1 544	1 029	1 029	515	515	1 029	515	515	515	2 059	10 294	9 975	10 294
Contracted services	8 837	11 127	8 882	15 874	12 465	16 250	13 615	11 869	11 055	8 812	8 751	20 353	147 890	138 326	119 695
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	9 264	9 353	9 264	9 471	9 323	9 501	9 412	9 353	9 323	9 264	9 264	9 560	112 351	111 737	111 859
Cash Payments by Type	40 098	42 478	41 172	47 861	44 301	47 752	45 027	43 735	44 836	42 532	42 472	56 019	538 283	543 500	536 777
Other Cash Flows/Payments by Type															
Capital assets	6 958	11 339	7 928	16 310	13 607	18 924	16 329	11 015	12 507	6 849	8 490	20 371	150 627	146 396	116 376
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	469	408	487	510	504	503	505	470	122	429	397	194	4 999	5 160	5 322
Total Cash Flows/Payments	47 526	54 226	49 587	64 681	58 412	67 179	61 860	55 219	57 464	49 811	51 359	76 584	693 909	695 056	658 476
NET INCREASE/(DECREASE) IN CASH HELD	133 272	(34 069)	(31 703)	(40 585)	(39 778)	73 590	(39 862)	(36 043)	45 702	(33 137)	(33 933)	(52 024)	(88 320)	(80 214)	(61 114)
Cash/cash equivalents at the month/year begin:	347 673	480 946	446 877	415 174	374 589	334 811	408 401	368 539	332 496	378 198	345 060	311 128	347 673	259 353	179 139
Cash/cash equivalents at the month/year end:	480 946	446 877	415 174	374 589	334 811	408 401	368 539	332 496	378 198	345 060	311 128	259 104	259 353	179 139	118 025

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 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity		3 731	4 771	5 581	4 902	4 756	4 750	6 374	4 450	1 568	4 592	4 686	2 313	52 474	54 182	55 892
Service charges - Water		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management		487	485	484	489	485	484	486	486	555	487	487	488	5 902	6 051	6 203
Sale of Goods and Rendering of Services		41	41	41	41	41	41	41	41	41	41	41	42	498	514	531
Agency services		130	130	130	130	130	130	130	130	130	130	130	130	1 554	2 000	2 064
Interest																
Interest earned from Receivables		312	320	335	344	359	296	322	271	225	250	229	235	3 499	3 614	3 730
Interest earned from Current and Non Current Assets		3 103	3 608	3 617	3 192	3 256	3 608	3 566	3 257	3 385	3 736	3 410	3 238	40 977	42 329	43 683
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		536	532	520	534	498	446	509	579	530	532	524	532	6 272	6 434	6 728
Licence and permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		432	691	432	1 036	605	1 123	864	691	432	432	432	1 468	8 637	13 633	14 250
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		23	23	73	23	23	146	23	23	23	23	50	23	470	485	501
Non-Exchange Revenue																
Property rates		27 442	863	863	863	863	863	863	863	863	863	863	863	36 935	38 597	39 562
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		29	33	33	37	28	29	28	30	29	30	30	39	375	578	596
Licences or permits		240	216	246	245	2	240	371	184	4	0	731	3	2 483	2 565	2 647
Transfer and subsidies - Operational		148 137	1 280	1 147	1 009	319	116 605	443	308	87 821	371	957	626	359 020	353 467	379 173
Interest		401	468	462	372	311	311	275	293	293	281	273	273	4 023	4 156	4 289
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont)		185 043	13 461	13 965	13 217	11 675	129 071	14 300	11 604	95 898	11 769	12 846	10 271	523 119	528 604	559 848
Expenditure																
Employee related costs		13 351	13 352	13 351	13 355	13 352	13 355	13 354	13 352	13 352	13 351	13 351	13 357	160 230	168 326	176 082
Remuneration of councillors		2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	32 625	33 701	34 780
Bulk purchases - electricity		4 585	4 585	4 585	4 585	4 585	4 585	4 585	4 585	6 723	6 723	6 723	6 723	63 569	69 182	71 395
Inventory consumed		780	850	780	780	890	780	780	780	780	800	780	780	9 560	9 875	10 191
Debt impairment		378	605	378	908	530	757	984	605	530	378	378	1 135	7 566	7 816	6 837
Depreciation, amortisation and impairment		5 281	5 281	5 281	5 281	5 281	5 281	5 281	5 281	5 281	5 281	5 281	5 281	63 373	65 464	67 559
Interest, Dividends and Rent on Land		–	–	–	–	–	–	–	–	–	–	–	100	100	103	107
Contracted services		7 795	9 786	7 833	13 872	10 843	14 134	11 843	10 324	9 617	7 666	7 614	17 702	129 029	120 331	104 131
Transfers and subsidies		431	466	431	512	454	523	489	466	454	431	431	546	5 635	5 821	5 352
Irrecoverable debts written off		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		8 124	8 172	8 124	8 237	8 156	8 253	8 205	8 172	8 156	8 124	8 124	8 286	98 134	97 303	97 956
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		43 443	45 816	43 482	50 248	46 809	50 387	48 238	46 284	47 612	45 473	45 401	56 629	569 821	577 922	574 390
Surplus/(Deficit)		141 600	(32 355)	(29 517)	(37 031)	(35 134)	78 684	(33 938)	(34 681)	48 287	(33 704)	(32 555)	(46 357)	(46 702)	(49 318)	(14 541)
Transfers and subsidies - capital (monetary allocations)		2 783	4 818	2 944	7 072	4 008	7 444	5 726	4 581	4 008	2 863	2 863	8 590	57 701	63 935	22 115
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573

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 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		19	19	19	19	19	19	19	19	19	19	19	19	230	237	245
Vote 3 - Budget and Treasury Office		150 167	3 651	3 730	3 435	3 319	119 857	3 690	3 319	90 960	3 799	4 149	3 595	393 672	392 075	419 020
Vote 4 - Community Services		1 900	2 402	2 047	1 979	920	1 362	1 304	1 151	920	844	1 544	1 033	17 407	23 628	23 930
Vote 5 - Development Planning		28 337	1 830	1 828	1 740	1 671	1 670	1 641	1 652	1 684	1 670	1 664	1 675	47 062	67 704	55 814
Vote 6 - Engineering Services		7 402	10 378	9 285	13 115	9 754	13 607	13 372	10 043	6 323	8 300	8 332	12 539	122 450	108 895	82 953
Total Revenue by Vote		187 826	18 279	16 909	20 289	15 683	136 515	20 026	16 185	99 907	14 632	15 709	18 861	580 820	592 539	581 963
Expenditure by Vote																
Vote 1 - Executive and Council		7 951	8 279	7 951	8 857	8 150	8 926	8 598	8 339	8 150	7 891	7 951	9 185	100 229	103 950	106 981
Vote 2 - Corporate Services		5 143	5 241	5 139	5 376	5 424	5 434	5 309	5 241	5 207	5 139	5 139	5 917	63 709	66 204	68 758
Vote 3 - Budget and Treasury Office		3 178	3 287	3 266	3 455	3 245	3 637	3 371	3 724	3 808	3 361	3 248	4 831	42 409	44 003	44 723
Vote 4 - Community Services		10 661	10 748	10 566	12 126	11 164	11 522	11 520	10 789	10 595	10 414	10 414	11 922	132 442	125 199	121 396
Vote 5 - Development Planning		3 032	3 373	3 032	3 829	3 646	3 894	3 649	3 373	3 342	3 032	3 032	4 170	41 404	40 645	41 587
Vote 6 - Engineering Services		13 478	14 888	13 528	16 606	15 181	16 973	15 791	14 818	16 510	15 636	15 616	20 604	189 628	197 921	190 945
Total Expenditure by Vote		43 443	45 816	43 482	50 248	46 809	50 387	48 238	46 284	47 612	45 473	45 401	56 629	569 821	577 922	574 390
Surplus/(Deficit) before assoc.		144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	144 383	(27 537)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573

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 2026/27												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
<i>Governance and administration</i>		178 494	5 465	5 540	5 156	4 979	121 517	5 319	4 961	92 630	5 457	5 802	5 247	440 564	440 912	469 238
Executive and council																
Finance and administration		178 494	5 465	5 540	5 156	4 979	121 517	5 319	4 961	92 630	5 457	5 802	5 247	440 564	440 912	469 238
Internal audit																
<i>Community and public safety</i>		367	879	513	759	200	717	627	481	204	173	895	331	6 134	4 868	5 023
Community and social services		99	636	242	488	171	449	230	268	175	145	136	303	3 331	1 782	1 839
Sport and recreation																
Public safety		268	244	271	271	28	268	396	212	28	28	759	28	2 803	3 086	3 184
Housing																
Health																
<i>Economic and environmental services</i>		3 185	4 859	3 204	7 102	4 298	7 625	6 031	4 843	4 291	3 238	3 174	8 775	60 626	54 675	11 350
Planning and development		273	277	292	294	273	260	335	261	265	326	262	297	3 414	22 445	9 286
Road transport		2 912	4 582	2 912	6 808	4 026	7 365	5 695	4 582	4 026	2 912	2 912	8 478	57 212	32 230	2 064
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5 780	7 086	7 652	7 272	6 207	6 656	8 049	5 900	2 783	5 764	5 838	4 508	73 496	92 084	96 351
Energy sources		4 376	5 683	6 247	6 181	5 616	6 141	7 502	5 360	2 196	5 223	5 318	3 935	63 778	75 324	79 508
Water management																
Waste water management																
Waste management		1 404	1 403	1 404	1 091	591	515	547	541	587	541	520	573	9 718	16 760	16 843
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		187 826	18 289	16 909	20 289	15 683	136 515	20 026	16 185	99 907	14 632	15 709	18 861	580 820	592 539	581 963
Expenditure - Functional																
<i>Governance and administration</i>		18 523	19 099	18 607	20 035	19 096	20 309	19 645	19 596	19 443	18 642	18 589	22 321	233 902	239 205	244 500
Executive and council		5 907	6 034	5 907	6 203	5 992	6 245	6 119	6 034	5 992	5 907	6 330	72 577	75 224	77 400	77 400
Finance and administration		11 986	12 492	12 070	13 196	12 533	13 487	12 893	12 929	12 880	12 165	12 052	15 413	154 096	156 512	159 318
Internal audit		630	572	630	636	571	576	634	632	571	570	630	578	7 230	7 469	7 782
<i>Community and public safety</i>		4 361	4 331	4 243	5 022	4 787	4 968	4 875	4 366	4 197	4 129	4 129	5 169	54 578	53 933	54 748
Community and social services		2 036	2 150	2 108	2 375	2 626	2 687	2 506	2 185	2 036	2 008	2 008	2 685	27 408	26 376	26 777
Sport and recreation		458	280	289	312	278	288	312	280	278	275	275	331	3 654	3 822	3 997
Public safety		1 725	1 734	1 704	2 134	1 724	1 785	1 874	1 734	1 724	1 704	1 704	1 928	21 475	22 449	22 623
Housing		143	167	143	200	159	208	184	167	159	143	143	224	2 040	1 286	1 351
Health																
<i>Economic and environmental services</i>		9 640	10 905	9 690	12 457	11 626	12 862	11 676	10 835	10 451	9 639	9 619	14 142	133 541	130 378	120 698
Planning and development		3 321	3 588	3 321	3 943	3 885	4 032	3 766	3 588	3 499	3 321	3 321	4 210	43 796	44 237	45 031
Road transport		6 042	7 055	6 092	8 243	7 481	8 557	7 614	6 985	6 671	6 062	6 042	9 655	86 498	82 749	72 125
Environmental protection		277	262	277	271	260	273	297	262	281	255	255	277	3 247	3 392	3 541
<i>Trading services</i>		10 547	11 105	10 570	12 353	10 925	11 864	11 662	11 112	13 064	12 692	12 692	14 611	143 196	149 608	149 445
Energy sources		6 829	7 226	6 829	7 756	7 094	7 809	7 570	7 226	9 232	8 967	8 967	10 342	95 848	107 344	110 658
Water management																
Waste water management																
Waste management		3 718	3 879	3 741	4 597	3 832	4 054	4 092	3 885	3 832	3 724	3 724	4 269	47 348	42 264	38 787
<i>Other</i>		372	376	372	382	375	384	379	376	457	372	372	387	4 604	4 798	4 999
Total Expenditure - Functional		43 443	45 816	43 482	50 248	46 809	50 387	48 238	46 284	47 612	45 473	45 401	56 629	569 821	577 922	574 390
Surplus/(Deficit) before assoc.		144 383	(27 527)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	144 383	(27 527)	(26 573)	(29 959)	(31 126)	86 128	(28 212)	(30 100)	52 295	(30 841)	(29 692)	(37 768)	10 999	14 617	7 573

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 2026/27												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
R thousand																	
Vote 1 - Executive and Council	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	287	900	-	2 148	-	3 000	-	1 478	-	7 813	3 827	2 842	
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		283	452	595	1 007	2 222	3 517	565	583	396	334	283	848	11 083	19 615	18 217	
Vote 5 - Development Planning		1 304	2 087	1 304	3 130	1 826	3 391	2 609	2 087	1 826	1 304	1 304	3 913	26 087	34 505	27 810	
Vote 6 - Engineering Services		4 544	7 451	5 082	9 937	7 426	10 072	9 037	7 033	6 154	4 396	4 396	13 187	88 713	73 930	55 997	
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	6 131	9 990	6 981	14 361	12 374	16 981	14 358	9 703	11 376	6 034	7 461	17 948	133 696	131 878	104 866	
Total Capital Expenditure	2	6 131	9 990	6 981	14 361	12 374	16 981	14 358	9 703	11 376	6 034	7 461	17 948	133 696	131 878	104 866	

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 2026/27												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
R thousand																	
Capital Expenditure - Functional	1																
<i>Governance and administration</i>		-	-	-	287	900	-	2 148	-	3 000	-	1 478	-	7 813	3 827	2 842	
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Finance and administration					287	900	-	2 148	-	3 000	-	1 478		7 813	3 827	2 842	
Internal audit																	
<i>Community and public safety</i>		1 022	2 084	1 222	1 695	3 298	1 090	2 328	1 529	1 224	925	874	2 623	19 915	14 517	13 192	
Community and social services		740	1 632	809	1 017	2 903	355	1 763	947	828	643	592	1 775	14 002	7 470	7 709	
Sport and recreation		-	-	130	-	-	-	-	130	-	-	-	-	261	348	359	
Public safety		283	452	283	678	396	735	565	452	396	283	283	848	5 652	6 699	5 123	
Housing																	
Health																	
<i>Economic and environmental services</i>		4 752	7 336	5 272	11 524	6 616	12 355	9 170	7 603	6 653	4 752	4 752	14 256	95 042	88 563	62 361	
Planning and development		1 476	2 361	1 476	3 542	2 066	3 837	2 951	2 361	2 066	1 476	1 476	4 427	29 514	44 813	39 353	
Road transport		3 276	4 975	3 797	7 982	4 550	8 519	6 218	5 242	4 587	3 276	3 276	9 829	65 529	43 750	23 007	
Environmental protection																	
<i>Trading services</i>		356	570	487	855	1 560	3 535	713	570	499	356	356	1 069	10 926	24 971	26 472	
Energy sources		356	570	356	855	1 299	926	713	570	499	356	356	1 069	7 926	13 351	14 716	
Water management																	
Waste water management																	
Waste management		-	-	130	-	261	2 609	-	-	-	-	-	-	3 000	11 620	11 756	
<i>Other</i>																	
Total Capital Expenditure - Functional	2	6 131	9 990	6 981	14 361	12 374	16 981	14 358	9 703	11 376	6 034	7 461	17 948	133 696	131 878	104 866	
Funded by:																	
National Government		2 490	3 716	3 010	6 094	3 448	6 473	4 645	3 984	3 486	2 490	2 490	7 469	49 795	55 203	18 825	
Provincial Government		-	-	-	155	-	174	-	-	-	51	-	-	380	393	405	
District Municipality																	
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)																	
Transfers recognised - capital		2 490	3 716	3 010	6 249	3 448	6 647	4 645	3 984	3 486	2 541	2 490	7 469	50 175	55 596	19 230	
Borrowing																	
Internally generated funds		3 641	6 274	3 971	8 112	8 925	10 334	9 713	5 719	7 890	3 493	4 971	10 479	83 521	76 283	85 636	
Total Capital Funding		6 131	9 990	6 981	14 361	12 374	16 981	14 358	9 703	11 376	6 034	7 461	17 948	133 696	131 878	104 866	

Table 30 MBRR SA30 – Budgeted monthly cash flow

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

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source														1		
Property rates	18 177	1 122	1 008	1 318	1 272	1 324	1 262	1 122	1 081	1 031	1 001	1 475	31 191	30 408	29 100	
Service charges - electricity revenue	4 261	3 795	4 400	4 574	4 526	4 527	4 532	4 271	1 851	4 276	4 030	2 467	47 508	49 578	51 140	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	487	485	484	489	485	484	486	486	553	487	487	488	5 900	6 048	6 200	
Rental of facilities and equipment	467	467	484	470	469	470	470	470	497	497	498	501	5 761	5 906	6 183	
Interest earned - external investments	3 103	3 608	3 617	3 192	3 256	3 608	3 566	3 257	3 385	3 736	3 410	3 238	40 977	42 329	43 683	
Interest earned - outstanding debtors	-	256	268	275	287	260	272	230	199	213	203	190	2 902	2 998	3 094	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	30	34	33	37	29	29	29	30	30	31	30	39	379	581	600	
Licences and permits	242	218	248	248	4	243	374	186	7	2	733	8	2 513	2 596	2 679	
Agency services	149	147	146	171	147	148	165	147	146	146	146	163	1 821	2 198	2 269	
Transfers and Subsidies - Operational	149 687	2 972	2 716	2 984	2 048	118 683	2 259	2 096	89 540	1 875	2 483	3 020	380 362	374 625	399 590	
Other revenue	568	866	618	1 263	767	1 486	1 065	866	594	568	595	1 734	10 989	16 770	17 514	
Cash Receipts by Source	177 170	13 970	14 023	15 021	13 289	131 260	14 478	13 160	97 884	12 862	13 615	13 322	530 304	534 038	562 052	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	3 119	5 320	3 350	7 894	4 474	8 318	6 353	5 119	4 479	3 199	3 199	9 598	64 423	70 236	23 516	
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)	509	867	511	1 180	871	1 191	1 167	898	803	612	612	1 640	10 862	10 568	11 794	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	180 798	20 157	17 884	24 096	18 634	140 770	21 998	19 177	103 166	16 673	17 427	24 560	605 589	614 843	597 362	
Cash Payments by Type																
Employee related costs	13 491	13 493	13 491	13 496	13 493	13 496	13 494	13 493	13 493	13 491	13 491	13 497	161 921	170 099	177 939	
Remuneration of councillors	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	2 719	32 625	33 701	34 780	
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	100	103	107	
Bulk purchases - Electricity	5 272	5 272	5 272	5 272	5 272	5 272	5 272	5 272	7 732	7 732	7 732	7 732	73 104	79 559	82 105	
Acquisition inventory - water and other inventory	515	515	1 544	1 029	1 029	515	515	1 029	515	515	515	2 059	10 294	9 975	10 294	
Contracted services	8 837	11 127	8 882	15 874	12 465	16 250	13 615	11 869	11 055	8 812	8 751	20 353	147 890	138 326	119 695	
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	9 264	9 353	9 264	9 471	9 323	9 501	9 412	9 353	9 323	9 264	9 264	9 560	112 351	111 737	111 859	
Cash Payments by Type	40 098	42 478	41 172	47 861	44 301	47 752	45 027	43 735	44 836	42 532	42 472	56 019	538 283	543 500	536 777	
Other Cash Flows/Payments by Type																
Capital assets	6 958	11 339	7 928	16 310	13 607	18 924	16 329	11 015	12 507	6 849	8 490	20 371	150 627	146 396	116 376	
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Cash Flows/Payments	469	408	487	510	504	503	505	470	122	429	397	194	4 999	5 160	5 322	
Total Cash Payments by Type	47 526	54 226	49 587	64 681	58 412	67 179	61 860	55 219	57 464	49 811	51 359	76 584	693 909	695 056	658 476	
NET INCREASE/(DECREASE) IN CASH HELD	133 272	(34 069)	(31 703)	(40 585)	(39 778)	73 590	(39 862)	(36 043)	45 702	(33 137)	(33 933)	(52 024)	(88 320)	(80 214)	(61 114)	
Cash/cash equivalents at the month/year begin:	347 673	480 946	446 877	415 174	374 589	334 811	408 401	368 539	332 496	378 198	345 060	311 128	347 673	259 353	179 139	
Cash/cash equivalents at the month/year end:	480 946	446 877	415 174	374 589	334 811	408 401	368 539	332 496	378 198	345 060	311 128	259 104	259 353	179 139	118 025	

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	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-	-	-	-	-
Vote 2 - Corporate Services		7 813	3 827	2 842	-	-	-	-
Vote 3 - Budget and Treasury Office		-	-	-	-	-	-	-
Vote 4 - Community Services		10 858	19 059	17 643	-	-	-	-
Vote 5 - Development Planning		26 087	34 505	27 810	-	-	-	-
Vote 6 - Engineering Services		88 938	74 487	56 571	-	-	-	-
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>								
Total Capital Expenditure		133 696	131 878	104 866	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council		100 229	103 950	106 981	-	-	-	-
Vote 2 - Corporate Services		63 709	66 204	68 758	-	-	-	-
Vote 3 - Budget and Treasury Office		42 409	44 003	44 723	-	-	-	-
Vote 4 - Community Services		129 124	121 772	119 089	-	-	-	-
Vote 5 - Development Planning		39 789	38 978	39 866	-	-	-	-
Vote 6 - Engineering Services		186 993	195 200	188 136	-	-	-	-
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>								
Total future operational costs		562 255	570 106	567 553	-	-	-	-
Future revenue by source	3							
Exchange Revenue		-	-	-	-	-	-	-
Service charges - Electricity		52 474	54 182	55 892	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-
Service charges - Waste Management		5 902	6 051	6 203	-	-	-	-
Agency services		1 554	2 000	2 064	-	-	-	-
Other revenue		968	1 000	1 032	-	-	-	-
Rental from Fixed Assets		6 272	6 434	6 728	-	-	-	-
Total future revenue		67 171	69 666	71 918	-	-	-	-
Net Financial Implications		628 780	632 319	600 501	-	-	-	-

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.

2.9 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		37 047	45 000	58 105	57 006	63 852	63 852	19 726	14 654	15 061
Roads Infrastructure		35 196	41 868	50 184	55 702	63 507	63 507	16 948	7 042	5 562
Roads		35 196	32 093	34 398	36 155	41 483	41 483	8 687	1 217	–
Road Structures		–	9 036	15 786	19 547	22 024	22 024	8 261	5 390	5 562
Road Furniture		–	739	–	–	–	–	–	435	–
Electrical Infrastructure		820	–	5 325	–	–	–	2 778	7 612	9 499
HV Transmission Conductors		–	–	492	–	–	–	–	–	–
MV Networks		–	–	4 832	–	–	–	–	–	–
LV Networks		820	–	–	–	–	–	2 778	7 612	9 499
Solid Waste Infrastructure		1 032	3 132	2 596	1 304	345	345	–	–	–
Landfill Sites		1 032	3 132	2 596	1 304	345	345	–	–	–
Community Assets		5 009	2 357	12 884	21 663	18 259	18 259	15 310	13 593	14 028
Community Facilities		4 632	2 227	11 845	4 601	4 123	4 123	3 478	7 071	7 297
Halls		693	–	7 933	2 427	1 949	1 949	–	–	–
Crèches		1 890	1 642	–	–	–	–	–	3 478	3 590
Markets		2 050	585	3 912	2 174	2 174	2 174	3 478	3 593	3 708
Sport and Recreation Facilities		377	130	1 039	17 062	14 136	14 136	11 832	6 522	6 730
Indoor Facilities		–	–	374	16 888	13 962	13 962	11 832	6 522	6 730
Outdoor Facilities		377	130	665	174	174	174	–	–	–
Heritage assets		–	–	–	1 304	1 004	1 004	–	–	–
Works of Art		–	–	–	1 304	1 004	1 004	–	–	–
Other assets		997	–	89 529	24 568	24 568	24 568	22 609	30 912	24 102
Operational Buildings		997	–	89 529	24 568	24 568	24 568	22 609	30 912	24 102
Municipal Offices		–	–	89 273	1 739	1 739	1 739	–	–	–
Manufacturing Plant		997	–	257	22 829	22 829	22 829	22 609	30 912	24 102
Intangible Assets		600	–	237	–	–	–	–	–	–
Licences and Rights		600	–	237	–	–	–	–	–	–
Computer Software and Applications		600	–	237	–	–	–	–	–	–
Computer Equipment		1 920	2 008	2 975	1 826	1 363	1 363	3 652	1 658	1 664
Computer Equipment		1 920	2 008	2 975	1 826	1 363	1 363	3 652	1 658	1 664
Furniture and Office Equipment		1 201	674	3 822	2 865	2 216	2 216	1 206	1 237	1 399
Furniture and Office Equipment		1 201	674	3 822	2 865	2 216	2 216	1 206	1 237	1 399
Machinery and Equipment		168	215	3 646	639	587	587	3 790	5 840	9 806
Machinery and Equipment		168	215	3 646	639	587	587	3 790	5 840	9 806
Transport Assets		4 457	5 298	1 797	6 739	7 619	7 619	7 309	13 820	12 125
Transport Assets		4 457	5 298	1 797	6 739	7 619	7 619	7 309	13 820	12 125
Total Capital Expenditure on new assets	1	51 400	55 552	172 995	116 611	119 468	119 468	73 602	81 714	78 185

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		58 374	22 970	18 789	4 603	8 778	8 778	39 711	25 069	-
Roads Infrastructure		58 374	19 940	18 789	4 603	8 778	8 778	39 711	25 069	-
Roads		58 374	19 940	18 789	4 603	8 778	8 778	12 316	-	-
Electrical Infrastructure		-	3 029	-	-	-	-	-	-	-
MV Networks		-	3 029	-	-	-	-	-	-	-
Community Assets		2 374	-	-	-	-	-	-	-	-
Community Facilities		2 374	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		2 374	-	-	-	-	-	-	-	-
Other assets		1 243	(32)	-	3 339	3 339	3 339	9 079	11 789	13 077
Operational Buildings		1 243	(32)	-	3 339	3 339	3 339	9 079	11 789	13 077
Municipal Offices		1 243	(32)	-	3 339	3 339	3 339	9 079	11 789	13 077
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of ex	1	61 992	22 938	18 789	7 943	12 117	12 117	48 790	36 858	13 077
Renewal of Existing Assets as % of total capex		46,0%	18,9%	17,4%	4,8%	6,7%	6,7%	36,5%	27,9%	12,5%
Renewal of Existing Assets as % of deprecn"		149,4%	49,9%	35,8%	16,5%	19,9%	19,9%	77,0%	56,3%	19,4%

The above tables show that the municipality's anticipated total capital budget is R153 million inclusive of VAT for the 2026/27 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 17.6 million Incl. VAT
 - Mphuthumi Mafumbatha multi-purpose center R13.6 million
 - Construction of Market Place R 4 million
- Electrical Infrastructure R 6.1 million Inc. VAT
 - Solar street lights R 1.3 million
 - Installation of High Master R 1.8 million
 - Upgrade of Low Volatage lines R 3 million
- Machinery and Equipment R 2 million Incl. VAT
 - Backup energy system R 2 million
- New: Road Infrastructure R 25.7 million Incl. VAT
 - Construction of Mgwede Bridge R 9.7 million
 - Construction of Mbhatshe Bridge and Access Road R 2.9 million
 - Construction of Ward 31 Hub Access Road R 1.1 million
 - Construction of Ngcingo to Matwebu Access Road with Bridge R 4.5 million

○ Construction of Ntsingizi to Mbenya AR	R 1.2 million
● Other Assets	R 36.4 million Incl. VAT
○ Construction of Manufacturing hub Ward 16	R 26 million
○ Renovation of Municipal Offices: buildings	R 3.9 million
○ Refurbishment of DLTC	R 6.5 million
● Property, plant and Equipment	R15.6 million Incl. VAT
○ Purchase of Municipal Vehicles	R 3.9 million
○ Municipal Plant and Machinery	R 200 thousand
○ Electricity Vehicle	R 800 thousand
○ Honey Sucking Truck	R 1.8 million
○ Computer Equipment	R 4 million
○ Library Computers	R 200 thousand
○ Waste Receptacles	R 150 thousand
○ Library Furniture	R 237 thousand
○ Office Furniture	R 500 thousand
○ Skip bins	R 300 thousand
○ Furniture – Population	R 200 thousand
○ Grass Cutting Machines	R 359 thousand
○ Refuse truck	R 3 million
● Renewal: Roads Infrastructure	R 39.4 million Incl. VAT
○ Rehabilitation of Monti to Ntsimbini AR	R 7.9 million
○ Rehabilitation of Vuyisile to Ntsingizi AR	R 2.4 million
○ Rehabilitation of Mtshawedikazi Bridge and Brigde A/R	R 4.8 million
○ Rehabilitation of Garhane Brigde A/R	R 4.3 million
○ Rehabilitation of Mabhanoyini Bridge & Access Road	R 6.5 million
○ Rehabilitation of Hlolweni Bridge & Access Road	R 5.6 million
○ Rehabilitation of Mxhantini Bridge and A/R	R 3.7 million
○ Rehabilitation of Mosco AR with Bridge	R 3.8 million
● Upgrading: Roads Infrastructure	R 10 million Incl. VAT
○ Upgrade of CBD	R 10 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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 966	12 177	26 008	42 118	56 827	56 827	45 438	38 845	26 229
Roads Infrastructure		1 404	10 197	20 119	34 604	48 101	48 101	36 983	32 153	20 451
<i>Roads</i>		43	45	964	520	520	520	539	557	575
<i>Road Structures</i>		1 117	9 781	17 712	33 123	46 650	46 650	35 449	30 568	18 815
<i>Road Furniture</i>		244	371	1 443	961	931	931	995	1 028	1 061
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	1 400	1 292	1 292	1 452	1 500	1 548
<i>Drainage Collection</i>		-	-	-	1 400	1 292	1 292	1 452	1 500	1 548
Electrical Infrastructure		562	1 605	663	1 113	1 113	1 113	1 154	1 192	1 231
<i>LV Networks</i>		562		430	1 113	1 113	1 113	1 154	1 192	1 231
<i>Capital Spares</i>			1 605	233						
Solid Waste Infrastructure		-	376	5 225	5 000	6 320	6 320	5 848	4 000	3 000
<i>Landfill Sites</i>		-	-	3 470	3 500	3 500	3 500	3 629	2 500	2 000
<i>Waste Drop-off Points</i>			376	1 756	1 500	2 820	2 820	2 219	1 500	1 000
Community Assets		668	908	671	2 831	2 842	2 842	2 396	1 235	1 274
Community Facilities		668	908	671	2 831	2 842	2 842	2 396	1 235	1 274
<i>Halls</i>		426	563	328	2 100	2 100	2 100	1 718	536	553
<i>Libraries</i>		155	199	298	350	350	350	316	326	336
<i>Cemeteries/Crematoria</i>		87	145		200	300	300	200	207	213
<i>Parks</i>				45	181	92	92	161	167	172
Other assets		3 391	783	781	3 432	3 162	3 162	1 569	1 621	1 673
Operational Buildings		3 391	783	781	3 432	3 162	3 162	1 569	1 621	1 673
<i>Municipal Offices</i>		3 235	629	625	3 239	2 869	2 869	1 369	1 414	1 459
<i>Yards</i>		157	154	157	193	293	293	200	207	213
Intangible Assets		-	-	38	209	209	209	210	217	224
Licences and Rights		-	-	38	209	209	209	210	217	224
<i>Computer Software and Applications</i>				38	209	209	209	210	217	224
Computer Equipment		23	21	95	106	(0)	(0)	74	77	79
Computer Equipment		23	21	95	106	(0)	(0)	74	77	79
Furniture and Office Equipment		69	167	60	264	429	429	400	413	427
Furniture and Office Equipment		69	167	60	264	429	429	400	413	427
Machinery and Equipment		-	982	-	872	1 143	1 143	1 378	907	936
Machinery and Equipment			982		872	1 143	1 143	1 378	907	936
Transport Assets		5 170	6 329	5 627	5 364	9 224	9 224	6 262	5 882	5 490
Transport Assets		5 170	6 329	5 627	5 364	9 224	9 224	6 262	5 882	5 490
Total Repairs and Maintenance Expenditure	1	11 287	21 366	33 280	55 196	73 836	73 836	57 727	49 197	36 333
R&M as a % of PPE & Investment Property		1,6%	2,7%	3,7%	6,1%	8,1%	8,1%	6,2%	5,5%	4,2%
R&M as % Operating Expenditure		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

Table 34 MBRR SA34d – Depreciation by asset class

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		30 903	35 434	38 068	31 391	40 896	40 896	42 532	43 936	45 342
Roads Infrastructure		29 555	34 082	36 720	29 873	39 379	39 379	40 954	42 305	43 659
Roads		12 605	16 982	20 492	14 634	24 139	24 139	25 105	25 933	26 763
Road Structures		16 277	16 167	15 814	14 732	14 732	14 732	15 321	15 827	16 333
Road Furniture		673	933	414	507	507	507	528	545	563
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		543	544	543	611	611	611	636	657	678
Drainage Collection		204	205	204	230	230	230	239	247	255
Storm water Conveyance		338	339	338	381	381	381	396	409	422
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		638	640	638	718	718	718	747	772	796
MV Substations		51	51	51	58	58	58	60	62	64
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		432	433	432	486	486	486	505	522	539
LV Networks		155	156	155	175	175	175	182	188	194
Solid Waste Infrastructure		167	167	167	188	188	188	195	202	208
Landfill Sites		167	167	167	188	188	188	195	202	208
Community Assets		4 683	5 675	5 921	7 373	8 997	8 997	9 357	9 666	9 975
Community Facilities		3 913	4 904	5 181	4 518	6 142	6 142	6 388	6 599	6 810
Halls		3 269	4 409	4 687	2 874	4 498	4 498	4 678	4 833	4 987
Centres		–	–	–	–	–	–	–	–	–
Crèches		295	296	295	333	333	333	346	357	369
Cemeteries/Crematoria		13	13	13	15	15	15	16	16	17
Police		–	–	–	–	–	–	–	–	–
Parks		251	101	101	1 111	1 111	1 111	1 155	1 194	1 232
Public Ablution Facilities		27	27	27	118	118	118	123	127	131
Markets		–	–	–	–	–	–	–	–	–
Stalls		58	58	58	67	67	67	70	72	74
Sport and Recreation Facilities		770	771	740	2 855	2 855	2 855	2 969	3 067	3 165
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		770	771	740	2 855	2 855	2 855	2 969	3 067	3 165
Other assets		645	674	3 168	759	3 715	3 715	3 864	3 991	4 119
Operational Buildings		633	662	3 155	744	3 701	3 701	3 849	3 976	4 103
Municipal Offices		328	356	2 851	401	3 358	3 358	3 492	3 607	3 723
Pay/Enquiry Points		3	3	3	4	4	4	4	4	4
Yards		77	77	77	86	86	86	90	93	96
Stores		115	115	115	130	130	130	135	139	144
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		110	110	110	123	123	123	128	133	137
Housing		13	13	13	14	14	14	15	16	16
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		13	13	13	14	14	14	15	16	16
Intangible Assets		11	129	161	170	170	170	177	183	188
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		11	129	161	170	170	170	177	183	188
Computer Software and Applications		11	129	161	170	170	170	177	183	188
Computer Equipment		2 380	1 780	1 599	1 361	1 374	1 374	1 429	1 477	1 524
Computer Equipment		2 380	1 780	1 599	1 361	1 374	1 374	1 429	1 477	1 524
Furniture and Office Equipment		143	331	1 321	1 395	2 222	2 222	2 311	2 387	2 463
Furniture and Office Equipment		143	331	1 321	1 395	2 222	2 222	2 311	2 387	2 463
Machinery and Equipment		1 580	865	602	4 212	1 386	1 386	1 442	1 489	1 537
Machinery and Equipment		1 580	865	602	4 212	1 386	1 386	1 442	1 489	1 537
Transport Assets		1 156	1 087	1 584	1 559	2 175	2 175	2 262	2 337	2 411
Transport Assets		1 156	1 087	1 584	1 559	2 175	2 175	2 262	2 337	2 411
Total Depreciation	1	41 502	45 975	52 424	48 219	60 936	60 936	63 373	65 464	67 559

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	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		8 619	22 236	7 314	41 319	44 716	44 716	11 304	13 306	13 604
Roads Infrastructure		8 619	22 236	5 910	39 666	43 131	43 131	8 696	9 306	9 604
Roads		8 619	22 236	5 910	39 666	43 131	43 131	8 696	9 306	9 604
Electrical Infrastructure		-	-	1 404	1 652	1 585	1 585	2 609	4 000	4 000
LV Networks				1 404	1 652	1 585	1 585	2 609	2 783	2 957
Community Assets		12 780	20 338	(91 289)	-	3 960	3 960	-	-	-
Community Facilities		9 921	13 613	(91 289)	-	3 960	3 960	-	-	-
Halls		9 921	13 613	(91 289)		3 960	3 960			
Sport and Recreation Facilities		2 859	6 725	-	-	-	-	-	-	-
Outdoor Facilities		2 859	6 725	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existir	1	21 399	42 574	(83 974)	41 319	48 676	48 676	11 304	13 306	13 604
Upgrading of Existing Assets as % of total capex		15,9%	35,2%	-77,9%	24,9%	27,0%	27,0%	8,5%	10,1%	13,0%
Upgrading of Existing Assets as % of deprecn"		51,6%	92,6%	-160,2%	85,7%	79,9%	79,9%	17,8%	20,3%	20,1%

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 15 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 34 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 2026/27 MTREF in May 2026 directly aligned and informed by the 2026/27 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 28th February 2022 and reviewed annually 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 24 March 2026 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 

Date 24/03/2026