

**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.winniemlm.gov.za](http://www.winniemlm.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 is 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. The municipality complied with this requirement by tabling the draft budget in the council on March 24, 2026 in response and compliance to the afore-mentioned prescripts. This was followed by the publication on a local newspaper of the draft budget summaries and calling for comments from the public.

The municipality then conducted public consultation sessions to present the budget and solicit comments from the general public during the month of April and May 2026.

The Provincial Treasury as required assessed the municipality's draft budget for compliance and credibility with the results presented in a meeting that was held on the 4<sup>th</sup> of May 2026. Comments and recommendations of both the public and Provincial Treasury have been considered in getting to the final budget proposals including submission to them before submitting to council structures for them to assess the municipality's funding compliance which will be the major focus in the years to come due to the anticipated municipalities' ability to collect revenue as well as the impact of the current geopolitical conflicts currently being experienced in a number of areas in the world including Russia-Ukraine, Israel-Palestine and US-Iran that continue to raise the standard of living and the cost of doing business .

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"> <li>Construction of 500kl reservoir</li> <li>Construction of bulk pipeline with diameter 250mm, 200mm, 160mm, 110mm, 90mm, 75mm mPVC Class 12 to a length of 7.943km.</li> <li>Construction of village reticulation pipelines with diameter varying from 50-63mm HDPE to a length of 19.079km</li> <li>Construction of 256 standpipes</li> </ul>	17 & 32	R66 339 043.78
Mbizana ward 21,23 & 24 water supply scheme – implementation phase	<ul style="list-style-type: none"> <li>Installation of approximately 2km of Bulk pipelines</li> <li>Construction of 3No. of reinforced concrete reservoir 500kl and 200kl</li> </ul>	21	R21 952 583.51
Mbizana ward 29&30 water supply feasibility studies	<ul style="list-style-type: none"> <li>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</li> <li>Construction of a 250kl Elevated Steel Tank</li> <li>Break Pressure Tanks (BPTs): Supply and Installation of 4 Break Pressure Tanks to manage pressure along the pipeline route</li> <li>Standpipes: Installation of 140 standpipes to provide community water access</li> </ul>	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, 950m<sup>2</sup> is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

In 2026/27 financial year, 600m<sup>2</sup> is planned to be maintained using both service providers and internal capacity as indicated earlier in the report.

c) Electrification backlogs and planning

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

There is a general increase of electricity demand in the Mbizana area as new households are constructed at a rapid pace than would have been anticipated. It is against this that the INEP Allocation for 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 m<sup>2</sup>. 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 Treasure for Manufacturing Hub
- Agric -park programme about 28 projects benefited
- 30 New cooperatives registered
- Boat launching site approved
- 35 cooperatives assisted with production inputs
- 50 Cooperative and SMMEs have been trained on basic financial management and cooperative governance by SANAMI
- 20 Enterprises benefited in the Business Incubation Programme
- Dept. of Sport, Recreation Arts & Culture (DSRAC) sponsored Artist with a Complete set of Music system
- 15 crafters benefited from Resident Fashion Designer Program facilitated by Alfred Nzo District Municipality (ANDM) working with Alfred Nzo Development Agency (ANDA)
- 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:

-

<b>Project Name</b>	<b>Allocated Amount</b>	<b>Funding Source</b>
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
<b>TOTAL</b>	<b>R 22 008 000,00</b>	

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

In the current financial year (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.

<b>Project Name</b>	<b>Allocated amount</b>	<b>Funding Source</b>
Electrification of Goxe – Pre-Engineering	R 625 000.00	INEP
Electrification of Bhekela	R 636 000.00	INEP
Electrification of Greenville	R 4 843 000.00	INEP
Electrification of Mpetsheni	R 3 828 000.00	INEP
<b>TOTAL</b>	<b>R 9 932 000.00</b>	

For at least the next three years the municipality will continue to depend on the INEP electrification grant to implement the projects prioritized to strive towards universal access within the municipality. The implementation of these projects in conjunction with Eskom projects is expected to reduce the backlogs drastically bringing the municipality close to universal access which is anticipated to be achieved by 2026/27.

### **Other Electrification commitments**

During the implementation of the Electrification projects over the past two financial years, the municipality had a number of projects that left new households not electrified on in three villages. Due to the increasing demand from the communities left behind and the drastic decrease on the INEP funding compared to what was the indicative figure for the year, the municipality has found itself having to reprioritise some of their funding to implement and complete the following projects:

<b>Project Name</b>	<b>Allocated amount</b>	<b>Funding Source</b>
Nomlacu Electrification Phase 5	R 7 283 157.00	Own funding
Msarhweni Electrification Phase 2	R 1 370 947.00	Own funding
Electrification of Zizityaneni Phase 3	R 4 412 736.00	Own funding
<b>TOTAL</b>	<b>R 13 066 840.00</b>	

The two tables on the electrification program show a seriously concerning picture where the municipality is required to put more of its resources in creating infrastructure that will benefit

another organ of state while that organ of state will not contribute anything to the municipality's financial investment put into the success of the program. This also shows the funding gaps left by the grant allocation cuts that are more than half of what was indicated as a possible allocation in the following financial year.

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:

<b>NAME OF PROJECT</b>	<b>BUDGETED AMOUNT</b>	
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
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

**R 92 730 768,93**

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 sat on the 24<sup>th</sup> 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 then considers the following resolutions which will become final when the budget is approved.

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

- a. The annual budget of the municipality for the financial year 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 approved as set out in the following tables:
  - i. Budgeted Financial Position;
  - ii. Budgeted Cash Flows;

- iii. Cash backed reserves and accumulated surplus reconciliation;
  - iv. Asset management; and
  - v. Basic service delivery measurement.
- c. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the following proposed tariffs with effect from 1 July 2026:
- i) the tariffs for property rates
  - ii) the tariffs for electricity
  - iii) the tariffs for solid waste services
  - iv) Other municipal charges
- d. The Council of Winnie Madikizela-Mandela Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves the proposed tariffs with effect from 1 July 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 approves:
- i) That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed.
- f. To enable the proper implementation of the municipality's budget, the council of Winnie Madikizela-Mandela Local Municipality approves the following budget related policies;
- i) The IDP and Budget Policy
  - ii) Credit control and debt collection policy
  - iii) Property Rates Policy
  - iv) Supply Chain Management Policy
  - v) Tariff Policy
  - vi) Asset Management Policy
  - vii) Supply Chain Policy for Infrastructure Procurement and Delivery Management
  - viii) Cash Management and Investment Policy
  - ix) Contract Management policy
  - x) Debtors write-off policy
  - xi) Indigent policy
  - xii) Contract Management policy
  - xiii) Retention policy
  - xiv) Cost Containment Management policy
  - xv) Unauthorised, Irregular, Fruitless and Wasteful Expenditure policy
  - xvi) Petty Cash policy
  - xvii) Accounts payable policy

### **1.3 Executive Summary**

The municipality continues to find itself highly 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](mailto: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 Provincial Treasury Comments and Recommendations**

### **a. Draft SCM Policy**

The municipality's SCM Policy was found to have absence of FIDPM / Infrastructure Delivery Framework , and the municipality must develop and implement infrastructure Delivery Management System.

The policy was missing preferential procurement definitions (youth, rural, township enterprises) , the municipality must update the definitions in line with PPR 2022.

### **b. Procurement Plan**

There is a noticeable misalignment between procurement timelines and SDBIP quarterly targets. While the SDBIP clearly outlines quarterly performance milestones, the Procurement Plan does not consistently demonstrate how procurement activities will support the achievement of these targets within the specified timeframes

This creates a risk that procurement processes may not be concluded in time to enable the delivery of planned outputs, thereby affecting overall service delivery performance.

It is therefore important that procurement schedules be directly aligned with SDBIP implementation timelines.

### **c. Key Observations and Recommendations**

- The Municipality must strive to maintain its funded status by increasing revenue generation and collection.
- Provincial Treasury's recalculation suggests an operating deficit due to a higher recalculated Dept impairment contribution.
- Trading services are projected to trade at losses.
- The Municipality's average collection rate from service charges and property rates over the past 3 financial years is reported at 82%, this is below the 95% norm stipulated in the MFMA circular 71, suggesting the Municipality may face liquidity challenges that could negatively affect its ability to fund operations without depleting reserves.
- The Municipality is advised to explore avenues to reduce the cost of providing services by being more efficient in how input costs are utilised to ensure that adequate services are delivered.
- The Municipality is encouraged to ensure that maintenance plans are in place so that proper planned and preventative maintenance is undertaken rather than non-scheduled and reactive maintenance which usually comes at a greater cost.
- The Municipality is encouraged to build reserves and strengthen collections to improve cost coverage ratios for sustainability. Further, the Municipality must look at areas for cost containment implementation and efficiencies.

The Municipality is advised to consider the timing of transfers from National Treasury, seasonal fluctuations, actual trends from previous years and the projections as per the procurement plans to estimate the monthly revenue and expenditure instead of using the straight-line method to generate projections.

## 1.5 Budgeting Practices Threatening Financial Sustainability

The municipality implements Electrification programs funded through the INEP grant mostly on infrastructure that will not be operated by the municipality since these are in an area operated by Eskom.

This technically means the infrastructure belongs to Eskom as they use it to distribute electricity and generate revenues.

The expenditure is operating expenditure for the municipality which has had to use its own funds to complete almost all the INEP projects over the years. This practice means that the municipality funds Eskom's revenue generating infrastructure at no cost to Eskom while the municipality has its own development areas left unattended due to shortage of funds

## 1.6 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](mailto: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 Winni 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
<b>R thousands</b>										
<b>Financial Performance</b>										
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	78 377	80 232	82 094
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	359 774	353 496	379 203
Other own revenue	36 956	44 040	44 959	41 805	39 260	39 260	32 692	27 811	33 980	35 335
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>481 138</b>	<b>506 992</b>	<b>535 214</b>	<b>534 006</b>	<b>543 140</b>	<b>543 140</b>	<b>409 898</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>
Employee costs	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 319	168 426	176 187
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	73 123	78 540	81 692
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	264 553	225 950	208 997
<b>Total Expenditure</b>	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>307 116</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit)</b>	<b>114 908</b>	<b>75 923</b>	<b>65 678</b>	<b>4 535</b>	<b>(39 597)</b>	<b>(39 597)</b>	<b>102 782</b>	<b>(55 854)</b>	<b>(29 373)</b>	<b>5 204</b>
Transfers and subsidies - capital (monetary allocations)	77 436	68 482	67 746	86 137	85 313	85 313	56 434	57 701	63 935	65 927
Transfers and subsidies - capital (in-kind)	479	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	57 327
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	61 474	66 434	48 820	91 018	106 092	106 092	19 688	106 576	77 846	87 250
<b>Total sources of capital funds</b>	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>64 883</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Financial position</b>										
Total current assets	489 633	571 379	657 223	529 307	498 391	498 391	748 064	504 250	488 525	523 216
Total non current assets	866 282	930 561	979 692	1 060 793	1 077 343	1 077 343	1 036 041	1 070 153	1 001 559	980 066
Total current liabilities	120 578	116 194	116 675	146 043	114 063	114 063	89 354	113 272	113 732	120 709
Total non current liabilities	10 632	11 950	13 021	11 950	13 021	13 021	13 021	11 950	11 950	13 021
Community wealth/Equity	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 449 181	1 364 402	1 369 551
<b>Cash flows</b>										
Net cash from (used) operating	225 840	255 874	224 901	172 239	146 398	146 398	168 617	55 654	85 350	123 339
Net cash from (used) investing	(136 324)	(136 247)	(130 210)	(190 043)	(206 375)	(206 375)	(70 345)	(164 105)	(134 704)	(141 334)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>366 625</b>	<b>479 642</b>	<b>555 479</b>	<b>391 902</b>	<b>349 728</b>	<b>349 728</b>	<b>507 978</b>	<b>354 796</b>	<b>305 443</b>	<b>287 449</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	360 015	460 788	540 242	391 902	349 728	349 728	507 978	354 796	305 443	287 449
Application of cash and investments	15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(51 196)	(81 097)	(135 310)
<b>Balance - surplus (shortfall)</b>	<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>
<b>Asset management</b>										
Asset register summary (WDV)	723 381	781 195	905 290	906 991	908 866	908 866	923 767	887 027	856 145	-
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	61 833	50 164	59 835	-
Repairs and Maintenance	11 287	21 366	33 280	55 196	73 836	73 836	75 710	49 308	36 449	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	(7 500)	(7 500)	(7 500)	-	(7 500)	(7 748)	(7 995)
Revenue cost of free services provided	(5)	(10)	(484)	(265)	(265)	(265)	(477)	(477)	(499)	(511)
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	6	6	6	6	6	6	2	2	2	2
Refuse:	48	48	48	48	48	48	48	48	48	48

The table above shows the summary of the 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 R601 million.

#### **a. Revenue**

The above table continues to show greater dependency of the municipality on the national fiscus through grants as these make up 69% of the municipality's anticipated revenues which is a decrease from 77% in the prior year with other sources anticipated to generate only 31% which means the municipality has very little resources to spend without prescribed conditions. Even though it may seem as if the percentages reflected above are an improvement on the municipality's own revenues, the reality is that the grants have decreased by a bigger margin than previously anticipated.

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 4% 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 32% of the operating budget including non-cash items which still does not breaches the maximum limit permitted of 40%, at 36% when we exclude non-cash items. Below are the details of vacant positions included in the 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 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

- R543 thousand for Electrification of Goxe
- R553 thousand for Electrification of Bhekela
- R4.2 million for Electrification of Greenville
- R3.3 million for Electrification of Mpetsheni
- R6.3 million for Electrification of Nomlacu Phase 5
- R3.8 million for Electrification of Zizityaneni
- R1.1 million for Electrification of Msarhweni
- R40.1 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
  - R2.9 million – Maintenance of Mabhekuteni via Qeda Access Road
  - R3.1 million – Maintenance of Dlangezwa SPS Access Road
  - R2.1 million – Maintenance of Galatyeni SPS Access Road
  - R2.1 million – Maintenance of Mzambana JSS Access Road
  - R2.4 million – Maintenance of Phelephele Access Road
  - R3.4 million – Maintenance of Dumsi 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
- R5 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
- R848 thousand for Landfill site consulting fees
- 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
- R700 thousand for municipal planning system 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
<b>Revenue by Vote</b>	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	18 160	23 657	23 960
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	142 450	128 895	146 765
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>559 053</b>	<b>575 474</b>	<b>602 960</b>	<b>620 143</b>	<b>628 453</b>	<b>628 453</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		78 876	81 555	82 825	92 264	98 011	98 011	100 193	103 875	106 868
Vote 2 - Corporate Services		43 613	45 912	60 894	68 574	74 329	74 329	64 466	66 997	69 591
Vote 3 - Budget and Treasury Office		27 987	28 757	38 297	44 658	40 184	40 184	42 311	43 931	44 546
Vote 4 - Community Services		70 569	78 909	95 513	111 367	119 701	119 701	134 338	125 276	121 161
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	217 016	197 282	190 921
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>1 847</b>	<b>34 561</b>	<b>71 130</b>

### 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.

## 1.7 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.

## 1.8 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
<b>National Allocations</b>					
<b>Operational</b>	<b>388 426 250,00</b>	<b>- 20 184 350,00</b>	<b>368 241 900,00</b>	<b>368 411 250,00</b>	<b>394 803 300,00</b>
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	-	-	-	-	-
<b>Capital</b>	<b>84 592 749,00</b>	<b>- 27 328 649,00</b>	<b>57 264 100,00</b>	<b>63 483 750,00</b>	<b>65 460 700,00</b>
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	-	-	-
<b>Provincial Allocations</b>					
<b>Operational</b>	<b>1 645 895,00</b>	<b>- 470 895,00</b>	<b>1 175 000,00</b>	<b>1 175 000,00</b>	<b>1 228 000,00</b>
Library Grant	1 445 895,00	- 270 895,00	1 175 000,00	1 175 000,00	1 228 000,00
Greenest Municipality Grant	200 000,00	- 200 000,00	-	-	-
<b>District Allocations</b>					
<b>Operational</b>	<b>150 000,00</b>	<b>- 150 000,00</b>	<b>-</b>	<b>-</b>	<b>-</b>
IDP Grant Assistance	150 000,00	- 150 000,00	-	-	-
<b>TOTAL ALLOCATIONS</b>	<b>474 814 894,00</b>	<b>- 48 133 894,00</b>	<b>426 681 000,00</b>	<b>433 070 000,00</b>	<b>461 492 000,00</b>

The above table shows the total of both conditional and unconditional grants to the municipality as confirmed on the Division of Revenue Bill excluding the Provincial Treasury Gazette that is 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
<b>R thousand</b>	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	72 474	74 182	75 892
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
<b>Non-Exchange Revenue</b>											
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	359 774	353 496	379 203
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		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>481 138</b>	<b>506 992</b>	<b>535 214</b>	<b>534 006</b>	<b>543 140</b>	<b>543 140</b>	<b>409 898</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				% Change	2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	29%	72 474	74 182	75 892
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		-	-	-	-	-	-	-		-	-	-
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
<b>Non-Exchange Revenue</b>												
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%	359 774	353 496	379 203
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		-	-	-	-	-	-	-		-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>481 138</b>	<b>506 992</b>	<b>535 214</b>	<b>534 006</b>	<b>543 140</b>	<b>543 140</b>	<b>409 898</b>	<b>0%</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>

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
<b>R thousand</b>										
<b>RECEIPTS</b>	1,2									
<b>Operating</b>										
<b>National Government</b>										
<b>Monetary Allocations</b>										
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
<b>Total Monetary Allocations</b>		<b>341 206</b>	<b>352 160</b>	<b>367 996</b>	<b>366 418</b>	<b>366 418</b>	<b>366 418</b>	<b>358 310</b>	<b>352 733</b>	<b>378 416</b>
<b>Total Operating/National Government</b>		<b>341 206</b>	<b>352 160</b>	<b>367 996</b>	<b>366 418</b>	<b>366 418</b>	<b>366 418</b>	<b>358 310</b>	<b>352 733</b>	<b>378 416</b>
<b>Provincial Government</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other		1 548	461	650	732	925	925	738	762	787
<b>Total Monetary Allocations</b>		<b>1 548</b>	<b>461</b>	<b>650</b>	<b>732</b>	<b>925</b>	<b>925</b>	<b>738</b>	<b>762</b>	<b>787</b>
<b>Total Operating/Provincial Government</b>		<b>1 548</b>	<b>461</b>	<b>650</b>	<b>732</b>	<b>925</b>	<b>925</b>	<b>738</b>	<b>762</b>	<b>787</b>
<b>District Municipalities</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other		-	-	-	-	150	150	-	-	-
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating/District Municipalities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Grant Providers</b>										
<b>Monetary Allocations</b>										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
<b>Allocations In-kind</b>										
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating/Other Grant Providers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating</b>	5	<b>342 754</b>	<b>352 621</b>	<b>368 646</b>	<b>367 150</b>	<b>367 494</b>	<b>367 494</b>	<b>359 047 873</b>	<b>353 495 571</b>	<b>379 203 019</b>
<b>Capital</b>										
<b>National Government</b>										
<b>Monetary Allocations</b>										
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	65 461
Neighbourhood Development Partnership Grant		1 553	2 534	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>77 436</b>	<b>68 482</b>	<b>67 072</b>	<b>85 522</b>	<b>84 593</b>	<b>84 593</b>	<b>57 264 100</b>	<b>63 483 750</b>	<b>65 460 699</b>
<b>Total Capital/National Government</b>		<b>77 436</b>	<b>68 482</b>	<b>67 072</b>	<b>85 522</b>	<b>84 593</b>	<b>84 593</b>	<b>57 264 100</b>	<b>63 483 750</b>	<b>65 460 699</b>
<b>Provincial Government</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other		-	-	673	615	721	721	437	451	466
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>673</b>	<b>615</b>	<b>721</b>	<b>721</b>	<b>437 027</b>	<b>451 449</b>	<b>465 895</b>
<b>Allocations In-kind</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital/Provincial Government</b>		<b>-</b>	<b>-</b>	<b>673</b>	<b>615</b>	<b>721</b>	<b>721</b>	<b>437</b>	<b>451</b>	<b>466</b>
<b>District Municipalities</b>										
<b>Monetary Allocations</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital/District Municipalities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Grant Providers</b>										
<b>Monetary Allocations</b>										
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital/Other Grant Providers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	5	<b>77 436</b>	<b>68 482</b>	<b>67 746</b>	<b>86 137</b>	<b>85 313</b>	<b>85 313</b>	<b>57 701</b>	<b>63 935</b>	<b>65 927</b>
<b>TOTAL RECEIPTS OF TRANSFERS AND GRANTS</b>		<b>420 190</b>	<b>421 102</b>	<b>436 392</b>	<b>453 287</b>	<b>452 807</b>	<b>452 807</b>	<b>416 749</b>	<b>417 431</b>	<b>445 130</b>

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.

### 1.8.1.1 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**

<b>DRAFT TARIFFS FOR 2025/2026</b>				
* TARIFFS have been calculated as per 2026_27 MTREF Budget Circular No.132 & 134; municipal tariff guidelines				
** VATABLE TARIFFS are EXCLUDING VAT (15.%)				
***REFUSE TARIFFS are INCLUSIVE OF 30% Basic charge as per category				
<b>PROPERTY RATES</b>	2025/2026	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2027/2028</b>
	R/c	R/c	R/c	R/c
Agriculture Properties	0,0056	<b>0,0056</b>	0,0059	0,0061
Residential Properties	0,0074	<b>0,0074</b>	0,0079	0,0081
Business and commercial properties	0,0152	<b>0,0152</b>	0,0163	0,0167
Properties owned by organ of state	0,0148	<b>0,0148</b>	0,0159	0,0162
Public Benefit Organisations Properties	0,0000	<b>0,0000</b>	0,0000	0,0000
Vacant Land - Business and commercial properties	0,0186	<b>0,0186</b>	0,0199	0,0204

Vacant Land - Residential Properties	0,0119	0,0119	0,0127	0,0131
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### 1.8.1.2 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 9.97% average 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

ELECTRICITY TARIFFS	APPROVED TARIFF 2025/2026 - VAT EXCLUSIVE	APPROVED TARIFF 2026/2027 -VAT EXCLUSIVE
<b>1. DOMESTIC PREPAID TARIFF BLOCK TARIFF HOMELIGHT (20A - 100A)</b>	(c/KWh)	(c/KWh)
Block 1 (0-50 KWh)	1,9302	2,0171
Block 2 (51-350 KWh)	2,4817	2,7840
Block 3 (351-600 KWh)	3,4927	3,8409
Block 4 (>600 KWh)	4,1132	4,5233
Basic Charge (R/ Month)	R398.80	R461.65
<b>2. DOMESTIC CONVENTIONAL BLOCK TARRIF HOMELIGHT (c/KWh) HOMELIGHT (80A – 100A)</b>	(c/KWh)	(c/KWh)
Block 1 (0-50 KWh)	1,9302	2,1226
Block 2 (51-350 KWh)	2,4817	2,7291
Block 3 (351-600 KWh)	3,4927	3,8409
Block 4 (>600 KWh)	4,1132	4,5233
Basic Charge (R / Month)	R419.80	R461.65
<b>3. COMMERCIAL PREPAID BLOCK TARRIF (c/KWh) 60A</b>		
Block 1 (0-50 KWh)	1,9302	2,1226
Block 2 (51-350 KWh)	2,4817	2,7291
Block 3 (351-600 KWh)	3,4927	3,8409
Block 4 (>600 KWh)	4,1132	4,5233
Basic Charge (R / Month)	R1 390.90	R1 604.13

<b>PROPOSED 2026/2027 @9.97% Increase</b>		<b>Active energy charge [c/kWh]</b>					
<b>Customer categories</b>	<b>Voltage</b>	<b>High demand season [Jun - Aug]</b>					
		<b>Peak</b>		<b>Standard</b>		<b>Off Peak</b>	
		<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	300A & Above	<b>3.4838</b>	4.0064	<b>2.4787</b>	2.8505	<b>2.0663</b>	2.3763
THREE PHASES	80A - 125A	<b>5.3599</b>	6.1639	<b>3.5729</b>	4.1089	<b>2.7416</b>	3.1528
THREE PHASES	150A - 250A	<b>4.2880</b>	4.9311	<b>2.8583</b>	3.2871	<b>2.1932</b>	2.5222
SINGLE PHASE	80A - 100A	<b>5.3599</b>	6.1639	<b>3.5729</b>	4.1089	<b>2.7416</b>	3.1528

<b>2026/2027 @9.97% Increase</b>		<b>Active energy charge [c/kWh]</b>					
<b>Customer categories</b>		<b>Low demand season [Sep - May]</b>					
	<b>Voltage</b>	<b>Peak</b>		<b>Standard</b>		<b>Off Peak</b>	
		<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	300A Above	<b>3.4838</b>	4.0064	<b>2.4787</b>	2.8505	<b>2.0663</b>	2.3763
THREE PHASES	80A - 125A	<b>5.3599</b>	6.1639	<b>3.5729</b>	4.1089	<b>2.7416</b>	3.1528
THREE PHASES	150A - 250A	<b>4.2880</b>	4.9311	<b>2.8583</b>	3.2871	<b>2.1932</b>	2.5222
SINGLE PHASE	80A - 100A	<b>5.3599</b>	6.1639	<b>3.5729</b>	4.1089	<b>2.7416</b>	3.1528

<b>Customer categories</b>		<b>Basic charge [R/account/day] in all time-of-use</b>	
<b>2026/2027</b>		<i>VAT Excl</i>	<i>VAT incl</i>
LARGE POWER USER 300A & ABOVE		<b>R2 899.13</b>	<i>R3 334.00</i>
THREE PHASES (80 A - 125A)		<b>R1 604.13</b>	<i>R1 844.75</i>
THREE PHASES (150 A - 250A)		<b>R2 483.20</b>	<i>R2 855.68</i>
SINGLE PHASE (80A - 100A)		<b>R1 604.13</b>	<i>R1 844.75</i>
DOMESTIC (CONVENTIONAL)		<b>R473.11</b>	<i>R544.08</i>
DOMESTIC (PREPAID)		<b>R437.01</b>	<i>R502.56</i>
<b>Customer categories</b>		<b>Network demand charge [R/KVA/m] in all time-of-use periods</b>	
		<i>VAT Excl.</i>	<i>VAT Incl.</i>
LARGE POWER USER 300A & ABOVE		<b>R192.78</b>	<i>R221.70</i>
THREE PHASES (150A - 250A)		<b>R154.22</b>	<i>R177.35</i>

Months	July	August	September	October	November	December	January	February	March	April	May	June
Days in month	31	31	30	31	30	31	31	28	31	30	31	30
Season	high	high	Low	Low	Low	Low	Low	Low	Low	Low	Low	high

<b>EMBEDED ENERGY (EG) PURCHASE COSTS</b>	2025 / 2026	<b>APPROVED 2026/2027</b>	PROJECTED 2027/2028	PROJECTED 2028/2029
Flat tariff energy purchase costs (c/kWh)	156	<b>162</b>	167	172
<b>TIME OF USE (TOU) energy purchase costs (c/kWh)</b>	-	-	-	-
Low Season Offpeak	98	<b>102</b>	105	108
Low Season Standard	154	<b>160</b>	165	171
Low Season Peak	224	<b>233</b>	240	248
High Season Offpeak	113	<b>117</b>	121	125
High Season Standard	208	<b>216</b>	223	230
High Season Peak	688	<b>713</b>	737	761
<i>Fixed charge / basic charge is aligned to each customer category</i>				

<b>ELECTRICITY NEW CONNECTION FEES</b>	2025 / 2026	<b>APPROVED 2026/2027</b>	PROJECTED 2027/2028	PROJECTED 2028/2029
20 Amps ( Single Phase)	2 856	<b>2 961</b>	3 059	3 157
60 Amps ( Single Phase)	5 615	<b>5 823</b>	6 015	6 208
100 Amps ( 3 Phase)	7 463	<b>7 740</b>	7 995	8 251
Per Kva	8 136	<b>8 437</b>	8 716	8 995
<b>Inspection and testing of installation:- (new)</b>		-	-	-
To inspect and/or test consumer's installation for the first test	378	<b>392</b>	405	418
Thereafter		-	-	-
To inspect and/or test consumer's installation per inspection, per visit.	378	<b>392</b>	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		-	-	-
<b>Connection fee:-</b>		-	-	-
The connection fee in respect of any temporary supply, per connection	588	<b>610</b>	630	650
The connection fee / Administration fee in respect of any disconnection and reconnection of services cutt-offs	588	<b>610</b>	630	650
Meter movement fee in respect of meter relocation and redirecting the cable from 1 point to the other	608	<b>630</b>	651	672
<b>Meter Hardware costs</b>		-	-	-
Meter keypad replacement	762	<b>790</b>	817	843
Meter replacement :20 Amps ( Single Phase)	918	<b>952</b>	983	1 015
Meter replacement :60 Amps ( Single Phase)	1 079	<b>1 119</b>	1 156	1 193
Meter replacement :100 Amps ( 3 phase)	2 499	<b>2 591</b>	2 677	2 763

<b>Tampering fine (Illegal connection) (no VAT)</b>	2025 / 2026	<b>APPROVED 2026/2027</b>	PROJECTED 2027/2028	PROJECTED 2028/2029
First temper	21 500	<b>22 296</b>	23 031	23 768
Second temper	30 000	<b>31 110</b>	32 137	33 165
Third temper(permanent disconnection )	35 000	<b>36 295</b>	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>				

### 1.8.1.3 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**

<b>REFUSE - RESIDENTIAL</b>	<b>2025/2026</b>	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2028/2029</b>
	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%)				
<b>REFUSE - COMMERCIAL</b>	<b>2025/2026</b>	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2028/2029</b>
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
Category 6	173	179	185	191
Category 7.1	1 568	1 626	1 680	1 734

Category 7.2	2 088	<b>2 165</b>	2 237	2 308
Category 8	387	<b>401</b>	415	428
**EXCLUDING VAT (15%)				

DUMPING SITE TARRIFS	2025/2026	APPROVED 2026/2027	PROJETCED 2027/2028	PROJECTED 2028/2029
<b>DISPOSAL:</b>				
Bakkie per load	99	<b>103</b>	106	110
Truck per load (1.3 -3 ton)	125	<b>130</b>	134	138
Truck per load(4 ton)	173	<b>179</b>	185	191
Truck per load(8 ton and above)	289	<b>300</b>	310	320
Clean Rubble (clean Rubble)	0	-	-	-
Grass Cutting per square meter	10	<b>10</b>	11	11
Clearing of overgrown sites per square meter	16	<b>17</b>	18	18
Tree felling per hour	887	<b>920</b>	951	981
Disposal of Green Waste - Bakkie	131	<b>136</b>	141	145
Disposal of Green waste -1.3 to 3	887	<b>920</b>	951	981
Disposal of Green Waste - 4 Ton	94	<b>98</b>	101	104
Disposal of Green Waste - 8 Ton	164	<b>170</b>	176	182
<b>RENT A SKIP SERVICE - Per Load</b>		-	-	-
Daily	250	<b>259</b>	268	276
Weekly	812	<b>842</b>	870	898
Monthly	3246	<b>3 366</b>	3 477	3 589
<b>OTHER CHARGES</b>		-	-	-
Special collection of waste (per 240l bin)	55	<b>57</b>	58	60
Special event (cleaning and disposal)	2184	<b>2 265</b>	2 340	2 414
safe disposal of products/condemned food stuffs (crushed, buried per ton)	491	<b>510</b>	526	543
Voluntary collection	70	<b>73</b>	75	77
Collection in construction/commercial/industrial sites(Monthly)	387	<b>401</b>	415	428
Illegal dumping(household refuse)	1000	<b>1 037</b>	1 071	1 106
Illegal dumping(green waste)	1000	<b>1 037</b>	1 071	1 106
illegal dumping of rubble	2000	<b>2 074</b>	2 142	2 211
Disposal of cacas(Domestic Animals)	1000	<b>1 037</b>	1 071	1 106
<b>Electricity Security deposit:-</b>	1 500	<b>1500</b>	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>				

**Hiring of municipal facilities**

<b>FACILITIES HIRE</b>	<b>2025 / 2026</b>	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2028/2029</b>
<b>HALL HIRE: URBAN AREA</b>				
Daily rate	1 101	<b>1 142</b>	1 180	1 218
Hourly rate	183	<b>189</b>	196	202
Monthly rate	27 452	<b>28 468</b>	29 407	30 348
IEC Tarrifs Daily	668	<b>693</b>	716	739
IEC Tarrifs Monthly	16 553	<b>17 165</b>	17 732	18 299
Security deposit	1 592	<b>1 651</b>	1 705	1 760
<b>HALL HIRE: RURAL AREA</b>				
Daily rate	814	<b>844</b>	872	900
Hourly rate	183	<b>189</b>	196	202
Monthly rate	11 860	<b>12 299</b>	12 705	13 111
IEC Tarrifs Daily	287	<b>298</b>	308	317
IEC Tarrifs Monthly	7 506	<b>7 784</b>	8 041	8 298
Security deposit	788	<b>817</b>	844	871
<b>COMMUNITY PARKS AND OPEN SPACE</b>				
Group Entertainment	1 733	<b>1 797</b>	1 856	1 916

<b>STADIUM /SPORTS FIELD</b>	<b>2025 / 2026</b>	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2028/2029</b>
<b>MATCHES - ABC MOTSEPE LEAGUE &amp; SASOL</b>	R	R	R	R
<b>Deposit fee For Infrastructure - per season</b>	10 000	<b>10 370</b>	10 712	11 055
<b>Deposit fee - per match</b>	1 000	<b>1 037</b>	1 071	1 106
ABC MOTSEPE LEAGUE/ Seasonal	6 132	<b>6 359</b>	6 569	6 779
Per game	317	<b>329</b>	340	351
Mens District League / Seasonal	3 628	<b>3 762</b>	3 886	4 011
Per game	303	<b>314</b>	324	335
Junior Leagues	404	<b>419</b>	433	447
Provincial Female League / Seasonal	1 670	<b>1 732</b>	1 789	1 847
Per game	317	<b>329</b>	340	351
Female District League / Seasonal	919	<b>953</b>	984	1 016
Per game	303	<b>314</b>	324	335
<b>GENERAL PER MATCH</b>		-	-	-
<b>Deposit fee For Infrastructure - per season</b>	10 000	<b>10 370</b>	10 712	11 055
<b>Deposit fee - per match</b>	1 000	<b>1 037</b>	1 071	1 106
General per match / no affiliation	635	<b>658</b>	680	702
Tournament (commercial)	3 171	<b>3 288</b>	3 397	3 506
Tournament (private)	1 566	<b>1 624</b>	1 678	1 731
Training fee per 2 hours	317	<b>329</b>	340	351
Wellness program per annum	3 654	<b>3 789</b>	3 914	4 039
Wellness program per match	606	<b>628</b>	649	669

STADIUM /SPORTS FIELD	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Floodlights per hour w/o lights	127	131	136	140
<b>ATHLETICS</b>		-	-	-
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	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Boardroom rental - per hour	167	173	179	185
Boardroom rental - per day	1 096	1 137	1 174	1 212
<b>Deposit fee - per rental</b>	1 000	1 037	1 071	1 106
Floodlights per hour	508	527	544	562
<b>FILMING</b>		-	-	-
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
<b>Deposit fee For Infrastructure - per event</b>	10 000	10 370	10 712	11 055
<b>Deposit fee - per match</b>	1 000	1 037	1 071	1 106
<b>MUSICAL/FESTIVAL</b>		-	-	-
Hire Fee per day	27 488	28 505	29 445	30 388
<b>Deposit fee For Infrastructure - per event</b>	20 000	20 740	21 424	22 110
<b>Deposit fee - per event</b>	1 000	1 037	1 071	1 106
<b>POLITICAL</b>		-	-	-
Hire Fee per day	1 691	1 754	1 812	1 870
<b>Deposit fee For Infrastructure - per event</b>	5 000	5 185	5 356	5 528
<b>Deposit fee - per event</b>	1 000	1 037	1 071	1 106
<b>CHURCHES</b>		-	-	-
Hire Fee per day	5 286	5 481	5 662	5 843
<b>Deposit fee For Infrastructure - per event</b>	5 000	5 185	5 356	5 528
<b>Deposit fee - per event</b>	1 000	1 037	1 071	1 106
<b>FUND RAISING EVENTS</b>		-	-	-
Hire Fee per day: e.g.Bazaar,Fetes,concert,ect	5 286	5 481	5 662	5 843
<b>Deposit fee For Infrastructure - per event</b>	20 000	20 740	21 424	22 110
<b>Deposit fee - per event</b>	1 000	1 037	1 071	1 106
<b>COMBINATION COURTS</b>		-	-	-
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

STADIUM NON SPORTING EVENTS	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
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
<b>ATHLETICS RACING TRACK - DISTRICT / DEVELOPMENT</b>		-	-	-
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
<b>RENTAL SPACE FOR BRODCASTING ANTENA</b>		-	-	-
Rental space - monthly	350	363	375	387
Rental space - annually	3 800	3 941	4 071	4 201

### Pound Fees

POUND FEES	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2027/2029
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	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Determined as per DSRAC tariff structure.				

### Cemetery Fees

CEMETERY FEES	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
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
Burial on reserved grave	445	461	477	492
Penalty on extending grave	2 000	2 073	2 142	2 210
Reservation of burial site	440	457	472	487
Enlarge or Deepening of burial site	522	541	559	577

CEMETERY FEES	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Burial after hours	835	866	895	923
<b>BEACH FEES - ENTERTAINMENT</b>				
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

### 1.8.1.4 Other Municipal Tariffs

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

#### Development Planning Tariffs

Rezoning Application per m2	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
<b>**EXCLUDING VAT (15%)</b>				
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
<b>Special Consent / Temporary Departure Application m2</b>		-	-	-
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
<b>Subdivision Application</b>		-	-	-
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	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
<b>Departure Application from the scheme ( Building Lines, height, coverage etc)</b>				
Erven 0 – 530m2	1 803	1 870	1 932	1 993
Erven 531– more	3 189	3 307	3 417	3 526
Application for the Removal of Restrictions	13 634	14 138	14 605	15 072

Rezoning Application per m2	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
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	3 259
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	4 203
Extension of Validity	6 496	6 736	6 959	7 181
Sale or Lease of Land( Application fees)	6 553	6 795	7 019	7 244
<b>Contravention Fines and Penalties</b>				
<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	3 073
Residential (iv) to (v)	3 336	3 459	3 573	3 688
Business (i)	3 336	3 459	3 573	3 688
Business (ii)	3 336	3 459	3 573	3 688
Business (iii)	3 336	3 459	3 573	3 688
Industrial (i) - (ii)	3 336	3 459	3 573	3 688
Institutional (i)	3 892	4 036	4 169	4 302
Institutional (ii)	3 336	3 459	3 573	3 688
Institutional (iii)	3 336	3 459	3 573	3 688
Resort	3 892	4 036	4 169	4 302
Open Space	3 336	3 459	3 573	3 688
Agricultural	2 780	2 883	2 978	3 073
Transport (i)	2 780	2 883	2 978	3 073
Transport (ii) to (iii)	2 780	2 883	2 978	3 073
Transport (iv)	2 780	2 883	2 978	3 073
Athourity and Utility	5 559	5 765	5 955	6 146
Proposed New Road and Widening	3 336	3 459	3 573	3 688
<b>Offences for contravention of Coverage: of the WMM LM Town Planning Scheme</b>				
Contravention of Scheme	4 447	4 612	4 764	4 917
<b>Offences for contravention of Height: of the WMM LM Town Planning Scheme</b>				
Contravention of Scheme	4 447	4 612	4 764	4 917
<b>Offences for contravention of Parking: Contravention of section 4 of the WMM Municipality Land Use Scheme read with section 4.12 of the WMM Spatial Planning Bylaw</b>				
Residential Zones	2 780	2 883	2 978	3 073
Business and Industrial Zones	4 447	4 612	4 764	4 917
Other zones	4 447	4 612	4 764	4 917

Rezoning Application per m2	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
<b>Offences for contravention of Building Lines: of the WMM LM Town Planning Scheme Offences for contravention:</b>				
Contravention of s(10)& s(11)	3 892	<b>4 036</b>	4 169	4 302
Contravention of s(17); (18); (19); (20); (21); (22); (23); (24); (28); (29); (30); (31) and (32)	5 559	<b>5 765</b>	5 955	6 146

**GIS Tariffs**

GIS Tariffs Printing Charges Paper size - Full Ink	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
A4	16	<b>17</b>	17	18
A3	39	<b>41</b>	42	43
A2	62	<b>65</b>	67	69
A1	93	<b>97</b>	100	103
A0	123	<b>128</b>	132	136
<b>GIS Tariffs Printing Charges Paper size - Line Map</b>				
A4	10	<b>11</b>	11	11
A3	22	<b>23</b>	23	24
A2	33	<b>35</b>	36	37
A1	53	<b>55</b>	57	59
A0	66	<b>68</b>	70	73

BILLBOARD	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
<b>LOCAL (ANNUALLY)</b>				
0- 10m/sq	625	<b>648</b>	670	691
11-20m/sq	709	<b>735</b>	760	784
21-30m/sq	761	<b>789</b>	815	841
31 m/sq and above	878	<b>910</b>	940	970
<b>NATIONAL (PER MONTH)</b>				
0- 30m/sq	1 813	<b>1 880</b>	1 942	2 004
31- 40m/sq	2 663	<b>2 761</b>	2 852	2 944
41- 50m/sq	3 511	<b>3 641</b>	3 762	3 882
50 m/sq and above	8 605	<b>8 924</b>	9 218	9 513
<b>TEMPORAL BILLBOARD</b>				
Directional Sign ( Per sign face)	874	<b>906</b>	936	966
Illuminated sign (per sign face )	1 102	<b>1 143</b>	1 181	1 219
Litter Bins	647	<b>671</b>	693	715
Permanent Street Pole Poster	836	<b>867</b>	896	924
Seating Bench	951	<b>987</b>	1 019	1 052
Encroaching Sign	951	<b>987</b>	1 019	1 052
<b>PERMIT FEES</b>				
Banner	648	<b>672</b>	694	716
Mobile Signs	1 940	<b>2 011</b>	2 078	2 144
Poster maximum 100	1 635	<b>1 696</b>	1 752	1 808

<b>BILLBOARD</b>	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Standard signage	474	492	508	524
<b>DEPOSITS</b>		-	-	-
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

<b>Building Plan Fees Ext 1 and Ext 2</b>	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
Fee per 1m <sup>2</sup>	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
<b>Plan Amendment Fees</b>				
No increase in floor area	562	582	602	621
<b>Temporary Building/Structure Approved by Council</b>				
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
<b>Demolitions</b>				
Per first 100 linear meter	521	541	558	576
Thereof every linear meter exceed 100 meters	38	39	41	42
<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>				
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

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
<b>DESCRIPTION OF OFFENCE</b>				
Failure to supervise and/or control plumbing work. S(a)(18) (5)	1 000	1 037	1 071	1 106

<b>NATIONAL BUILDING REGULATIONS AND BUILDING STANDARDS ACT, 103 OF 1977</b>				
<b>DESCRIPTION OF OFFENCE</b>	<b>2025 / 2026</b>	<b>APPROVED 2026/2027</b>	<b>PROJECTED 2027/2028</b>	<b>PROJECTED 2028/2029</b>
Failure to give notice of intention to commence erection or demolition of a building. S(a)22 (4)	2 500	<b>2 593</b>	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	<b>2 593</b>	2 678	2 764
Deviation from approved building plan. S (A)25 (5)	2 500	<b>2 593</b>	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	<b>2 593</b>	2 678	2 764
Failure to safeguard a swimming pool. D4 (2)	2 500	<b>2 593</b>	2 678	2 764
Failure to apply for written permission for demolition. E1 (1)	2 500	<b>2 593</b>	2 678	2 764
Failure to safeguard demolition work. E1 (3)	2 500	<b>2 593</b>	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	<b>2 593</b>	2 678	2 764
Failure to control dust and noise. F6 (3)	1 000	<b>1 037</b>	1 071	1 106
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	<b>1 037</b>	1 071	1 106
Failure to comply with a notice to remove waste material on site. F8 (2)	1 000	<b>1 037</b>	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	<b>1 037</b>	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	<b>2 593</b>	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	<b>1 037</b>	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	<b>1 037</b>	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	<b>1 037</b>	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	<b>2 593</b>	2 678	2 764
Failure to comply with any provision of or any notice in terms of Regulation P5 Disconnections. P5 (4)	1 000	<b>1 037</b>	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	<b>2 593</b>	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	<b>2 593</b>	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	<b>2 593</b>	2 678	2 764
Obstructing or causing to be obstructed of an escape route. T2 (2)	2 500	<b>2 593</b>	2 678	2 764
Failure to comply with a notice to remove an illegal structure	2 500	<b>2 593</b>	2 678	2 764
<b>WAYLEAVE</b>		-	-	-
Application	3 822	<b>3 964</b>	4 094	4 225
Fine	7 700	<b>7 985</b>	8 248	8 512
<b>PROPERTY VALUATION</b>		-	-	-
Valuation certificate	176	<b>183</b>	189	195

**Business Licensing and Other Tariffs**

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF: VENDING AND HAWKING TARRIFS</b>	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
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	3 317
Penalty fee for having a pet in the business that trades food items	5 000	5 185	5 356	5 528
Penalty fee for selling decantant food items	3 000	3 111	3 214	3 317
Penalty fee for selling expired food items	5 000	5 185	5 356	5 528
penalty fee for preparing food without a Certificate of Acceptability	5 000	5 185	5 356	5 528
penalty fee for business selling food without proper waste management / vetting control	2 000	2 074	2 142	2 211
penalty fee for business displaying food outside the shop	1 000	1 037	1 071	1 106
penalty fee for failure to adhere to the street trading bylaw	404	419	433	447

<b>BUSINESS LICENSING FEES - FORMAL BUSINESS TARIFF</b>	2025 / 2026	APPROVED 2026/2027	PROJECTED 2027/2028	PROJECTED 2028/2029
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
<i>NOTE: These fees are once off and only for registration fee.</i>		-	-	-
Annual License fees (One year fee): Sale and supply of meals	1 000	1 037	1 071	1 106
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
<b>TAXI RANK TARIFFS</b>		-	-	-
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

## 1.9 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
<b>Total Revenue (excluding capital transfers and contributions)</b>	1	481 138	506 992	535 214	534 006	543 140	543 140	409 898	543 873	548 633	579 878
<b>Expenditure</b>											
Employee related costs	2	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 319	168 426	176 187
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	63 715	68 721	71 560
Inventory consumed	2,8	5 396	5 761	6 203	8 696	9 144	9 144	4 863	9 408	9 818	10 133
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	158 224	120 419	103 903
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	98 763	97 715	98 258
Disposal of Fixed and Intangible Assets	2	3 126	13 016	4 184	-	-	-	-	-	-	-
Other Losses	2	18	-	38	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>307 116</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>

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 32% of the operating budget including non-cash items which still does not breach the maximum

limit permitted of 40%, at 36% 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 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.

## 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 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
- R543 thousand for Electrification of Goxe
- R553 thousand for Electrification of Bhekela
- R4.2 million for Electrification of Greenville
- R3.3 million for Electrification of Mpetsheni
- R6.3 million for Electrification of Nomlacu Phase 5
- R3.8 million for Electrification of Zizityaneni
- R1.1 million for Electrification of Msarhweni
- R40.1 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 Mporofana to Ganyile Access Road
- R2.9 million – Maintenance of Mabhekuteni via Qeda Access Road
- R3.1 million – Maintenance of Dlangezwa SPS Access Road
- R2.1 million – Maintenance of Galatyeni SPS Access Road
- R2.1 million – Maintenance of Mzambana JSS Access Road
- R2.4 million – Maintenance of Phelephele Access Road
- R3.4 million – Maintenance of Dumsi 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
- R5 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
- R848 thousand for Landfill site consulting fees
- 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
- R700 thousand for municipal planning system 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
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		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		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		6 325	5 369	6 135	5 960	12 425	12 425	6 888	4 897	5 053
Community and social services		1 597	703	1 365	1 569	9 518	9 518	4 085	1 811	1 869
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		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		80 051	74 257	64 866	89 245	82 475	82 475	60 626	54 675	55 162
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	45 876
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		76 538	71 273	87 399	90 352	87 968	87 968	93 496	112 084	116 351
Energy sources		55 906	64 122	80 207	80 917	78 453	78 453	83 778	95 324	99 508
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
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>559 053</b>	<b>575 474</b>	<b>602 960</b>	<b>620 143</b>	<b>628 453</b>	<b>628 453</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		167 418	173 386	203 129	228 655	236 268	236 268	234 524	239 852	245 043
Executive and council		59 681	59 824	60 076	66 361	69 303	69 303	73 014	75 639	77 800
Finance and administration		103 754	108 857	136 781	156 529	158 518	158 518	154 754	157 234	159 975
Internal audit		3 984	4 705	6 272	5 765	8 447	8 447	6 756	6 980	7 268
<b>Community and public safety</b>		25 404	29 225	33 650	42 942	46 354	46 354	56 432	53 962	54 778
Community and social services		8 199	8 095	13 249	18 383	21 310	21 310	29 263	26 405	26 806
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		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		73 746	115 003	98 391	115 310	149 245	149 245	149 359	130 135	120 444
Planning and development		24 436	32 423	32 276	38 827	43 840	43 840	43 559	43 988	44 770
Road transport		47 073	80 039	63 134	73 238	101 995	101 995	102 614	82 819	72 198
Environmental protection		2 236	2 540	2 981	3 244	3 409	3 409	3 185	3 328	3 476
<b>Trading services</b>		96 359	110 043	130 337	138 141	146 473	146 473	154 808	149 259	149 411
Energy sources		71 107	80 958	91 447	97 773	102 535	102 535	107 357	106 883	110 822
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 253	29 086	38 889	40 368	43 938	43 938	47 451	42 376	38 588
<b>Other</b>	4	3 303	3 413	4 030	4 422	4 397	4 397	4 604	4 798	4 999
<b>Total Expenditure - Functional</b>	3	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) for the year</b>		<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>1 847</b>	<b>34 561</b>	<b>71 130</b>

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

• **Priority given to repairs and maintenance**

Aligned to the priority being given to preserving and maintaining the Municipality’s current infrastructure, the 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
<b>R thousand</b>											
<b>Repairs and Maintenance by Expenditure Item</b>	8										
Employee related costs			8	6 733	7 641	8 081	8 081	4 859	8 447	8 870	9 313
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	65 545	38 662	25 302
Operational Costs				1 251	1 312	1 322	1 322	864	1 467	1 516	1 565
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>11 287</b>	<b>21 366</b>	<b>33 280</b>	<b>55 196</b>	<b>73 836</b>	<b>73 836</b>	<b>36 509</b>	<b>75 709</b>	<b>49 307</b>	<b>36 447</b>

**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	
<b>R thousand</b>											
<b>Repairs and Maintenance by Asset Class</b>	3	<b>11 287</b>	<b>21 366</b>	<b>33 280</b>	<b>55 196</b>	<b>73 836</b>	<b>73 836</b>	<b>75 710</b>	<b>49 308</b>	<b>36 449</b>	
Roads Infrastructure		1 404	10 197	20 119	34 604	48 101	48 101	53 100	32 223	20 525	
Storm water Infrastructure		-	-	-	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	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	376	5 225	5 000	6 320	6 320	5 848	4 000	3 000	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	
<b>Infrastructure</b>		<b>1 966</b>	<b>12 177</b>	<b>26 008</b>	<b>42 118</b>	<b>56 827</b>	<b>56 827</b>	<b>61 555</b>	<b>38 915</b>	<b>26 303</b>	
Community Facilities		668	908	671	2 831	2 842	2 842	3 900	1 235	1 274	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	
<b>Community Assets</b>		<b>668</b>	<b>908</b>	<b>671</b>	<b>2 831</b>	<b>2 842</b>	<b>2 842</b>	<b>3 900</b>	<b>1 235</b>	<b>1 274</b>	
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	
Operational Buildings		3 391	783	781	3 432	3 162	3 162	1 569	1 621	1 673	
Housing		-	-	-	-	-	-	-	-	-	
<b>Other Assets</b>		<b>3 391</b>	<b>783</b>	<b>781</b>	<b>3 432</b>	<b>3 162</b>	<b>3 162</b>	<b>1 569</b>	<b>1 621</b>	<b>1 673</b>	
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-	
Servitudes		-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	38	209	209	209	210	217	224	
<b>Intangible Assets</b>		-	-	<b>38</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>210</b>	<b>217</b>	<b>224</b>	
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	1 700	907	936	
<b>Transport Assets</b>		<b>5 170</b>	<b>6 329</b>	<b>5 627</b>	<b>5 364</b>	<b>9 224</b>	<b>9 224</b>	<b>6 302</b>	<b>5 924</b>	<b>5 533</b>	
Land		-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	
Mature		-	-	-	-	-	-	-	-	-	
Immature		-	-	-	-	-	-	-	-	-	
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>52 789</b>	<b>67 341</b>	<b>85 704</b>	<b>103 414</b>	<b>134 771</b>	<b>134 771</b>	<b>139 083</b>	<b>114 773</b>	<b>104 008</b>	
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		61,9%	54,1%	-60,5%	29,7%	33,7%	33,7%	39,4%	37,6%	41,4%	
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		200,9%	142,5%	-124,3%	102,2%	99,8%	99,8%	97,6%	76,6%	88,6%	
<i>R&amp;M as a % of PPE &amp; Investment Property</i>		1,6%	2,7%	3,7%	6,1%	8,1%	8,1%	8,2%	5,5%	4,2%	
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>		13,1%	11,1%	-3,5%	11,5%	14,8%	14,8%	14,9%	11,2%	11,2%	

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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	378 062	494 023	567 761	391 902	349 728	349 728	507 978	354 796	305 443	287 449
Other current investments > 90 days		(18 047)	(33 234)	(27 520)	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>360 015</b>	<b>460 788</b>	<b>540 242</b>	<b>391 902</b>	<b>349 728</b>	<b>349 728</b>	<b>507 978</b>	<b>354 796</b>	<b>305 443</b>	<b>287 449</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		8 199	14 409	21 756	0	-	-	21 797	721	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(378)	76	(657)	(16 036)	(18 863)	(18 863)	(12 100)	(7 813)	(8 254)	(8 692)
Other working capital requirements	3	(11 847)	11 836	(31 066)	(53 654)	(79 977)	(79 977)	(87 131)	(45 410)	(74 209)	(128 248)
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	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>15 864</b>	<b>28 603</b>	<b>(7 314)</b>	<b>(47 759)</b>	<b>(97 534)</b>	<b>(97 534)</b>	<b>(75 194)</b>	<b>(51 196)</b>	<b>(81 097)</b>	<b>(135 310)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to</b>		<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to</b>		<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>

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

## 1.10 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	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Capital expenditure - Vote</b>	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]		-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-
	2									
Vote 1 - Executive and Council		-	-	-	1 304	1 004	1 004	1 043	-	-
Vote 2 - Corporate Services		6 366	4 550	97 014	6 283	5 831	5 831	9 085	5 327	4 390
Vote 3 - Budget and Treasury Office		-	-	279	-	-	-	261	-	-
Vote 4 - Community Services		4 289	8 061	15 400	6 704	7 592	7 592	13 341	19 679	18 283
Vote 5 - Development Planning		3 423	715	4 169	25 003	25 003	25 003	43 478	34 505	27 810
Vote 6 - Engineering Services		120 712	107 738	(9 052)	126 579	140 832	140 832	89 543	73 930	94 095
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Total Capital Expenditure - Vote</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>

### 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	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>	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		-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-
	2									
Vote 1 - Executive and Council		-	-	-	1 304	1 004	1 004	1 043	-	-
Vote 2 - Corporate Services		6 366	4 550	97 014	6 283	5 831	5 831	9 085	5 327	4 390
Vote 3 - Budget and Treasury Office		-	-	279	-	-	-	261	-	-
Vote 4 - Community Services		4 289	8 061	15 400	6 704	7 592	7 592	13 341	19 679	18 283
Vote 5 - Development Planning		3 423	715	4 169	25 003	25 003	25 003	43 478	34 505	27 810
Vote 6 - Engineering Services		120 712	107 738	(9 052)	126 579	140 832	140 832	89 543	73 930	94 095
<b>Capital single-year expenditure sub-total</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Total Capital Expenditure - Vote</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>6 594</b>	<b>4 720</b>	<b>97 343</b>	<b>9 591</b>	<b>8 153</b>	<b>8 153</b>	<b>10 389</b>	<b>5 327</b>	<b>4 390</b>
Executive and council		-	-	-	1 304	1 004	1 004	1 043	-	-
Finance and administration		6 594	4 720	97 343	8 287	7 149	7 149	9 346	5 327	4 390
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 607</b>	<b>2 439</b>	<b>9 523</b>	<b>21 446</b>	<b>18 065</b>	<b>18 065</b>	<b>23 107</b>	<b>14 581</b>	<b>13 258</b>
Community and social services		1 473	93	9 169	21 037	17 709	17 709	15 393	7 470	7 709
Sport and recreation		134	90	235	409	356	356	323	412	425
Public safety		-	2 256	120	-	-	-	7 391	6 699	5 123
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>123 316</b>	<b>105 080</b>	<b>(12 366)</b>	<b>130 053</b>	<b>149 457</b>	<b>149 457</b>	<b>112 433</b>	<b>88 563</b>	<b>100 458</b>
Planning and development		21 038	18 242	(87 420)	30 081	34 041	34 041	46 905	44 813	39 353
Road transport		102 278	86 838	75 054	99 972	115 416	115 416	65 529	43 750	61 105
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>3 274</b>	<b>8 824</b>	<b>13 308</b>	<b>4 783</b>	<b>4 586</b>	<b>4 586</b>	<b>10 821</b>	<b>24 971</b>	<b>26 472</b>
Energy sources		820	3 029	7 483	1 652	2 415	2 415	8 756	13 351	14 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 454	5 795	5 826	3 130	2 171	2 171	2 065	11 620	11 756
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Funded by:</b>										
National Government		73 317	54 629	58 324	74 320	73 559	73 559	49 795	55 203	56 922
Provincial Government		-	-	665	535	610	610	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)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>73 317</b>	<b>54 629</b>	<b>58 989</b>	<b>74 854</b>	<b>74 169</b>	<b>74 169</b>	<b>50 175</b>	<b>55 596</b>	<b>57 327</b>
<b>Borrowing</b>	6									
<b>Internally generated funds</b>		61 474	66 434	48 820	91 018	106 092	106 092	106 576	77 846	87 250
<b>Total Capital Funding</b>	7	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>

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.

## 1.11 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 Winni 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
<b>R thousands</b>										
<b>Financial Performance</b>										
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	78 377	80 232	82 094
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	359 774	353 496	379 203
Other own revenue	36 956	44 040	44 959	41 805	39 260	39 260	32 692	27 811	33 980	35 335
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>481 138</b>	<b>506 992</b>	<b>535 214</b>	<b>534 006</b>	<b>543 140</b>	<b>543 140</b>	<b>409 898</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>
Employee costs	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 319	168 426	176 187
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	73 123	78 540	81 692
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	264 553	225 950	208 997
<b>Total Expenditure</b>	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>307 116</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit)</b>	<b>114 908</b>	<b>75 923</b>	<b>65 678</b>	<b>4 535</b>	<b>(39 597)</b>	<b>(39 597)</b>	<b>102 782</b>	<b>(55 854)</b>	<b>(29 373)</b>	<b>5 204</b>
Transfers and subsidies - capital (monetary allocations)	77 436	68 482	67 746	86 137	85 313	85 313	56 434	57 701	63 935	65 927
Transfers and subsidies - capital (in-kind)	479	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	73 317	54 629	58 989	74 854	74 169	74 169	45 195	50 175	55 596	57 327
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	61 474	66 434	48 820	91 018	106 092	106 092	19 688	106 576	77 846	87 250
<b>Total sources of capital funds</b>	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>64 883</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Financial position</b>										
Total current assets	489 633	571 379	657 223	529 307	498 391	498 391	748 064	504 250	488 525	523 216
Total non current assets	866 282	930 561	979 692	1 060 793	1 077 343	1 077 343	1 036 041	1 070 153	1 001 559	980 066
Total current liabilities	120 578	116 194	116 675	146 043	114 063	114 063	89 354	113 272	113 732	120 709
Total non current liabilities	10 632	11 950	13 021	11 950	13 021	13 021	13 021	11 950	11 950	13 021
Community wealth/Equity	1 223 008	1 373 795	1 507 219	1 432 107	1 448 649	1 448 649	1 681 668	1 449 181	1 364 402	1 369 551
<b>Cash flows</b>										
Net cash from (used) operating	225 840	255 874	224 901	172 239	146 398	146 398	168 617	55 654	85 350	123 339
Net cash from (used) investing	(136 324)	(136 247)	(130 210)	(190 043)	(206 375)	(206 375)	(70 345)	(164 105)	(134 704)	(141 334)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>366 625</b>	<b>479 642</b>	<b>555 479</b>	<b>391 902</b>	<b>349 728</b>	<b>349 728</b>	<b>507 978</b>	<b>354 796</b>	<b>305 443</b>	<b>287 449</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	360 015	460 788	540 242	391 902	349 728	349 728	507 978	354 796	305 443	287 449
Application of cash and investments	15 864	28 603	(7 314)	(47 759)	(97 534)	(97 534)	(75 194)	(51 196)	(81 097)	(135 310)
<b>Balance - surplus (shortfall)</b>	<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>
<b>Asset management</b>										
Asset register summary (WDV)	723 381	781 195	905 290	906 991	908 866	908 866	923 767	887 027	856 145	-
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	61 833	50 164	59 835	-
Repairs and Maintenance	11 287	21 366	33 280	55 196	73 836	73 836	75 710	49 308	36 449	-
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	(7 500)	(7 500)	(7 500)	-	(7 500)	(7 748)	(7 995)
Revenue cost of free services provided	(5)	(10)	(484)	(265)	(265)	(265)	(477)	(477)	(499)	(511)
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	6	6	6	6	6	6	2	2	2	2
Refuse:	48	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
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		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		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		6 325	5 369	6 135	5 960	12 425	12 425	6 888	4 897	5 053
Community and social services		1 597	703	1 365	1 569	9 518	9 518	4 085	1 811	1 869
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		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		80 051	74 257	64 866	89 245	82 475	82 475	60 626	54 675	55 162
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	45 876
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		76 538	71 273	87 399	90 352	87 968	87 968	93 496	112 084	116 351
Energy sources		55 906	64 122	80 207	80 917	78 453	78 453	83 778	95 324	99 508
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
<b>Other</b>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>559 053</b>	<b>575 474</b>	<b>602 960</b>	<b>620 143</b>	<b>628 453</b>	<b>628 453</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		167 418	173 386	203 129	228 655	236 268	236 268	234 524	239 852	245 043
Executive and council		59 681	59 824	60 076	66 361	69 303	69 303	73 014	75 639	77 800
Finance and administration		103 754	108 857	136 781	156 529	158 518	158 518	154 754	157 234	159 975
Internal audit		3 984	4 705	6 272	5 765	8 447	8 447	6 756	6 980	7 268
<b>Community and public safety</b>		25 404	29 225	33 650	42 942	46 354	46 354	56 432	53 962	54 778
Community and social services		8 199	8 095	13 249	18 383	21 310	21 310	29 263	26 405	26 806
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		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		73 746	115 003	98 391	115 310	149 245	149 245	149 359	130 135	120 444
Planning and development		24 436	32 423	32 276	38 827	43 840	43 840	43 559	43 988	44 770
Road transport		47 073	80 039	63 134	73 238	101 995	101 995	102 614	82 819	72 198
Environmental protection		2 236	2 540	2 981	3 244	3 409	3 409	3 185	3 328	3 476
<b>Trading services</b>		96 359	110 043	130 337	138 141	146 473	146 473	154 808	149 259	149 411
Energy sources		71 107	80 958	91 447	97 773	102 535	102 535	107 357	106 883	110 822
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 253	29 086	38 889	40 368	43 938	43 938	47 451	42 376	38 588
<b>Other</b>	<b>4</b>	<b>3 303</b>	<b>3 413</b>	<b>4 030</b>	<b>4 422</b>	<b>4 397</b>	<b>4 397</b>	<b>4 604</b>	<b>4 798</b>	<b>4 999</b>
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) for the year</b>		<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>1 847</b>	<b>34 561</b>	<b>71 131</b>

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

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

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

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue by Vote</b>	1									
Vote 1 - 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	18 160	23 657	23 960
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	142 450	128 895	146 765
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	2	<b>559 053</b>	<b>575 474</b>	<b>602 960</b>	<b>620 143</b>	<b>628 453</b>	<b>628 453</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
	1									
Vote 1 - Executive and Council		78 876	81 555	82 825	92 264	98 011	98 011	100 193	103 875	106 868
Vote 2 - Corporate Services		43 613	45 912	60 894	68 574	74 329	74 329	64 466	66 997	69 591
Vote 3 - Budget and Treasury Office		27 987	28 757	38 297	44 658	40 184	40 184	42 311	43 931	44 546
Vote 4 - Community Services		70 569	78 909	95 513	111 367	119 701	119 701	134 338	125 276	121 161
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	217 016	197 282	190 921
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	2	<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>1 847</b>	<b>34 561</b>	<b>71 130</b>

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

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

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

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	41 412	49 713	54 385	55 986	56 393	56 393	36 513	72 474	74 182	75 892
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		-	-	-	-	-	-	-	-	-	-
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
<b>Non-Exchange Revenue</b>											
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	359 774	353 496	379 203
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		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>481 138</b>	<b>506 992</b>	<b>535 214</b>	<b>534 006</b>	<b>543 140</b>	<b>543 140</b>	<b>409 898</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>
<b>Expenditure</b>											
Employee related costs	2	114 833	127 726	134 248	148 023	152 599	152 599	88 119	160 319	168 426	176 187
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	63 715	68 721	71 560
Inventory consumed	2,8	5 396	5 761	6 203	8 696	9 144	9 144	4 863	9 408	9 818	10 133
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	158 224	120 419	103 903
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	98 763	97 715	98 258
Disposal of Fixed and Intangible Assets	2	3 126	13 016	4 184	-	-	-	-	-	-	-
Other Losses	2	18	-	38	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>366 230</b>	<b>431 069</b>	<b>469 536</b>	<b>529 471</b>	<b>582 737</b>	<b>582 737</b>	<b>307 116</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit)</b>		<b>114 908</b>	<b>75 923</b>	<b>65 678</b>	<b>4 535</b>	<b>(39 597)</b>	<b>(39 597)</b>	<b>102 782</b>	<b>(55 854)</b>	<b>(29 373)</b>	<b>5 204</b>
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	65 927
Transfers and subsidies - capital (in-kind)	6	479	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>192 823</b>	<b>144 405</b>	<b>133 424</b>	<b>90 672</b>	<b>45 716</b>	<b>45 716</b>	<b>159 216</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>

**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	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1									
<b>Capital expenditure - Vote</b>	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		-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-
	2									
Vote 1 - Executive and Council		-	-	-	1 304	1 004	1 004	1 043	-	-
Vote 2 - Corporate Services		6 366	4 550	97 014	6 283	5 831	5 831	9 085	5 327	4 390
Vote 3 - Budget and Treasury Office		-	-	279	-	-	-	261	-	-
Vote 4 - Community Services		4 289	8 061	15 400	6 704	7 592	7 592	13 341	19 679	18 283
Vote 5 - Development Planning		3 423	715	4 169	25 003	25 003	25 003	43 478	34 505	27 810
Vote 6 - Engineering Services		120 712	107 738	(9 052)	126 579	140 832	140 832	89 543	73 930	94 095
<b>Capital single-year expenditure sub-total</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Total Capital Expenditure - Vote</b>		<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Capital Expenditure - Functional</b>										
<b>Governance and administration</b>		<b>6 594</b>	<b>4 720</b>	<b>97 343</b>	<b>9 591</b>	<b>8 153</b>	<b>8 153</b>	<b>10 389</b>	<b>5 327</b>	<b>4 390</b>
Executive and council		-	-	-	1 304	1 004	1 004	1 043	-	-
Finance and administration		6 594	4 720	97 343	8 287	7 149	7 149	9 346	5 327	4 390
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>1 607</b>	<b>2 439</b>	<b>9 523</b>	<b>21 446</b>	<b>18 065</b>	<b>18 065</b>	<b>23 107</b>	<b>14 581</b>	<b>13 258</b>
Community and social services		1 473	93	9 169	21 037	17 709	17 709	15 393	7 470	7 709
Sport and recreation		134	90	235	409	356	356	323	412	425
Public safety		-	2 256	120	-	-	-	7 391	6 699	5 123
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>123 316</b>	<b>105 080</b>	<b>(12 366)</b>	<b>130 053</b>	<b>149 457</b>	<b>149 457</b>	<b>112 433</b>	<b>88 563</b>	<b>100 458</b>
Planning and development		21 038	18 242	(87 420)	30 081	34 041	34 041	46 905	44 813	39 353
Road transport		102 278	86 838	75 054	99 972	115 416	115 416	65 529	43 750	61 105
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>3 274</b>	<b>8 824</b>	<b>13 308</b>	<b>4 783</b>	<b>4 586</b>	<b>4 586</b>	<b>10 821</b>	<b>24 971</b>	<b>26 472</b>
Energy sources		820	3 029	7 483	1 652	2 415	2 415	8 756	13 351	14 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		2 454	5 795	5 826	3 130	2 171	2 171	2 065	11 620	11 756
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	3	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>
<b>Funded by:</b>										
National Government		73 317	54 629	58 324	74 320	73 559	73 559	49 795	55 203	56 922
Provincial Government		-	-	665	535	610	610	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)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	<b>73 317</b>	<b>54 629</b>	<b>58 989</b>	<b>74 854</b>	<b>74 169</b>	<b>74 169</b>	<b>50 175</b>	<b>55 596</b>	<b>57 327</b>
<b>Borrowing</b>	6									
<b>Internally generated funds</b>		<b>61 474</b>	<b>66 434</b>	<b>48 820</b>	<b>91 018</b>	<b>106 092</b>	<b>106 092</b>	<b>106 576</b>	<b>77 846</b>	<b>87 250</b>
<b>Total Capital Funding</b>	7	<b>134 790</b>	<b>121 063</b>	<b>107 809</b>	<b>165 872</b>	<b>180 262</b>	<b>180 262</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>

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

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

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

Table 18 MBRR Table A6 - Budgeted Financial Position

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1	360 015	460 788	540 242	391 902	347 673	347 673	563 120	354 796	305 443	287 449
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	47 764	67 817	106 852
Receivables from non-exchange transactions	3	45 380	50 451	55 514	49 773	58 822	58 822	84 061	66 743	80 252	93 853
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	1 384	786	1 246	2 844	4 787	4 787	1 766	1 418	856	276
VAT Receivable	6	30 948	(7 523)	(8 553)	8 052	8 052	8 052	20 161	11 668	12 297	12 924
Other current assets	7	16 092	19 949	23 680	18 842	21 861	21 861	23 680	21 861	21 861	21 861
<b>Total current assets</b>		<b>489 633</b>	<b>571 379</b>	<b>657 223</b>	<b>529 307</b>	<b>498 391</b>	<b>498 391</b>	<b>748 064</b>	<b>504 250</b>	<b>488 525</b>	<b>523 216</b>
<b>Non current assets</b>											
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	1 004 886	932 181	906 288
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	5 282	5 493	5 713
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>866 282</b>	<b>930 561</b>	<b>979 692</b>	<b>1 060 793</b>	<b>1 077 343</b>	<b>1 077 343</b>	<b>1 036 041</b>	<b>1 070 153</b>	<b>1 001 559</b>	<b>980 066</b>
<b>TOTAL ASSETS</b>		<b>1 355 914</b>	<b>1 501 940</b>	<b>1 636 915</b>	<b>1 590 100</b>	<b>1 575 733</b>	<b>1 575 733</b>	<b>1 784 105</b>	<b>1 574 403</b>	<b>1 490 084</b>	<b>1 503 282</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
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	103 207	104 168	110 718
Trade and other payables from non-exchange transactions	21	8 199	14 409	21 756	0	-	-	21 797	721	-	-
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	7 514	7 675	7 836
Other current liabilities	24	765	1 215	1 348	-	-	-	935	-	-	-
<b>Total current liabilities</b>		<b>120 578</b>	<b>116 194</b>	<b>116 675</b>	<b>146 043</b>	<b>114 063</b>	<b>114 063</b>	<b>89 354</b>	<b>113 272</b>	<b>113 732</b>	<b>120 709</b>
<b>Non current liabilities</b>											
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	-	-	-	-	-	-	-	-	-	-
<b>Total non current liabilities</b>		<b>10 632</b>	<b>11 950</b>	<b>13 021</b>	<b>11 950</b>	<b>13 021</b>	<b>13 021</b>	<b>13 021</b>	<b>11 950</b>	<b>11 950</b>	<b>13 021</b>
<b>TOTAL LIABILITIES</b>		<b>131 210</b>	<b>128 145</b>	<b>129 696</b>	<b>157 993</b>	<b>127 084</b>	<b>127 084</b>	<b>102 375</b>	<b>125 222</b>	<b>125 682</b>	<b>133 731</b>
<b>NET ASSETS</b>		<b>1 224 704</b>	<b>1 373 795</b>	<b>1 507 219</b>	<b>1 432 107</b>	<b>1 448 649</b>	<b>1 448 649</b>	<b>1 681 729</b>	<b>1 449 181</b>	<b>1 364 402</b>	<b>1 369 551</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
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	1 449 181	1 364 402	1 369 551
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	32	<b>1 223 008</b>	<b>1 373 795</b>	<b>1 507 219</b>	<b>1 432 107</b>	<b>1 448 649</b>	<b>1 448 649</b>	<b>1 681 668</b>	<b>1 449 181</b>	<b>1 364 402</b>	<b>1 369 551</b>

**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
<b>R thousand</b>											
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	378 062	494 023	567 761	391 902	349 728	349 728	507 978	354 796	305 443	287 449
Other current investments > 90 days		(18 047)	(33 234)	(27 520)	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>360 015</b>	<b>460 788</b>	<b>540 242</b>	<b>391 902</b>	<b>349 728</b>	<b>349 728</b>	<b>507 978</b>	<b>354 796</b>	<b>305 443</b>	<b>287 449</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		8 199	14 409	21 756	0	-	-	21 797	721	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(378)	76	(657)	(16 036)	(18 863)	(18 863)	(12 100)	(7 813)	(8 254)	(8 692)
Other working capital requirements	3	(11 847)	11 836	(31 066)	(53 654)	(79 977)	(79 977)	(87 131)	(45 410)	(74 209)	(128 248)
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	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>15 864</b>	<b>28 603</b>	<b>(7 314)</b>	<b>(47 759)</b>	<b>(97 534)</b>	<b>(97 534)</b>	<b>(75 194)</b>	<b>(51 196)</b>	<b>(81 097)</b>	<b>(135 310)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to</b>		<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to</b>		<b>344 152</b>	<b>432 185</b>	<b>547 555</b>	<b>439 661</b>	<b>447 263</b>	<b>447 263</b>	<b>583 172</b>	<b>405 993</b>	<b>386 540</b>	<b>422 758</b>

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

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

Table 19 MBRR Table A7 – Budgeted Cash Flows

## EC443 Winnie Madikizela Mandela - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		20 224	19 758	19 714	27 141	34 291	34 291	14 282	26 525	27 719	28 411
Service charges		54 103	52 241	66 860	66 822	66 796	66 796	29 913	63 592	64 972	66 358
Other revenue		11 312	11 082	36 385	82 686	90 804	90 804	25 200	77 737	74 285	74 593
Transfers and Subsidies - Operational	1	372 978	357 040	368 573	367 150	367 300	367 300	273 612	359 774	353 496	379 203
Transfers and Subsidies - Capital	1	67 082	88 168	81 681	64 108	64 108	64 108	55 657	57 701	63 935	65 927
Interest		1 133	34 473	40 118	39 677	39 752	39 752	22 501	43 646	45 086	46 529
Dividends									-	-	-
<b>Payments</b>											
Suppliers and employees		(300 991)	(306 890)	(388 430)	(475 241)	(514 368)	(514 368)	(250 369)	(573 220)	(544 039)	(537 574)
Finance charges		-	-	-	(104)	(2 285)	(2 285)	(2 180)	(100)	(103)	(107)
Transfers and Subsidies	1								-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>225 840</b>	<b>255 874</b>	<b>224 901</b>	<b>172 239</b>	<b>146 398</b>	<b>146 398</b>	<b>168 617</b>	<b>55 654</b>	<b>85 350</b>	<b>123 339</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	(309)	(286)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	200	206	213
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(124 887)	(121 558)	(117 641)	(190 043)	(206 375)	(206 375)	(70 345)	(164 305)	(134 910)	(141 547)
Retention (Capital)		(11 437)	(14 381)	(12 282)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(136 324)</b>	<b>(136 247)</b>	<b>(130 210)</b>	<b>(190 043)</b>	<b>(206 375)</b>	<b>(206 375)</b>	<b>(70 345)</b>	<b>(164 105)</b>	<b>(134 704)</b>	<b>(141 334)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>89 516</b>	<b>119 627</b>	<b>94 691</b>	<b>(17 804)</b>	<b>(59 978)</b>	<b>(59 978)</b>	<b>98 272</b>	<b>(108 451)</b>	<b>(49 354)</b>	<b>(17 994)</b>
Cash/cash equivalents at the year begin:	2	277 109	360 015	460 788	409 706	409 706	409 706	409 706	463 247	354 796	305 443
Cash/cash equivalents at the year end:	2	366 625	479 642	555 479	391 902	349 728	349 728	507 978	354 796	305 443	287 449

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
<b>Household service targets</b>	1									
<b>Water:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		200	200	200	287	287	287	318 058	318 058	318 058
Electricity - prepaid (min.service level)		3 836	3 836	3 836	4 068	4 068	4 068	4 194	4 194	4 194
<i>Minimum Service Level and Above sub-total</i>		4 036	4 036	4 036	4 355	4 355	4 355	322 252	322 252	322 252
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		6 000	6 000	6 000	6 000	6 000	6 000	1 890	1 890	1 890
<i>Below Minimum Service Level sub-total</i>		6 000	6 000	6 000	6 000	6 000	6 000	1 890	1 890	1 890
<b>Total number of households</b>	5	10 036	10 036	10 036	10 355	10 355	10 355	324 142	324 142	324 142
<b>Refuse:</b>										
Removed at least once a week		800	800	800	800	800	800	800	800	800
<i>Minimum Service Level and Above sub-total</i>		800	800	800	800	800	800	800	800	800
Removed less frequently than once a week		157	157	157	157	157	157	157	157	157
Using communal refuse dump		250	250	250	250	250	250	250	250	250
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		3	3	3	3	3	3	3	3	3
No rubbish disposal		47 480	47 480	47 480	47 480	47 480	47 480	47 480	47 480	47 480
<i>Below Minimum Service Level sub-total</i>		47 890	47 890	47 890	47 890	47 890	47 890	47 890	47 890	47 890
<b>Total number of households</b>	5	48 690	48 690	48 690	48 690	48 690	48 690	48 690	48 690	48 690
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	(7 500)	(7 500)	(7 500)	(7 500)	(7 748)	(7 995)
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
	8	-	-	-	(7 500)	(7 500)	(7 500)	(7 500)	(7 748)	(7 995)
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9									
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		(5)	(10)	(484)	(265)	(265)	(265)	(477)	(499)	(511)
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of subsidised services provided</b>		(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:

<b>Fiscal year</b>	<b>2026 Estimate</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>	<b>2028/29 Forecast</b>
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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
<b>Allowances and Service Related Benefits</b>										
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		-	-	-	-	-	-	-	-	-
<b>Total Allowances and Service Related Benefits</b>		<b>24 220</b>	<b>24 744</b>	<b>25 318</b>	<b>28 588</b>	<b>28 588</b>	<b>28 588</b>	<b>29 732</b>	<b>30 713</b>	<b>31 696</b>
<b>Social Contributions</b>										
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
<b>Total Social Contributions</b>		<b>2 357</b>	<b>2 416</b>	<b>2 478</b>	<b>2 782</b>	<b>2 782</b>	<b>2 782</b>	<b>2 893</b>	<b>2 988</b>	<b>3 084</b>
<b>Total Councillors</b>		<b>26 577</b>	<b>27 159</b>	<b>27 795</b>	<b>31 370</b>	<b>31 370</b>	<b>31 370</b>	<b>32 625</b>	<b>33 701</b>	<b>34 780</b>
% increase	4		2,2%	2,3%	12,9%	(0,0%)	-	4,0%	3,3%	3,2%
<b>Senior Managers of the Municipality</b>	2									
<b>Salaries and Allowances</b>										
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
<b>Allowance</b>										
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		-	-	-	-	-	-	-	-	-
<b>Total Allowance</b>		<b>2 067</b>	<b>2 221</b>	<b>2 263</b>	<b>2 393</b>	<b>2 393</b>	<b>2 393</b>	<b>3 234</b>	<b>3 396</b>	<b>3 565</b>
<b>Service Related Benefits</b>										
<b>Total Service Related Benefits</b>		-	-	-	-	-	-	-	-	-
<b>Total Salaries and Allowances</b>		<b>7 873</b>	<b>7 801</b>	<b>7 869</b>	<b>8 314</b>	<b>11 979</b>	<b>11 979</b>	<b>11 665</b>	<b>12 249</b>	<b>12 861</b>
<b>Social Contributions</b>										
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
<b>Total Social Contributions</b>		<b>531</b>	<b>523</b>	<b>501</b>	<b>423</b>	<b>543</b>	<b>543</b>	<b>698</b>	<b>733</b>	<b>770</b>
<b>Post-retirement Benefit</b>										
<b>Total Post-retirement Benefit</b>	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	4	<b>8 404</b>	<b>8 324</b>	<b>8 370</b>	<b>8 737</b>	<b>12 522</b>	<b>12 522</b>	<b>12 363</b>	<b>12 982</b>	<b>13 631</b>
% increase	4		(1,0%)	0,6%	4,4%	43,3%	-	(1,3%)	5,0%	5,0%
<b>Other Municipal Staff</b>										
<b>Salaries and Allowances</b>										
Basic Salary		68 420	73 681	78 836	86 252	86 238	86 238	91 618	96 323	101 052
Bonuses		201	-	-	-	-	-	-	-	-
<b>Allowance</b>										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	615	593	612	1 586	1 643	1 643	2 001	2 100	2 204
Housing Benefits	3	3 728	3 957	4 230	4 851	4 776	4 776	4 822	5 062	4 742
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	7 625	8 089	8 600	9 372	9 594	9 594	10 046	10 543	11 070
Voluntary Work		-	-	-	-	-	-	-	-	-
<b>Total Allowance</b>		<b>11 968</b>	<b>12 639</b>	<b>13 442</b>	<b>15 808</b>	<b>16 014</b>	<b>16 014</b>	<b>16 870</b>	<b>17 705</b>	<b>18 017</b>
<b>Service Related Benefits</b>										
Acting	3	-	-	-	-	-	-	-	-	-
Bonus	3	5 770	6 106	6 464	6 780	7 065	7 065	7 080	7 431	7 803
Danger Allowance	3	-	-	-	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-	-
Fire Brigade		-	-	-	-	-	-	-	-	-
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	4 232	4 444	4 666
Scarcity		-	-	-	-	-	-	-	-	-
Standby Allowance	3	1 231	1 304	1 424	1 473	1 666	1 666	1 726	1 812	1 903
Tools Allowance	3	-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	3	30	40	47	50	50	50	45	47	50
Leave gratuity		-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-
<b>Total Service Related Benefits</b>		<b>9 184</b>	<b>14 595</b>	<b>13 490</b>	<b>14 472</b>	<b>15 019</b>	<b>15 019</b>	<b>15 084</b>	<b>15 835</b>	<b>16 626</b>
<b>Total Salaries and Allowances</b>		<b>89 774</b>	<b>100 915</b>	<b>105 768</b>	<b>116 533</b>	<b>117 271</b>	<b>117 271</b>	<b>123 572</b>	<b>129 862</b>	<b>135 695</b>
<b>Social Contributions</b>										
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	8 978	9 414	9 885
Pension		10 733	11 755	12 491	13 854	13 699	13 699	14 721	15 451	16 223
Unemployment Insurance		533	559	577	639	644	644	639	671	704
<b>Total Social Contributions</b>		<b>16 535</b>	<b>18 487</b>	<b>20 110</b>	<b>22 756</b>	<b>22 806</b>	<b>22 806</b>	<b>24 383</b>	<b>25 582</b>	<b>26 861</b>
<b>Post-retirement Benefit</b>										
<b>Total Post-retirement Benefit</b>	6	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	4	<b>106 429</b>	<b>119 402</b>	<b>125 878</b>	<b>139 288</b>	<b>140 078</b>	<b>140 078</b>	<b>147 955</b>	<b>155 445</b>	<b>162 557</b>
% increase	4		12,2%	5,4%	10,7%	0,6%	-	5,6%	5,1%	4,6%
<b>Total Parent Municipality</b>		<b>141 410</b>	<b>154 885</b>	<b>162 043</b>	<b>179 395</b>	<b>183 969</b>	<b>183 969</b>	<b>192 943</b>	<b>202 128</b>	<b>210 967</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>141 410</b>	<b>154 885</b>	<b>162 043</b>	<b>179 395</b>	<b>183 969</b>	<b>183 969</b>	<b>192 943</b>	<b>202 128</b>	<b>210 967</b>
% increase	4		9,5%	4,6%	10,7%	2,5%	-	4,9%	4,8%	4,4%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>114 833</b>	<b>127 726</b>	<b>134 248</b>	<b>148 025</b>	<b>152 599</b>	<b>152 599</b>	<b>160 319</b>	<b>168 426</b>	<b>176 187</b>

### **a. Employee costs**

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 32% of the operating budget including non-cash items which still does not breach the maximum limit permitted of 40%, at 36% 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 &amp; 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.
<b>Councillors</b>	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
<b>Total Councillors</b>	8	0	17 358	2 893	12 374			32 625
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		0	1 549	153	568	–		2 269
Chief Finance Officer		0	1 257	2	760	–		2 019
Senior Manager - Engineering		0	1 414	2	603	–		2 019
Senior Manager - Corporate Services		0	1 407	161	450	–		2 019
Senior Manager - Community Services		0	1 398	238	383	–		2 019
Senior Manager - Development Planning		0	1 407	142	470	–		2 019
<i>List of each official with packages &gt;= senior manager</i>								
<b>Total Senior Managers of the Municipality</b>	8,10	0	8 432	698	3 234	–		12 363
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								
<b>Total for municipal entities</b>	8,10	–	–	–	–	–		–
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	70	25 789 544	3 590 931	15 607 589	–		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
<b>R thousand</b>										
<b>EXPENDITURE</b>	<b>1</b>									
<b>Operating</b>										
<b>National Government</b>										
<b>Monetary Allocations</b>										
Equitable Share		234 855	256 638	275 698	323 800	336 238	336 238	368 714	364 360	368 452
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	2 098	2 080	2 063
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	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>257 351</b>	<b>281 411</b>	<b>283 222</b>	<b>332 363</b>	<b>344 691</b>	<b>344 691</b>	<b>376 769</b>	<b>369 782</b>	<b>373 960</b>
<b>Total National Government</b>		<b>257 351</b>	<b>281 411</b>	<b>283 222</b>	<b>332 363</b>	<b>344 691</b>	<b>344 691</b>	<b>376 769</b>	<b>369 782</b>	<b>373 960</b>
<b>Provincial Government</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other- Library Grant		475	375	463	702	925	925	1 299	695	717
<b>Total Monetary Allocations</b>		<b>475</b>	<b>375</b>	<b>463</b>	<b>702</b>	<b>925</b>	<b>925</b>	<b>1 299</b>	<b>695</b>	<b>717</b>
<b>Total Provincial Government</b>		<b>475</b>	<b>375</b>	<b>463</b>	<b>702</b>	<b>925</b>	<b>925</b>	<b>1 299</b>	<b>695</b>	<b>717</b>
<b>District Municipalities</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other- IDO Grant		-	-	150	-	150	150	-	-	-
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating/District Municipalities</b>		<b>-</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>150</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Grant Providers</b>										
<b>Monetary Allocations</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
Other transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Operating/Other Grant Providers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating expenditure of Transfers and Grants</b>		<b>257 826</b>	<b>281 786</b>	<b>283 835</b>	<b>333 065</b>	<b>345 766</b>	<b>345 766</b>	<b>378 068</b>	<b>370 476</b>	<b>374 677</b>
<b>Capital</b>										
<b>National Government</b>										
<b>Monetary Allocations</b>										
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	56 922
Neighbourhood Development Partnership Grant		997	-	-	-	-	-	-	-	-
<b>Total Monetary Allocations</b>		<b>73 317</b>	<b>54 629</b>	<b>58 324</b>	<b>74 320</b>	<b>73 559</b>	<b>73 559</b>	<b>49 795</b>	<b>55 203</b>	<b>56 922</b>
<b>Total National Government</b>		<b>73 317</b>	<b>54 629</b>	<b>58 324</b>	<b>74 320</b>	<b>73 559</b>	<b>73 559</b>	<b>49 795</b>	<b>55 203</b>	<b>56 922</b>
<b>Provincial Government</b>										
<b>Monetary Allocations</b>										
Capacity Building and Other- Librant Grant		-	-	665	535	610	610	380	393	405
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>665</b>	<b>535</b>	<b>610</b>	<b>610</b>	<b>380</b>	<b>393</b>	<b>405</b>
<b>Total Provincial Government</b>		<b>-</b>	<b>-</b>	<b>665</b>	<b>535</b>	<b>610</b>	<b>610</b>	<b>380</b>	<b>393</b>	<b>405</b>
<b>District Municipalities</b>										
<b>Monetary Allocations</b>										
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital/District Municipalities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Grant Providers</b>										
<b>Monetary Allocations</b>										
<b>Total Monetary Allocations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Allocations In-kind</b>										
<b>Total Allocations In-kind</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital/Other Grant Providers</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital expenditure of Transfers and Grants</b>		<b>73 317</b>	<b>54 629</b>	<b>58 989</b>	<b>74 854</b>	<b>74 169</b>	<b>74 169</b>	<b>50 175</b>	<b>55 596</b>	<b>57 327</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>331 143</b>	<b>336 415</b>	<b>342 824</b>	<b>407 919</b>	<b>419 936</b>	<b>419 936</b>	<b>428 243</b>	<b>426 072</b>	<b>432 005</b>

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

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

Description	Ref	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										
<b>Operating transfers and grants:</b>	1,3									
<b>Monetary Allocations</b>										
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	-	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>		<b>6 046</b>	<b>7 821</b>	<b>8 303</b>	<b>8 563</b>	<b>8 563</b>	<b>8 563</b>	<b>8 258</b>	<b>5 741</b>	<b>5 945</b>
Conditions still to be met - transferred to liabilities		(12 349)	(17 629)	(10 994)				-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		293	755	616	-	499	499	721	-	-
Current year receipts		(500)	(500)	(547)	(732)	(732)	(732)	(738)	(762)	(787)
<b>Conditions met - transferred to revenue</b>		<b>1 548</b>	<b>361</b>	<b>500</b>	<b>732</b>	<b>1 446</b>	<b>1 446</b>	<b>2 180</b>	<b>762</b>	<b>787</b>
Conditions still to be met - transferred to liabilities		755	616	569	-	215	215	721	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year								-	-	-
Current year receipts								-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities								-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		1 027	1 027	1 027				-	-	-
Current year receipts								-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		(1 027)	(1 027)	(1 027)				-	-	-
<b>Total operating transfers and grants revenue</b>		<b>7 594</b>	<b>8 182</b>	<b>8 803</b>	<b>9 295</b>	<b>10 009</b>	<b>10 009</b>	<b>10 438</b>	<b>6 504</b>	<b>6 732</b>
<b>Total operating transfers and grants - CTBM</b>	2	<b>(12 621)</b>	<b>(18 041)</b>	<b>(11 452)</b>	<b>-</b>	<b>215</b>	<b>215</b>	<b>721</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>	1,3									
<b>Monetary Allocations</b>										
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)
<b>Conditions met - transferred to revenue</b>		<b>91 868</b>	<b>85 444</b>	<b>67 072</b>	<b>85 522</b>	<b>84 593</b>	<b>84 593</b>	<b>57 264</b>	<b>63 484</b>	<b>21 649</b>
Conditions still to be met - transferred to liabilities		4 262	3 671	(10 338)	(200)	-	-	-	-	-
<b>Provincial Government:</b>										
Balance unspent at beginning of the year		-	-	200	-	-	-	-	-	-
Current year receipts		-	(200)	(600)	(415)	(415)	(415)	(437)	(451)	(466)
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>673</b>	<b>615</b>	<b>200</b>	<b>200</b>	<b>437</b>	<b>451</b>	<b>466</b>
Conditions still to be met - transferred to liabilities		-	(200)	(127)	200	(215)	(215)	-	-	-
<b>District Municipality:</b>										
Balance unspent at beginning of the year		-	-	-				-	-	-
Current year receipts								-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities								-	-	-
<b>Other grant providers:</b>										
Balance unspent at beginning of the year		160	160	160				-	-	-
Current year receipts								-	-	-
<b>Conditions met - transferred to revenue</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities		160	160	160				-	-	-
<b>Total capital transfers and grants revenue</b>		<b>91 868</b>	<b>85 444</b>	<b>67 746</b>	<b>86 137</b>	<b>84 793</b>	<b>84 793</b>	<b>57 701</b>	<b>63 935</b>	<b>22 115</b>
<b>Total capital transfers and grants - CTBM</b>	2	<b>4 422</b>	<b>3 631</b>	<b>(10 304)</b>	<b>-</b>	<b>(215)</b>	<b>(215)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>99 462</b>	<b>93 625</b>	<b>76 549</b>	<b>95 432</b>	<b>94 802</b>	<b>94 802</b>	<b>68 139</b>	<b>70 439</b>	<b>28 847</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		<b>(8 199)</b>	<b>(14 409)</b>	<b>(21 756)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>721</b>	<b>-</b>	<b>-</b>

Table 24 MBRR SA24 – Summary of personnel numbers

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

Summary of Personnel Numbers	Ref	Current Year 2025/26						Budget Year 2026/27		
		2024/25			2025/26			2026/27		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		64	–	64	64	–	64	64	–	64
Board Members of municipal entities	4									
<b>Municipal employees</b>	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	21	20	1
Professionals		11	10	–	11	10	–	22	22	–
<i>Finance</i>		–	–	–	–	–	–	9	9	–
<i>Spatial/town planning</i>		7	6	–	7	6	–	7	7	–
<i>Information Technology</i>		–	–	–	–	–	–	1	1	–
<i>Roads</i>		2	2	–	2	2	–	1	1	–
<i>Electricity</i>		–	–	–	–	–	–	1	1	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	–	–	–	–	–	–
<i>Other</i>		2	2	–	2	2	–	3	3	–
Technicians		10	10	–	10	10	–	67	67	–
<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	–	3	3	–
<i>Electricity</i>		6	6	–	6	6	–	5	5	–
<i>Water</i>		–	–	–	–	–	–	–	–	–
<i>Sanitation</i>		–	–	–	–	–	–	–	–	–
<i>Refuse</i>		–	–	–	–	–	–	2	2	–
<i>Other</i>		–	–	–	–	–	–	55	55	–
Clerks (Clerical and administrative)		105	98	–	105	98	–	61	52	9
Service and sales workers		49	36	7	49	36	7	90	83	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	–	7	7	–
Elementary Occupations		98	71	–	98	71	–	67	67	–
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>374</b>	<b>260</b>	<b>73</b>	<b>374</b>	<b>260</b>	<b>73</b>	<b>410</b>	<b>328</b>	<b>82</b>
<b>% increase</b>					–	–	–	9,6%	26,2%	12,3%
<b>Total municipal employees headcount</b>	6, 10	<b>70</b>	<b>68</b>	<b>2</b>	<b>70</b>	<b>68</b>	<b>2</b>	<b>339</b>	<b>255</b>	<b>84</b>
Finance personnel headcount	8, 10	25	24	1	25	24	1	26	25	1
Human Resources personnel headcount	8, 10	45	44	1	45	44	1	7	7	–

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
<b>Councillors (Political Office Bearers plus Other)</b>	1									
<b>Allowances and Service Related Benefits</b>										
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		-	-	-	-	-	-	-	-	-
<b>Total Allowances and Service Related Benefits</b>		<b>24 220</b>	<b>24 744</b>	<b>25 318</b>	<b>28 588</b>	<b>28 588</b>	<b>28 588</b>	<b>29 732</b>	<b>30 713</b>	<b>31 696</b>
<b>Social Contributions</b>										
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
<b>Total Social Contributions</b>		<b>2 357</b>	<b>2 416</b>	<b>2 478</b>	<b>2 782</b>	<b>2 782</b>	<b>2 782</b>	<b>2 893</b>	<b>2 988</b>	<b>3 084</b>
<b>Total Councillors</b>		<b>26 577</b>	<b>27 159</b>	<b>27 795</b>	<b>31 370</b>	<b>31 370</b>	<b>31 370</b>	<b>32 625</b>	<b>33 701</b>	<b>34 780</b>
% increase	4		2,2%	2,3%	12,9%	(0,0%)	-	4,0%	3,3%	3,2%
<b>Senior Managers of the Municipality</b>	2									
<b>Salaries and Allowances</b>										
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
<b>Allowance</b>										
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		-	-	-	-	-	-	-	-	-
<b>Total Allowance</b>		<b>2 067</b>	<b>2 221</b>	<b>2 263</b>	<b>2 393</b>	<b>2 393</b>	<b>2 393</b>	<b>3 234</b>	<b>3 396</b>	<b>3 565</b>
<b>Service Related Benefits</b>										
<b>Total Service Related Benefits</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Salaries and Allowances</b>		<b>7 873</b>	<b>7 801</b>	<b>7 869</b>	<b>8 314</b>	<b>11 979</b>	<b>11 979</b>	<b>11 665</b>	<b>12 249</b>	<b>12 861</b>
<b>Social Contributions</b>										
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
<b>Total Social Contributions</b>		<b>531</b>	<b>523</b>	<b>501</b>	<b>423</b>	<b>543</b>	<b>543</b>	<b>698</b>	<b>733</b>	<b>770</b>
<b>Post-retirement Benefit</b>										
<b>Total Post-retirement Benefit</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub Total - Senior Managers of Municipality</b>	4	<b>8 404</b>	<b>8 324</b>	<b>8 370</b>	<b>8 737</b>	<b>12 522</b>	<b>12 522</b>	<b>12 363</b>	<b>12 982</b>	<b>13 631</b>
% increase	4		(1,0%)	0,6%	4,4%	43,3%	-	(1,3%)	5,0%	5,0%
<b>Other Municipal Staff</b>										
<b>Salaries and Allowances</b>										
Basic Salary		68 420	73 681	78 836	86 252	86 238	86 238	91 618	96 323	101 052
Bonuses		201	-	-	-	-	-	-	-	-
<b>Allowance</b>										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	615	593	612	1 586	1 643	1 643	2 001	2 100	2 204
Housing Benefits	3	3 728	3 957	4 230	4 851	4 776	4 776	4 822	5 062	4 742
Non-pensionable		-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	7 625	8 089	8 600	9 372	9 594	9 594	10 046	10 543	11 070
Voluntary Work		-	-	-	-	-	-	-	-	-
<b>Total Allowance</b>		<b>11 968</b>	<b>12 639</b>	<b>13 442</b>	<b>15 808</b>	<b>16 014</b>	<b>16 014</b>	<b>16 870</b>	<b>17 705</b>	<b>18 017</b>
<b>Service Related Benefits</b>										
Acting	3	-	-	-	-	-	-	-	-	-
Bonus	3	5 770	6 106	6 464	6 780	7 065	7 065	7 080	7 431	7 803
Danger Allowance	3	-	-	-	-	-	-	-	-	-
Entertainment	3	-	-	-	-	-	-	-	-	-
Fire Brigade		-	-	-	-	-	-	-	-	-
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	4 232	4 444	4 666
Scarcity	3	-	-	-	-	-	-	-	-	-
Standby Allowance	3	1 231	1 304	1 424	1 473	1 666	1 666	1 726	1 812	1 903
Tools Allowance	3	-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing	3	30	40	47	50	50	50	45	47	50
Leave gratuity		-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-
<b>Total Service Related Benefits</b>		<b>9 184</b>	<b>14 595</b>	<b>13 490</b>	<b>14 472</b>	<b>15 019</b>	<b>15 019</b>	<b>15 084</b>	<b>15 835</b>	<b>16 626</b>
<b>Total Salaries and Allowances</b>		<b>89 774</b>	<b>100 915</b>	<b>105 768</b>	<b>116 533</b>	<b>117 271</b>	<b>117 271</b>	<b>123 572</b>	<b>129 862</b>	<b>135 695</b>
<b>Social Contributions</b>										
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	8 978	9 414	9 885
Pension		10 733	11 755	12 491	13 854	13 699	13 699	14 721	15 451	16 223
Unemployment Insurance		533	559	577	639	644	644	639	671	704
<b>Total Social Contributions</b>		<b>16 655</b>	<b>18 487</b>	<b>20 110</b>	<b>22 756</b>	<b>22 806</b>	<b>22 806</b>	<b>24 383</b>	<b>25 582</b>	<b>26 861</b>
<b>Post-retirement Benefit</b>										
<b>Total Post-retirement Benefit</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub Total - Other Municipal Staff</b>	4	<b>106 429</b>	<b>119 402</b>	<b>125 878</b>	<b>139 288</b>	<b>140 078</b>	<b>140 078</b>	<b>147 955</b>	<b>155 445</b>	<b>162 557</b>
% increase	4		12,2%	5,4%	10,7%	0,6%	-	5,6%	5,1%	4,6%
<b>Total Parent Municipality</b>		<b>141 410</b>	<b>154 885</b>	<b>162 043</b>	<b>179 395</b>	<b>183 969</b>	<b>183 969</b>	<b>192 943</b>	<b>202 128</b>	<b>210 967</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>141 410</b>	<b>154 885</b>	<b>162 043</b>	<b>179 395</b>	<b>183 969</b>	<b>183 969</b>	<b>192 943</b>	<b>202 128</b>	<b>210 967</b>
% increase	4		9,5%	4,6%	10,7%	2,5%	-	4,9%	4,8%	4,4%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>114 833</b>	<b>127 726</b>	<b>134 248</b>	<b>148 025</b>	<b>152 599</b>	<b>152 599</b>	<b>160 319</b>	<b>168 426</b>	<b>176 187</b>

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

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

MONTHLY CASH FLOWS	Budget Year 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
<b>Cash Receipts By Source</b>													1		
Property rates	17 943	767	767	767	767	767	767	767	767	767	767	767	26 525	27 719	28 411
Service charges - electricity revenue	5 199	4 732	5 339	5 503	5 469	5 460	5 496	5 232	2 445	4 871	4 628	3 116	57 489	58 716	59 944
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	414	412	412	416	412	411	413	413	481	414	415	416	6 103	6 256	6 414
Rental of facilities and equipment	536	532	520	534	498	446	509	579	530	532	524	532	6 272	6 434	6 728
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	230	236	249	256	268	241	252	211	180	194	184	170	2 669	2 757	2 845
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	29	33	33	37	28	29	28	30	29	30	39	39	375	578	596
Licences and permits	240	216	247	245	2	240	371	184	5	1	731	4	2 486	2 568	2 651
Agency services	130	130	130	130	130	130	130	130	130	130	130	130	1 554	2 000	2 064
Transfers and Subsidies - Operational	148 233	1 210	1 243	1 105	415	116 467	539	404	87 917	467	1 053	722	359 774	353 496	379 203
Other revenue	801	1 245	589	965	588	1 041	815	664	443	438	438	1 337	9 364	14 385	15 025
<b>Cash Receipts by Source</b>	<b>176 858</b>	<b>13 122</b>	<b>13 146</b>	<b>13 151</b>	<b>11 833</b>	<b>128 840</b>	<b>12 885</b>	<b>11 869</b>	<b>96 311</b>	<b>11 579</b>	<b>12 308</b>	<b>10 470</b>	<b>513 589</b>	<b>517 237</b>	<b>547 565</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	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	65 927
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deparim Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, 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)	4 060	5 405	4 266	6 376	5 282	6 472	6 007	5 233	5 127	4 380	4 326	8 265	57 684	48 320	47 529
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	50	-	-	123	-	-	-	-	27	-	200	206	213
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>183 701</b>	<b>23 346</b>	<b>20 406</b>	<b>26 598</b>	<b>21 124</b>	<b>142 879</b>	<b>24 619</b>	<b>21 683</b>	<b>105 447</b>	<b>18 822</b>	<b>19 524</b>	<b>27 324</b>	<b>629 174</b>	<b>629 698</b>	<b>661 233</b>
<b>Cash Payments by Type</b>															
Employee related costs	13 504	13 506	13 504	13 508	13 505	13 509	13 507	13 506	13 505	13 504	13 504	13 510	162 073	170 267	178 115
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	100	103	107
Bulk purchases - Electricity	5 286	5 286	5 286	5 286	5 286	5 286	5 286	5 286	7 746	7 746	7 746	7 746	73 272	79 029	82 294
Acquisition inventory - water and other inventory	516	516	1 548	1 032	1 032	516	516	1 032	516	516	516	2 065	10 323	10 003	10 323
Contracted services	10 314	15 341	11 074	18 792	16 346	18 269	17 621	14 990	13 375	10 341	10 281	24 719	181 463	138 428	119 432
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	10 033	9 317	9 300	9 507	9 287	9 465	9 487	9 317	9 287	9 585	9 228	9 651	113 464	112 610	112 631
<b>Cash Payments by Type</b>	<b>42 373</b>	<b>46 685</b>	<b>43 431</b>	<b>50 844</b>	<b>48 176</b>	<b>49 764</b>	<b>49 136</b>	<b>46 851</b>	<b>47 148</b>	<b>44 411</b>	<b>43 994</b>	<b>60 508</b>	<b>573 320</b>	<b>544 142</b>	<b>537 681</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	7 901	13 424	11 138	17 245	14 777	17 607	17 422	13 281	13 291	7 669	9 236	21 313	164 305	134 910	141 547
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>50 274</b>	<b>60 109</b>	<b>54 569</b>	<b>68 089</b>	<b>62 953</b>	<b>67 371</b>	<b>66 558</b>	<b>60 132</b>	<b>60 439</b>	<b>52 080</b>	<b>53 230</b>	<b>81 822</b>	<b>737 625</b>	<b>679 052</b>	<b>679 228</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>133 427</b>	<b>(36 763)</b>	<b>(34 163)</b>	<b>(41 490)</b>	<b>(41 829)</b>	<b>75 508</b>	<b>(41 939)</b>	<b>(38 449)</b>	<b>45 008</b>	<b>(33 258)</b>	<b>(33 705)</b>	<b>(54 498)</b>	<b>(108 451)</b>	<b>(49 354)</b>	<b>(17 994)</b>
Cash/cash equivalents at the month/year begin:	463 247	596 674	559 911	525 748	484 258	442 428	517 936	475 997	437 549	482 556	449 298	415 593	463 247	354 796	305 443
Cash/cash equivalents at the month/year end:	596 674	559 911	525 748	484 258	442 428	517 936	475 997	437 549	482 556	449 298	415 593	361 095	354 796	305 443	287 449

**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	
<b>R thousand</b>																	
<b>Revenue</b>																	
<b>Exchange Revenue</b>																	
Service charges - Electricity		5 397	6 436	7 248	6 559	6 426	6 412	8 067	6 139	3 210	6 235	6 333	4 012	72 474	74 182	75 892	
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	
<b>Non-Exchange Revenue</b>																	
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		148 233	1 210	1 243	1 105	415	1 164	539	404	87 917	467	1 053	722	359 774	353 496	379 203	
Interest		401	468	462	372	311	311	281	293	293	281	275	273	4 023	4 156	4 289	
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and cont</b>		<b>186 805</b>	<b>15 056</b>	<b>15 729</b>	<b>14 971</b>	<b>13 442</b>	<b>130 595</b>	<b>16 088</b>	<b>13 389</b>	<b>97 637</b>	<b>13 508</b>	<b>14 588</b>	<b>12 066</b>	<b>543 873</b>	<b>548 633</b>	<b>579 878</b>	
<b>Expenditure</b>																	
Employee related costs		13 358	13 360	13 358	13 362	13 359	13 363	13 361	13 360	13 359	13 358	13 358	13 364	160 319	168 426	176 187	
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		4 597	4 597	4 597	4 597	4 597	4 597	4 597	4 597	6 735	6 735	6 735	6 735	63 715	68 721	71 560	
Inventory consumed		767	837	767	767	877	767	767	767	767	767	767	767	9 408	9 818	10 133	
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		9 079	13 450	9 740	16 409	14 218	15 890	15 326	13 039	11 634	8 996	8 944	21 498	158 224	120 419	103 903	
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		8 765	8 113	8 127	8 240	8 097	8 194	8 242	8 113	8 097	8 375	8 065	8 337	98 763	97 715	98 258	
Disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>		<b>45 375</b>	<b>49 428</b>	<b>45 398</b>	<b>52 795</b>	<b>50 131</b>	<b>52 090</b>	<b>51 765</b>	<b>48 947</b>	<b>49 576</b>	<b>47 061</b>	<b>46 678</b>	<b>60 482</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>	
<b>Surplus/(Deficit)</b>		<b>141 430</b>	<b>(34 372)</b>	<b>(29 669)</b>	<b>(37 824)</b>	<b>(36 690)</b>	<b>78 505</b>	<b>(35 677)</b>	<b>(35 558)</b>	<b>48 060</b>	<b>(33 553)</b>	<b>(32 090)</b>	<b>(48 417)</b>	<b>(55 854)</b>	<b>(29 373)</b>	<b>5 204</b>	
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	65 927	
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>144 213</b>	<b>(29 554)</b>	<b>(26 726)</b>	<b>(30 752)</b>	<b>(32 681)</b>	<b>85 949</b>	<b>(29 950)</b>	<b>(30 976)</b>	<b>52 069</b>	<b>(30 690)</b>	<b>(29 227)</b>	<b>(39 827)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>	
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after income tax</b>		<b>144 213</b>	<b>(29 554)</b>	<b>(26 726)</b>	<b>(30 752)</b>	<b>(32 681)</b>	<b>85 949</b>	<b>(29 950)</b>	<b>(30 976)</b>	<b>52 069</b>	<b>(30 690)</b>	<b>(29 227)</b>	<b>(39 827)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>	
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>144 213</b>	<b>(29 554)</b>	<b>(26 726)</b>	<b>(30 752)</b>	<b>(32 681)</b>	<b>85 949</b>	<b>(29 950)</b>	<b>(30 976)</b>	<b>52 069</b>	<b>(30 690)</b>	<b>(29 227)</b>	<b>(39 827)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>	
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>144 213</b>	<b>(29 554)</b>	<b>(26 726)</b>	<b>(30 752)</b>	<b>(32 681)</b>	<b>85 949</b>	<b>(29 950)</b>	<b>(30 976)</b>	<b>52 069</b>	<b>(30 690)</b>	<b>(29 227)</b>	<b>(39 827)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>	

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

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

Description	Ref	Budget Year 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
<b>Revenue by Vote</b>																
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		1 996	2 332	2 143	2 075	1 016	1 225	1 400	1 247	1 016	940	1 640	1 129	18 160	23 657	23 960
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		9 377	12 537	11 049	14 640	11 348	15 126	14 955	11 645	7 916	9 888	9 924	14 045	142 450	128 895	146 765
<b>Total Revenue by Vote</b>		<b>189 897</b>	<b>20 368</b>	<b>18 769</b>	<b>21 911</b>	<b>17 374</b>	<b>137 897</b>	<b>21 705</b>	<b>17 883</b>	<b>101 596</b>	<b>16 316</b>	<b>17 397</b>	<b>20 463</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
Vote 1 - Executive and Council		8 565	8 193	7 865	8 770	8 064	8 840	8 512	8 253	8 064	8 105	7 865	9 099	100 193	103 875	106 868
Vote 2 - Corporate Services		5 206	5 304	5 202	5 439	5 487	5 497	5 372	5 304	5 270	5 202	5 202	5 980	64 466	66 997	69 591
Vote 3 - Budget and Treasury Office		3 146	3 254	3 283	3 484	3 212	3 604	3 416	3 693	3 775	3 328	3 216	4 898	42 311	43 931	44 546
Vote 4 - Community Services		11 266	11 183	11 023	12 161	11 331	11 507	11 573	10 854	10 630	10 444	10 434	11 932	134 338	125 276	121 161
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		14 160	18 121	14 993	19 111	18 392	18 748	19 243	17 470	18 495	16 950	16 930	24 404	217 016	197 282	190 921
<b>Total Expenditure by Vote</b>		<b>45 375</b>	<b>49 428</b>	<b>45 398</b>	<b>52 795</b>	<b>50 131</b>	<b>52 090</b>	<b>51 765</b>	<b>48 947</b>	<b>49 576</b>	<b>47 061</b>	<b>46 678</b>	<b>60 482</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>144 522</b>	<b>(29 060)</b>	<b>(26 629)</b>	<b>(30 884)</b>	<b>(32 758)</b>	<b>85 807</b>	<b>(30 060)</b>	<b>(31 064)</b>	<b>52 019</b>	<b>(30 745)</b>	<b>(29 282)</b>	<b>(40 019)</b>	<b>1 847</b>	<b>34 561</b>	<b>71 130</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>144 522</b>	<b>(29 060)</b>	<b>(26 629)</b>	<b>(30 884)</b>	<b>(32 758)</b>	<b>85 807</b>	<b>(30 060)</b>	<b>(31 064)</b>	<b>52 019</b>	<b>(30 745)</b>	<b>(29 282)</b>	<b>(40 019)</b>	<b>1 847</b>	<b>34 561</b>	<b>71 130</b>

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

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

Description	Ref	Budget Year 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
<b>Revenue - Functional</b>																
<b>Governance and administration</b>		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																
<b>Community and public safety</b>		463	800	609	855	296	580	723	577	300	269	991	427	6 888	4 897	5 053
Community and social services		195	556	338	584	267	312	326	364	272	241	232	399	4 085	1 811	1 869
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																
<b>Economic and environmental services</b>		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	55 162
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	45 876
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		7 755	9 245	9 416	8 797	7 801	8 175	9 632	7 502	4 376	7 352	7 430	6 014	93 496	112 084	116 351
Energy sources		6 351	7 842	8 011	7 707	7 210	7 660	9 085	6 961	3 789	6 811	6 910	5 442	83 778	95 324	99 508
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
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		<b>189 897</b>	<b>20 368</b>	<b>18 769</b>	<b>21 911</b>	<b>17 374</b>	<b>137 897</b>	<b>21 705</b>	<b>17 883</b>	<b>101 596</b>	<b>16 316</b>	<b>17 397</b>	<b>20 463</b>	<b>601 574</b>	<b>612 568</b>	<b>645 805</b>
<b>Expenditure - Functional</b>																
<b>Governance and administration</b>		19 167	19 043	18 601	20 041	19 040	20 253	19 667	19 542	19 387	18 886	18 533	22 365	234 524	239 852	245 043
Executive and council		6 560	5 987	5 860	6 156	5 945	6 199	6 072	5 987	5 945	6 160	5 860	6 283	73 014	75 639	77 800
Finance and administration		12 017	12 523	12 150	13 288	12 564	13 518	13 001	12 962	12 910	12 195	12 083	15 543	154 754	157 234	159 975
Internal audit		590	533	590	596	532	537	594	593	532	530	590	539	6 756	6 980	7 268
<b>Community and public safety</b>		4 963	4 762	4 696	5 053	4 951	4 950	4 925	4 427	4 229	4 155	4 145	5 175	56 432	53 962	54 778
Community and social services		2 638	2 581	2 561	2 407	2 790	2 669	2 556	2 246	2 067	2 034	2 024	2 691	29 263	26 405	26 806
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																
<b>Economic and environmental services</b>		9 621	12 491	10 473	14 203	13 532	13 966	13 743	12 421	11 555	10 422	10 402	16 530	149 359	130 135	120 444
Planning and development		3 302	3 568	3 302	3 923	3 865	4 012	3 746	3 568	3 479	3 302	3 302	4 190	43 559	43 988	44 770
Road transport		6 047	8 666	6 900	10 014	9 412	9 686	9 706	8 596	7 800	6 870	6 850	12 068	102 614	82 819	72 198
Environmental protection		272	257	272	266	255	268	291	257	276	250	250	272	3 185	3 328	3 476
<b>Trading services</b>		11 252	12 756	11 256	13 116	12 233	12 537	13 051	12 181	13 949	13 226	13 226	16 026	154 808	149 259	149 411
Energy sources		7 526	8 868	7 506	8 510	8 393	8 474	8 950	8 287	10 108	9 493	9 493	11 749	107 357	106 883	110 822
Water management																
Waste water management																
Waste management		3 727	3 888	3 750	4 605	3 840	4 063	4 101	3 894	3 840	3 733	3 733	4 278	47 451	42 376	38 588
<b>Other</b>		372	376	372	382	375	384	379	376	457	372	372	387	4 604	4 798	4 999
<b>Total Expenditure - Functional</b>		<b>45 375</b>	<b>49 428</b>	<b>45 398</b>	<b>52 795</b>	<b>50 131</b>	<b>52 090</b>	<b>51 765</b>	<b>48 947</b>	<b>49 576</b>	<b>47 061</b>	<b>46 678</b>	<b>60 482</b>	<b>599 727</b>	<b>578 006</b>	<b>574 674</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>144 522</b>	<b>(29 060)</b>	<b>(26 629)</b>	<b>(30 884)</b>	<b>(32 758)</b>	<b>85 807</b>	<b>(30 060)</b>	<b>(31 064)</b>	<b>52 019</b>	<b>(30 745)</b>	<b>(29 282)</b>	<b>(40 019)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>
Intercompany/Parent subsidiary transactions																
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>144 522</b>	<b>(29 060)</b>	<b>(26 629)</b>	<b>(30 884)</b>	<b>(32 758)</b>	<b>85 807</b>	<b>(30 060)</b>	<b>(31 064)</b>	<b>52 019</b>	<b>(30 745)</b>	<b>(29 282)</b>	<b>(40 019)</b>	<b>1 847</b>	<b>34 562</b>	<b>71 130</b>

**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	
<b>R thousand</b>																	
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]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		-	-	783	-	-	261	-	-	-	-	-	-	1 043	-	-	-
Vote 2 - Corporate Services		-	-	287	287	900	-	2 383	750	3 000	-	1 478	-	9 085	5 327	4 390	-
Vote 3 - Budget and Treasury Office		-	-	-	-	261	-	-	-	-	-	-	-	261	-	-	-
Vote 4 - Community Services		816	1 869	1 678	945	2 551	790	616	1 496	616	732	616	616	13 341	19 679	18 283	-
Vote 5 - Development Planning		2 174	3 478	2 174	5 217	3 043	5 652	4 348	3 478	3 043	2 174	2 174	6 522	43 478	34 505	27 810	-
Vote 6 - Engineering Services		4 544	7 451	5 912	9 937	7 426	10 072	9 037	7 033	6 154	4 396	4 396	13 187	89 543	73 930	94 095	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	<b>7 534</b>	<b>12 798</b>	<b>10 833</b>	<b>16 386</b>	<b>14 181</b>	<b>16 775</b>	<b>16 383</b>	<b>12 758</b>	<b>12 813</b>	<b>7 302</b>	<b>8 664</b>	<b>20 325</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>	-
<b>Total Capital Expenditure</b>	2	<b>7 534</b>	<b>12 798</b>	<b>10 833</b>	<b>16 386</b>	<b>14 181</b>	<b>16 775</b>	<b>16 383</b>	<b>12 758</b>	<b>12 813</b>	<b>7 302</b>	<b>8 664</b>	<b>20 325</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>	-

**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	
<b>Capital Expenditure - Functional</b>	1																
<i>Governance and administration</i>		-	-	1 070	287	1 161	261	2 383	750	3 000	-	1 478	-	10 389	5 327	4 390	
Executive and council		-	-	783	-	-	261	-	-	-	-	-	-	1 043	-	-	
Finance and administration		-	-	287	287	1 161	-	2 383	750	3 000	-	1 478	-	9 346	5 327	4 390	
Internal audit																	
<i>Community and public safety</i>		1 556	3 501	1 555	1 633	3 519	971	2 379	1 693	1 444	1 259	1 208	2 391	23 107	14 581	13 258	
Community and social services		940	2 823	809	1 017	2 903	355	1 763	947	828	643	592	1 775	15 393	7 470	7 709	
Sport and recreation		-	62	130	-	-	-	-	130	-	-	-	-	323	412	425	
Public safety		616	616	616	616	616	616	616	616	616	616	616	616	7 391	6 699	5 123	
Housing																	
Health																	
<i>Economic and environmental services</i>		5 622	8 727	6 142	13 611	7 833	14 616	10 909	8 995	7 870	5 622	5 622	16 865	112 433	88 563	100 458	
Planning and development		2 345	3 752	2 345	5 629	3 283	6 098	4 690	3 752	3 283	2 345	2 345	7 036	46 905	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	61 105	
Environmental protection									-								
<i>Trading services</i>		356	570	2 067	855	1 668	926	713	1 320	499	421	356	1 069	10 821	24 971	26 472	
Energy sources		356	570	1 186	855	1 299	926	713	570	499	356	356	1 069	8 756	13 351	14 716	
Water management																	
Waste water management																	
Waste management		-	-	880	-	370	-	-	750	-	65	-	-	2 065	11 620	11 756	
<i>Other</i>																	
<b>Total Capital Expenditure - Functional</b>	2	<b>7 534</b>	<b>12 798</b>	<b>10 833</b>	<b>16 386</b>	<b>14 181</b>	<b>16 775</b>	<b>16 383</b>	<b>12 758</b>	<b>12 813</b>	<b>7 302</b>	<b>8 664</b>	<b>20 325</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>	
<b>Funded by:</b>																	
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	56 922	
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)																	
<b>Transfers recognised - capital</b>		<b>2 490</b>	<b>3 716</b>	<b>3 010</b>	<b>6 249</b>	<b>3 448</b>	<b>6 647</b>	<b>4 645</b>	<b>3 984</b>	<b>3 486</b>	<b>2 541</b>	<b>2 490</b>	<b>7 469</b>	<b>50 175</b>	<b>55 596</b>	<b>57 327</b>	
<b>Borrowing</b>																	
<b>Internally generated funds</b>		<b>5 044</b>	<b>9 082</b>	<b>7 823</b>	<b>10 137</b>	<b>10 733</b>	<b>10 128</b>	<b>11 738</b>	<b>8 774</b>	<b>9 328</b>	<b>4 761</b>	<b>6 174</b>	<b>12 855</b>	<b>106 576</b>	<b>77 846</b>	<b>87 250</b>	
<b>Total Capital Funding</b>		<b>7 534</b>	<b>12 798</b>	<b>10 833</b>	<b>16 386</b>	<b>14 181</b>	<b>16 775</b>	<b>16 383</b>	<b>12 758</b>	<b>12 813</b>	<b>7 302</b>	<b>8 664</b>	<b>20 325</b>	<b>156 751</b>	<b>133 442</b>	<b>144 577</b>	

**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
<b>Cash Receipts By Source</b>																
Property rates	17 943	767	767	767	767	767	767	767	767	767	767	767	767	26 525	27 719	28 411
Service charges - electricity revenue	5 199	4 732	5 339	5 503	5 469	5 460	5 496	5 232	2 445	4 871	4 628	3 116	57 489	58 716	59 944	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	414	412	412	416	412	411	413	413	481	414	415	416	6 103	6 256	6 414	
Rental of facilities and equipment	536	532	520	534	498	446	509	579	530	532	524	532	6 272	6 434	6 728	
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	230	236	249	256	268	241	252	211	180	194	184	170	2 669	2 757	2 845	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	29	33	33	37	28	29	28	30	29	30	30	39	375	578	596	
Licences and permits	240	216	247	245	2	240	371	184	5	1	731	4	2 486	2 568	2 651	
Agency services	130	130	130	130	130	130	130	130	130	130	130	130	1 554	2 000	2 064	
Transfers and Subsidies - Operational	148 233	1 210	1 243	1 105	415	116 467	539	404	87 917	467	1 053	722	359 774	353 496	379 203	
Other revenue	801	1 245	589	965	588	1 041	815	664	443	438	438	1 337	9 364	14 385	15 025	
<b>Cash Receipts by Source</b>	<b>176 858</b>	<b>13 122</b>	<b>13 146</b>	<b>13 151</b>	<b>11 833</b>	<b>128 840</b>	<b>12 885</b>	<b>11 869</b>	<b>96 311</b>	<b>11 579</b>	<b>12 308</b>	<b>10 470</b>	<b>513 589</b>	<b>517 237</b>	<b>547 565</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	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	65 927	
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)	4 060	5 405	4 266	6 376	5 282	6 472	6 007	5 233	5 127	4 380	4 326	8 265	57 684	48 320	47 529	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital	-	-	50	-	-	-	123	-	-	-	27	-	200	206	213	
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>183 701</b>	<b>23 346</b>	<b>20 406</b>	<b>26 598</b>	<b>21 124</b>	<b>142 879</b>	<b>24 619</b>	<b>21 683</b>	<b>105 447</b>	<b>18 822</b>	<b>19 524</b>	<b>27 324</b>	<b>629 174</b>	<b>629 698</b>	<b>661 233</b>	
<b>Cash Payments by Type</b>																
Employee related costs	13 504	13 506	13 504	13 508	13 505	13 509	13 507	13 506	13 505	13 504	13 504	13 510	162 073	170 267	178 115	
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	5 286	5 286	5 286	5 286	5 286	5 286	5 286	5 286	7 746	7 746	7 746	7 746	73 272	79 029	82 294	
Acquisition inventory - water and other inventory	516	516	1 548	1 032	1 032	516	516	1 032	516	516	516	2 065	10 323	10 003	10 323	
Contracted services	10 314	15 341	11 074	18 792	16 346	18 269	17 621	14 990	13 375	10 341	10 281	24 719	181 463	138 428	119 432	
Transfers and subsidies - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	10 033	9 317	9 300	9 507	9 287	9 465	9 487	9 317	9 287	9 585	9 228	9 651	113 464	112 610	112 631	
<b>Cash Payments by Type</b>	<b>42 373</b>	<b>46 685</b>	<b>43 431</b>	<b>50 844</b>	<b>48 176</b>	<b>49 764</b>	<b>49 136</b>	<b>46 851</b>	<b>47 148</b>	<b>44 411</b>	<b>43 994</b>	<b>60 508</b>	<b>573 320</b>	<b>544 142</b>	<b>537 681</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	7 901	13 424	11 138	17 245	14 777	17 607	17 422	13 281	13 291	7 669	9 236	21 313	164 305	134 910	141 547	
Retention (Capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Other Cash Flows/Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Cash Payments by Type</b>	<b>50 274</b>	<b>60 109</b>	<b>54 569</b>	<b>68 089</b>	<b>62 953</b>	<b>67 371</b>	<b>66 558</b>	<b>60 132</b>	<b>60 439</b>	<b>52 080</b>	<b>53 230</b>	<b>81 822</b>	<b>737 625</b>	<b>679 052</b>	<b>679 228</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>133 427</b>	<b>(36 763)</b>	<b>(34 163)</b>	<b>(41 490)</b>	<b>(41 829)</b>	<b>75 508</b>	<b>(41 939)</b>	<b>(38 449)</b>	<b>45 008</b>	<b>(33 258)</b>	<b>(33 705)</b>	<b>(54 498)</b>	<b>(108 451)</b>	<b>(49 354)</b>	<b>(17 994)</b>	
Cash/cash equivalents at the month/year begin:	463 247	596 674	559 911	525 748	484 258	442 428	517 936	475 997	437 549	482 556	449 298	415 593	463 247	354 796	305 443	
Cash/cash equivalents at the month/year end:	596 674	559 911	525 748	484 258	442 428	517 936	475 997	437 549	482 556	449 298	415 593	361 095	354 796	305 443	287 449	

## 2.7 Contracts having future budgetary implications

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

Vote Description	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
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Executive and Council		1 043	-	-	-	-	-	-
Vote 2 - Corporate Services		9 085	5 327	4 390	-	-	-	-
Vote 3 - Budget and Treasury Office		261	-	-	-	-	-	-
Vote 4 - Community Services		13 341	19 679	18 283	-	-	-	-
Vote 5 - Development Planning		43 478	34 505	27 810	-	-	-	-
Vote 6 - Engineering Services		89 543	73 930	94 095	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>156 751</b>	<b>133 442</b>	<b>144 577</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Executive and Council		100 193	103 875	106 868	-	-	-	-
Vote 2 - Corporate Services		64 466	66 997	69 591	-	-	-	-
Vote 3 - Budget and Treasury Office		42 311	43 931	44 546	-	-	-	-
Vote 4 - Community Services		134 338	125 276	121 161	-	-	-	-
Vote 5 - Development Planning		41 404	40 645	41 587	-	-	-	-
Vote 6 - Engineering Services		217 016	197 282	190 921	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		<b>599 727</b>	<b>578 006</b>	<b>574 674</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Exchange Revenue		-	-	-	-	-	-	-
Service charges - Electricity		72 474	74 182	75 892	-	-	-	-
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		470	485	501	-	-	-	-
Rental from Fixed Assets		6 272	6 434	6 728	-	-	-	-
<b>Total future revenue</b>		<b>86 673</b>	<b>89 151</b>	<b>91 387</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>669 805</b>	<b>622 298</b>	<b>627 865</b>	-	-	-	-

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



## 2.9 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
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>37 047</b>	<b>45 000</b>	<b>58 105</b>	<b>57 006</b>	<b>63 852</b>	<b>63 852</b>	<b>19 726</b>	<b>14 654</b>	<b>20 004</b>
Roads Infrastructure		35 196	41 868	50 184	55 702	63 507	63 507	16 948	7 042	10 506
<i>Roads</i>		35 196	32 093	34 398	36 155	41 483	41 483	8 687	1 217	4 944
<i>Road Structures</i>		-	9 036	15 786	19 547	22 024	22 024	8 261	5 390	5 562
<i>Road Furniture</i>		-	739	-	-	-	-	-	435	-
Electrical Infrastructure		820	-	5 325	-	-	-	2 778	7 612	9 499
<i>HV Transmission Conductors</i>				492						
<i>MV Networks</i>				4 832						
<i>LV Networks</i>		820						2 778	7 612	9 499
Solid Waste Infrastructure		1 032	3 132	2 596	1 304	345	345	-	-	-
<i>Landfill Sites</i>		1 032	3 132	2 596	1 304	345	345	-	-	-
<b>Community Assets</b>		<b>5 009</b>	<b>2 357</b>	<b>12 884</b>	<b>21 663</b>	<b>18 259</b>	<b>18 259</b>	<b>16 763</b>	<b>13 657</b>	<b>14 094</b>
Community Facilities		4 632	2 227	11 845	4 601	4 123	4 123	4 870	7 071	7 297
<i>Halls</i>		693		7 933	2 427	1 949	1 949	1 391	-	-
<i>Centres</i>		-	-	-	-	-	-	-	-	-
<i>Crèches</i>		1 890	1 642					-	3 478	3 590
<i>Markets</i>		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	11 893	6 586	6 796
<i>Indoor Facilities</i>		-	-	374	16 888	13 962	13 962	11 832	6 522	6 730
<i>Outdoor Facilities</i>		377	130	665	174	174	174	62	64	66
<b>Heritage assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1 304</b>	<b>1 004</b>	<b>1 004</b>	<b>1 043</b>	<b>-</b>	<b>-</b>
Works of Art					1 304	1 004	1 004	1 043	-	-
<b>Other assets</b>		<b>997</b>	<b>-</b>	<b>89 529</b>	<b>24 568</b>	<b>24 568</b>	<b>24 568</b>	<b>40 000</b>	<b>30 912</b>	<b>24 102</b>
Operational Buildings		997	-	89 529	24 568	24 568	24 568	40 000	30 912	24 102
<i>Municipal Offices</i>		-	-	89 273	1 739	1 739	1 739	-	-	-
<i>Manufacturing Plant</i>		997		257	22 829	22 829	22 829	40 000	30 912	24 102
<b>Intangible Assets</b>		<b>600</b>	<b>-</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Licences and Rights		600	-	237	-	-	-	-	-	-
<i>Computer Software and Applications</i>		600		237						
<b>Computer Equipment</b>		<b>1 920</b>	<b>2 008</b>	<b>2 975</b>	<b>1 826</b>	<b>1 363</b>	<b>1 363</b>	<b>3 913</b>	<b>1 658</b>	<b>1 664</b>
Computer Equipment		1 920	2 008	2 975	1 826	1 363	1 363	3 913	1 658	1 664
<b>Furniture and Office Equipment</b>		<b>1 201</b>	<b>674</b>	<b>3 822</b>	<b>2 865</b>	<b>2 216</b>	<b>2 216</b>	<b>2 652</b>	<b>2 737</b>	<b>2 947</b>
Furniture and Office Equipment		1 201	674	3 822	2 865	2 216	2 216	2 652	2 737	2 947
<b>Machinery and Equipment</b>		<b>168</b>	<b>215</b>	<b>3 646</b>	<b>639</b>	<b>587</b>	<b>587</b>	<b>3 790</b>	<b>5 840</b>	<b>9 806</b>
Machinery and Equipment		168	215	3 646	639	587	587	3 790	5 840	9 806
<b>Transport Assets</b>		<b>4 457</b>	<b>5 298</b>	<b>1 797</b>	<b>6 739</b>	<b>7 619</b>	<b>7 619</b>	<b>7 030</b>	<b>13 820</b>	<b>12 125</b>
Transport Assets		4 457	5 298	1 797	6 739	7 619	7 619	7 030	13 820	12 125
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>51 400</b>	<b>55 552</b>	<b>172 995</b>	<b>116 611</b>	<b>119 468</b>	<b>119 468</b>	<b>94 918</b>	<b>83 278</b>	<b>84 743</b>

**Table 32 MBRR SA34b – Capital Expenditure on Renewal of Existing Assets by asset class****EC443 Winnie Madikizela Mandela - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		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	–
<i>Roads</i>		58 374	19 940	18 789	4 603	8 778	8 778	12 316	–	–
Electrical Infrastructure		–	3 029	–	–	–	–	–	–	–
<i>MV Networks</i>		–	3 029	–	–	–	–	–	–	–
<b>Community Assets</b>		2 374	–	–	–	–	–	–	–	–
Community Facilities		2 374	–	–	–	–	–	–	–	–
<i>Taxi Ranks/Bus Terminals</i>		2 374	–	–	–	–	–	–	–	–
<b>Other assets</b>		1 243	(32)	–	3 339	3 339	3 339	10 818	11 789	13 077
Operational Buildings		1 243	(32)	–	3 339	3 339	3 339	10 818	11 789	13 077
<i>Municipal Offices</i>		1 243	(32)	–	3 339	3 339	3 339	10 818	11 789	13 077
<i>Pay/Enquiry Points</i>		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of e</b>	1	<b>61 992</b>	<b>22 938</b>	<b>18 789</b>	<b>7 943</b>	<b>12 117</b>	<b>12 117</b>	<b>50 529</b>	<b>36 858</b>	<b>13 077</b>
<b>Renewal of Existing Assets as % of total capex</b>		46,0%	18,9%	17,4%	4,8%	6,7%	6,7%	32,2%	27,6%	9,0%
<b>Renewal of Existing Assets as % of deprecn"</b>		149,4%	49,9%	35,8%	16,5%	19,9%	19,9%	79,7%	56,3%	19,4%

The above table shows that the municipality's anticipated total capital budget is R179 million 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 58.4 million Incl. VAT
○ Construction of Manufacturing hub Ward 16	R 43 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 1.6 million
○ 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 bakkies	R 1.8 million
● Renewal: Roads Infrastructure	R 39.4 million Incl. VAT
○ Rehabilitation of Monti to Ntsimbini AR	R 7.9 million
○ Construction 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
<b>R thousand</b>	<b>1</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>1 966</b>	<b>12 177</b>	<b>26 008</b>	<b>42 118</b>	<b>56 827</b>	<b>56 827</b>	<b>61 555</b>	<b>38 915</b>	<b>26 303</b>
Roads Infrastructure		1 404	10 197	20 119	34 604	48 101	48 101	53 100	32 223	20 525
<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	51 566	30 638	18 889
<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
<i>Storm water Conveyance</i>		-	-	-	-	-	-	-	-	-
<i>Attenuation</i>		-	-	-	-	-	-	-	-	-
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
<b>Community Assets</b>		<b>668</b>	<b>908</b>	<b>671</b>	<b>2 831</b>	<b>2 842</b>	<b>2 842</b>	<b>3 900</b>	<b>1 235</b>	<b>1 274</b>
Community Facilities		668	908	671	2 831	2 842	2 842	3 900	1 235	1 274
<i>Halls</i>		426	563	328	2 100	2 100	2 100	2 918	536	553
<i>Libraries</i>		155	199	298	350	350	350	620	326	336
<i>Cemeteries/Crematoria</i>		87	145		200	300	300	200	207	213
<i>Police</i>										
<i>Parks</i>				45	181	92	92	161	167	172
<b>Other assets</b>		<b>3 391</b>	<b>783</b>	<b>781</b>	<b>3 432</b>	<b>3 162</b>	<b>3 162</b>	<b>1 569</b>	<b>1 621</b>	<b>1 673</b>
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
<b>Intangible Assets</b>		<b>-</b>	<b>-</b>	<b>38</b>	<b>209</b>	<b>209</b>	<b>209</b>	<b>210</b>	<b>217</b>	<b>224</b>
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	38	209	209	209	210	217	224
<i>Computer Software and Applications</i>				38	209	209	209	210	217	224
<b>Computer Equipment</b>		<b>23</b>	<b>21</b>	<b>95</b>	<b>106</b>	<b>(0)</b>	<b>(0)</b>	<b>74</b>	<b>77</b>	<b>79</b>
Computer Equipment		23	21	95	106	(0)	(0)	74	77	79
<b>Furniture and Office Equipment</b>		<b>69</b>	<b>167</b>	<b>60</b>	<b>264</b>	<b>429</b>	<b>429</b>	<b>400</b>	<b>413</b>	<b>427</b>
Furniture and Office Equipment		69	167	60	264	429	429	400	413	427
<b>Machinery and Equipment</b>		<b>-</b>	<b>982</b>	<b>-</b>	<b>872</b>	<b>1 143</b>	<b>1 143</b>	<b>1 700</b>	<b>907</b>	<b>936</b>
Machinery and Equipment			982		872	1 143	1 143	1 700	907	936
<b>Transport Assets</b>		<b>5 170</b>	<b>6 329</b>	<b>5 627</b>	<b>5 364</b>	<b>9 224</b>	<b>9 224</b>	<b>6 302</b>	<b>5 924</b>	<b>5 533</b>
Transport Assets		5 170	6 329	5 627	5 364	9 224	9 224	6 302	5 924	5 533
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>11 287</b>	<b>21 366</b>	<b>33 280</b>	<b>55 196</b>	<b>73 836</b>	<b>73 836</b>	<b>75 710</b>	<b>49 308</b>	<b>36 449</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		<b>1,6%</b>	<b>2,7%</b>	<b>3,7%</b>	<b>6,1%</b>	<b>8,1%</b>	<b>8,1%</b>	<b>8,2%</b>	<b>5,5%</b>	<b>4,2%</b>
<b>R&amp;M as % Operating Expenditure</b>		<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>0,0%</b>

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
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>30 903</b>	<b>35 434</b>	<b>38 068</b>	<b>31 391</b>	<b>40 896</b>	<b>40 896</b>	<b>42 532</b>	<b>43 936</b>	<b>45 342</b>
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
<b>Community Assets</b>		<b>4 683</b>	<b>5 675</b>	<b>5 921</b>	<b>7 373</b>	<b>8 997</b>	<b>8 997</b>	<b>9 357</b>	<b>9 666</b>	<b>9 975</b>
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
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
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 Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		27	27	27	118	118	118	123	127	131
Markets		-	-	-	-	-	-	-	-	-
Stalls		58	58	58	67	67	67	70	72	74
Capital Spares		-	-	-	-	-	-	-	-	-
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
<b>Other assets</b>		<b>645</b>	<b>674</b>	<b>3 168</b>	<b>759</b>	<b>3 715</b>	<b>3 715</b>	<b>3 864</b>	<b>3 991</b>	<b>4 119</b>
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
<b>Intangible Assets</b>		<b>11</b>	<b>129</b>	<b>161</b>	<b>170</b>	<b>170</b>	<b>170</b>	<b>177</b>	<b>183</b>	<b>188</b>
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
<b>Computer Equipment</b>		<b>2 380</b>	<b>1 780</b>	<b>1 599</b>	<b>1 361</b>	<b>1 374</b>	<b>1 374</b>	<b>1 429</b>	<b>1 477</b>	<b>1 524</b>
Computer Equipment		2 380	1 780	1 599	1 361	1 374	1 374	1 429	1 477	1 524
<b>Furniture and Office Equipment</b>		<b>143</b>	<b>331</b>	<b>1 321</b>	<b>1 395</b>	<b>2 222</b>	<b>2 222</b>	<b>2 311</b>	<b>2 387</b>	<b>2 463</b>
Furniture and Office Equipment		143	331	1 321	1 395	2 222	2 222	2 311	2 387	2 463
<b>Machinery and Equipment</b>		<b>1 580</b>	<b>865</b>	<b>602</b>	<b>4 212</b>	<b>1 386</b>	<b>1 386</b>	<b>1 442</b>	<b>1 489</b>	<b>1 537</b>
Machinery and Equipment		1 580	865	602	4 212	1 386	1 386	1 442	1 489	1 537
<b>Transport Assets</b>		<b>1 156</b>	<b>1 087</b>	<b>1 584</b>	<b>1 559</b>	<b>2 175</b>	<b>2 175</b>	<b>2 262</b>	<b>2 337</b>	<b>2 411</b>
Transport Assets		1 156	1 087	1 584	1 559	2 175	2 175	2 262	2 337	2 411
<b>Total Depreciation</b>	<b>1</b>	<b>41 502</b>	<b>45 975</b>	<b>52 424</b>	<b>48 219</b>	<b>60 936</b>	<b>60 936</b>	<b>63 373</b>	<b>65 464</b>	<b>67 559</b>

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>8 619</b>	<b>22 236</b>	<b>7 314</b>	<b>41 319</b>	<b>44 716</b>	<b>44 716</b>	<b>11 304</b>	<b>13 306</b>	<b>46 757</b>
Roads Infrastructure		8 619	22 236	5 910	39 666	43 131	43 131	8 696	9 306	42 757
<i>Roads</i>		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
<i>MV Networks</i>								-	1 217	1 043
<i>LV Networks</i>				1 404	1 652	1 585	1 585	2 609	2 783	2 957
<b>Community Assets</b>		<b>12 780</b>	<b>20 338</b>	<b>(91 289)</b>	<b>-</b>	<b>3 960</b>	<b>3 960</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community Facilities		9 921	13 613	(91 289)	-	3 960	3 960	-	-	-
<i>Halls</i>		9 921	13 613	(91 289)	-	3 960	3 960	-	-	-
Sport and Recreation Facilities		2 859	6 725	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		2 859	6 725	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existin</b>	<b>1</b>	<b>21 399</b>	<b>42 574</b>	<b>(83 974)</b>	<b>41 319</b>	<b>48 676</b>	<b>48 676</b>	<b>11 304</b>	<b>13 306</b>	<b>46 757</b>
<i>Upgrading of Existing Assets as % of total capex</i>		15,9%	35,2%	-77,9%	24,9%	27,0%	27,0%	7,2%	10,0%	32,3%
<i>Upgrading of Existing Assets as % of deprechn"</i>		51,6%	92,6%	-160,2%	85,7%	79,9%	79,9%	17,8%	20,3%	69,2%

## 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 ran 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 28<sup>th</sup> 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 LUVISO 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 LUVISO MAHLAKA  
Municipal manager of Winnie Madikizela-Mandela Local Municipality (EC443)  
Signature   
Date 29 MAY 2026