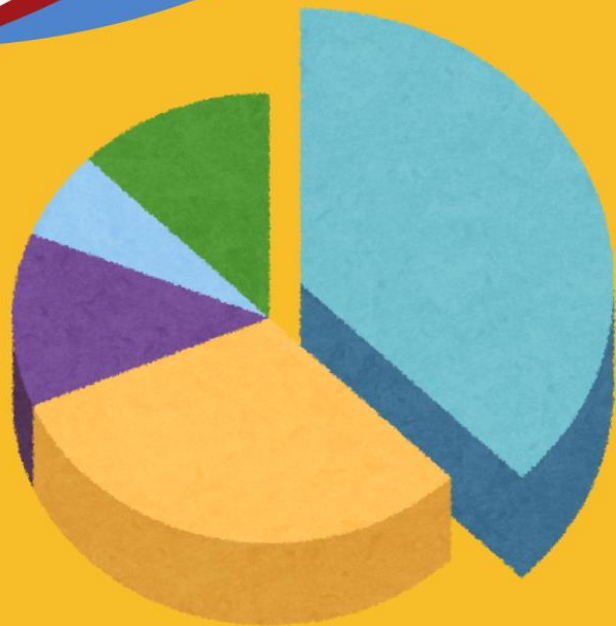




nelson mandela bay  
M U N I C I P A L I T Y

# 2025/26 - 2027/28 DRAFT BUDGET



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# PART 1 – ANNUAL BUDGET

## 1.1 EXECUTIVE MAYOR’S FOREWORD – TABLING OF THE 2025/26 TO 2027/28 DRAFT BUDGET FOR NOTING

Section 16(2) of the Local Government: Municipal Finance Management Act (MFMA), (Act No. 56 of 2003) stipulates that the mayor must table the budget in Council, at least 90 days before the start of the budget year.

The municipal budget is funded from various funding sources, including grants allocated by the Minister of Finance through the Division of Revenue Act (DORA). On 12 March 2025, the Minister of Finance tabled the 2025/26 to 2027/28 Budget in Parliament. The budget as tabled by the Minister of Finance, includes various grant allocations (conditional or unconditional) to municipalities, in terms of the DORA. The municipality’s draft budget tabled to Council for noting includes the following grant allocations: -

<b>AS PER BUDGET STATEMENT 12/03/2025</b>						
<b>ALLOCATION OF GRANTS i.t.o. THE DIVISION OF REVENUE BILL (2025/2026 to 2027/28)</b>						
<b>GRANT NAME</b>	<b>Page Number</b>	<b>Schedule Number</b>	<b>2024/25 (Baseline)</b>	<b>2025/26</b>	<b>2026/27 (1st Outer Year Projections)</b>	<b>2027/28 (2nd Outer Year Projections)</b>
<b>OPERATING GRANTS</b>						
			<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	33	Schedule 3	1,523,361,000	1,637,749,000	1,739,300,000	1,817,952,000
Financial Management Grant	259	Various	1,000,000	1,000,000	1,200,000	1,400,000
Infrastructure Skills Development Grant	259	Various	13,800,000	8,900,000	10,400,000	11,000,000
EPWP	259	Various	3,480,000	2,457,000	-	-
City Led Public Employment Program (Included in the NDPG)			15,000,000	<i>Zero allocation</i>		
Urban Development Financing Grant (New Grant from National Treasury)	44	Schedule 4 Part B	-	48,800,000	38,606,000	44,537,000
General Fuel Levy			825,005,000	861,978,000	902,511,000	944,416,000
Programme and Project Preparation Support Grant			15,000,000			
<b>TOTAL - OPERATING</b>			<b>2,396,646,000</b>	<b>2,560,884,000</b>	<b>2,692,017,000</b>	<b>2,819,305,000</b>
<b>GRANT NAME</b>			<b>2024/25</b>	<b>2025/26 (1st Outer Year Projections)</b>	<b>2026/27 (1st Outer Year Projections)</b>	<b>2027/28 (2nd Outer Year Projections)</b>
<b>CAPITAL GRANTS</b>						
			<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Urban Settlements Development Grant (USDG Annexure W5)	44	Schedule 4 Part B	635,473,000	663,817,000	694,121,000	725,509,000
Informal Settlement Upgrading Partnership Grant	272	Schedule 5 Part B	361,684,000	377,887,000	395,200,000	413,071,000
Neighbourhood Partnership Development Grant (NDPG)			17,213,000	<i>Zero allocation</i>		
Public Transport Network Operations Grant	272	Schedule 5 Part B	339,948,000	298,225,000	305,631,000	324,803,000
Regional Bulk Infrastructure Grant (Page 312 of 336)			250,000,000	390,000,000	-	-
Energy Efficiency and Demand Side Management Grant	266	Various	7,000,000	7,000,000	8,500,000	9,000,000
<b>TOTAL - CAPITAL</b>			<b>1,611,318,000</b>	<b>1,736,929,000</b>	<b>1,403,452,000</b>	<b>1,472,383,000</b>
<b>TOTAL GRANTS (OPERATING AND CAPITAL)</b>			<b>4,007,964,000</b>	<b>4,297,813,000</b>	<b>4,095,469,000</b>	<b>4,291,688,000</b>

In terms of the above table, the total Operating Grants amount to R2.56 billion, R2.69 billion and R2.82 billion for the three financial years, whilst the total Capital Grants amount to R1.74 billion, R1.40 billion and R1.47 billion over the same period. The main reason for the reduction of year two and year three as it relates to capital grants are because of the Regional Bulk Infrastructure Grant that is not to be funded in the 2026/27 & 2027/28 financial years.

The above allocations include the Informal Settlements Upgrading Partnership Grant (ISUPG), which has been gazetted, amounting to R377.8 million, R395.2 million and R413.0 million over the three-year period. The Human Settlements Directorate, in conjunction with the affected Service Delivery Directorates must ensure that the projects to be funded from this grant, are in line with the Business Plan as approved by the National Department of Human Settlements, to enable final approval of the budget by Council by the end of May 2025, when the 2025/26 to 2027/28 Budget will be considered by Council.

The Regional Bulk Infrastructure Grant (RBIG) has been allocated to the municipality only for the 2025/26 financial year to the amount of R390 million. This grant was firstly allocated to the city with effect from the 2023/24 MTREF period, to deal with water drought related issues that the city has been confronted with and will, with effect from the 2026/27 financial year be no longer made available to the City. As Council will be aware all remaining projects funded through this conditional grant are implemented by the Coega Development Corporation (CDC) as an implementing agent.

The budget is also informed by the consideration of tariff increases for various services, such as, Electricity, Water, Refuse and Sanitation and Property Rates. The proposed increases for electricity tariffs are dependent on the final outcomes of the ESKOM tariff application to NERSA, accordingly, the proposed increases for electricity are still subject to final approval by NERSA.

The budget has been prepared against the background of an escalation in arrear debt. The following table illustrates the arrear debt as at end of February 2025, compared to the position as at the end of June 2024: -

Detail	OVERDUE AMOUNTS		
	June 2024	Feb 2025	Difference
Trade and Other Receivables from Exchange Transactions – Water	R7,246,044,415	R8,719,479,874	R1,473,435,459
Trade and Other Receivables from Exchange Transactions – Electricity	R673,923,665	R774,997,631	R101,073,966
Receivables from Non-exchange Transactions - Property Rates	R1,518,353,061	R1,811,787,873	R293,434,812
Receivables from Exchange Transactions - Waste Water Management	R1,214,321,440	R1,401,332,975	R187,011,535
Receivables from Exchange Transactions - Waste Management	R609,844,505	R694,336,208	R84,491,703
Receivables from Exchange Transactions - Property Rental Debtors	R45,468,522	R56,629,555	R11,161,033
Interest on Arrear Debtor Accounts	R2,588,408,509	R3,371,810,109	R783,401,600
Other	R389,642,695	R421,457,246	R31,814,551
<b>Total By Income Source</b>	<b>R14,286,006,812</b>	<b>R17,251,831,471</b>	<b>R2,965,824,659</b>
<b>Debtors Age Analysis By Customer Group</b>			
Organs of State	R231,521,682	R263,064,536	R31,542,854
Commercial	R1,899,268,104	R2,082,158,004	R182,889,900
Households	R12,100,517,510	R14,850,419,714	R2,749,902,204
Other NMBM	R54,699,516	R56,189,217	R1,489,701
<b>Total By Customer Group</b>	<b>R14,286,006,812</b>	<b>R17,251,831,471</b>	<b>R2,965,824,659</b>

The table indicates that the arrear debt has increased by R2.9 billion from R14.28 billion in June 2024 to R17.3 billion in February 2025. The biggest contributor to this reduction is the arrear water debt component, due to the water punitive tariff structure implemented by Council due to drought conditions.

As previously reported to Council, it is important to note that the financial position of the Electricity Service is under immense pressure due to the extent of electricity losses, which impacts significantly on the financial sustainability of the municipality. This is supported by the fact that the budget for Electricity Bulk Purchases exceeds the total Electricity Service Charges budget. This means that the Electricity Service, which is a Trading Service, is operating at a substantial deficit, requiring support from property rates.

It is to be noted that Salary and Wage Bill is a second major cost driver after bulk purchases. The current three-year Collective Agreement, regarding salary increases for municipal employees is utilised for projecting the salary & wage increases. To guide salary increases the projected average CPI, as indicated in the latest National Treasury Budget Circular, was considered.

Let me take this opportunity to sincerely thank all role players who assisted in ensuring that the draft budget is submitted to Council for noting, leading up to the final approval of the budget by the end of May 2025.

I therefore table the 2025/26-2027/28 Draft Budget and the accompanying documents before Council for NOTING.

**Thank You / Enkosi / Baie Dankie!!!**

**COUNCILLOR B. LOBISHE  
EXECUTIVE MAYOR**

## 1.2 COUNCIL RESOLUTIONS

### THE EXECUTIVE MAYOR RECOMMENDS TO COUNCIL THAT:

1. The consolidated annual budget of the Nelson Mandela Bay Municipality for the financial year 2025/26 and the indicative allocations for the projected outer years 2026/27 and 2027/28, and the multi-year and single year capital appropriations, be **NOTED** for the purpose of complying with Chapter 4 of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA), read in conjunction with Municipal Budget and Reporting Regulations No.32141 (dated 17 April 2009), as set out in the following tables:
  - 1.1 Consolidated Budget Summary (revenue and expenditure by standard classification); [Page 24 to 25] (A1);
  - 1.2 Consolidated Budget Financial Performance (revenue and expenditure by municipal vote); [Page 25 to 26] (A2);
  - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type / municipal vote); [Page 26-27] (A3);
  - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source (A5); [Page 29 to 31];
  - 1.5 That the budgeted financial position, budgeted cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be noted as set-out in the following tables:
    - 1.6 Budgeted Financial Position (A6); [Page 31 to 32];
    - 1.7 Budgeted Cash Flows (A7); [Page 32 to 33];
    - 1.8 Cash backed reserves and accumulated surplus reconciliation (A8); [Page 34];
    - 1.9 Asset Management (A9); [Page 34 to 39]; and
    - 1.10 Basic service delivery measurement (A10). [Page 40 to 41].
2. That the consolidated budget that includes the financial impact of the municipal entity (i.e. Mandela Bay Development Agency) as well as Capital and Operating Contributions to the MBDA (including HURP) of R144.4 million (2025/26), R152.4 million (2026/27) and R161.5 million (2027/27) respectively, be noted.
3. That Council notes that transfer of grants to the entity (i.e. MBDA) will be undertaken on a quarterly basis, based on compliance with the required conditions as per the signed service delivery agreement (SDA).
4. That the proposed tariffs increase for the 2025/26 (1 July 2025) financial year are as follows:

Property rates	-	5%
Water	-	5.50%
Sanitation	-	5.50%
Refuse	-	6.00%
Electricity	-	12.74% (On average, depending on the various customer categories, subject to NERSA's final approval).
5. That the indicative tariffs for 2026/27 and 2027/28 be increased as follows (considering the external factors impacting on Electricity and Water Services):

	<b>2026/27</b>	<b>2027/28</b>
Property Rates	5.50%	6.00%
Water	6.50%	7.00%
Sanitation	6.50%	7.00%
Refuse	6.50%	7.00%
Electricity	12.74%	12.74%

6. That Council **notes** the contents of **National Treasury MFMA Budget Circulars 129** (attached elsewhere to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2025.
7. That in line with the requirements, relating to allocations of grants by the NMBM to any organisations/bodies referred to in section 67(1) of the MFMA, it be noted that the following allocations, with Council resolutions and/or Service Level Agreements (SLA's) are made under the Sports, Recreation, Arts and Culture (SRAC) Directorate, and further updates will be made leading up to the finalisation of the budget for Council's approval on or before end May 2025:

Vote Number	Project ID	Job Description	2025/26	2026/27	2027/28	Status/ Authority	Comments
0064 6318	20182505	Soccer Championship - Chippa United Training Academy t/a Chippa United Football Club	6,930,000	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry
0064 6318	20240024	ABSA Run Your City - Stillwater Sports Management (Pty) Ltd	1,963,500	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry. Item to be submitted to Committee upon renewal request being received
0064 6318	20240018	Professional Boxing in NMB - NMB Boxing Promoters Association	1,000,000	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry. Item to be submitted to Committee upon renewal request being received
0064 6318	20240019	ABC Motsepe League Teams	763,200	763,200	763,200	Mandate	Local development
0065 1589	20180124	Mandela Bay Theatre Complex	7,242,000	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry. Subject to stakeholder engagements
0065 6318	20250259	Repatriation - Reburials	700,000	700,000	700,000	Mandate	Local development
1114 4976	20250252	Levies: Special Events	1,000,000	1,000,000	1,000,000	Mandate	Local development
1114 4976	20250252	EP Athletics	6,714,600	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry. Item to be submitted to Committee upon renewal request being received
1114 4976	20250252	Ironman Triathlon	8,252,517	0	0	Contract expires 25/ 26 as per Council Resolution	Contract renewal upon expiry. Item to be submitted to Committee upon renewal request being received
1114 1589	20250168	Splash Festival	4,500,000	4,770,000	5,056,200	Mandate	Local development
1114 1589	20250167	Summer Season	5,750,000	5,750,000	5,750,000	Tender Award	Three-year tender approved
1114 1589	20250247	Heritage Month	600,000	600,000	600,000	Mandate	Local development
1114 1589	20250244	Levies: Memorial Lectures	750,000	750,000	750,000	Mandate	Local development
<b>TOTAL</b>			<b>46,165,817</b>	<b>14,333,200</b>	<b>14,619,400</b>		

8. That Council notes that payments made to the above organisations will be in line with the approved Service Level Agreements (SLA's) entered between the NMBM and the individual organisations.
9. That Council notes that as attached to this Budget Report is the (i) Tariff By-Law, (ii) Water Tariff Policy, (iii) Wastewater Tariff Policy, (iv) Miscellaneous Tariff Policy and (v) Property Rates Policy (2025/26), all to be availed to public for comments.
10. That the Chief Financial Officer be authorised to implement any changes that may be identified, without them affecting the bottom-line, after the tabling of the 2024/25 MTREF Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.

# **THE 2025/26 TO 2027/28 DRAFT BUDGET REPORT**

### 1.3 EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the Integrated Development Plan (IDP), informed the development of the Budget, including the need to maintain the Municipality's financial sustainability.

This budget has been prepared against the background of a declining Collection Rate. As previously reported to Council, the imposition of punitive water tariffs due to water drought situation, impacted negatively on the collection rate and the outstanding debtors for water service charges. In June 2022, Council resolved, inter alia, to move from Part C to Part D of the water tariff structure. In February 2023, Council resolved, inter alia, to revert to Part C of the water tariff structure and on the 12<sup>th</sup> December 2024 Council resolved to revert back to Part B.

Specific revenue collection strategies to improve the collection of outstanding consumer debt are continuously being implemented by the Municipality. Cost containment Regulations and Policy are also being implemented to curb costs and to improve operational efficiency, in line with the requirements of the Cost Containment Regulations (Number 42514 dated 7 June 2019), as well as the approved Cost Containment Policy of Council.

All National Treasury's MFMA Circulars were taken into consideration in guiding the compilation of the 2025/26 MTREF, including the latest MFMA Budget Circular 129, as attached elsewhere in this budget report.

The Municipality is faced with the following significant challenges during the compilation of the 2025/26 MTREF which inter-alia include the following:

- The declining collection rate impacting on the financial sustainability of the municipality.
- The poor financial performance of the Electricity service, as it now operates at a huge deficit, as well as other Trading Services.
- The escalating electricity and water losses that are at unacceptable high levels, despite external debt taken up recently, aimed at addressing the situation.
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of property rates and tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Underfunded mandates negatively impacting on the municipality's budget, such as the Library Services.
- Financial commitments emanating from prior Council decisions, such as the insourcing of security guards, which become a permanent cost in the municipality's payroll.
- The required resources for systematic implementation of the Municipal Standard Chart of Accounts (MSCOA) reforms as regulated in terms of National Treasury's MSCOA Regulations.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases, to ensure the delivery of services on a financially sustainable basis.
- In accordance with Section 19 of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), the relevant Acting/Executive Directors must submit comprehensive reports in relation to new projects, inter alia, dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.
- It is also a requirement that new projects in the budgeting process, must be accompanied by a Business Plan, Cash Flows and a Procurement Plan.

In view of the aforementioned, the following table represents a **consolidated overview** (which includes the MBDA) of the draft 2025/26 Medium-Term Revenue and Expenditure Framework:

**TABLE 1 (CONSOLIDATED OVERVIEW OF THE 2025/26 MTREF)**

R thousands	Original Budget	Adjusted Budget 2024/25	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
	2024/25				
Total Operating Revenue (Including Fuel Levy)	18,117,164	18,028,291	19,530,827	20,627,336	21,945,031
<b>Total Operating Expenditure</b>	18,116,062	18,028,291	19,530,822	20,627,294	21,944,959
Actual Surplus/(Deficit)	1,102	0	5	42	72
<b>Total Capital expenditure (Incl. Entity)</b>	1,969,846	1,934,190	2,140,488	1,675,861	1,663,447

The above table indicates that the total revenue has decreased from R18.12 billion in the 2024/25 original budget, to R18.03 billion in the 2024/25 Adjustments Budget and is projected to range between R19.53 billion to R21.94 billion during the 2025/26 MTREF. The expenditure decreased from R18.12 billion in the 2024/25 original budget, to R18.03 billion in the 2024/25 Adjustments Budget and ranges between R19.53 billion to R21.94 billion during the 2025/26 MTREF.

To support the 2025/26 Operating Budget, the following increase in property rates and service charges are proposed, with effect from 1 July 2025:

- Property rates - 5%
- Water - 5.5%
- Sanitation - 5.5%
- Refuse - 6%
- Electricity (Average) - 12.74% (On average depending on various customer categories, subject to NERSA's final approval).

**1.3.1. Summary of the Capital Budget (2025/26 to 2027/28)**

The capital budget for the 2025/26, 2026/27 and 2027/28 (NMBM only) financial years amounts to R2.08 billion, R1.61 billion and R1.59 billion respectively. The Capital Budget is funded from various sources, such as grants and internal sources, which includes the Fuel Levy.

A high-level summary of the Capital Budget by Directorate, including percentage allocation is as follows:

**TABLE 2 (2025/26 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM Only)**

Directorate	Final 2025/26 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER DIRECTORATE	Final 2026/27 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER DIRECTORATE	Final 2027/28 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER DIRECTORATE
Budget & Treasury	28,320,000	1%	650,000	0%	300,000	0%
Corporate Services	35,100,000	2%	37,800,000	2%	29,000,000	2%
Economic Development, Tourism and Agriculture	8,606,060	0%	5,844,827	0%	2,603,449	0%
Sport and Recreation	103,354,349	5%	49,067,058	3%	66,632,679	4%
Human Settlements	181,483,662	9%	172,334,928	11%	198,281,675	12%
Electricity and Energy	213,385,151	10%	225,321,432	14%	242,379,471	15%
Roads, Stormwater, Transportation & Fleet	547,213,213	26%	543,374,744	34%	528,321,642	33%
Water Services	546,478,518	26%	191,594,107	12%	193,199,498	12%
Sanitation Services	227,974,083	11%	227,944,878	14%	226,934,995	14%
Public Health	107,379,153	5%	123,601,136	8%	75,391,012	5%
Safety & Security	72,352,200	3%	33,250,000	2%	32,600,000	2%
NMBM Stadium	10,000,000	0%	3,000,000	0%	2,000,000	0%
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>2,081,646,389</b>	<b>100%</b>	<b>1,613,783,110</b>	<b>100%</b>	<b>1,597,644,421</b>	<b>100%</b>

The above table gives a high-level breakdown of the Capital Budget per Vote / Directorate and percentage allocation per Vote / Directorate (NMBM only). Based on the above it can be seen that the Capital Budget is mainly utilised to fund projects that are implemented within the service delivery Directorates. The details of the Capital budget per Directorate are found in the Capital Works Plan, which is attached as an Annexure to this Budget Report.

The following table provides a breakdown of the funding sources supporting the Capital Budget:

**TABLE 3 (2025/26 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE NMBM ONLY)**

FUNDING SOURCE	Final 2025/26 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATI ON PER FUNDING SOURCE	Final 2026/27 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATI ON PER FUNDING SOURCE	Final 2027/28 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATI ON PER FUNDING SOURCE
Total CRR - 901	245,207,928	12%	140,722,440	9%	86,872,440	5%
Total Levies Replacement Grant Funding - 959	412,416,000	20%	414,720,000	26%	427,161,600	27%
Total Public Contributions Funding - 923	43,000,000	2%	43,000,000	3%	43,000,000	3%
Urban Settlements Development Grant - 951	557,491,333	27%	580,428,768	36%	606,675,629	38%
Informal Settlements Upgrading Partnership Grant - 972	278,896,482	13%	296,415,914	18%	310,406,038	19%
IPTS Grant - 918	140,411,700	7%	131,168,402	8%	115,736,506	7%
External Finance Fund - 962	60,500,000	3%	-	0%	-	0%
Regional Bulk Infrastructure Grant - 973	337,662,340	16%	-	0%	-	0%
Energy Efficiency & Demand Side Management Grant - 976	6,060,606	0%	7,327,586	0%	7,792,208	0%
<b>Total Capital Budget Funding</b>	<b>2,081,646,389</b>	<b>100%</b>	<b>1,613,783,110</b>	<b>100%</b>	<b>1,597,644,421</b>	<b>100%</b>

The aforementioned table indicates that the Capital Budget is mainly funded from grants.

#### 1.4. HISTORIC PROPERTY RATES AND TARIFFS INCREASES

The following table illustrates the historic increases for the various services:

**TABLE 4 (HISTORIC PERCENTAGE INCREASES FOR SERVICES)**

VARIOUS SERVICES	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
		%	%	%	%	%	%	%	%	%	%	%
Electricity	12.74 (average)	15.7 (average)	18.49(average)	7.47 (average)	14.59 (average)	6.22 (average)	13.04	5.43 (average)	1.88	7.64	12.2	7.39
Water	5.5	6	6	5	6	6	7.5	8.5	9	9	13	12
Sanitation	5.5	6	6	5	6	6	7.5	8.5	9	9	12	12
Property Rates	5	5	5	5.5	6	6	7.77	5	4.4	9.5	9.5	9.5
Refuse	6	6	6	5	6	6	7.5	7.5	9	9	11	12

It is noted from the aforementioned table that all efforts are made to maintain tariff increases within the CPIX range, as projected by National Treasury, except for electricity tariff increases, which are influenced by NERSA tariff determinations.

#### 1.5 OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of critical importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with section 18(1) (a) of the Local Government: Municipal Finance Management Act (56 of 2003) (MFMA), expenditure must be limited to the realistically anticipated revenues.

The Municipality’s revenue management strategy includes the following key components:

- National Treasury’s guidelines in this regard in terms of the relevant Budget Circulars (i.e. Circular 129).
- Tariff and Credit Control Policies of the municipality.
- The Municipal Property Rates Policy as amended every financial year.
- The ATTP Policy and provision of free basic services as funded from the Equitable Share allocated in terms of the Division of Revenue Act (DORA).
- The level of property rates and tariff increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to provide for the maintenance and replacement of infrastructure, including the expansion of services.
- Replenishing the Capital Replacement Reserve (CRR) to finance Capital projects, from internal funding sources.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Department of Water and Sanitation.
- Efficient revenue management, targeting the budgeted collection rate for property rates and service charges.

### 1.5.1. Determination of the Average Collection Rate per service

The table below indicates the budgeted debt impairment per service for the 2024/25 MTREF, which is based on the anticipated revenue that may not be collected as calculated above:

**TABLE 5 (DEBT IMPAIRMENT PER SERVICE FOR THE 2025/26 MTREF - EXCL. TRAFFIC FINES)**

Debt Impairment	2025/26	2026/27	2027/28
Impairment Loss: Receivables from Exchange Transactions: Wastewater Management	229,995,410	243,790,930	259,628,490
Impairment Loss: Receivables from Exchange Transactions: Waste Management	132,893,760	141,531,850	151,439,080
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Water	1,607,757,290	1,704,222,750	1,814,997,260
Impairment Loss: Other Receivables from Non-exchange Revenue: Property Rates	441,790,610	467,882,280	495,526,970
Impairment Loss: Trade and Other Receivables from Exchange Transactions: Electricity	118,127,990	121,671,840	125,322,010
<b>Total Impairment of Receivables (Excl. Traffic Fines Impairment)</b>	<b>2,530,565,060</b>	<b>2,679,099,650</b>	<b>2,846,913,810</b>

### 1.5.2. Summary of main revenue sources

The following table is a high-level summary of the main revenue sources:

The following table is a summary of the 2025/26 MTREF (classified by main revenue source indicating the level of % contribution per service:

**TABLE 6 (MIX OF MAIN REVENUE SOURCES)**

Description	Current Year 2024/25	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework					
			R thousand	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27
Service Charges – Electricity	5,730,805,920	31.79	6,410,553,210	32.82	7,227,257,820	35.04	8,148,010,570	37.13
Service Charges - Water	2,911,479,600	16.15	2,977,328,300	15.24	3,155,968,050	15.30	3,361,106,020	15.32
Service Charges - Waste Water Management	881,061,510	4.89	821,412,140	4.21	870,681,890	4.22	927,244,590	4.23
Service Charges - Waste Management	308,648,200	1.71	349,729,880	1.79	372,462,340	1.81	398,534,740	1.82
Sale of Goods and Rendering of Services	121,418,060	0.67	125,571,030	0.64	132,881,540	0.64	139,114,020	0.63
Agency Services	4,063,920	0.02	4,254,880	0.02	4,454,870	0.02	4,668,720	0.02

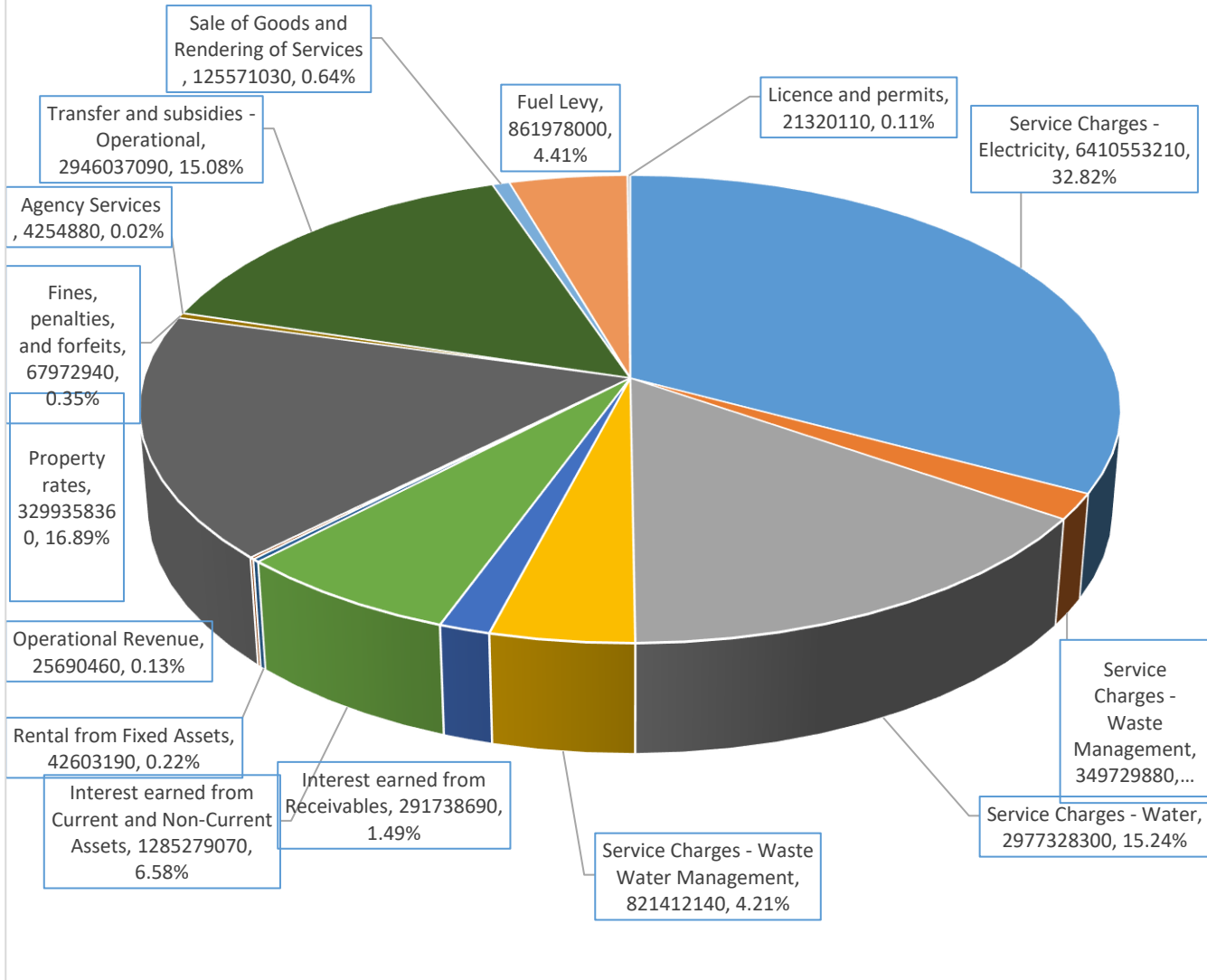
Description	Current Year 2024/25	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework					
			R thousand	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27
Interest earned from Receivables	276,855,000	1.54	291,738,690	1.49	312,097,370	1.51	339,916,910	1.55
Interest earned from Current and Non-Current Assets	1,219,811,380	6.77	1,285,279,070	6.58	1,387,974,150	6.73	1,354,833,890	6.17
Rental from Fixed Assets	42,037,200	0.23	42,603,190	0.22	44,104,890	0.21	45,697,320	0.21
Licence and permits	22,194,290	0.12	21,320,110	0.11	22,296,080	0.11	23,339,660	0.11
Operational Revenue	33,657,000	0.19	25,690,460	0.13	26,827,170	0.13	28,212,660	0.13
Property rates	3,142,251,020	17.43	3,299,358,360	16.89	3,480,817,600	16.87	3,689,666,710	16.81
Fines, penalties, and forfeits	59,083,560	0.33	67,972,940	0.35	71,181,930	0.35	74,614,540	0.34
Transfer and subsidies - Operational	2,450,902,000	13.59	2,946,037,090	15.08	2,615,820,150	12.68	2,465,654,820	11.24
Fuel Levy	824,005,000	4.57	861,978,000	4.41	902,511,000	4.38	944,416,000	4.30
Gains on disposal of Assets	17,160	0.00	-	-	-	-	-	0.00
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>18,028,290,820</b>	<b>100</b>	<b>19,530,827,350</b>	<b>100</b>	<b>20,627,336,850</b>	<b>100</b>	<b>21,945,031,170</b>	<b>100</b>

Based on the above during the 2025/26 financial year, rates and service charges are estimated to amount to R13.8 billion or 71% of the total revenue. This increases to R15.1 billion and R16.5 billion for the 2026/27 and 2027/28 financial years, respectively. Property rates represent the second largest revenue source, amounting to 16.89% or R3.3 billion in 2025/26, increasing to R3.5 billion in 2026/27 and R3.69 billion in 2027/28.

Operating grants and transfers amounted to R2.95 billion in the 2025/26 financial year, decreased to R2.62 billion in 2026/27 and to R2.47 billion in the 2027/28 financial year.

The following graph indicates the various revenue sources of the Municipality: **FIGURE 1 – PERCENTAGE SPLIT OF VARIOUS REVENUE SOURCES (OPERATING)**

## Budget Year 2025/26



The following table provides a breakdown of the various operating grants and subsidies allocated through the national fiscus to the Municipality over the 2025/26 medium term (NB: These are only grants allocated in terms of the Division of Revenue Act):

**TABLE 7 (OPERATING TRANSFERS AND GRANT RECEIPTS (NB: Only DORA Grants))**

ALLOCATION OF GRANTS i.t.o. THE DIVISION OF REVENUE BILL (2025/2026 to 2027/28)							
GRANT NAME	Page Number	Schedule Number	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25 (Baseline)	2025/26	2026/27 (1st Outer Year Projections)	2027/28 (2nd Outer Year Projections)
<b>OPERATING GRANTS</b>							
				<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	33	Schedule 3	Unconditional	1,523,361,000	1,637,749,000	1,739,300,000	1,817,952,000
Financial Management Grant	259	Various	Conditional	1,000,000	1,000,000	1,200,000	1,400,000
Infrastructure Skills Development Grant	259	Various	Conditional	13,800,000	8,900,000	10,400,000	11,000,000
EPWP	259	Various	Conditional	3,480,000	2,457,000	-	-
City Led Public Employment Program (Included in the NDPG)			Conditional	15,000,000	<i>Zero allocation</i>		
Urban Development Financing Grant (New Grant from National Treasury)	44	Schedule 4 Part B	Conditional	-	48,800,000	38,606,000	44,537,000
General Fuel Levy			Unconditional	825,005,000	861,978,000	902,511,000	944,416,000

Programme and Project Preparation Support Grant		Conditional	15,000,000			
TOTAL - OPERATING			2,396,646,000	2,560,884,000	2,692,017,000	2,819,305,000

The above grants are utilised to fund operating expenditure in line with the conditions of the grant in terms of the Division of Revenue Act (DORA).

### 1.5.3. Property Rates

Property rates fund the costs associated with the provision of general services, such as recreational, library, safety & security, and roads and storm water services, etc.

The following provisions 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 rateable value (Section 17(h) of the MPRA).
- 100% rebate will be granted to registered indigents in terms of the Indigent Policy / Assistance to the Poor Policy, as approved by Council.
- Pensioners, physically and mentally disabled property owners of rateable property may on submission of an application be granted a rebate. The rebate will be granted on a sliding scale basis with the income levels and corresponding percentage reductions being determined by Council in its annual budget. In this regard the following stipulations are relevant to the applicant:
  - (a) must be a natural person.
  - (b) be the owner of the property.
  - (c) occupy the property as his or her normal residence or where the owner is unable to occupy the property due to no fault of his/her own, the spouse or minor children may satisfy the occupancy requirement.
  - (d) produce certified copy/ies of owner/s' bar-coded identity document.
  - (e) - *pensioners*: be at least 60 years of age on 1 July of the financial year concerned; or if the owner turns 60 during the year the rebate will be granted on a pro rata basis from the date on which the applicant turned 60.  
- *disabled*: be in receipt of disability grant / pension and submit proof and nature of disability e.g. letter from doctor with application.
  - (f) be in receipt of a total gross annual income (as defined in Part 2 of the policy), excluding medical aid contributions and child support/grant not exceeding a value as determined by Council in its annual budget; submit pension statements, previous 3 months (or the number of months determined necessary by the Chief Financial Officer (CFO) bank statements from all bank and investment accounts of owner and spouse, and proof of total gross annual income of any other persons living on the property (not just rental received). All documents provided must clearly state who it is for – documents which do not reflect person's name or ID. No. will not be considered.
  - (g) not be in receipt of an indigent subsidy.
  - (h) provide a certified affidavit declaring any assistance from any other sources. Assistance received from family members not residing on property, will not however be included in the calculation of total household income.
  - (i) provide a certified affidavit to explain any once-off monies received e.g. gifts, donations, etc;
  - (j) ensure that his/her accounts are not in arrears (or arrangements made to pay all outstanding amounts) before applying for the rebate and continue to pay the rates account in full until rebate is granted as no interest will be reversed.
  - (k) a usufructuary will be regarded as the owner.
  - (l) the criteria of a natural person may be waived at the sole discretion of the municipality to allow for a property owned by a trust where the total number of beneficiaries meets all of the other requirements of this policy; and provided further that the gross monthly income of all persons residing on that property be added to the gross monthly income of the beneficiaries staying on that property.

(m) owners qualify for only one rebate per year, if financial circumstances change, they can only apply for future years.

- Sporting organisations, the sole purpose of which is to use the property owned/leased by them for sporting purposes, whether for gain or not, may qualify for a rebate, with amateur bodies being granted 100% and professional bodies 40%. Any profits earned must be invested in the betterment of the organisation and not be for private gain. Audited financial statement must be provided, if however, the sporting body does not have audited financial statement reasons therefore must be provided on the clubs' official letterhead.
- If the usage of a property changes during a financial year, the rebate applicable will be reduced *pro rata* for the balance of the financial year.
- All accounts of the applicant must be up to date or arrangements must be made to pay any outstanding balances before any rebate will be granted. The applicant must continue to pay the rates account in full until the rebate is granted as no interest will be reversed.

An average increase of 5% on the property rates revenue is proposed, with effect from 1 July 2025.

The property rates increase is mainly influenced by the following:

- Employee related costs increase.
- Creating a Provision for Long Service Awards and Long Service Bonuses based on an Actuarial assessment.
- Costs of servicing existing external borrowing to fund all loans taken by Council for various projects.
- Providing for debt impairment and repayment of long-term debt.
- Operationalisation of the previously approved commitments by Council, such as insourcing decisions of about 672 private security guards (Watchmen), etc., and
- Implementation of salary adjustments for municipal employees in line with the Collective Agreement, as well as TASK implementation, amongst others.

#### **1.5.4. Sale of Water and Impact of Tariff Increases**

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107, 108, 112, 115, 122, 123, 126, 128 and 129); Municipalities are encouraged to review the level and structure of their water tariffs to ensure the following:

- Fully cost reflective water tariffs – tariffs should include the costs associated with bulk water purchases, the maintenance and renewal of purification plants, water networks and water reticulation expansion.
- Water tariffs are structured to protect basic levels of service; and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In terms of paragraph 5.2 of the previously issued Circular, i.e. National Treasury Circular 78 municipalities were urged to ensure that water tariffs are fully cost reflective. In this regard in instances where tariffs are not cost recovery based, a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium term.

A tariff increase of 5.5% is proposed, effective as from 1 July 2025. The proposed tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Year-to-year increases in the cost of bulk water purchases.
- Costs of servicing existing external borrowing to fund water infrastructure; and
- Providing for debt impairment.

It must be noted that the water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate due to the prevailing drought conditions (i.e. punitive water tariff structure).

#### **1.5.5. Sale of Electricity and Impact of Tariff Increases**

The electricity tariff increases are mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Year-to-year increases in the cost of bulk electricity purchases as approved by NERSA.
- Costs of servicing existing external borrowing to fund electricity infrastructure, and
- Providing for debt impairment.

#### **1.5.6. Sanitation and Impact of Tariff Increases**

In accordance with various National Treasury's MFMA Circulars, (e.g. 51, 55, 58, 66, 70, 74, 78, 79, 85, 86, 89, 91, 93, 94, 95, 98, 99, 107, 108, 112, 115, 122, 123, 126, 128 and 129); Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

- Fully cost reflective sanitation tariffs – tariffs should include the costs associated with maintenance and renewal of treatment plants, sanitation networks and sanitation infrastructure expansion.
- Sanitation tariffs are structured to protect basic levels of service; and
- Sanitation tariffs are designed to encourage efficient and sustainable consumption.

National Treasury has urged municipalities to ensure that sanitation tariffs are fully cost reflective. In this regard a phased-in approach must be undertaken to ensure that tariffs are fully cost reflective over the medium term, in case of any discrepancies.

Sanitation charges are determined based on the volume of water consumed, which is appropriately reduced by the percentage of water discharged into the sewer system.

A tariff increase of 5.5% is proposed, effective as from 1 July 2025. The proposed tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Costs of servicing existing external borrowing to fund sanitation infrastructure, and
- Providing for debt impairment.

#### **1.5.7. Refuse Collection and Disposal and Impact of Tariff Increases**

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective. The tariffs should consider the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers, it will not be possible to implement it in the 2025/26 MTREF and a phasing-in approach is recommended.

A tariff increase of 6% is proposed for the refuse collection and disposal service, effective as from 1 July 2025.

The tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.

- Costs of servicing existing external borrowing, and
- Providing for debt impairment.

## 1.6. OPERATING EXPENDITURE FRAMEWORK

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

- The funding of the budget over the medium-term is informed by the requirements of Sections 18 and 19 of the Local Government: Municipal Finance Management Act (56 of 2003).
- A balanced budget approach by limiting operating expenditure to the operating revenue, accordingly Directorates are informed upfront of their available funding so that they limit their demands according to priorities for the budget to remain funded and credible.
- The asset renewal strategy and the repairs and maintenance plan.
- Making use of the guidelines issued by National Treasury in terms of the Budget Circulars (i.e. Circular 129), whilst considering previous budget circulars issued by National Treasury.
- Considering budget priority / focus areas as included in the IDP document, and
- Strict adherence to the principle of “no budget allocations without a business plan, procurement plan and cash flow” as well as considering or prioritising commitments from prior financial years.

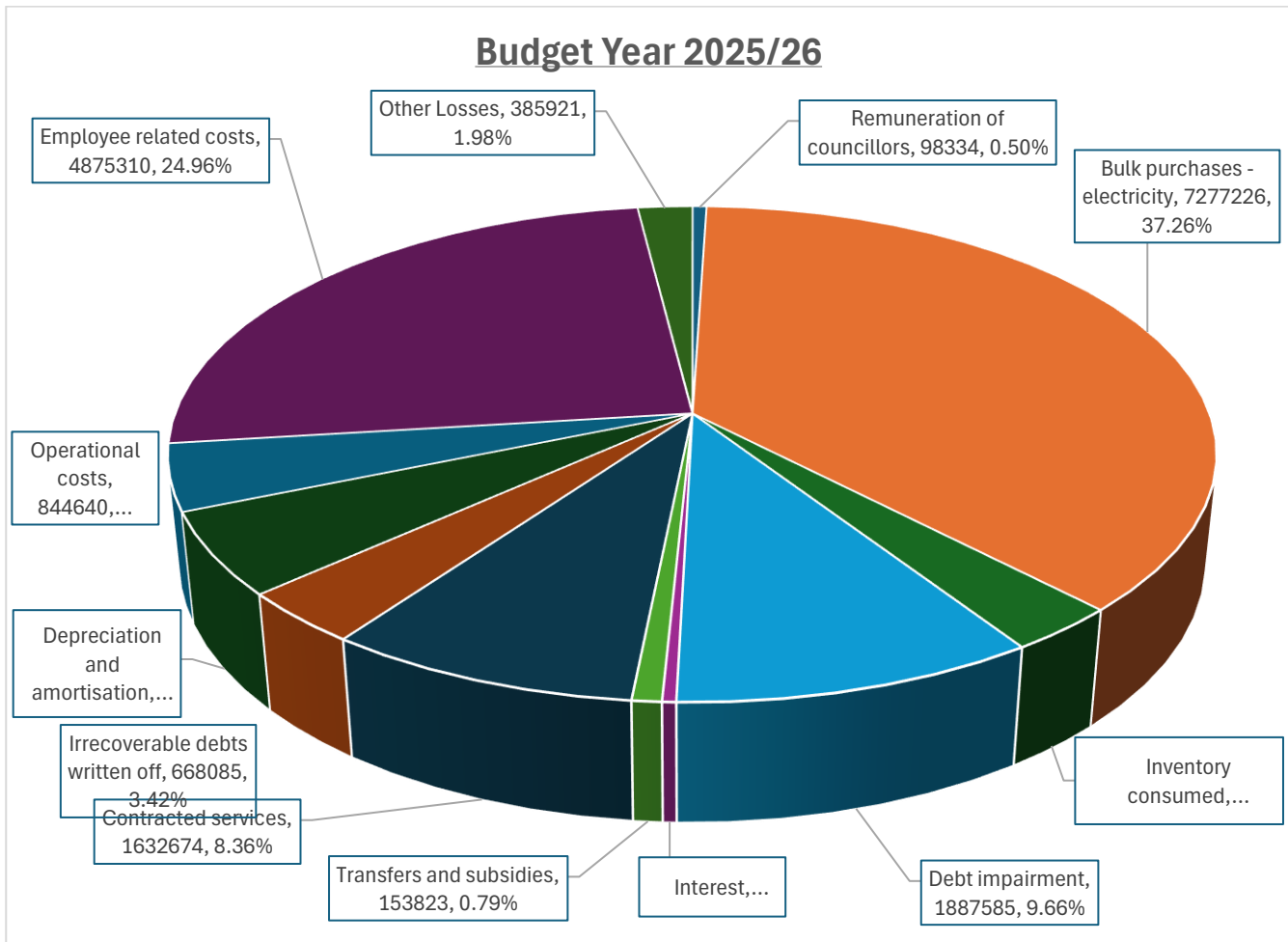
The following table is a high-level summary of the 2025/26 MTREF (classified as per main type of operating expenditure):

**TABLE 8 (SUMMARY OF OPERATING EXPENDITURE BY STANDARD CLASSIFICATION ITEM AND MIX)**

Description	2025/26 Medium Term Revenue & Expenditure Framework					
	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
<b>Expenditure</b>						
<b>Employee related costs</b>	<b>4,875,310</b>	<b>24.96</b>	<b>5,260,967</b>	<b>25.50</b>	<b>5,740,645</b>	<b>26.16</b>
Remuneration of councillors	98,334	0.50	102,276	0.50	106,377	0.48
<b>Bulk purchases - electricity</b>	<b>7,277,226</b>	<b>37.26</b>	<b>7,667,285</b>	<b>37.17</b>	<b>8,141,890</b>	<b>37.10</b>
Inventory consumed	583,636	2.99	600,036	2.91	621,495	2.83
Debt impairment	<b>1,887,585</b>	<b>9.66</b>	<b>1,998,314</b>	<b>9.69</b>	<b>2,123,107</b>	<b>9.67</b>
Depreciation and amortisation	1,051,415	5.38	1,083,006	5.25	1,115,547	5.08
Interest	72,173	0.37	61,947	0.30	50,682	0.23
<b>Contracted services</b>	<b>1,632,674</b>	<b>8.36</b>	<b>1,732,366</b>	<b>8.40</b>	<b>1,839,517</b>	<b>8.38</b>
Transfers and subsidies	153,823	0.79	160,747	0.78	168,505	0.77
Irrecoverable debts written off	668,085	3.42	707,273	3.43	751,752	3.43
Operational costs	844,640	4.32	865,226	4.19	895,652	4.08
Other Losses	385,921	1.98	387,851	1.88	389,790	1.78
<b>Total Expenditure</b>	<b>19,530,822</b>	<b>100</b>	<b>20,627,294</b>	<b>100</b>	<b>21,944,959</b>	<b>100</b>

The above table clearly indicates the main cost drivers, which include Electricity Bulk Purchases (37.26%), Employee Related costs (24.96%) and Contracted Services (8.36%). In terms of the aforementioned table, the total operating expenditure is projected at R19.53 billion, R20.63 billion and R21.94 billion for the 2025/26, 2026/27 and 2027/28 financial years, respectively.

## FIGURE 2: OPERATING EXPENDITURE ITEMS FOR THE 2025/26 FINANCIAL YEAR



The aforementioned graph reflects the budgeted operating expenditure of the municipality. Below is a discussion of the main expenditure components.

### Employee related costs

The 2025/26 draft budget provides for annual increments, where applicable, and a general increase.

In terms of the Council’s Policy Governing the Long-Term Financial Plan, the target is to restrict personnel costs to below 30% of total expenditure. It must be noted that Council approved the “harmonisation” of the conditions of service for employees as it relates to the “Long Service Bonus” a while back. The management of employee related costs is further impacted upon by the absence of an Overtime Policy.

### Remuneration of Councillors

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs (COGTA) in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been considered in preparing the budget.

### Debt Impairment

The provision for debt impairment was determined based on a targeted annual collection rate as anticipated during the 2025/26 MTREF period. The Collection Rate is based on billed revenue (i.e. Electricity, Water, Sanitation, Property Rates and Refuse).

## Depreciation and Asset Impairment

The provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy as well as at assessing the trends for prior financial years based on the annual financial statements.

## Finance Charges

Finance charges consist primarily of the repayment of interest on existing borrowing and the long-term borrowing (cost of capital) that has been taken up since the 2020/2021 financial year.

## Bulk Electricity Purchases

The Bulk Electricity Purchases Budget provides for increases of 12.74% for 2025/26, 12.74% for 2026/27 and 2026/27.

Energy consumption levels are influenced by the following:

- Significant increases in electricity prices.
- The ongoing load shedding, which has prompted certain customers to go off the grid.
- Significant electricity losses, as reported to various structures of Council.
- Consumer awareness of the need to conserve energy; and
- The implementation of energy conservation measures, including green energy.

## Bulk Water Purchases

The following table reflects the budgeted Water Bulk Purchases for the 2025/26 MTREF period.

**TABLE 9 (WATER BULK PURCHASES)**

Water Bulk Purchases	2025/26 Budget	2026/27 Budget	2027/28 Budget
Water bulk purchases	R210,263,500	R228,346,180	R 247,983,960

## Contracted Services

The Municipal Standard Chart of Accounts (MSCOA) Regulations require that services that are undertaken, due to various reasons, using external mechanisms be budgeted for under the category called Contracted Services. These services may include, amongst others, use of external Legal firms (for Legal Advice & Litigation), Training service providers, Valuer for General Valuation Roll, Hygiene Services, Industry Compensation (IPTS Bus Operations), Prepaid Electricity Vendors, Community Based Contractors (Cleaning Projects), Grass Cutting Contractors, NMBM Stadium's Manpower Costs, Transport Operations – IPTS, etc.

Included in the total budget for Contracted Services are various projects that are funded from conditional grants, such as the Integrated Public Transport Services Grant (IPTS) and the Informal Settlements Urban Partnership Grant (ISUPG).

### 1.6.1. Free Basic Services: Basic Social Services Package

The social package assists indigent households that have limited financial ability to pay for municipal services. To qualify for free basic services, the households are required to register in terms of the Municipality's Assistance to the Poor / Indigent Policy, whilst the monthly household income may not exceed two state pensions. Detail relating to free services, cost of free basic services, as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement).

The qualifying criteria for the Free Basic Services was amended with effect from 1 July 2023 to also include the property value in terms of the Municipality's Valuation Roll of household, wherein if it is valued from R0.00 to R130 000 such property automatically qualifies for the Free Basic Services.

The cost of the social package of the registered indigent households is largely financed by national government through the Local Government's Equitable Share allocation, an unconditional grant received in terms of the annual Division of Revenue Act (DORA).

**TABLE 10 (FREE BASIC SERVICES SUBSIDISED FROM THE EQUITABLE SHARE)**

Various Services	2025/26	2026/27	2027/28
Property Rates (Budget & Treasury)	185,408,200	196,532,700	208,324,680
Waste Water Management (Sanitation)	213,191,810	213,249,410	213,307,010
Water (Water)	152,540,990	152,598,590	152,656,190
Refuse (Public Health)	146,336,410	146,394,010	146,451,610
Electricity (Electricity & Energy)	19,881,590	19,881,590	19,881,590
<b>TOTAL</b>	<b>717,359,000</b>	<b>728,656,300</b>	<b>740,621,080</b>
Indigent Control Office (B&T)	34,961,470	32,521,210	30,569,940
Water Leaks Program	25,838,280	26,380,200	26,949,210
<b>GRAND TOTAL</b>	<b>778,158,750</b>	<b>787,557,710</b>	<b>798,140,230</b>

The aforementioned table indicates the costs of the Free Basic Service, per service, that are funded against the Equitable Share Grant from the national fiscus.

## 1.7. CAPITAL EXPENDITURE

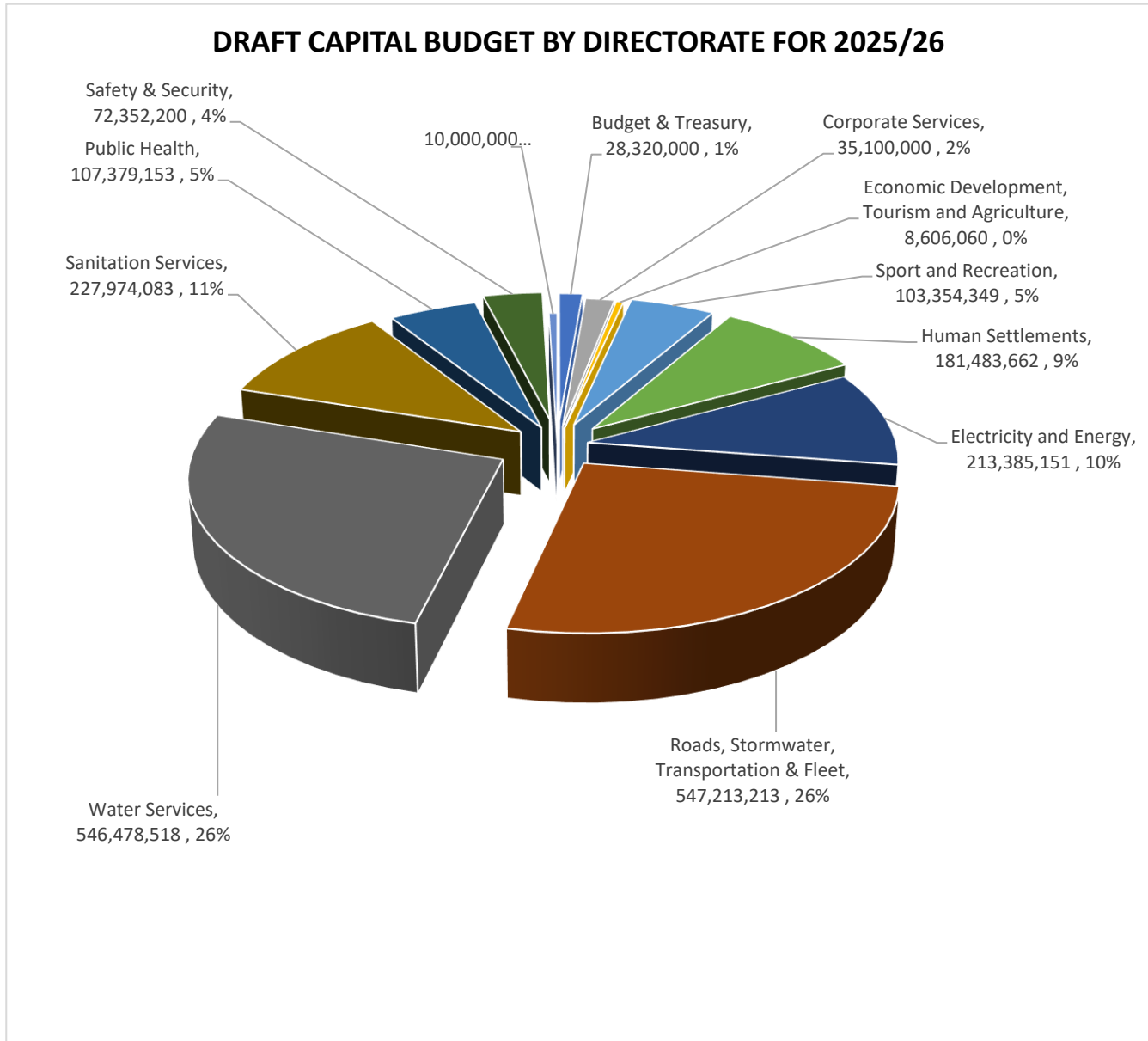
The following table provides a breakdown of budgeted capital expenditure by vote:

**TABLE 11 (2025/26 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION)**

Directorate	Final 2025/26 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATIO N PER DIRECTORA TE	Final 2026/27 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATIO N PER DIRECTORA TE	Final 2027/28 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATIO N PER DIRECTORA TE
Budget & Treasury	28,320,000	1%	650,000	0%	300,000	0%
Corporate Services	35,100,000	2%	37,800,000	2%	29,000,000	2%
Economic Development, Tourism and Agriculture	8,606,060	0%	5,844,827	0%	2,603,449	0%
Sport and Recreation	103,354,349	5%	49,067,058	3%	66,632,679	4%
Human Settlements	181,483,662	9%	172,334,928	11%	198,281,675	12%
Electricity and Energy	213,385,151	10%	225,321,432	14%	242,379,471	15%
Roads, Stormwater, Transportation & Fleet	547,213,213	26%	543,374,744	34%	528,321,642	33%
Water Services	546,478,518	26%	191,594,107	12%	193,199,498	12%
Sanitation Services	227,974,083	11%	227,944,878	14%	226,934,995	14%
Public Health	107,379,153	5%	123,601,136	8%	75,391,012	5%
Safety & Security	72,352,200	3%	33,250,000	2%	32,600,000	2%
NMBM Stadium	10,000,000	0%	3,000,000	0%	2,000,000	0%
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>2,081,646,389</b>	<b>100%</b>	<b>1,613,783,110</b>	<b>100%</b>	<b>1,597,644,421</b>	<b>100%</b>

The following is a graphical presentation of the 2025/26 Capital Budget per vote or Directorate: -

**FIGURE 3: CAPITAL BUDGET FOR THE 2025/26 FINANCIAL YEAR (NMBM ONLY)**



The table below provides a breakdown of the funding sources supporting the Capital Budget:

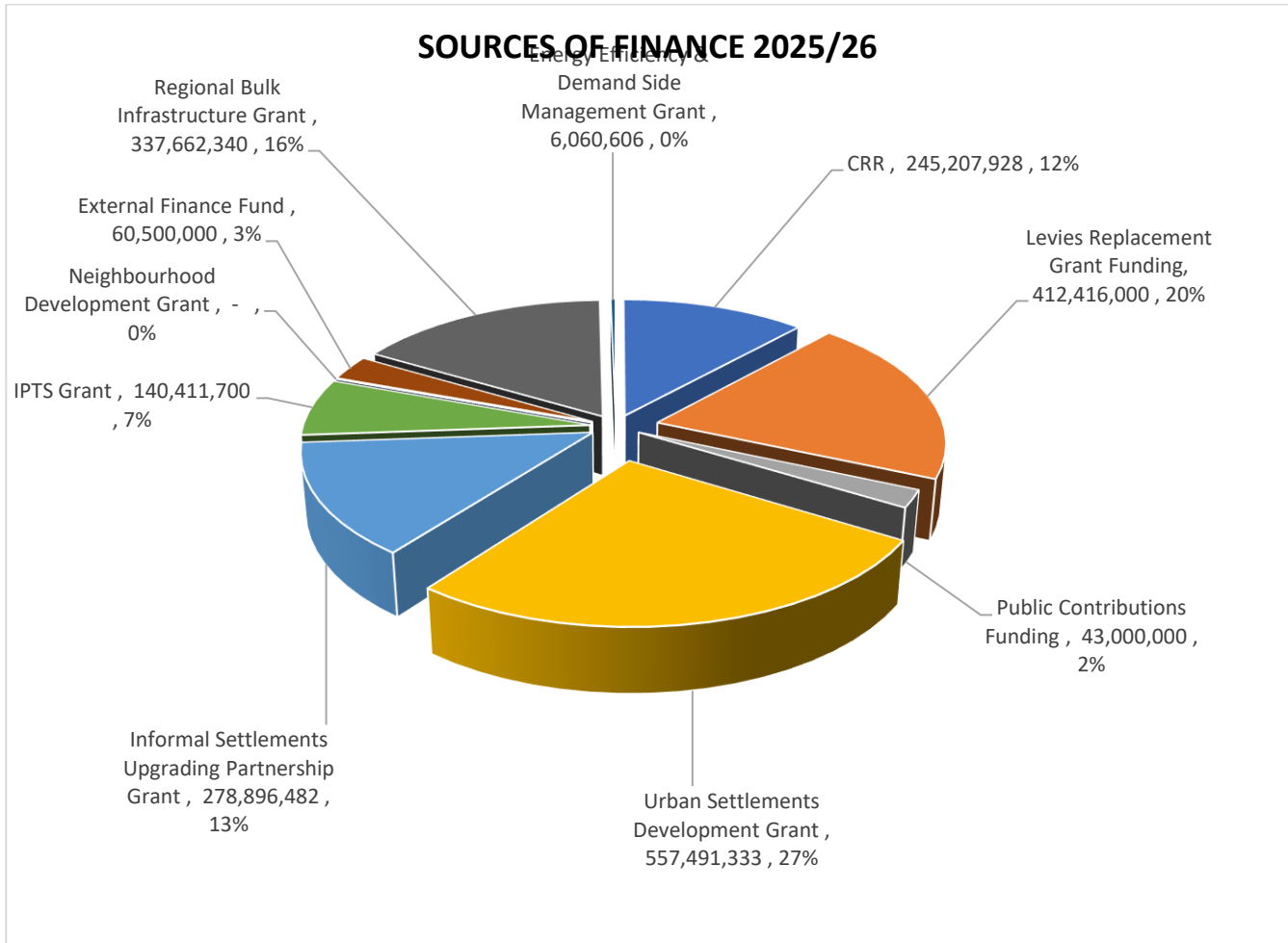
**TABLE 12 (2025/26 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE)**

FUNDING SOURCE	Final 2025/26 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE	Final 2026/27 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE	Final 2027/28 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE
Total CRR - 901	245,207,928	12%	140,722,440	9%	86,872,440	5%
Total Levies Replacement Grant Funding - 959	412,416,000	20%	414,720,000	26%	427,161,600	27%
Total Public Contributions Funding - 923	43,000,000	2%	43,000,000	3%	43,000,000	3%
Urban Settlements Development Grant - 951	557,491,333	27%	580,428,768	36%	606,675,629	38%
Informal Settlements Upgrading Partnership Grant - 972	278,896,482	13%	296,415,914	18%	310,406,038	19%
IPTS Grant - 918	140,411,700	7%	131,168,402	8%	115,736,506	7%

FUNDING SOURCE	Final 2025/26 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE	Final 2026/27 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE	Final 2027/28 Proposed Budget aligned to affordability limits	%NTAGE ALLOCATION PER FUNDING SOURCE
External Finance Fund - 962	60,500,000	3%	-	0%	-	0%
Regional Bulk Infrastructure Grant - 973	337,662,340	16%	-	0%	-	0%
Energy Efficiency & Demand Side Management Grant - 976	6,060,606	0%	7,327,586	0%	7,792,208	0%
<b>Total Capital Budget Funding</b>	<b>2,081,646,389</b>	<b>100%</b>	<b>1,613,783,110</b>	<b>100%</b>	<b>1,597,644,421</b>	<b>100%</b>

The graph below provides a breakdown of the funding sources supporting the Capital Budget:

**FIGURE 4: CAPITAL BUDGET FOR THE 2025/26 FINANCIAL YEAR (NMBM ONLY) BY FUNDING SOURCE**



### 1.8. ANNUAL CONSOLIDATED BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009), are included in this section. These tables set out the Municipality’s 2024/25 Budget and MTREF to be considered for approval by Council. Each table is accompanied by the brief *explanatory notes*.

**TABLE 13 (TABLE A1 – CONSOLIDATED BUDGET SUMMARY)**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	2,875,600	3,142,251	3,142,251	3,142,251	3,299,358	3,480,819	3,689,667
Service charges	9,102,259	10,017,708	9,831,995	9,831,995	10,579,023	11,626,370	12,834,897
Investment revenue	385,770	226,156	276,855	276,855	291,739	312,097	339,917
Transfer and subsidies - Operational	2,844,217	2,639,328	2,450,902	2,450,902	2,946,007	2,615,734	2,465,655
Other own revenue	2,264,722	2,091,719	2,326,288	2,326,288	2,414,700	2,592,316	2,614,895
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,472,568</b>	<b>18,117,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,827</b>	<b>20,627,336</b>	<b>21,945,031</b>
Employee costs	3,928,615	4,752,685	4,586,235	4,586,235	4,875,310	5,260,967	5,740,645
Remuneration of councillors	82,053	94,452	94,675	94,675	98,334	102,276	106,377
Depreciation and amortisation	885,798	1,049,902	1,018,442	1,018,442	1,051,415	1,083,006	1,115,547
Finance charges	121,960	111,217	111,217	111,217	72,173	61,947	50,682
Inventory consumed and bulk purchases	6,147,964	6,693,578	6,839,038	6,839,038	7,860,862	8,267,321	8,763,385
Transfers and subsidies	87,011	84,452	93,972	93,972	153,823	160,747	168,505
Other expenditure	6,240,250	3,493,537	3,448,388	3,448,388	5,418,905	5,691,030	5,999,818
<b>Total Expenditure</b>	<b>17,493,651</b>	<b>18,116,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,822</b>	<b>20,627,294</b>	<b>21,944,959</b>
<b>Surplus/(Deficit)</b>	<b>21,083</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>42</b>	<b>72</b>
Transfers and subsidies - capital (monetary allocations)		1,159,095	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Transfers and subsidies - capital (in-kind)							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>21,083</b>	<b>1,160,095</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,363,528</b>	<b>1,058,383</b>	<b>1,083,684</b>
Share of Surplus/Deficit attributable to Associate	-	-					
<b>Surplus/(Deficit) for the year</b>	<b>21,083</b>	<b>1,160,095</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,363,528</b>	<b>1,058,383</b>	<b>1,083,684</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>		<b>1,965,394</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>1,363,523</b>	<b>1,058,341</b>	<b>1,083,612</b>
Transfers recognised - capital		1,154,574	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Borrowing		130,299	69,165	69,165	60,500		
Internally generated funds		680,521	578,569	578,569	716,466	617,520	579,837
<b>Total sources of capital funds</b>		<b>1,965,394</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>2,140,489</b>	<b>1,675,861</b>	<b>1,663,449</b>
<b>Financial position</b>							
Total current assets	8,388,853	10,188,246	8,280,195	8,280,195	8,219,432	8,288,369	8,574,238
Total non-current assets	20,165,383	21,750,990	22,258,954	22,258,954	20,041,747	20,853,590	21,696,581
Total current liabilities	3,632,768	5,825,141	3,698,366	3,698,366	3,633,823	3,761,428	3,930,175
Total non-current liabilities	3,835,514	5,819,377	5,206,458	5,206,458	5,285,535	5,358,314	5,483,590

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
R thousands							
Community wealth/Equity	21,085,954	19,180,622	20,345,985	20,345,985	20,593,415	20,623,058	20,836,528
<b>Cash flows</b>							
Net cash from (used) operating	1,140,649	3,003,531	3,338,634	3,338,634	3,377,205	3,459,832	3,555,476
Net cash from (used) investing	1,337,049	2,173,593	2,060,700	2,060,700	2,075,017	1,583,805	1,254,343
Net cash from (used) financing	192,287	344,028	344,028	344,028	195,600	195,600	195,600
<b>Cash/cash equivalents at the year end</b>	<b>4,426,349</b>	<b>5,061,783</b>	<b>4,323,456</b>	<b>4,323,456</b>	<b>4,302,604</b>	<b>4,336,937</b>	<b>4,428,283</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	4,426,349	5,061,783	4,323,456	4,323,456	4,302,604	4,336,937	4,428,283
Application of cash and investments		2,429,076	2,689,393	2,689,393	2,695,012	2,715,898	2,780,887
<b>Balance - surplus (shortfall)</b>		<b>2,632,707</b>	<b>1,634,063</b>	<b>1,634,063</b>	<b>1,607,592</b>	<b>1,621,039</b>	<b>1,647,396</b>
<b>Asset management</b>							
Asset register summary (WDV)		21,604,171	20,919,807	20,919,807			
Depreciation		1,049,902	1,018,442	1,018,442	1,051,415	1,083,006	1,115,547
Renewal and Upgrading of Existing Assets		696,488	809,006	809,006			
Repairs and Maintenance		866,011	758,285	758,285	740,704	787,150	827,769

## Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs. The upwards / downwards trends for certain categories of revenue / expenditure have already been previously explained (e.g. changes in Property Rates, etc.).

**TABLE 14 (TABLE A2 – CONSOLIDATED BUDGET FINANCIAL PERFORMANCE)**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
R thousands							
<b>Revenue - Functional</b>							
<b>Municipal governance and administration</b>	<b>4,359,924</b>	<b>4,710,753</b>	<b>4,713,112</b>	<b>4,713,112</b>	<b>5,254,553</b>	<b>5,089,405</b>	<b>5,067,713</b>
Executive and council	1411	1194	1,322	1,322	1,239	1,298	1,359
Finance and administration	4,358,513	4,709,559	4,711,789	4,711,789	5,253,314	5,088,107	5,066,354
Internal audit							
<b>Community and public safety</b>	<b>1,433,312</b>	<b>1,573,823</b>	<b>1,456,569</b>	<b>1,456,569</b>	<b>1,716,161</b>	<b>1,823,830</b>	<b>1,981,475</b>
Community and social services	37,260	41,898	45,519	45,519	47,044	48,989	50,405
Sport and recreation	11,157	29,322	29,119	29,119	54,306	48,034	67,167
Public safety	1,137,203	1,030,906	979,048	979,048	1,136,103	1,254,362	1,353,689
Housing	246,234	469,477	399,756	399,756	477,331	471,009	509,179
Health	1,458	2,220	3,127	3,127	1,377	1,436	1,035
<b>Economic and environmental services</b>	<b>528,036</b>	<b>807,939</b>	<b>878,505</b>	<b>878,505</b>	<b>780,653</b>	<b>797,175</b>	<b>812,842</b>
Planning and development	187,300	176,611	194,747	194,747	216,125	214,617	228,208
Road transport	316,679	587,730	638,979	638,979	523,175	529,143	549,187

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
R thousands							
Environmental protection	24,057	43,598	44,779	44,779	41,353	53,415	35,447
<b>Trading services</b>	<b>11,110,784</b>	<b>12,122,313</b>	<b>12,227,935</b>	<b>12,227,935</b>	<b>13,139,224</b>	<b>13,931,176</b>	<b>15,122,875</b>
Energy sources	5,232,384	6,130,396	6,049,125	6,049,125	6,691,107	7,527,053	8,473,967
Water management	4,214,717	4,068,058	4,187,276	4,187,276	4,470,714	4,263,326	4,395,352
Waste water management	1,172,521	1,420,732	1,445,746	1,445,746	1,383,674	1,516,770	1,595,194
Waste management	491,161	503,128	545,787	545,787	593,729	624,027	658,362
<b>Other</b>	<b>40,513</b>	<b>61,330</b>	<b>40,126</b>	<b>40,126</b>	<b>39,918</b>	<b>44,005</b>	<b>43,738</b>
<b>Total Revenue - Functional</b>	<b>17,472,568</b>	<b>19,276,158</b>	<b>19,316,247</b>	<b>19,316,247</b>	<b>20,930,509</b>	<b>21,685,591</b>	<b>23,028,643</b>
<b>Expenditure - Functional</b>							
<b>Municipal governance and administration</b>	<b>2,458,008</b>	<b>2,060,586</b>	<b>2,650,439</b>	<b>2,650,439</b>	<b>2,635,042</b>	<b>2,818,003</b>	<b>2,927,721</b>
Executive and council	495,938	416,008	299,480	299,480	283,736	325,443	343,847
Finance and administration	1,900,809	1,572,076	2,278,243	2,278,243	2,282,200	2,421,401	2,509,119
Internal audit	61,261	72,502	72,715	72,715	69,106	71,159	74,755
<b>Community and public safety</b>	<b>2,098,018</b>	<b>2,597,632</b>	<b>2,264,674</b>	<b>2,264,674</b>	<b>2,417,200</b>	<b>2,575,981</b>	<b>2,683,435</b>
Community and social services	345,695	384,216	428,645	428,645	455,374	481,539	516,557
Sport and recreation	512,456	680,761	552,736	552,736	641,489	700,541	659,638
Public safety	639,412	731,694	673,996	673,996	690,740	743,228	813,849
Housing	420,109	545,994	370,710	370,710	385,365	391,368	416,257
Health	180,345	254,968	238,587	238,587	244,232	259,305	277,134
<b>Economic and environmental services</b>	<b>986,290</b>	<b>1,510,475</b>	<b>1,312,962</b>	<b>1,312,962</b>	<b>1,361,541</b>	<b>1,429,056</b>	<b>1,545,735</b>
Planning and development	220,379	467,646	432,828	432,828	532,620	553,319	598,234
Road transport	703,997	956,244	827,230	827,230	766,709	809,104	875,121
Environmental protection	61,913	86,585	52,904	52,904	62,212	66,633	72,380
<b>Trading services</b>	<b>13,865,565</b>	<b>11,818,822</b>	<b>11,709,775</b>	<b>11,709,775</b>	<b>12,964,809</b>	<b>13,684,167</b>	<b>14,660,386</b>
Energy sources	6,462,364	7,343,288	7,536,923	7,536,923	8,333,652	8,797,173	9,339,196
Water management	5,855,571	2,711,096	2,647,166	2,647,166	3,069,577	3,225,365	3,382,015
Waste water management	1,011,514	1,093,987	963,766	963,766	960,849	1,023,355	1,256,614
Waste management	536,116	670,451	561,921	561,921	600,731	638,274	682,561
<b>Other</b>	<b>85,615</b>	<b>128,547</b>	<b>90,442</b>	<b>90,442</b>	<b>152,230</b>	<b>120,087</b>	<b>127,682</b>
<b>Total Expenditure - Functional</b>	<b>17,037,945</b>	<b>18,116,061</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,822</b>	<b>20,627,294</b>	<b>21,944,959</b>
<b>Surplus/(Deficit)</b>	<b>434,623</b>	<b>1,160,097</b>	<b>1,287,956</b>	<b>1,287,956</b>	<b>1,399,687</b>	<b>1,058,297</b>	<b>1,083,684</b>

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

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. **It should be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.**

**TABLE 15 (TABLE A3 – CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))**

Vote Description	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
R thousand							
<b>Revenue by Vote</b>							
Vote 1 - Budget & Treasury	4,127,021	4,615,019	4,608,763	4,608,763	5,144,222	4,986,441	4,960,849
Vote 2 - Public Health	488,954	517,512	562,321	562,321	609,383	640,344	675,387
Vote 3 - Human Settlements	191,659	303,502	249,992	249,992	333,545	337,353	347,525
Vote 4 - Economic Development, Tourism & Agriculture	25,540	38,232	34,339	34,339	19,809	20,740	21,734
Vote 5 - Corporate Services	26,147	19,397	30,907	30,907	31,803	20,167	21,137
Vote 6 - Infrastructure & Engineering Unit - Rate & General	231,058	317,758	229,189	229,189	169,030	186,209	220,915
Vote 7 - Metro Water Service	3,945,200	3,734,347	3,848,870	3,848,870	3,987,426	4,178,205	4,308,625
Vote 8 - Sanitation - Metro	1,101,413	1,292,269	1,306,808	1,306,808	1,224,950	1,298,826	1,378,259

Vote Description	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
<b>R thousand</b>							
Vote 9 - Electricity & Energy	5,128,106	5,959,948	5,885,832	5,885,832	6,536,531	7,362,773	8,292,707
Vote 10 - Executive & Council	924,239	150,667	154,607	154,607	208,819	205,081	220,993
Vote 11 - Safety & Security	1,157,372	1,049,534	997,677	997,677	1,155,607	1,274,782	1,375,090
Vote 12 - Mandela Bay Stadium	48,197	72,278	72,278	72,278	77,484	82,668	87,069
Vote 13 - Special Projects and Programmes	29,816	22,684	22,684	22,684	7,853	8,509	9,269
Vote 14 - Recreational & Cultural Services	41,733	23,915	24,023	24,023	24,365	25,238	25,472
Vote 15 - [NAME OF VOTE 15]							
<b>Total Revenue by Vote</b>	<b>17,466,455</b>	<b>18,117,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,827</b>	<b>20,627,336</b>	<b>21,945,031</b>
<b>Expenditure by Vote to be appropriated</b>							
Vote 1 - Budget & Treasury	1,466,134	1,135,425	1,199,925	1,199,925	1,207,442	1,284,094	1,372,632
Vote 2 - Public Health	911,346	1,086,780	1,032,102	1,032,102	1,121,645	1,194,720	1,278,507
Vote 3 - Human Settlements	393,721	500,427	505,675	505,675	533,571	553,648	589,517
Vote 4 - Economic Development, Tourism & Agriculture	94,067	119,201	117,148	117,148	114,858	125,938	133,918
Vote 5 - Corporate Services	443,544	600,448	598,814	598,814	633,286	659,668	703,118
Vote 6 - Infrastructure & Engineering Unit - Rate & General	916,966	1,254,519	1,086,128	1,086,128	1,039,798	1,101,408	1,188,594
Vote 7 - Metro Water Service	3,767,564	2,939,602	2,720,338	2,720,338	3,163,949	3,325,051	3,484,421
Vote 8 - Sanitation - Metro	850,123	930,795	909,220	909,220	908,264	974,458	1,038,729
Vote 9 - Electricity & Energy	6,527,664	7,204,319	7,529,198	7,529,198	8,345,845	8,797,377	9,339,508
Vote 10 - Executive & Council	468,976	498,944	501,460	501,460	610,398	627,498	668,386
Vote 11 - Safety & Security	1,159,592	1,232,955	1,217,612	1,217,612	1,241,395	1,332,769	1,453,014
Vote 12 - Mandela Bay Stadium	51,332	71,498	72,998	72,998	77,484	82,668	87,069
Vote 13 - Special Projects and Programmes	29,095	24,161	23,731	23,731	9,431	10,221	11,138
Vote 14 - Recreational & Cultural Services	413,527	516,988	513,943	513,943	523,456	557,776	596,408
Vote 15 - [NAME OF VOTE 15]							
<b>Total Expenditure by Vote</b>	<b>17,493,651</b>	<b>18,116,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,822</b>	<b>20,627,294</b>	<b>21,944,959</b>
<b>Surplus/(Deficit) for the year</b>	<b>-27,196</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>42</b>	<b>72</b>

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

The purpose of the format in which the budget is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, to assign responsibility for the revenue and expenditure recorded against these votes to the Acting / City Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined in terms of section 1 of the MFMA as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

**TABLE 16 (TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
Revenue							
Exchange Revenue							

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
Service charges - Electricity	4,953,078	5,828,780	5,730,806	5,730,806	6,410,553	7,227,258	8,148,011
Service charges - Water	3,048,561	2,937,779	2,911,480	2,911,480	2,997,328	3,155,968	3,361,106
Service charges - Waste Water Management	807,631	920,612	881,062	881,062	821,412	870,682	927,245
Service charges - Waste Management	290,783	330,539	308,648	308,648	349,730	372,462	398,535
Sale of Goods and Rendering of Services	78,046	117,432	121,418	121,418	125,571	132,882	139,114
Agency services	3,902	4,064	4,064	4,064	4,255	4,455	4,669
Interest earned from Receivables	1,009,287	990,740	1,070,802	1,070,802	1,106,615	1,218,948	1,174,835
Interest earned from Current and Non-Current Assets	385,770	226,156	276,855	276,855	291,739	312,097	339,917
Rental from Fixed Assets	34,019	38,567	42,037	42,037	42,603	44,105	45,697
Licence and permits	21,519	20,137	22,193	22,193	21,319	22,295	23,339
Operational Revenue	32,659	32,550	33,657	33,657	25,690	26,927	28,213
<b>Non-Exchange Revenue</b>							
Property rates	2,875,600	3,142,251	3,142,251	3,142,251	3,299,358	3,480,819	3,689,667
Fines, penalties and forfeits	97,507	64,223	59,084	59,084	67,973	71,182	74,615
Licences or permits	1	1	1	1	1	1	1
Transfer and subsidies - Operational	2,843,620	2,639,328	2,450,902	2,450,902	2,946,007	2,615,734	2,465,655
Interest raised - Receivables (Other )	199,673		149,009	149,009	158,695	169,010	179,996
Fuel Levy	783,478	824,005	824,005	824,005	861,978	902,511	944,416
Gains on disposal of Assets	1,321	-	17	17			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,466,455</b>	<b>18,117,164</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,827</b>	<b>20,627,336</b>	<b>21,945,031</b>
<b>Expenditure</b>							
Employee related costs	3,889,773	4,752,685	4,586,235	4,586,235	4,875,310	5,260,967	5,740,645
Remuneration of councillors	82,053	94,452	94,675	94,675	98,334	102,276	106,377
Bulk purchases - electricity	5,635,673	6,338,216	6,457,166	6,457,166	7,277,226	7,667,285	8,141,890
Inventory consumed	512,291	355,361	381,872	381,872	583,636	600,036	621,495
Debt impairment	4,200,994	1,836,239	1,836,323	1,836,323	1,887,585	1,998,314	2,123,107
Depreciation and amortisation	885,798	1,049,902	1,018,442	1,018,442	1,051,415	1,083,006	1,115,547
Interest	121,960	111,217	111,217	111,217	72,173	61,947	50,682
Contracted services	969,142	1,751,625	1,630,699	1,630,699	1,632,674	1,732,366	1,839,517
Transfers and subsidies	210,174	84,452	93,972	93,972	153,823	160,747	168,505
Irrecoverable debts written off		582,995	652,995	652,995	668,085	707,273	751,752
Operational costs	611,762	905,934	911,711	911,711	844,640	865,226	895,652
Losses on disposal of Assets							
Other Losses	374,031	252,982	252,982	252,982	385,921	387,851	389,790
<b>Total Expenditure</b>	<b>17,493,651</b>	<b>18,116,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,822</b>	<b>20,627,294</b>	<b>21,944,959</b>

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
R thousands							
Surplus/(Deficit)	27,196	1,000	-	-	5	42	72
Transfers and subsidies - capital (monetary allocations)		1,159,095	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Transfers and subsidies - capital (in-kind)		-					
Surplus/(Deficit) after capital transfers and contributions	27,196	1,160,097	1,286,456	1,286,456	1,363,528	1,058,383	1,083,684
Surplus/(Deficit) after income tax	27,196	1,160,097	1,286,456	1,286,456	1,363,528	1,058,383	1,083,684
Surplus/(Deficit) attributable to municipality	27,196	1,160,097	1,286,456	1,286,456	1,363,528	1,058,383	1,083,684
Surplus/(Deficit) for the year	27,196	1,160,097	1,286,456	1,286,456	1,363,528	1,058,383	1,083,684

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

### Revenue

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the original budget, to assess performance.

**TABLE 17 (TABLE A5 – CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)**

Description	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands							
<b>Capital Expenditure - Functional</b>							
<b>Municipal governance and administration</b>	216,622	155,835	155,835	155,835	255,584	167,419	145,467
Executive and council							
Finance and administration	216,622	155,835	155,835	155,835	255,584	167,419	145,467
Internal audit							
<b>Community and public safety</b>	168,724	118,118	118,118	118,118	188,546	123,110	115,967
Community and social services	48,328	34,256	34,256	34,256	60,186	35,834	41,633
Sport and recreation	55,561	48,022	48,022	48,022	82,372	56,266	61,784
Public safety	62,235	31,240	31,240	31,240	44,088	29,609	11,150
Housing	1,200	1,200	1,200	1,200	600		
Health	1,400	3,400	3,400	3,400	1,300	1,400	1,400
<b>Economic and environmental services</b>	506,098	553,225	553,225	553,225	557,801	596,019	591,414
Planning and development	56,040	56,040	56,040	56,040	58,842	65,078	67,802
Road transport	449,058	497,185	497,185	497,185	497,959	530,942	523,611
Environmental protection	1,000				1,000		
<b>Trading services</b>	1,071,881	1,105,012	1,105,012	1,105,012	1,130,557	789,313	810,599
Energy sources	246,698	234,973	234,973	234,973	204,885	218,321	236,379
Water management	457,824	36,000	36,000	36,000	552,595	196,376	207,093
Waste water management	331,360	373,026	373,026	373,026	337,077	322,012	329,316
Waste management	36,000	461,013	461,013	461,013	36,000	52,603	37,810

Description	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<i>Other</i>	2,000	2,000	2,000	2,000	8,000		
<b>Total Capital Expenditure - Functional</b>	1,965,324	1,934,190	1,934,190	1,934,190	2,140,488	1,675,861	1,663,447
<b>Funded by</b>							
National Government	1,111,574	1,244,956	1,244,956	1,244,956	1,320,523	1,015,341	1,040,610
Provincial Government							
District Municipality							
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	43,000	41,500	41,500	41,500	43,000	43,000	43,000
<b>Transfers recognised - capital</b>	1,154,574	1,286,456	1,286,456	1,286,456	1,363,523	1,058,341	1,083,610
<b>Borrowing</b>	130,229	69,165	69,165	69,165	60,500		
<b>Internally generated funds</b>	680,522	578,569	578,569	578,569	716,465	617,520	579,837
<b>Total Capital Funding</b>	1,965,324	1,934,190	1,934,190	1,934,190	2,140,488	1,675,861	1,663,447

### Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

**TABLE 18 (TABLE A6 – CONSOLIDATED BUDGETED FINANCIAL POSITION)**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	4,426,349	5,032,445	4,323,956	4,323,956	4,302,604	4,336,937	4,428,283
Trade and other receivables from exchange transactions	2,988,563	3,159,969	3,018,448	3,018,448	3,024,485	3,027,600	3,178,885
Receivables from non-exchange transactions	383,814	248,070	387,653	387,653	385,614	390,002	399,902
Current portion of non-current receivables	4						
Inventory	163,397	345,859	166,397	166,397	114,046	140,436	154,190
VAT	176,836	1,401,903	140,447	140,447	148,902	149,370	156,753
Other current assets	243,294		243,294	243,294	243,781	244,024	256,225
<b>Total current assets</b>	<b>8,382,257</b>	<b>10,188,246</b>	<b>8,280,195</b>	<b>8,280,195</b>	<b>8,219,432</b>	<b>8,288,369</b>	<b>8,574,238</b>
<b>Non-current assets</b>							
Investments							
Investment property	138,357	156,763	138,357	138,357	143,891	149,647	155,633
Property, plant and equipment	19,608,218	21,141,409	21,628,998	21,628,998	19,480,568	20,270,692	21,093,081
Biological assets							
Living and non-living resources							
Heritage assets	226,441	220,197	226,441	226,441	235,238	244,648	254,433
Intangible assets	56,784	71,801	13,939	13,939	11,045	11,958	12,922
Trade and other receivables from exchange transactions	81,429	115,638	197,010	197,010	114,626	118,011	119,532
Non-current receivables from non-exchange transactions	54,153	45,182	54,211	54,211	56,379	58,634	60,980

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
Other non-current assets							
<b>Total non-current assets</b>	<b>20,165,382</b>	<b>21,750,990</b>	<b>22,258,956</b>	<b>22,258,956</b>	<b>20,041,747</b>	<b>20,853,590</b>	<b>21,696,581</b>
<b>TOTAL ASSETS</b>	<b>28,547,639</b>	<b>31,939,236</b>	<b>30,539,151</b>	<b>30,539,149</b>	<b>28,261,179</b>	<b>29,141,959</b>	<b>30,270,819</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft							
Financial liabilities	213,698	188,490	213,698	213,698	222,245	231,136	240,381
Consumer deposits	157,184	180,779	177,998	177,998	163,472	170,011	176,811
Trade and other payables from exchange transactions	2,319,526	3,006,246	2,342,721	2,342,721	2,401,743	2,497,856	2,614,930
Trade and other payables from non-exchange transactions	336,837	313,007	340,205	340,205	321,180	316,235	330,015
Provision	605,523	396,155	605,523	605,523	525,183	546,190	568,038
VAT	0	1,740,464					
Other current liabilities							
<b>Total current liabilities</b>	<b>3,632,768</b>	<b>5,825,141</b>	<b>3,680,145</b>	<b>3,680,145</b>	<b>3,633,823</b>	<b>3,761,428</b>	<b>3,930,175</b>
<b>Non-current liabilities</b>							
Financial liabilities	1,147,769	1,232,620	934,072	934,072	938,463	976,002	1,015,042
Provision	2,100,340	3,200,928	3,471,284	3,471,284	3,474,755	3,475,102	3,525,050
Long term portion of trade payables							
Other non-current liabilities	801,102	1,385,829	801,102	801,102	872,317	907,210	943,498
<b>Total non-current liabilities</b>	<b>4,049,211</b>	<b>5,819,377</b>	<b>5,206,458</b>	<b>5,206,458</b>	<b>5,285,535</b>	<b>5,358,314</b>	<b>5,483,590</b>
<b>TOTAL LIABILITIES</b>	<b>7,681,979</b>	<b>11,644,518</b>	<b>8,886,603</b>	<b>8,886,603</b>	<b>8,919,358</b>	<b>9,119,742</b>	<b>9,413,765</b>
<b>NET ASSETS</b>	<b>20,865,660</b>	<b>20,294,718</b>	<b>21,652,548</b>	<b>21,652,546</b>	<b>19,341,821</b>	<b>20,022,217</b>	<b>20,857,054</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated surplus/(deficit)		18,595,493	20,159,781	20,159,781	20,361,378	20,381,740	20,585,558
Reserves and funds		585,129	186,203	186,203	232,037	241,318	250,970
Other							
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>0</b>	<b>19,180,622</b>	<b>20,345,984</b>	<b>20,345,984</b>	<b>20,593,415</b>	<b>20,623,058</b>	<b>20,836,528</b>

## Explanatory notes to Table A6 - Budgeted Financial Position

The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.

Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. 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 directly informed by forecasting the statement of financial position.

**TABLE 19 (TABLE A7 – CONSOLIDATED BUDGET CASH FLOW STATEMENT)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	2,828,026	2,356,688	2,356,688	2,969,423	3,132,736	3,320,700
Service charges	9,293,524	8,848,796	8,848,796	8,791,941	9,531,206	9,694,708
Other revenue	2,200,281	1,861,030	1,861,030	1,748,498	1,806,953	1,897,023
Transfers and Subsidies - Operational	2,138,293	2,401,884	2,401,884	2,846,007	2,515,734	2,465,655
Transfers and Subsidies - Capital	1,210,250	1,157,811	1,157,811	1,363,523	1,058,341	1,083,610
Interest	226,156	276,855	276,855	291,737	312,097	339,917
<b>Payments</b>						
Suppliers and employees	- 14,697,330	- 13,359,241	- 13,359,241	- 14,349,082	- 14,612,438	- 14,961,141
Finance charges	- 111,217	- 111,217	- 111,217	- 72,173	- 61,944	- 50,682
Transfers and Subsidies	- 84,452	- 93,972	- 93,972	- 212,669	- 222,853	- 234,314
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>3,003,531</b>	<b>3,338,634</b>	<b>3,338,634</b>	<b>3,377,205</b>	<b>3,459,832</b>	<b>3,555,476</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	1,347	1,700	1,980	2,200
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-
Decrease (increase) in non-current receivables	- 160,820	-	- 160,820	- 160,980	- 161,303	- 161,787
Decrease (increase) in non-current investments	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	- 2,012,773	-	- 1,901,227	- 1,915,737	- 1,424,482	- 1,413,930
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>- 2,173,593</b>	<b>- 2,060,700</b>	<b>- 2,060,700</b>	<b>- 2,075,017</b>	<b>- 1,583,805</b>	<b>1,254,343</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans						
Borrowing long term/refinancing	- 130,229	- 130,229	- 130,229			
Increase (decrease) in consumer deposits						
<b>Payments</b>						
Repayment of borrowing	- 213,799	- 213,799	- 213,799	- 195,600	- 195,600	- 195,600
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>- 344,028</b>	<b>- 344,028</b>	<b>- 344,028</b>	<b>- 195,600</b>	<b>- 195,600</b>	<b>- 195,600</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>485,910</b>	<b>- 102,393</b>	<b>- 102,393</b>	<b>- 21,352</b>	<b>34,333</b>	<b>91,346</b>
Cash/cash equivalents at the year begin:	4,575,873	4,426,349	4,426,349	4,323,956	4,302,604	4,336,937
Cash/cash equivalents at the year-end:	5,061,783	4,323,956	4,323,956	4,302,604	4,336,937	4,428,283

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

The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

It reflects the expected cash in-flows versus cash outflows that is likely to result from the implementation of the budget.

**TABLE 20 (TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>Cash and investments available</b>						
Cash/cash equivalents at the year end	5,061,783	916,191	916,191	934,514	953,205	962,269
Other current investments > 90 days		3,407,265	3,407,265	3,368,090	3,383,732	3,466,014
Non-current assets - Investments						
<b>Cash and investments available:</b>	<b>5,061,783</b>	<b>4,323,456</b>	<b>4,323,456</b>	<b>4,302,604</b>	<b>4,336,937</b>	<b>4,428,283</b>
<b>Application of cash and investments</b>						
Unspent conditional transfers	156,238	147,318	147,318	117,854	111,962	106,364
Unspent borrowing	130,229	130,229	130,229	60,500		
Statutory requirements	495,130	495,130	495,130	594,156	698,571	781,607
Other working capital requirements	- 1,321,880	- 1,740,771	- 1,740,771	-1,784,290	-1,811,055	-1,883,104
Other provisions	2,384,230	3,471,284	3,471,284	3,474,755	3,475,102	3,525,050
Long term investments committed						
Reserves to be backed by cash/investments	585,129	186,203	186,203	232,037	241,318	250,970
<b>Total Application of cash and investments:</b>	<b>2,429,076</b>	<b>2,689,393</b>	<b>2,689,393</b>	<b>2,695,012</b>	<b>2,715,898</b>	<b>2,780,887</b>
<b>Surplus(shortfall)</b>	<b>2,632,707</b>	<b>1,634,063</b>	<b>1,634,063</b>	<b>1,607,592</b>	<b>1,621,039</b>	<b>1,647,396</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2024/25 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the Local Government: Municipal Finance Management Act (56 of 2003).
4. Provisions to be cash backed incorporate all current provisions as well as the provision for the rehabilitation of landfill sites.
5. Reserves to be cash backed incorporate the COIDA, Self-Insurance Fund (SIF) and the Capital Replacement Reserve.

**TABLE 21 (TABLE A9 - ASSET MANAGEMENT)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>CAPITAL EXPENDITURE</b>						
<b>Total New Assets</b>	<b>1,324,876</b>	<b>1,105,184</b>	<b>1,105,184</b>	<b>1,419,778</b>	<b>958,118</b>	<b>945,569</b>
<i>Roads Infrastructure</i>	380,180	354,040	354,040	342,570	360,743	372,292

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>Storm water Infrastructure</i>	30,822	39,602	39,602	25,891	26,382	28,494
<i>Electrical Infrastructure</i>	143,258	107,567	107,567	118,286	109,165	119,534
<i>Water Supply Infrastructure</i>	289,314	292,046	292,046	417,529	75,682	79,294
<i>Sanitation Infrastructure</i>	116,470	55,253	55,253	131,625	74,064	70,267
<i>Solid Waste Infrastructure</i>	2,000	2,000	2,000	-	-	-
<i>Rail Infrastructure</i>				-	-	-
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>	2,000	2,000	2,000	-	-	-
<b>Infrastructure</b>	<b>964,044</b>	<b>852,507</b>	<b>852,507</b>	<b>1,035,901</b>	<b>646,036</b>	<b>669,880</b>
Community Facilities	63,887	63,627	63,627	61,262	67,909	72,202
Sport and Recreation Facilities	5,000	200	200	5,800	8,000	-
<b>Community Assets</b>	<b>68,887</b>	<b>63,827</b>	<b>63,827</b>	<b>67,062</b>	<b>75,909</b>	<b>72,202</b>
<b>Heritage Assets</b>				-	-	-
Revenue Generating				-	-	-
Non-revenue Generating				-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	47,800	25,522	25,522	23,050	9,130	24,162
Housing				-	-	-
<b>Other Assets</b>	<b>47,800</b>	<b>25,522</b>	<b>25,522</b>	<b>23,050</b>	<b>9,130</b>	<b>24,162</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	30,958	13,968	13,968	54,622	38,439	38,856
<b>Intangible Assets</b>	<b>30,958</b>	<b>13,968</b>	<b>13,968</b>	<b>54,622</b>	<b>38,439</b>	<b>38,856</b>
<b>Computer Equipment</b>	<b>23,452</b>	<b>29,658</b>	<b>29,658</b>	<b>20,580</b>	<b>25,450</b>	<b>14,350</b>
<b>Furniture and Office Equipment</b>	<b>3,600</b>	<b>3,257</b>	<b>3,257</b>	<b>6,776</b>	<b>3,300</b>	<b>3,500</b>
<b>Machinery and Equipment</b>	<b>112,565</b>	<b>68,334</b>	<b>68,334</b>	<b>100,496</b>	<b>66,400</b>	<b>31,550</b>
<b>Transport Assets</b>	<b>72,070</b>	<b>46,613</b>	<b>46,613</b>	<b>109,792</b>	<b>93,454</b>	<b>91,069</b>
<b>Land</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature						
Immature						
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Renewal of Existing Assets</b>	<b>408,637</b>	<b>575,694</b>	<b>575,694</b>	<b>428,787</b>	<b>399,559</b>	<b>395,013</b>
<i>Roads Infrastructure</i>	70,500	101,127	101,127	64,500	60,500	58,500
<i>Storm water Infrastructure</i>	9,000	106,293	106,293	8,000	7,000	7,000

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>Electrical Infrastructure</i>	60,270	61,570	61,570	72,870	64,370	60,912
<i>Water Supply Infrastructure</i>	123,510	135,553	135,553	120,066	102,694	104,800
<i>Sanitation Infrastructure</i>	87,983	119,738	119,738	104,861	103,066	87,956
<i>Solid Waste Infrastructure</i>	13,543	13,543	13,543	17,488	22,459	19,810
<i>Rail Infrastructure</i>				-	-	-
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>				-	-	-
<b>Infrastructure</b>	<b>364,807</b>	<b>537,825</b>	<b>537,825</b>	<b>387,785</b>	<b>360,089</b>	<b>338,977</b>
Community Facilities	25,130	13,030	13,030	14,700	19,336	24,071
Sport and Recreation Facilities	3,950	6,400	6,400	13,652	15,534	28,966
<b>Community Assets</b>	<b>29,080</b>	<b>19,430</b>	<b>19,430</b>	<b>28,352</b>	<b>34,871</b>	<b>53,036</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	4,250	3,439	3,439	2,650	4,600	3,000
Housing				-		
<b>Other Assets</b>	<b>4,250</b>	<b>3,439</b>	<b>3,439</b>	<b>2,650</b>	<b>4,600</b>	<b>3,000</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights						
<b>Intangible Assets</b>	-	-	-	-	-	-
Computer Equipment	500					
Furniture and Office Equipment						
Machinery and Equipment						
Transport Assets	10,000	15,000	15,000	10,000	-	-
Land						
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature				-	-	-
Immature				-	-	-
<b>Living Resources</b>	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	<b>287,851</b>	<b>253,312</b>	<b>253,312</b>	<b>291,923</b>	<b>318,183</b>	<b>322,865</b>
<i>Roads Infrastructure</i>	39,628	45,393	45,393	46,100	65,200	30,900
<i>Storm water Infrastructure</i>	22,000	21,789	21,789	21,800	18,000	20,000
<i>Electrical Infrastructure</i>	39,970	62,636	62,636	22,829	38,786	52,434
<i>Water Supply Infrastructure</i>	28,000	27,162	27,162	17,000	20,000	19,000
<i>Sanitation Infrastructure</i>	55,750	27,124	27,124	32,650	76,000	104,600

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>Solid Waste Infrastructure</i>	4,000	4,000	4,000	4,000	24,207	17,000
<i>Rail Infrastructure</i>						
<i>Coastal Infrastructure</i>						
<i>Information and Communication Infrastructure</i>	2,000	2,000	2,000	2,000	1,000	1,000
<b>Infrastructure</b>	<b>191,347</b>	<b>190,104</b>	<b>190,104</b>	<b>146,379</b>	<b>243,193</b>	<b>244,934</b>
Community Facilities	61,637	41,717	41,717	76,510	30,944	25,484
Sport and Recreation Facilities	16,215	11,258	11,258	36,694	13,997	22,997
<b>Community Assets</b>	<b>77,852</b>	<b>52,975</b>	<b>52,975</b>	<b>113,204</b>	<b>44,940</b>	<b>48,481</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	17,652	8,732	8,732	24,600	27,800	26,950
Housing				-	-	-
<b>Other Assets</b>	<b>17,652</b>	<b>8,732</b>	<b>8,732</b>	<b>24,600</b>	<b>27,800</b>	<b>26,950</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights				3,000		
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
Computer Equipment	1,000	1,500	1,500	4,500	1,000	1,000
Furniture and Office Equipment						
Machinery and Equipment				240	250	-
Transport Assets				-	-	-
Land				-	1,000	1,500
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature						
Immature						
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>	<b>1,965,324</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>2,140,488</b>	<b>1,675,861</b>	<b>1,663,447</b>
<i>Roads Infrastructure</i>	490,308	500,560	500,560	453,170	486,443	461,692
<i>Storm water Infrastructure</i>	61,822	167,684	167,684	55,691	51,382	55,494
<i>Electrical Infrastructure</i>	243,498	231,773	231,773	213,985	212,321	232,879
<i>Water Supply Infrastructure</i>	440,824	454,761	454,761	554,595	198,376	203,093
<i>Sanitation Infrastructure</i>	260,203	202,115	202,115	269,136	253,130	262,822
<i>Solid Waste Infrastructure</i>	19,543	19,543	19,543	21,488	46,666	36,810
<i>Rail Infrastructure</i>		-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>Information and Communication Infrastructure</i>	4,000	4,000	4,000	2,000	1,000	1,000
<b>Infrastructure</b>	<b>1,520,198</b>	<b>1,580,436</b>	<b>1,580,436</b>	<b>1,570,065</b>	<b>1,249,318</b>	<b>1,253,791</b>
Community Facilities	94,615	118,374	118,374	152,472	118,189	121,757
Sport and Recreation Facilities	25,165	17,858	17,858	56,146	37,531	51,962
<b>Community Assets</b>	<b>119,780</b>	<b>136,232</b>	<b>136,232</b>	<b>208,617</b>	<b>155,720</b>	<b>173,719</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	69,702	37,693	37,693	50,300	41,530	54,112
Housing						
<b>Other Assets</b>	<b>69,702</b>	<b>37,693</b>	<b>37,693</b>	<b>50,300</b>	<b>41,530</b>	<b>54,112</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	30,958	13,968	13,968	57,622	38,439	38,856
<b>Intangible Assets</b>	<b>30,958</b>	<b>13,968</b>	<b>13,968</b>	<b>57,622</b>	<b>38,439</b>	<b>38,856</b>
<b>Computer Equipment</b>	<b>24,952</b>	<b>31,158</b>	<b>31,158</b>	<b>25,080</b>	<b>26,450</b>	<b>15,350</b>
<b>Furniture and Office Equipment</b>	<b>3,600</b>	<b>3,257</b>	<b>3,257</b>	<b>6,776</b>	<b>3,300</b>	<b>3,500</b>
<b>Machinery and Equipment</b>	<b>112,565</b>	<b>68,334</b>	<b>68,334</b>	<b>100,736</b>	<b>66,650</b>	<b>31,550</b>
<b>Transport Assets</b>	<b>82,070</b>	<b>61,613</b>	<b>61,613</b>	<b>119,792</b>	<b>93,454</b>	<b>91,069</b>
<b>Land</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,000</b>	<b>1,500</b>
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
Mature		-	-	-	-	-
Immature		-	-	-	-	-
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset Class</b>	<b>2,021,364</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>2,140,488</b>	<b>1,675,861</b>	<b>1,663,447</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>21,369,946</b>	<b>21,938,253</b>	<b>21,938,253</b>	<b>22,461,434</b>	<b>22,654,069</b>	<b>22,609,241</b>
<i>Roads Infrastructure</i>	3,289,143	3,373,863	3,373,863	3,483,197	3,593,416	3,560,659
<i>Storm water Infrastructure</i>	431,354	564,323	564,323	458,962	586,780	590,024
<i>Electrical Infrastructure</i>	1,967,857	2,058,895	2,058,895	2,047,807	2,133,161	2,149,577
<i>Water Supply Infrastructure</i>	2,831,740	3,045,688	3,045,688	3,224,303	3,077,172	3,076,882
<i>Sanitation Infrastructure</i>	1,249,094	1,266,501	1,266,501	1,381,293	1,378,587	1,384,048
<i>Solid Waste Infrastructure</i>	(85,776)	(18,259)	(18,259)	(131,746)	(41,075)	(53,015)
<i>Rail Infrastructure</i>	1,945,369	1,945,369	1,945,369	1,945,369	1,945,369	1,945,369
<i>Coastal Infrastructure</i>		-	-	-	-	-
<i>Information and Communication Infrastructure</i>	33,439	33,439	33,439	35,439	34,439	34,439

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands						
<b>Infrastructure</b>	<b>11,662,220</b>	<b>12,269,820</b>	<b>12,269,820</b>	<b>12,444,625</b>	<b>12,707,848</b>	<b>12,687,983</b>
	(6,033)	578,231	578,231			
<b>Community Assets</b>	520,355	662,619	662,619	588,610	673,766	687,428
<b>Heritage Assets</b>	446,638	226,441	226,441	446,638	446,638	446,638
<b>Investment properties</b>	295,120	138,357	138,357	289,642	132,714	132,545
<b>Other Assets</b>	8,089,932	8,070,369	8,070,369	8,110,832	8,081,617	8,093,290
<b>Biological or Cultivated Assets</b>		-	-	-	-	-
	74,801	56,784	56,784	56,784	74,801	
		13,968	13,968	57,622	38,439	
<b>Intangible Assets</b>	74,801	70,752	70,752	85,333	60,688	59,649
<b>Computer Equipment</b>	27,156	69,529	69,529	52,236	53,606	42,506
<b>Furniture and Office Equipment</b>	3,600	7,928	7,928	10,376	6,900	7,100
<b>Machinery and Equipment</b>	185,618	141,387	141,387	264,893	185,932	150,169
<b>Transport Assets</b>	64,507	227,980	227,980	166,750	303,359	300,432
<b>Land</b>		53,071	53,071	1,500	1,000	1,500
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>21,369,946</b>	<b>21,938,253</b>	<b>21,938,253</b>	<b>22,461,434</b>	<b>22,654,069</b>	<b>22,609,241</b>
<b>EXPENDITURE OTHER ITEMS</b>						
<b>Depreciation</b>	1,049,902	<b>1,018,447</b>	<b>1,018,447</b>	1,049,902	1,080,470	1,112,884
<b>Repairs and Maintenance by Asset Class</b>	<b>866,011</b>	<b>758,285</b>	<b>758,285</b>	<b>740,704</b>	<b>787,150</b>	<b>827,769</b>
<i>Roads Infrastructure</i>	130,984	114,690	114,690	92,541	98,344	103,419
<i>Storm water Infrastructure</i>	17,711	15,508	15,508	15,427	16,394	17,240
<i>Electrical Infrastructure</i>	121,262	106,180	106,180	105,622	112,245	118,038
<i>Water Supply Infrastructure</i>	130,447	114,220	114,220	125,227	133,079	139,946
<i>Sanitation Infrastructure</i>	89,532	78,394	78,394	78,150	83,051	87,336
<i>Solid Waste Infrastructure</i>		-	-			
<i>Rail Infrastructure</i>	2,913	2,551	2,551	2,537	2,696	2,836
<i>Coastal Infrastructure</i>		-	-			
<i>Information and Communication Infrastructure</i>	1,325	1,160	1,160	1,154	1,226	1,290
<b>Infrastructure</b>	<b>494,173</b>	<b>432,703</b>	<b>432,703</b>	<b>420,659</b>	<b>447,036</b>	<b>470,105</b>
Community Facilities	19,516	17,088	17,088	16,998	18,064	18,996

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands						
Sport and Recreation Facilities	12,508	10,952	10,952	10,895	11,578	12,175
<b>Community Assets</b>	<b>32,024</b>	<b>28,040</b>	<b>28,040</b>	<b>27,893</b>	<b>29,642</b>	<b>31,172</b>
<b>Heritage Assets</b>	320	280	280	218	231	243
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	140,087	122,662	122,662	121,260	128,863	135,513
Housing	7,509	6,575	6,575	6,541	6,951	7,309
<b>Other Assets</b>	<b>147,596</b>	<b>129,237</b>	<b>129,237</b>	<b>127,800</b>	<b>135,814</b>	<b>142,823</b>
<b>Biological or Cultivated Assets</b>						
Servitudes		-	-			
Licences and Rights	5,930	5,192	5,192	5,130	5,452	5,733
<b>Intangible Assets</b>	<b>5,930</b>	<b>5,192</b>	<b>5,192</b>	<b>5,130</b>	<b>5,452</b>	<b>5,733</b>
<b>Computer Equipment</b>	5,994	5,248	5,248	5,280	5,611	5,901
<b>Furniture and Office Equipment</b>	4,251	3,722	3,722	9,849	10,466	11,006
<b>Machinery and Equipment</b>	59,532	52,127	52,127	51,819	55,068	57,910
<b>Transport Assets</b>	116,190	101,736	101,736	92,056	97,828	102,877
Land		-	-			
<b>Zoo's, Marine and Non-biological Animals</b>		-	-			
Mature						
Immature						
<b>Living Resources</b>	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>1,915,913</b>	<b>1,776,732</b>	<b>1,776,732</b>	<b>1,790,606</b>	<b>1,867,620</b>	<b>1,940,654</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	34.5%	42.9%	42.9%	33.7%	42.8%	43.2%
<i>Renewal and upgrading of Existing Assets as % of depreciation</i>	66.3%	81.4%	81.4%	68.6%	66.4%	64.5%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	4.1%	3.5%	3.5%	3.4%	3.5%	3.7%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	7.5%	7.3%	7.3%	6.6%	6.8%	7.0%

### Explanatory notes to Table A9 - Asset Management

The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and reflects the relevant asset categories. The associated repairs and maintenance and depreciation is also reflected.

It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE.

**TABLE 22 (TABLE A10 – CONSOLIDATED BASIC SERVICE DELIVERY MEASUREMENT)**

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Household service targets</b>						
<b><u>Water:</u></b>						
Piped water inside dwelling	370,000	386,341	386,341	374,000	380,000	380,380
Piped water inside yard (but not in dwelling)						
Using public tap (at least min. service level)	36,341	44,000	44,000	34,000	30,000	29,790
Other water supply (at least min. service level)						
<i>Minimum Service Level and Above sub-total</i>	406,361	430,341	430,341	408,000	410,000	410,820
Using public tap (< min. service level)						
Other water supply (< min. service level)						
No water supply						
<i>Below Minimum Service Level sub-total</i>						
<b>Total number of households</b>	<b>406,361</b>	<b>430,341</b>	<b>430,341</b>	<b>408,000</b>	<b>410,000</b>	<b>410,820</b>
<b><u>Sanitation/sewerage:</u></b>						
Flush toilet (connected to sewerage)	370,000	396,341	396,341	374,000	380,000	383,800
Flush toilet (with septic tank)	3,802	3,802	3,802	3,802	3,802	3,878
Chemical toilet	3,000	2,834	2,834	3,500	4,000	4,080
Pit toilet (ventilated)	167	167	167	167	167	167
Other toilet provisions (> min. service level)	-	-	-			
<i>Minimum Service Level and Above sub-total</i>	376,969	403,144	403,144	381,469	387,969	391,925
Bucket toilet	6,010	6,010	6,010	6,010	6,010	6,010
Other toilet provisions (< min. service level)						
No toilet provisions						
<i>Below Minimum Service Level sub-total</i>	6,010	6,010	6,010	6,010	6,010	6,010
<b>Total number of households</b>	<b>382,979</b>	<b>409,154</b>	<b>409,154</b>	<b>387,479</b>	<b>393,979</b>	<b>397,935</b>
<b><u>Energy:</u></b>						
Electricity (at least min. service level)	19,052	20,259	20,259	19,061	18,489	17,934
Electricity - prepaid (min. service level)	395,644	349,764	349,764	371,065	382,196	437,663
<i>Minimum Service Level and Above sub-total</i>	414,696	370,023	370,023	390,126	400,685	455,597
Electricity (< min. service level)						
Electricity - prepaid (< min. service level)						
Other energy sources						
<i>Below Minimum Service Level sub-total</i>	-	-	-			
<b>Total number of households</b>	<b>414,696</b>	<b>364,114</b>	<b>364,114</b>	<b>390,126</b>	<b>400,685</b>	<b>455,597</b>
<b><u>Refuse:</u></b>						
Removed at least once a week	237,382	237,382	237,382	237,619	237,857	238,095
<i>Minimum Service Level and Above sub-total</i>	235,644	235,644	235,644	235,880	236,116	236,352
Removed less frequently than once a week	-	-	-			
Using communal refuse dump	44,090	44,090	44,090	44,134	56,064	56,120
Using own refuse dump						

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Other rubbish disposal						
No rubbish disposal	16,702	16,702	16,702	4,728	4,728	4,733
<i>Below Minimum Service Level sub-total</i>	60,792	60,792	60,792	60,792	60,792	60,731
<b>Total number of households</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,140</b>
<b>Households receiving Free Basic Service</b>						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	71,157	73,557	75,957
Sanitation (free minimum level service)	92,156	70,861	70,861	73,261	75,661	78,061
Electricity/other energy (50kwh per household per month)	73,526	34,176	34,176	38,076	41,976	45,876
Refuse (removed at least once a week)	86,954	71,261	71,261	76,289	80,479	85,507
Informal Settlements						
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>						
Water (6 kilolitres per indigent household per month)	150,070	120,653	120,653	152,541	152,599	152,656
Sanitation (free sanitation service to indigent households)	218,176	191,405	191,405	213,192	213,249	213,307
Electricity/other energy (50kwh per indigent household per month)	23,942	19,588	19,588	19,225	19,225	19,225
Refuse (removed once a week for indigent households)	91,754	146,435	146,435	146,336	146,394	146,452
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	-	-	-			
<b>Total cost of FBS provided</b>	<b>483,942</b>	<b>478,081</b>	<b>478,081</b>	<b>531,294</b>	<b>531,467</b>	<b>531,640</b>
<b>Highest level of free service provided per household</b>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
<b>Revenue cost of subsidised services provided (R'000)</b>						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	173,455	173,455	173,455	182,127	192,144	203,673
Water (in excess of 6 kilolitres per indigent household per month)	31,852	31,852	31,852	32,489	32,814	33,470
Sanitation (in excess of free sanitation service to indigent households)	21,565	21,565	21,565	21,996	22,216	22,661
Electricity/other energy (in excess of 50 kwh per indigent household per month)	29,534	29,534	29,534	30,125	30,426	31,034
Refuse (in excess of one removal a week for indigent households)	15,719	15,719	15,719	16,033	16,194	16,518
Municipal Housing - rental rebates						
Housing - top structure subsidies	123,457	123,020	123,020	107,027	114,519	122,536
Other						
<b>Total revenue cost of subsidised services provided</b>	<b>395,582</b>	<b>395,145</b>	<b>395,145</b>	<b>389,797</b>	<b>408,313</b>	<b>429,892</b>

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

## 1.9. ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The annual tables at a parental level are used to accompany the Budget Report and not for noting or approval of a budget by Council. The ten tables (i.e. A1 to A10) for the parent municipality are disclosed in the following tables and are not further discussed as that will be a repeat of what has been done under the previous paragraph:

**TABLE 23 (A1 BUDGET SUMMARY)**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	2,875,600	3,142,251	3,142,251	3,142,251	3,299,358	3,480,819	3,689,667
Service charges	9,102,259	10,017,708	9,831,995	9,831,995	10,579,023	11,626,370	12,834,897
Investment revenue	385,770	220,096	274,855	274,855	291,739	312,097	339,917
Transfer and subsidies - Operational	2,844,217	2,639,328	2,450,902	2,450,902	2,946,007	2,615,734	2,465,655
Other own revenue	2,258,609	2,091,719	2,321,288	2,321,288	2,405,300	2,582,122	2,604,050
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,466,455</b>	<b>18,111,102</b>	<b>18,021,291</b>	<b>18,021,291</b>	<b>19,521,427</b>	<b>20,617,142</b>	<b>21,934,186</b>
Employee costs	3,928,615	4,708,314	4,544,971	4,544,971	4,836,402	5,217,936	5,693,202
Remuneration of councillors	82,053	94,452	94,675	94,675	98,334	102,276	106,377
Depreciation and amortisation	885,798	2,886,141	2,853,515	2,853,515	1,049,000	1,080,470	1,112,884
Finance charges	121,960	111,217	111,217	111,217	72,173	61,947	50,682
Inventory consumed and bulk purchases	6,147,964	6,693,578	6,839,038	6,839,038	7,860,862	8,267,321	8,763,385
Transfers and subsidies	87,011	222,001	229,521	229,521	229,521	251,039	264,214
Other expenditure	6,240,250	3,456,399	3,409,394	3,409,394	5,418,905	5,691,030	5,999,818
<b>Total Expenditure</b>	<b>17,493,651</b>	<b>18,172,102</b>	<b>18,082,331</b>	<b>18,082,331</b>	<b>19,565,197</b>	<b>20,672,019</b>	<b>21,990,562</b>
<b>Surplus/(Deficit)</b>	<b>27,196</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>43,770</b>	<b>54,877</b>	<b>56,376</b>
Transfers and subsidies - capital (monetary allocations)		1,159,095	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Transfers and subsidies - capital (in-kind)							
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>27,196</b>	<b>1,160,095</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,319,753</b>	<b>1,003,464</b>	<b>1,027,236</b>
Share of Surplus/Deficit attributable to Associate	-	-					
<b>Surplus/(Deficit) for the year</b>	<b>27,196</b>	<b>1,160,095</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,319,753</b>	<b>1,003,464</b>	<b>1,027,236</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>1,132,055</b>	<b>1,965,394</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>1,363,523</b>	<b>1,058,341</b>	<b>1,083,612</b>
Transfers recognised - capital	1,132,055	1,154,574	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Borrowing		130,299	69,165	69,165	60,500		
Internally generated funds		680,521	578,569	578,569	716,466	617,520	579,837

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>Total sources of capital funds</b>		<b>1,965,394</b>	<b>1,934,190</b>	<b>1,934,190</b>	<b>2,140,489</b>	<b>1,675,861</b>	<b>1,663,449</b>
<b>Financial position</b>							
Total current assets	8,351,804	10,188,246	8,170,195	8,170,195	8,219,432	8,288,369	8,574,238
Total non-current assets	20,124,192	21,750,990	22,244,954	22,244,954	20,041,747	20,853,590	21,696,581
Total current liabilities	3,602,922	5,825,141	3,684,954	3,684,954	3,633,823	3,761,428	3,930,175
Total non-current liabilities	3,831,276	5,819,377	8,890,824	8,890,824	5,285,535	5,358,314	5,483,590
Community wealth/Equity	21,041,798	19,180,622	20,345,985	20,345,985	20,593,415	20,623,058	20,836,528
<b>Cash flows</b>							
Net cash from (used) operating	1,110,922	3,063,276	3,197	3,338,634	3,377,205	3,459,832	3,555,476
Net cash from (used) investing	1,329,244	2,119,959	2,060,700	2,060,700	2,075,017	1,583,805	1,254,343
Net cash from (used) financing	192,287	344,028	344,028	344,028	195,600	195,600	195,600
<b>Cash/cash equivalents at the year end</b>	<b>4,338,066</b>	<b>5,270,166</b>	<b>4,323,456</b>	<b>4,323,456</b>	<b>4,302,604</b>	<b>4,336,937</b>	<b>4,428,283</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	4,338,066	5,067,445	4,323,456	4,323,456	4,302,604	4,336,937	4,428,283
Application of cash and investments		479,638	2,689,393	2,689,393	2,695,012	2,715,898	2,780,887
<b>Balance - surplus (shortfall)</b>		<b>4,587,807</b>	<b>1,634,063</b>	<b>1,634,063</b>	<b>1,607,592</b>	<b>1,621,039</b>	<b>1,647,396</b>
<b>Asset management</b>							
Asset register summary (WDV)		21,064,171	20,919,807	20,919,807			
Depreciation		1,049,902	1,017,276	1,018,442	1,049,000	1,080,470	1,112,884
Renewal and Upgrading of Existing Assets		696,488	809,006	809,006			
Repairs and Maintenance		866,011	758,285	758,285	740,704	787,150	827,769

**TABLE 24 (A2 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY FUNCTIONAL CLASSIFICATION))**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>Revenue - Functional</b>							
<b>Municipal governance and administration</b>	<b>4,359,924</b>	<b>4,710,753</b>	<b>4,713,112</b>	<b>4,713,112</b>	<b>5,254,553</b>	<b>5,089,405</b>	<b>5,067,713</b>
Executive and council	1411	1194	1,322	1,322	1,239	1,298	1,359
Finance and administration	4,358,513	4,709,559	4,711,789	4,711,789	5,253,314	5,088,107	5,066,354
Internal audit							
<b>Community and public safety</b>	<b>1,433,312</b>	<b>1,573,823</b>	<b>1,456,569</b>	<b>1,456,569</b>	<b>1,716,161</b>	<b>1,823,830</b>	<b>1,981,475</b>
Community and social services	37,260	41,898	45,519	45,519	47,044	48,989	50,405
Sport and recreation	11,157	29,322	29,119	29,119	54,306	48,034	67,167
Public safety	1,137,203	1,030,906	979,048	979,048	1,136,103	1,254,362	1,353,689
Housing	246,234	469,477	399,756	399,756	477,331	471,009	509,179
Health	1,458	2,220	3,127	3,127	1,377	1,436	1,035

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>Economic and environmental services</b>	<b>521,923</b>	<b>801,879</b>	<b>878,505</b>	<b>878,505</b>	<b>771,253</b>	<b>786,983</b>	<b>801,997</b>
Planning and development	181,187	170,551	194,747	194,747	206,725	204,425	217,363
Road transport	316,679	587,730	638,979	638,979	523,175	529,143	549,187
Environmental protection	24,057	43,598	44,779	44,779	41,353	53,415	35,447
<b>Trading services</b>	<b>11,110,784</b>	<b>12,122,313</b>	<b>12,227,935</b>	<b>12,227,935</b>	<b>13,139,224</b>	<b>13,931,176</b>	<b>15,122,875</b>
Energy sources	5,232,384	6,130,396	6,049,125	6,049,125	6,691,107	7,527,053	8,473,967
Water management	4,214,717	4,068,058	4,187,276	4,187,276	4,470,714	4,263,326	4,395,352
Waste water management	1,172,521	1,420,732	1,445,746	1,445,746	1,383,674	1,516,770	1,595,194
Waste management	491,161	503,128	545,787	545,787	593,729	624,027	658,362
<b>Other</b>	<b>40,513</b>	<b>61,330</b>	<b>40,126</b>	<b>40,126</b>	<b>39,918</b>	<b>44,005</b>	<b>43,738</b>
<b>Total Revenue - Functional</b>	<b>17,466,456</b>	<b>19,270,098</b>	<b>19,316,247</b>	<b>19,316,247</b>	<b>20,921,109</b>	<b>21,675,399</b>	<b>23,017,798</b>
<b>Expenditure - Functional</b>							
<b>Municipal governance and administration</b>	<b>2,458,008</b>	<b>2,060,586</b>	<b>2,650,439</b>	<b>2,650,439</b>	<b>2,635,042</b>	<b>2,818,003</b>	<b>2,927,721</b>
Executive and council	495,938	416,008	299,480	299,480	283,736	325,443	343,847
Finance and administration	1,900,809	1,572,076	2,278,243	2,278,243	2,282,200	2,421,401	2,509,119
Internal audit	61,261	72,502	72,715	72,715	69,106	71,159	74,755
<b>Community and public safety</b>	<b>2,098,018</b>	<b>2,597,632</b>	<b>2,264,674</b>	<b>2,264,674</b>	<b>2,417,200</b>	<b>2,575,981</b>	<b>2,683,435</b>
Community and social services	345,695	384,216	428,645	428,645	455,374	481,539	516,557
Sport and recreation	512,456	680,761	552,736	552,736	641,489	700,541	659,638
Public safety	639,412	731,694	673,996	673,996	690,740	743,228	813,849
Housing	420,109	545,994	370,710	370,710	385,365	391,368	416,257
Health	180,345	254,968	238,587	238,587	244,232	259,305	277,134
<b>Economic and environmental services</b>	<b>986,290</b>	<b>1,566,516</b>	<b>1,312,962</b>	<b>1,312,962</b>	<b>1,361,545</b>	<b>1,429,056</b>	<b>1,545,734</b>
Planning and development	220,379	523,687	432,828	432,828	532,624	553,319	598,233
Road transport	703,997	956,244	827,230	827,230	766,709	809,104	875,121
Environmental protection	61,913	86,585	52,904	52,904	62,212	66,633	72,380
<b>Trading services</b>	<b>13,865,565</b>	<b>11,818,822</b>	<b>11,709,775</b>	<b>11,709,775</b>	<b>12,964,809</b>	<b>13,684,167</b>	<b>14,660,386</b>
Energy sources	6,462,364	7,343,288	7,536,923	7,536,923	8,333,652	8,797,173	9,339,196
Water management	5,855,571	2,711,096	2,647,166	2,647,166	3,069,577	3,225,365	3,382,015
Waste water management	1,011,514	1,093,987	963,766	963,766	960,849	1,023,355	1,256,614
Waste management	536,116	670,451	561,921	561,921	600,731	638,274	682,561
<b>Other</b>	<b>85,615</b>	<b>128,547</b>	<b>90,442</b>	<b>90,442</b>	<b>152,230</b>	<b>120,087</b>	<b>127,682</b>
<b>Total Expenditure - Functional</b>	<b>17,037,945</b>	<b>18,172,103</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,826</b>	<b>20,627,294</b>	<b>21,944,958</b>
<b>Surplus/(Deficit)</b>	<b>434,623</b>	<b>1,160,097</b>	<b>1,287,956</b>	<b>1,287,956</b>	<b>1,390,283</b>	<b>1,048,105</b>	<b>1,072,840</b>

**TABLE 25 (A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))**

Vote Description	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27
<b>R thousand</b>							
<b>Revenue by Vote</b>							
Vote 1 - Budget & Treasury	4,127,021	4,615,019	4,608,763	4,608,763	5,144,222	4,986,441	4,960,849
Vote 2 - Public Health	488,954	517,512	562,321	562,321	609,383	640,344	675,387

Vote 3 - Human Settlements	191,659	303,502	249,992	249,992	333,545	337,353	347,525
Vote 4 - Economic Development, Tourism & Agriculture	25,540	38,232	34,339	34,339	19,809	20,740	21,734
Vote 5 - Corporate Services	26,147	19,397	30,907	30,907	31,803	20,167	21,137
Vote 6 - Infrastructure & Engineering Unit - Rate & General	231,058	317,758	229,189	229,189	169,030	186,209	220,915
Vote 7 - Metro Water Service	3,945,200	3,734,347	3,848,870	3,848,870	3,987,426	4,178,205	4,308,625
Vote 8 - Sanitation - Metro	1,101,413	1,292,269	1,306,808	1,306,808	1,224,950	1,298,826	1,378,259
Vote 9 - Electricity & Energy	5,128,106	5,959,948	5,885,832	5,885,832	6,536,531	7,362,773	8,292,707
Vote 10 - Executive & Council	924,239	144,607	154,607	154,607	199,419	194,887	210,148
Vote 11 - Safety & Security	1,157,372	1,049,534	997,677	997,677	1,155,607	1,274,782	1,375,090
Vote 12 - Mandela Bay Stadium	48,197	72,278	72,278	72,278	77,484	82,668	87,069
Vote 13 - Special Projects and Programmes	29,816	22,684	22,684	22,684	7,853	8,509	9,269
Vote 14 - Recreational & Cultural Services	41,733	23,915	24,023	24,023	24,365	25,238	25,472
Vote 15 - [NAME OF VOTE 15]							
<b>Total Revenue by Vote</b>	<b>17,466,455</b>	<b>18,111,002</b>	<b>18,028,290</b>	<b>18,028,290</b>	<b>19,521,427</b>	<b>20,617,142</b>	<b>21,934,186</b>
<b>Expenditure by Vote to be appropriated</b>							
Vote 1 - Budget & Treasury	1,466,134	1,135,425	1,199,925	1,199,925	1,207,442	1,284,094	1,372,632
Vote 2 - Public Health	911,346	1,086,780	1,032,102	1,032,102	1,121,645	1,194,720	1,278,507
Vote 3 - Human Settlements	393,721	500,427	505,675	505,675	533,571	553,648	589,517
Vote 4 - Economic Development, Tourism & Agriculture	94,067	119,201	117,148	117,148	114,858	125,938	133,918
Vote 5 - Corporate Services	443,544	600,448	598,814	598,814	633,286	659,668	703,118
Vote 6 - Infrastructure & Engineering Unit - Rate & General	916,966	1,254,519	1,086,128	1,086,128	1,039,798	1,101,408	1,188,594
Vote 7 - Metro Water Service	3,767,564	2,939,602	2,720,338	2,720,338	3,163,949	3,325,051	3,484,421
Vote 8 - Sanitation - Metro	850,123	930,795	909,220	909,220	908,264	974,458	1,038,729
Vote 9 - Electricity & Energy	6,527,664	7,204,319	7,529,198	7,529,198	8,345,845	8,797,377	9,339,508
Vote 10 - Executive & Council	468,976	554,985	501,460	501,460	610,402	627,498	668,385
Vote 11 - Safety & Security	1,159,592	1,232,955	1,217,612	1,217,612	1,241,395	1,332,769	1,453,014
Vote 12 - Mandela Bay Stadium	51,332	71,498	72,998	72,998	77,484	82,668	87,069
Vote 13 - Special Projects and Programmes	29,095	24,161	23,731	23,731	9,431	10,221	11,138
Vote 14 - Recreational & Cultural Services	413,527	516,988	513,943	513,943	523,456	557,776	596,408
Vote 15 - [NAME OF VOTE 15]							
<b>Total Expenditure by Vote</b>	<b>17,493,651</b>	<b>18,172,103</b>	<b>18,028,292</b>	<b>18,028,292</b>	<b>19,530,826</b>	<b>20,627,294</b>	<b>21,944,958</b>
<b>Surplus/(Deficit) for the year</b>	<b>-27,196</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>-9,399</b>	<b>-10,152</b>	<b>-10,772</b>

**TABLE 26 (A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity	4,956,692	5,828,780	5,730,806	5,730,806	6,410,553	7,227,258	8,148,011
Service charges - Water	3,048,561	2,937,779	2,911,480	2,911,480	2,997,328	3,155,968	3,361,106
Service charges - Waste Water Management	807,631	920,612	881,062	881,062	821,412	870,682	927,245
Service charges - Waste Management	290,783	330,539	308,648	308,648	349,730	372,462	398,535
Sale of Goods and Rendering of Services	78,046	117,432	121,418	121,418	125,571	132,882	139,114
Agency services	3,902	4,064	4,064	4,064	4,255	4,455	4,669
Interest earned from Receivables	1,009,287	984,579	1,063,802	1,063,802	1,100,615	1,212,348	1,167,773
Interest earned from Current and Non-Current Assets	382,196	226,156	276,855	276,855	291,739	312,097	339,917
Rental from Fixed Assets	34,019	38,567	42,037	42,037	40,603	42,011	43,504
Licence and permits	21,519	20,137	22,193	22,193	21,319	22,295	23,339
Operational Revenue	32,659	32,550	33,657	33,657	24,290	25,427	26,623
<b>Non-Exchange Revenue</b>							

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
Property rates	2,875,600	3,142,251	3,142,251	3,142,251	3,299,358	3,480,819	3,689,667
Fines, penalties and forfeits	97,507	64,223	59,084	59,084	67,973	71,182	74,615
Licences or permits	1	1	1	1	1	1	1
Transfer and subsidies - Operational	2,843,620	2,639,328	2,450,902	2,450,902	2,946,007	2,615,734	2,465,655
Interest raised - Receivables (Other )	199,673		149,009	149,009	158,695	169,010	179,996
Fuel Levy	783,478	824,005	824,005	824,005	861,978	902,511	944,416
Gains on disposal of Assets	1,281	-	17	17			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17,466,455</b>	<b>18,111,003</b>	<b>18,021,291</b>	<b>18,021,291</b>	<b>19,521,427</b>	<b>20,617,142</b>	<b>21,934,186</b>
<b>Expenditure</b>							
Employee related costs	3,889,773	4,708,314	4,544,971	4,544,971	4,836,402	5,217,936	5,693,202
Remuneration of councillors	82,053	94,452	94,675	94,675	98,334	102,276	106,377
Bulk purchases - electricity	5,635,673	6,338,216	6,457,166	6,457,166	7,277,226	7,667,285	8,141,890
Inventory consumed	523,706	355,361	381,872	381,872	583,636	600,036	621,495
Debt impairment	4,200,994	1,836,239	1,836,223	1,836,223	1,887,502	1,998,224	2,123,012
Depreciation and amortisation	874,384	1,049,902	1,017,276	1,017,276	1,049,000	1,080,470	1,112,884
Interest	121,960	111,217	111,217	111,217	72,173	61,947	50,682
Contracted services	969,142	1,737,762	1,617,834	1,617,834	1,614,674	1,713,520	1,819,785
Transfers and subsidies	210,174	222,001	229,521	229,521	239,412	251,039	264,214
Irrecoverable debts written off		582,995	652,995	652,995	668,085	707,273	751,752
Operational costs	611,762	882,662	885,599	885,599	818,461	839,437	869,875
Losses on disposal of Assets				-			
Other Losses	374,031	252,982	252,982	252,982	385,921	387,851	389,790
<b>Total Expenditure</b>	<b>17,493,652</b>	<b>18,172,103</b>	<b>18,082,331</b>	<b>18,082,331</b>	<b>19,530,826</b>	<b>20,627,294</b>	<b>21,944,958</b>
<b>Surplus/(Deficit)</b>	<b>27,197</b>	<b>1,000</b>	<b>61,040</b>	<b>61,040</b>	<b>9,399</b>	<b>10,152</b>	<b>10,772</b>
Transfers and subsidies - capital (monetary allocations)		1,159,095	1,286,456	1,286,456	1,363,523	1,058,341	1,083,612
Transfers and subsidies - capital (in-kind)		-					
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>27,197</b>	<b>1,160,097</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,354,124</b>	<b>1,048,189</b>	<b>1,072,840</b>
<b>Surplus/(Deficit) after income tax</b>	<b>27,197</b>	<b>1,160,097</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,354,124</b>	<b>1,048,189</b>	<b>1,072,840</b>
<b>Surplus/(Deficit) attributable to municipality</b>	<b>27,197</b>	<b>1,160,097</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,354,124</b>	<b>1,048,189</b>	<b>1,072,840</b>
<b>Surplus/(Deficit) for the year</b>	<b>27,197</b>	<b>1,160,097</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,354,124</b>	<b>1,048,189</b>	<b>1,072,840</b>

**TABLE 27 (A5 CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)**

Description	Current year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2025/26	Budget Year 2026/27
<b>Capital Expenditure - Functional</b>							
<b>Municipal governance and administration</b>	<b>216,622</b>	<b>155,835</b>	<b>155,835</b>	<b>155,835</b>	<b>255,584</b>	<b>167,419</b>	<b>145,467</b>
Executive and council							
Finance and administration	216,622	155,835	155,835	155,835	255,584	167,419	145,467
Internal audit							
<b>Community and public safety</b>	<b>168,724</b>	<b>118,118</b>	<b>118,118</b>	<b>118,118</b>	<b>188,546</b>	<b>123,110</b>	<b>115,967</b>
Community and social services	48,328	34,256	34,256	34,256	60,186	35,834	41,633
Sport and recreation	55,561	48,022	48,022	48,022	82,372	56,266	61,784
Public safety	62,235	31,240	31,240	31,240	44,088	29,609	11,150
Housing	1,200	1,200	1,200	1,200	600		
Health	1,400	3,400	3,400	3,400	1,300	1,400	1,400
<b>Economic and environmental services</b>	<b>450,058</b>	<b>497,185</b>	<b>497,185</b>	<b>497,185</b>	<b>498,959</b>	<b>533,942</b>	<b>525,611</b>
Planning and development						3,000	2,000
Road transport	449,058	497,185	497,185	497,185	497,959	530,942	523,611
Environmental protection	1,000				1,000		
<b>Trading services</b>	<b>1,071,881</b>	<b>1,105,012</b>	<b>1,105,012</b>	<b>1,105,012</b>	<b>1,130,557</b>	<b>789,313</b>	<b>810,599</b>
Energy sources	246,698	234,973	234,973	234,973	204,885	218,321	236,379
Water management	457,824	36,000	36,000	36,000	552,595	196,376	207,093
Waste water management	331,360	373,026	373,026	373,026	337,077	322,012	329,316
Waste management	36,000	461,013	461,013	461,013	36,000	52,603	37,810
<b>Other</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>2,000</b>	<b>8,000</b>		
<b>Total Capital Expenditure - Functional</b>	<b>1,909,285</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>2,081,646</b>	<b>1,613,783</b>	<b>1,597,644</b>
<b>Funded by</b>							
National Government	1,111,574	1,244,956	1,244,956	1,244,956	1,320,523	1,015,341	1,040,610
Provincial Government							
District Municipality							
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	43,000	41,500	41,500	41,500	43,000	43,000	43,000
<b>Transfers recognised - capital</b>	<b>1,154,574</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,286,456</b>	<b>1,363,523</b>	<b>1,058,341</b>	<b>1,083,610</b>
<b>Borrowing</b>	<b>130,229</b>	<b>69,165</b>	<b>69,165</b>	<b>69,165</b>	<b>60,500</b>		
<b>Internally generated funds</b>	<b>624,483</b>	<b>522,529</b>	<b>522,529</b>	<b>522,529</b>	<b>657,624</b>	<b>555,442</b>	<b>514,034</b>
<b>Total Capital Funding</b>	<b>1,909,285</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>2,081,647</b>	<b>1,613,783</b>	<b>1,597,644</b>

**TABLE 28 (A6 BUDGETED FINANCIAL POSITION)**

Description	2023/24	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27
<b>R thousands</b>							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	4,426,349	5,032,445	4,323,956	4,323,956	4,302,604	4,336,937	4,428,283
Trade and other receivables from exchange transactions	2,988,563	3,159,969	3,018,448	3,018,448	3,024,485	3,027,600	3,178,885
Receivables from non-exchange transactions	383,814	248,070	387,653	387,653	385,614	390,002	399,902
Current portion of non-current receivables	4						
Inventory	163,397	345,859	166,397	166,397	114,046	140,436	154,190
VAT	176,836	1,401,903	140,447	140,447	148,902	149,370	156,753
Other current assets	243,294		243,294	243,294	243,781	244,024	256,225
<b>Total current assets</b>	<b>8,382,257</b>	<b>10,188,246</b>	<b>8,280,195</b>	<b>8,280,195</b>	<b>8,219,432</b>	<b>8,288,369</b>	<b>8,574,238</b>
<b>Non-current assets</b>							
Investments							
Investment property	138,357	156,763	138,357	138,357	143,891	149,647	155,633
Property, plant and equipment	19,608,218	21,141,409	21,628,998	21,628,998	19,480,568	20,270,692	21,093,081
Biological assets							
Living and non-living resources							
Heritage assets	226,441	220,197	226,441	226,441	235,238	244,648	254,433
Intangible assets	56,784	71,801	13,939	13,939	11,045	11,958	12,922
Trade and other receivables from exchange transactions	81,429	115,638	197,010	197,010	114,626	118,011	119,532
Non-current receivables from non-exchange transactions	54,153	45,182	54,211	54,211	56,379	58,634	60,980
Other non-current assets							
<b>Total non-current assets</b>	<b>20,165,382</b>	<b>21,750,990</b>	<b>22,258,956</b>	<b>22,258,956</b>	<b>20,041,747</b>	<b>20,853,590</b>	<b>21,696,581</b>
<b>TOTAL ASSETS</b>	<b>28,547,639</b>	<b>31,939,236</b>	<b>30,539,151</b>	<b>30,539,149</b>	<b>28,261,179</b>	<b>29,141,959</b>	<b>30,270,819</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft							
Financial liabilities	213,698	188,490	213,698	213,698	222,245	231,136	240,381
Consumer deposits	157,184	180,779	177,998	177,998	163,472	170,011	176,811
Trade and other payables from exchange transactions	2,319,526	3,006,246	2,342,721	2,342,721	2,401,743	2,497,856	2,614,930
Trade and other payables from non-exchange transactions	336,837	313,007	340,205	340,205	321,180	316,235	330,015
Provision	605,523	396,155	605,523	605,523	525,183	546,190	568,038
VAT	0	1,740,464					
Other current liabilities							
<b>Total current liabilities</b>	<b>3,632,768</b>	<b>5,825,141</b>	<b>3,680,145</b>	<b>3,680,145</b>	<b>3,633,823</b>	<b>3,761,428</b>	<b>3,930,175</b>
<b>Non-current liabilities</b>							
Financial liabilities	1,147,769	1,232,620	934,072	934,072	938,463	976,002	1,015,042
Provision	2,100,340	3,200,928	3,471,284	3,471,284	3,474,755	3,475,102	3,525,050
Long term portion of trade payables							
Other non-current liabilities	801,102	1,385,829	801,102	801,102	872,317	907,210	943,498
<b>Total non-current liabilities</b>	<b>4,049,211</b>	<b>5,819,377</b>	<b>5,206,458</b>	<b>5,206,458</b>	<b>5,285,535</b>	<b>5,358,314</b>	<b>5,483,590</b>

<b>TOTAL LIABILITIES</b>	<b>7,681,979</b>	<b>11,644,518</b>	<b>8,886,603</b>	<b>8,886,603</b>	<b>8,919,358</b>	<b>9,119,742</b>	<b>9,413,765</b>
<b>NET ASSETS</b>	<b>20,865,660</b>	<b>20,294,718</b>	<b>21,652,548</b>	<b>21,652,546</b>	<b>19,341,821</b>	<b>20,022,217</b>	<b>20,857,054</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated surplus/(deficit)		18,595,493	20,159,781	20,159,781	20,361,378	20,381,740	20,585,558
Reserves and funds		585,129	186,203	186,203	232,037	241,318	250,970
Other							
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>0</b>	<b>19,180,622</b>	<b>20,345,984</b>	<b>20,345,984</b>	<b>20,593,415</b>	<b>20,623,058</b>	<b>20,836,528</b>

**TABLE 29 (A7 BUDGETED CASH FLOWS)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	2,828,026	2,356,688	2,356,688	2,969,423	3,132,736	3,320,700
Service charges	9,293,524	8,848,796	8,848,796	8,791,941	9,531,206	9,694,708
Other revenue	2,200,281	1,861,030	1,861,030	1,748,498	1,806,953	1,897,023
Transfers and Subsidies - Operational	2,138,293	2,401,884	2,401,884	2,846,007	2,515,734	2,465,655
Transfers and Subsidies - Capital	1,210,250	1,157,811	1,157,811	1,363,523	1,058,341	1,083,610
Interest	226,156	276,855	276,855	291,737	312,097	339,917
<b>Payments</b>						
Suppliers and employees	14,697,330	13,359,241	13,359,241	14,349,082	14,612,438	14,961,141
Finance charges	111,217	111,217	111,217	72,173	61,944	50,682
Transfers and Subsidies	84,452	93,972	93,972	212,669	222,853	234,314
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>3,003,531</b>	<b>3,338,634</b>	<b>3,338,634</b>	<b>3,377,205</b>	<b>3,459,832</b>	<b>3,555,476</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	1,347	1,700	1,980	2,200
Decrease (Increase) in non-current debtors (not used)	-	-	-	-	-	-
Decrease (increase) in non-current receivables	160,820	-	160,820	160,980	161,303	161,787
Decrease (increase) in non-current investments	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	2,012,773	-	1,901,227	1,915,737	1,424,482	1,413,930
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>2,173,593</b>	<b>2,060,700</b>	<b>2,060,700</b>	<b>2,075,017</b>	<b>1,583,805</b>	<b>1,254,343</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans						
Borrowing long term/refinancing	130,229	130,229	130,229			
Increase (decrease) in consumer deposits						
<b>Payments</b>						

Repayment of borrowing	-	-	-	-	-	-
	213,799	213,799	213,799	195,600	195,600	195,600
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>344,028</b>	<b>344,028</b>	<b>344,028</b>	<b>195,600</b>	<b>195,600</b>	<b>195,600</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>485,910</b>	<b>102,393</b>	<b>102,393</b>	<b>21,352</b>	<b>34,333</b>	<b>91,346</b>
Cash/cash equivalents at the year begin:	4,575,873	4,426,349	4,426,349	4,323,956	4,302,604	4,336,937
Cash/cash equivalents at the year-end:	5,061,783	4,323,956	4,323,956	4,302,604	4,336,937	4,428,283

**TABLE 30 (A8 CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>						
<b><u>Cash and investments available</u></b>						
Cash/cash equivalents at the year end	5,061,783	916,191	916,191	934,514	953,205	962,269
Other current investments > 90 days		3,407,265	3,407,265	3,368,090	3,383,732	3,466,014
Non-current assets - Investments						
<b>Cash and investments available:</b>	<b>5,061,783</b>	<b>4,323,456</b>	<b>4,323,456</b>	<b>4,302,604</b>	<b>4,336,937</b>	<b>4,428,283</b>
<b><u>Application of cash and investments</u></b>						
Unspent conditional transfers	156,238	147,318	147,318	117,854	111,962	106,364
Unspent borrowing	130,229	130,229	130,229	60,500		
Statutory requirements	495,130	495,130	495,130	594,156	698,571	781,607
Other working capital requirements	1,321,880	1,740,771	1,740,771	-1,784,290	-1,811,055	1,883,104
Other provisions	2,384,230	3,471,284	3,471,284	3,474,755	3,475,102	3,525,050
Long term investments committed	479,638					
Reserves to be backed by cash/investments	585,129	186,203	186,203	232,037	241,318	250,970
<b>Total Application of cash and investments:</b>	<b>2,908,714</b>	<b>2,689,393</b>	<b>2,689,393</b>	<b>2,695,012</b>	<b>2,715,898</b>	<b>2,780,887</b>
<b>Surplus(shortfall)</b>	<b>2,153,069</b>	<b>1,634,063</b>	<b>1,634,063</b>	<b>1,607,592</b>	<b>1,621,039</b>	<b>1,647,396</b>

**TABLE 31 (A9 - ASSET MANAGEMENT)**

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>						
<b>CAPITAL EXPENDITURE</b>						
<b><u>Total New Assets</u></b>	<b>1,268,837</b>	<b>1,049,145</b>	<b>1,049,145</b>	<b>1,360,937</b>	<b>896,041</b>	<b>879,766</b>
<i>Roads Infrastructure</i>	380,180	354,040	354,040	342,570	360,743	372,292
<i>Storm water Infrastructure</i>	30,822	39,602	39,602	25,891	26,382	28,494
<i>Electrical Infrastructure</i>	143,258	107,567	107,567	118,286	109,165	119,534
<i>Water Supply Infrastructure</i>	289,314	292,046	292,046	417,529	75,682	79,294
<i>Sanitation Infrastructure</i>	116,470	55,253	55,253	131,625	74,064	70,267
<i>Solid Waste Infrastructure</i>	2,000	2,000	2,000	-	-	-
<i>Rail Infrastructure</i>				-	-	-

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>R thousands</i>						
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>	2,000	2,000	2,000	-	-	-
<b>Infrastructure</b>	<b>964,044</b>	<b>852,507</b>	<b>852,507</b>	<b>1,035,901</b>	<b>646,036</b>	<b>669,880</b>
Community Facilities	7,848	7,587	7,587	2,420	5,831	6,400
Sport and Recreation Facilities	5,000	200	200	5,800	8,000	-
<b>Community Assets</b>	<b>12,848</b>	<b>7,787</b>	<b>7,787</b>	<b>8,220</b>	<b>13,831</b>	<b>6,400</b>
<b>Heritage Assets</b>				-	-	-
Revenue Generating				-	-	-
Non-revenue Generating				-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	47,800	25,522	25,522	23,050	9,130	24,162
Housing				-	-	-
<b>Other Assets</b>	<b>47,800</b>	<b>25,522</b>	<b>25,522</b>	<b>23,050</b>	<b>9,130</b>	<b>24,162</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	30,958	13,968	13,968	54,622	38,439	38,856
<b>Intangible Assets</b>	<b>30,958</b>	<b>13,968</b>	<b>13,968</b>	<b>54,622</b>	<b>38,439</b>	<b>38,856</b>
<b>Computer Equipment</b>	<b>23,452</b>	<b>29,658</b>	<b>29,658</b>	<b>20,580</b>	<b>25,450</b>	<b>14,350</b>
<b>Furniture and Office Equipment</b>	<b>3,600</b>	<b>3,257</b>	<b>3,257</b>	<b>6,776</b>	<b>3,300</b>	<b>3,500</b>
<b>Machinery and Equipment</b>	<b>112,565</b>	<b>68,334</b>	<b>68,334</b>	<b>100,496</b>	<b>66,400</b>	<b>31,550</b>
<b>Transport Assets</b>	<b>72,070</b>	<b>46,613</b>	<b>46,613</b>	<b>109,792</b>	<b>93,454</b>	<b>91,069</b>
<b>Land</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature						
Immature						
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Renewal of Existing Assets</b>	<b>408,637</b>	<b>575,694</b>	<b>575,694</b>	<b>428,787</b>	<b>399,559</b>	<b>395,013</b>
<i>Roads Infrastructure</i>	70,500	101,127	101,127	64,500	60,500	58,500
<i>Storm water Infrastructure</i>	9,000	106,293	106,293	8,000	7,000	7,000
<i>Electrical Infrastructure</i>	60,270	61,570	61,570	72,870	64,370	60,912
<i>Water Supply Infrastructure</i>	123,510	135,553	135,553	120,066	102,694	104,800
<i>Sanitation Infrastructure</i>	87,983	119,738	119,738	104,861	103,066	87,956
<i>Solid Waste Infrastructure</i>	13,543	13,543	13,543	17,488	22,459	19,810
<i>Rail Infrastructure</i>				-	-	-
<i>Coastal Infrastructure</i>				-	-	-

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<i>Information and Communication Infrastructure</i>				-	-	-
<b>Infrastructure</b>	<b>364,807</b>	<b>537,825</b>	<b>537,825</b>	<b>387,785</b>	<b>360,089</b>	<b>338,977</b>
Community Facilities	25,130	13,030	13,030	14,700	19,336	24,071
Sport and Recreation Facilities	3,950	6,400	6,400	13,652	15,534	28,966
<b>Community Assets</b>	<b>29,080</b>	<b>19,430</b>	<b>19,430</b>	<b>28,352</b>	<b>34,871</b>	<b>53,036</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	4,250	3,439	3,439	2,650	4,600	3,000
Housing				-		
<b>Other Assets</b>	<b>4,250</b>	<b>3,439</b>	<b>3,439</b>	<b>2,650</b>	<b>4,600</b>	<b>3,000</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights						
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>500</b>					
<b>Furniture and Office Equipment</b>						
<b>Machinery and Equipment</b>						
<b>Transport Assets</b>	<b>10,000</b>	<b>15,000</b>	<b>15,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Land</b>						
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature				-	-	-
Immature				-	-	-
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Upgrading of Existing Assets</b>	<b>287,851</b>	<b>253,312</b>	<b>253,312</b>	<b>291,923</b>	<b>318,183</b>	<b>322,865</b>
<i>Roads Infrastructure</i>	39,628	45,393	45,393	46,100	65,200	30,900
<i>Storm water Infrastructure</i>	22,000	21,789	21,789	21,800	18,000	20,000
<i>Electrical Infrastructure</i>	39,970	62,636	62,636	22,829	38,786	52,434
<i>Water Supply Infrastructure</i>	28,000	27,162	27,162	17,000	20,000	19,000
<i>Sanitation Infrastructure</i>	55,750	27,124	27,124	32,650	76,000	104,600
<i>Solid Waste Infrastructure</i>	4,000	4,000	4,000	4,000	24,207	17,000
<i>Rail Infrastructure</i>						
<i>Coastal Infrastructure</i>						
<i>Information and Communication Infrastructure</i>	2,000	2,000	2,000	2,000	1,000	1,000
<b>Infrastructure</b>	<b>191,347</b>	<b>190,104</b>	<b>190,104</b>	<b>146,379</b>	<b>243,193</b>	<b>244,934</b>
Community Facilities	61,637	41,717	41,717	76,510	30,944	25,484

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands						
Sport and Recreation Facilities	16,215	11,258	11,258	36,694	13,997	22,997
<b>Community Assets</b>	<b>77,852</b>	<b>52,975</b>	<b>52,975</b>	<b>113,204</b>	<b>44,940</b>	<b>48,481</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	17,652	8,732	8,732	24,600	27,800	26,950
Housing				-	-	-
<b>Other Assets</b>	<b>17,652</b>	<b>8,732</b>	<b>8,732</b>	<b>24,600</b>	<b>27,800</b>	<b>26,950</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights				3,000		
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>1,000</b>	<b>1,500</b>	<b>1,500</b>	<b>4,500</b>	<b>1,000</b>	<b>1,000</b>
<b>Furniture and Office Equipment</b>						
<b>Machinery and Equipment</b>				240	250	-
<b>Transport Assets</b>				-	-	-
<b>Land</b>				-	1,000	1,500
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature						
Immature						
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure</b>	<b>1,965,324</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>2,081,646</b>	<b>1,613,783</b>	<b>1,597,644</b>
<i>Roads Infrastructure</i>	490,308	500,560	500,560	453,170	486,443	461,692
<i>Storm water Infrastructure</i>	61,822	167,684	167,684	55,691	51,382	55,494
<i>Electrical Infrastructure</i>	243,498	231,773	231,773	213,985	212,321	232,879
<i>Water Supply Infrastructure</i>	440,824	454,761	454,761	554,595	198,376	203,093
<i>Sanitation Infrastructure</i>	260,203	202,115	202,115	269,136	253,130	262,822
<i>Solid Waste Infrastructure</i>	19,543	19,543	19,543	21,488	46,666	36,810
<i>Rail Infrastructure</i>		-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-
<i>Information and Communication Infrastructure</i>	4,000	4,000	4,000	2,000	1,000	1,000
<b>Infrastructure</b>	<b>1,520,198</b>	<b>1,580,436</b>	<b>1,580,436</b>	<b>1,570,065</b>	<b>1,249,318</b>	<b>1,253,791</b>
Community Facilities	94,615	62,334	62,334	93,630	56,111	55,955
Sport and Recreation Facilities	25,165	17,858	17,858	56,146	37,531	51,962
<b>Community Assets</b>	<b>119,780</b>	<b>80,192</b>	<b>80,192</b>	<b>149,776</b>	<b>93,642</b>	<b>107,917</b>
<b>Heritage Assets</b>						

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
R thousands						
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	69,702	37,693	37,693	50,300	41,530	54,112
Housing						
<b>Other Assets</b>	<b>69,702</b>	<b>37,693</b>	<b>37,693</b>	<b>50,300</b>	<b>41,530</b>	<b>54,112</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	30,958	13,968	13,968	57,622	38,439	38,856
<b>Intangible Assets</b>	<b>30,958</b>	<b>13,968</b>	<b>13,968</b>	<b>57,622</b>	<b>38,439</b>	<b>38,856</b>
<b>Computer Equipment</b>	<b>24,952</b>	<b>31,158</b>	<b>31,158</b>	<b>25,080</b>	<b>26,450</b>	<b>15,350</b>
<b>Furniture and Office Equipment</b>	<b>3,600</b>	<b>3,257</b>	<b>3,257</b>	<b>6,776</b>	<b>3,300</b>	<b>3,500</b>
<b>Machinery and Equipment</b>	<b>112,565</b>	<b>68,334</b>	<b>68,334</b>	<b>100,736</b>	<b>66,650</b>	<b>31,550</b>
<b>Transport Assets</b>	<b>82,070</b>	<b>61,613</b>	<b>61,613</b>	<b>119,792</b>	<b>93,454</b>	<b>91,069</b>
<b>Land</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,000</b>	<b>1,500</b>
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
Mature		-	-	-	-	-
Immature		-	-	-	-	-
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset Class</b>	<b>1,965,324</b>	<b>1,878,151</b>	<b>1,878,151</b>	<b>2,081,646</b>	<b>1,613,783</b>	<b>1,597,644</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>21,369,946</b>	<b>21,882,214</b>	<b>21,882,214</b>	<b>22,402,593</b>	<b>22,535,952</b>	<b>22,487,399</b>
<i>Roads Infrastructure</i>	3,289,143	3,373,863	3,373,863	3,483,197	3,593,416	3,560,659
<i>Storm water Infrastructure</i>	431,354	564,323	564,323	458,962	586,780	590,024
<i>Electrical Infrastructure</i>	1,967,857	2,058,895	2,058,895	2,047,807	2,133,161	2,149,577
<i>Water Supply Infrastructure</i>	2,831,740	3,045,688	3,045,688	3,224,303	3,077,172	3,076,882
<i>Sanitation Infrastructure</i>	1,249,094	1,266,501	1,266,501	1,381,293	1,378,587	1,384,048
<i>Solid Waste Infrastructure</i>	(85,776)	(18,259)	(18,259)	(131,746)	(41,075)	(53,015)
<i>Rail Infrastructure</i>	1,945,369	1,945,369	1,945,369	1,945,369	1,945,369	1,945,369
<i>Coastal Infrastructure</i>		-	-	-	-	-
<i>Information and Communication Infrastructure</i>	33,439	33,439	33,439	35,439	34,439	34,439
<b>Infrastructure</b>	<b>11,662,220</b>	<b>12,269,820</b>	<b>12,269,820</b>	<b>12,444,625</b>	<b>12,707,848</b>	<b>12,687,983</b>
	(6,033)	578,231	578,231			
<b>Community Assets</b>	<b>520,355</b>	<b>606,580</b>	<b>606,580</b>	<b>529,768</b>	<b>555,648</b>	<b>565,586</b>
<b>Heritage Assets</b>	<b>446,638</b>	<b>226,441</b>	<b>226,441</b>	<b>446,638</b>	<b>446,638</b>	<b>446,638</b>
<b>Investment properties</b>	<b>295,120</b>	<b>138,357</b>	<b>138,357</b>	<b>289,642</b>	<b>132,714</b>	<b>132,545</b>

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>						
<b>Other Assets</b>	8,089,932	8,070,369	8,070,369	8,110,832	8,081,617	8,093,290
<b>Biological or Cultivated Assets</b>		-	-	-	-	-
	74,801	56,784	56,784	56,784	74,801	
		13,968	13,968	57,622	38,439	
<b>Intangible Assets</b>	74,801	70,752	70,752	85,333	60,688	59,649
<b>Computer Equipment</b>	27,156	69,529	69,529	52,236	53,606	42,506
<b>Furniture and Office Equipment</b>	3,600	7,928	7,928	10,376	6,900	7,100
<b>Machinery and Equipment</b>	185,618	141,387	141,387	264,893	185,932	150,169
<b>Transport Assets</b>	64,507	227,980	227,980	166,750	303,359	300,432
<b>Land</b>		53,071	53,071	1,500	1,000	1,500
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>21,369,946</b>	<b>21,882,214</b>	<b>21,882,214</b>	<b>22,402,593</b>	<b>22,535,952</b>	<b>22,487,399</b>
<b>EXPENDITURE OTHER ITEMS</b>						
<b>Depreciation</b>	1,049,902	1,018,447	1,018,447	1,049,902	1,080,470	1,112,884
<b>Repairs and Maintenance by Asset Class</b>	<b>866,011</b>	<b>758,285</b>	<b>758,285</b>	<b>615,603</b>	<b>661,349</b>	<b>695,477</b>
<i>Roads Infrastructure</i>	130,984	114,690	114,690	92,541	98,344	103,419
<i>Storm water Infrastructure</i>	17,711	15,508	15,508	15,427	16,394	17,240
<i>Electrical Infrastructure</i>	121,262	106,180	106,180	105,622	112,245	118,038
<i>Water Supply Infrastructure</i>	130,447	114,220	114,220	125	7,278	7,654
<i>Sanitation Infrastructure</i>	89,532	78,394	78,394	78,150	83,051	87,336
<i>Solid Waste Infrastructure</i>		-	-			
<i>Rail Infrastructure</i>	2,913	2,551	2,551	2,537	2,696	2,836
<i>Coastal Infrastructure</i>		-	-			
<i>Information and Communication Infrastructure</i>	1,325	1,160	1,160	1,154	1,226	1,290
<b>Infrastructure</b>	<b>494,173</b>	<b>432,703</b>	<b>432,703</b>	<b>295,557</b>	<b>321,235</b>	<b>337,812</b>
Community Facilities	19,516	17,088	17,088	16,998	18,064	18,996
Sport and Recreation Facilities	12,508	10,952	10,952	10,895	11,578	12,175
<b>Community Assets</b>	<b>32,024</b>	<b>28,040</b>	<b>28,040</b>	<b>27,893</b>	<b>29,642</b>	<b>31,172</b>
<b>Heritage Assets</b>	320	280	280	218	231	243
Revenue Generating						
Non-revenue Generating						
<b>Investment properties</b>	-	-	-	-	-	-

Description	Current year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>						
Operational Buildings	140,087	122,662	122,662	121,260	128,863	135,513
Housing	7,509	6,575	6,575	6,541	6,951	7,309
<b>Other Assets</b>	<b>147,596</b>	<b>129,237</b>	<b>129,237</b>	<b>127,800</b>	<b>135,814</b>	<b>142,823</b>
<b>Biological or Cultivated Assets</b>						
Servitudes		-	-			
Licences and Rights	5,930	5,192	5,192	5,130	5,452	5,733
<b>Intangible Assets</b>	<b>5,930</b>	<b>5,192</b>	<b>5,192</b>	<b>5,130</b>	<b>5,452</b>	<b>5,733</b>
<b>Computer Equipment</b>	<b>5,994</b>	<b>5,248</b>	<b>5,248</b>	<b>5,280</b>	<b>5,611</b>	<b>5,901</b>
<b>Furniture and Office Equipment</b>	<b>4,251</b>	<b>3,722</b>	<b>3,722</b>	<b>9,849</b>	<b>10,466</b>	<b>11,006</b>
<b>Machinery and Equipment</b>	<b>59,532</b>	<b>52,127</b>	<b>52,127</b>	<b>51,819</b>	<b>55,068</b>	<b>57,910</b>
<b>Transport Assets</b>	<b>116,190</b>	<b>101,736</b>	<b>101,736</b>	<b>92,056</b>	<b>97,828</b>	<b>102,877</b>
<b>Land</b>		-	-			
<b>Zoo's, Marine and Non-biological Animals</b>		-	-			
Mature						
Immature						
<b>Living Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>1,915,913</b>	<b>1,776,732</b>	<b>1,776,732</b>	<b>1,665,505</b>	<b>1,741,819</b>	<b>1,808,362</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	35.4%	44.1%	44.1%	34.6%	44.5%	44.9%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	66.3%	81.4%	81.4%	68.6%	66.4%	64.5%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	4.1%	3.5%	3.5%	2.8%	3.0%	3.1%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	7.5%	7.3%	7.3%	6.1%	6.2%	6.4%

**TABLE 32 (A10 BASIC SERVICE DELIVERY MEASUREMENT)**

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Household service targets</b>						
<b><u>Water:</u></b>						
Piped water inside dwelling	370,000	386,341	386,341	374,000	380,000	380,380
Piped water inside yard (but not in dwelling)						
Using public tap (at least min. service level)	36,341	44,000	44,000	34,000	30,000	29,790
Other water supply (at least min. service level)						
<i>Minimum Service Level and Above sub-total</i>	406,361	430,341	430,341	408,000	410,000	410,820
Using public tap (< min. service level)						
Other water supply (< min. service level)						
No water supply						
<i>Below Minimum Service Level sub-total</i>						
<b>Total number of households</b>	<b>406,361</b>	<b>430,341</b>	<b>430,341</b>	<b>408,000</b>	<b>410,000</b>	<b>410,820</b>
<b><u>Sanitation/sewerage:</u></b>						

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Flush toilet (connected to sewerage)	370,000	396,341	396,341	374,000	380,000	383,800
Flush toilet (with septic tank)	3,802	3,802	3,802	3,802	3,802	3,878
Chemical toilet	3,000	2,834	2,834	3,500	4,000	4,080
Pit toilet (ventilated)	167	167	167	167	167	167
Other toilet provisions (> min. service level)	-	-	-			
<i>Minimum Service Level and Above sub-total</i>	376,969	403,144	403,144	381,469	387,969	391,925
Bucket toilet	6,010	6,010	6,010	6,010	6,010	6,010
Other toilet provisions (< min. service level)						
No toilet provisions						
<i>Below Minimum Service Level sub-total</i>	6,010	6,010	6,010	6,010	6,010	6,010
<b>Total number of households</b>	<b>382,979</b>	<b>409,154</b>	<b>409,154</b>	<b>387,479</b>	<b>393,979</b>	<b>397,935</b>
<b><u>Energy:</u></b>						
Electricity (at least min. service level)	19,052	20,259	20,259	19,061	18,489	17,934
Electricity - prepaid (min. service level)	395,644	349,764	349,764	371,065	382,196	437,663
<i>Minimum Service Level and Above sub-total</i>	414,696	370,023	370,023	390,126	400,685	455,597
Electricity (< min. service level)						
Electricity - prepaid (< min. service level)						
Other energy sources						
<i>Below Minimum Service Level sub-total</i>	-	-	-			
<b>Total number of households</b>	<b>414,696</b>	<b>364,114</b>	<b>364,114</b>	<b>390,126</b>	<b>400,685</b>	<b>455,597</b>
<b><u>Refuse:</u></b>						
Removed at least once a week	237,382	237,382	237,382	237,619	237,857	238,095
<i>Minimum Service Level and Above sub-total</i>	235,644	235,644	235,644	235,880	236,116	236,352
Removed less frequently than once a week	-	-	-			
Using communal refuse dump	44,090	44,090	44,090	44,134	56,064	56,120
Using own refuse dump						
Other rubbish disposal						
No rubbish disposal	16,702	16,702	16,702	4,728	4,728	4,733
<i>Below Minimum Service Level sub-total</i>	60,792	60,792	60,792	60,792	60,792	60,731
<b>Total number of households</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,436</b>	<b>296,140</b>
<b><u>Households receiving Free Basic Service</u></b>						
Water (6 kilolitres per household per month)	90,626	73,368	73,368	71,157	73,557	75,957
Sanitation (free minimum level service)	92,156	70,861	70,861	73,261	75,661	78,061
Electricity/other energy (50kwh per household per month)	73,526	34,176	34,176	38,076	41,976	45,876
Refuse (removed at least once a week)	86,954	71,261	71,261	76,289	80,479	85,507
Informal Settlements						
<b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>						
Water (6 kilolitres per <b>indigent</b> household per month)	150,070	120,653	120,653	152,541	152,599	152,656
Sanitation (free sanitation service to <b>indigent households</b> )	218,176	191,405	191,405	213,192	213,249	213,307
Electricity/other energy (50kwh per <b>indigent</b> household per month)	23,942	19,588	19,588	19,225	19,225	19,225

Description	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Refuse (removed once a week for indigent households)	91,754	146,435	146,435	146,336	146,394	146,452
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>	-	-	-			
<b>Total cost of FBS provided</b>	<b>483,942</b>	<b>478,081</b>	<b>478,081</b>	<b>531,294</b>	<b>531,467</b>	<b>531,640</b>
<b>Highest level of free service provided per household</b>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000
Water (kilolitres per household per month)	8	8	8	8	8	8
Sanitation (kilolitres per household per month)	11	11	11	11	11	11
Sanitation (Rand per household per month)	137	137	137	137	137	137
Electricity (kwh per household per month)	75	75	75	75	75	75
Refuse (average litres per week)	178	178	178	178	178	178
<b>Revenue cost of subsidised services provided (R'000)</b>						
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)						
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	173,455	173,455	173,455	182,127	192,144	203,673
Water (in excess of 6 kilolitres per indigent household per month)	31,852	31,852	31,852	32,489	32,814	33,470
Sanitation (in excess of free sanitation service to indigent households)	21,565	21,565	21,565	21,996	22,216	22,661
Electricity/other energy (in excess of 50 kwh per indigent household per month)	29,534	29,534	29,534	30,125	30,426	31,034
Refuse (in excess of one removal a week for indigent households)	15,719	15,719	15,719	16,033	16,194	16,518
Municipal Housing - rental rebates						
Housing - top structure subsidies	123,457	123,020	123,020	107,027	114,519	122,536
Other						
<b>Total revenue cost of subsidised services provided</b>	<b>395,582</b>	<b>395,145</b>	<b>395,145</b>	<b>389,797</b>	<b>408,313</b>	<b>429,892</b>

## 1.10. CONSOLIDATED BUDGET SUPPORTING TABLES

The relevant supporting tables that could be prepared are attached elsewhere to the Budget Report and other outstanding tables will accompany the Budget Report when the final Budget is tabled to Council by the end of May 2025, for approval.

## 1.11. THE FINANCIAL IMPACT OF UNDERFUNDED MANDATES

The following table provides an overview of the Library Services:

**TABLE 33 (UNDERFUNDED MANDATES – LIBRARY SERVICES)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>				
Fines	-283,900	-289,060	-302,800	-317,380
Government Grants and Subsidies	-19,210,000	-19,210,000	-19,863,000	-19,863,000
Rental of Facilities and Equipment	-4,000	-4,200	-4,420	-4,650
Other Income	0	0	0	0
Sale of Goods and Rendering of Services	-60,800	-64,800	-67,910	-71,240
Operational Revenue	-210	-210	-210	-210

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>Total Revenue</b>	<b>-19,558,910</b>	<b>-19,568,270</b>	<b>-20,238,340</b>	<b>-20,256,480</b>
<b>EXPENDITURE</b>				
Employee Related Costs	117,894,930	125,811,850	136,505,940	148,919,710
Contracted Services	3,203,610	3,147,090	2,823,090	2,832,090
Depreciation	250,070	249,840	257,330	265,050
Repairs and Maintenance	1,368,980	1,500,220	1,410,220	1,500,220
General Expenses	10,037,890	9,625,160	9,707,970	9,792,900
Operating Leases	1,297,430	1,094,420	1,094,420	1,094,420
Inventory	2,427,960	1,728,670	1,728,670	1,728,670
<b>Total Expenditure</b>	<b>136,480,870</b>	<b>143,157,250</b>	<b>153,527,640</b>	<b>166,133,060</b>
<b>(Surplus)/ Deficit</b>	<b>116,921,960</b>	<b>123,588,980</b>	<b>133,289,300</b>	<b>145,876,580</b>

The aforementioned table indicates that the Library Service continues to operate at a significant deficit, ranging from R123.6 million, R133.3 million and R145.9 million for the 2025/26, 2026/27 and 2027/28 financial years, respectively. These deficits are funded from property rates. The Library Subsidy has not shown any significant growth over the last number of years.

## 1.12. THE PROJECTED FINANCIAL PERFORMANCE OF THE VARIOUS TRADING SERVICES

The financial performance of the trading services is highlighted in this section, to indicate if they are operating at a surplus or deficit.

### (i) ELECTRICITY SERVICE

The following table provides a summarised version of Electricity Service for the 2024/25 revised budget and 2025/26 MTREF period.

**TABLE 34 (HIGH LEVEL SUMMARY OF THE ELECTRICITY SERVICE)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>				
Service Charges	-5,730,805,920	-6,410,553,210	-7,227,257,820	-8,148,010,570
Interest Earned - Outstanding Debtors	-115,806,660	-93,279,110	-100,928,000	-109,305,030
Fines	-2,141,860	-2,272,180	-2,394,670	-2,527,070
Government Grants and Subsidies	-199,896,830	-72,690,680	-74,380,730	-75,050,430
Rental of Facilities and Equipment	-15,770	-16,520	-17,300	-18,140
Sale of Goods and Rendering of Services	-522,870	-547,450	-573,190	-600,710
Operational Revenue	-778,300	-141,810	-148,510	-155,710
<b>Total Revenue</b>	<b>-6,049,968,210</b>	<b>-6,579,500,960</b>	<b>-7,405,700,220</b>	<b>-8,335,667,660</b>
<b>EXPENDITURE</b>				
Employee Related Costs	521,658,220	536,654,830	582,113,820	633,044,130
Impairment - Receivables	114,687,360	118,127,990	121,671,840	125,322,010
Contracted Services	52,882,800	42,751,570	45,717,510	48,021,250
Depreciation	147,615,510	147,488,730	151,913,390	156,470,800
Repairs and Maintenance	146,349,510	146,704,340	153,739,590	161,628,730
Finance Cost	29,730,290	25,417,290	22,110,030	18,422,600
Bulk Purchases	6,457,165,920	7,277,226,000	7,667,285,320	8,141,890,290
General Expenses	45,501,250	38,137,670	40,207,560	41,565,950
Operating Leases	2,138,760	2,193,400	2,297,690	2,408,570
Inventory	11,467,980	11,143,670	10,320,440	10,733,920
<b>Total Expenditure</b>	<b>7,529,197,600</b>	<b>8,345,845,490</b>	<b>8,797,377,190</b>	<b>9,339,508,250</b>

(Surplus)/ Deficit	(1,479,229,390)	(1,766,344,530)	(1,391,676,970)	(1,003,840,590)
Service Charges Less Expenditure ((Surplus)/ Deficit)	(1,798,391,680)	(1,846,292,280)	(1,560,957,770)	(1,180,497,680)

The aforementioned table indicates that the Electricity Service is operating at large deficits and the 2025/26 MTREF is projecting deficits ranging from R1.8 billion, R1.39 billion and R1.00 billion for the 2025/26, 2026/27 and 2027/28 financial years, respectively. The picture for this service becomes worse when comparing service charges vs total expenditure, giving signals that something drastic requires to be done under this service as it has a huge implication to the financial sustainability of the municipality.

## (ii) WATER SERVICE

The following table provides a summarised version of Water Service for the 2024/25 revised budget and 2025/26 MTREF period.

**TABLE 35 (HIGH LEVEL SUMMARY OF THE WATER SERVICE)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>				
Service Charges	-2,911,479,600	-2,977,328,300	-3,155,968,050	-3,361,106,020
Interest Earned - Outstanding Debtors	-719,459,190	-778,454,850	-842,288,150	-912,198,070
Government Grants and Subsidies	-555,372,400	-229,028,630	-178,978,790	-179,605,400
Rental of Facilities and Equipment	-965,180	-926,150	-969,680	-1,015,260
<b>Total Revenue</b>	<b>- 4,187,276,370</b>	<b>- 3,985,737,930</b>	<b>- 4,178,204,670</b>	<b>- 4,453,924,750</b>
<b>EXPENDITURE</b>				
Employee Related Costs	265,768,500	281,450,230	302,826,780	327,627,970
Impairment - Receivables	1,546,847,220	1,607,757,290	1,704,222,750	1,814,997,260
Contracted Services	40,682,770	54,755,940	58,856,010	61,766,790
Depreciation	162,201,230	162,062,170	166,924,030	171,931,740
Repairs and Maintenance	145,237,240	167,040,020	184,767,080	191,505,480
Finance Cost	33,577,120	28,227,980	23,773,070	18,948,580
General Expenses	166,561,150	143,803,420	152,601,870	158,049,820
Operating Leases	283,790	317,260	333,960	343,920
Inventory	106,196,680	81,734,010	87,310,740	90,561,570
Bulk Purchases Water	202,984,110	210,263,500	228,346,180	247,983,960
Gains and losses	252,982,010	385,921,150	387,850,760	389,790,010
<b>Total Expenditure</b>	<b>2,923,321,820</b>	<b>3,123,332,970</b>	<b>3,297,813,230</b>	<b>3,473,507,100</b>
<b>(Surplus)/ Deficit</b>	<b>-708,582,150</b>	<b>-862,404,960</b>	<b>-880,391,440</b>	<b>-980,417,650</b>
<b>Service Charges Less Expenditure ((Surplus)/ Deficit)</b>	<b>(11,842,220)</b>	<b>(146,004,670)</b>	<b>(141,845,180)</b>	<b>(112,401,080)</b>

Although the aforementioned table indicates that the service is operating with a surplus, however, the picture is different when comparing service charges vs total expenditure.

**(iii) SANITATION SERVICE**

The following table provides a summarised version of Sanitation Service for the 2024/25 revised budget and 2025/26 MTREF period.

**TABLE 36 (HIGH LEVEL SUMMARY OF THE SANITATION TRADING SERVICE)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>	0	0	0	0
Service Charges	-881,061,510	-821,412,140	-870,681,890	-927,244,590
Interest Earned - Outstanding Debtors	-158,494,410	-171,490,960	-185,553,220	-200,954,140
Government Grants and Subsidies	-239,152,950	-172,826,160	-460,535,350	-250,060,460
<b>Total Revenue</b>	<b>- 1,278,708,870</b>	<b>- 1,165,729,260</b>	<b>- 1,516,770,460</b>	<b>- 1,378,259,190</b>
<b>EXPENDITURE</b>				
Employee Related Costs	259,611,000	283,506,870	306,561,410	334,903,120
Impairment - Receivables	257,732,950	229,995,410	243,790,930	259,628,490
Contracted Services	69,913,460	45,338,080	59,814,970	64,965,950
Depreciation	137,051,190	136,933,500	141,041,490	145,272,730
Repairs and Maintenance	118,358,960	165,588,710	177,082,930	188,897,250
Finance Cost	18,824,630	15,425,000	13,118,240	10,547,550
General Expenses	28,586,250	12,502,580	13,193,750	13,777,110
Operating Leases	502,830	462,560	475,160	487,880
Inventory	18,638,410	18,510,810	19,379,480	20,249,880
<b>Total Expenditure</b>	<b>909,219,680</b>	<b>908,263,520</b>	<b>974,458,360</b>	<b>1,038,729,960</b>
<b>(Surplus)/ Deficit</b>	<b>-369,489,190</b>	<b>-257,465,740</b>	<b>-542,312,100</b>	<b>-339,529,230</b>
<b>Service Charges Less Expenditure ((Surplus)/ Deficit)</b>	<b>(28,158,170)</b>	<b>(86,851,380)</b>	<b>(103,776,470)</b>	<b>(111,485,370)</b>

The above Table indicates that the Sanitation Service is operating at a surplus position for the 2025/26 MTREF period, however, the picture is different when comparing service charges vs total expenditure.

**(iv) REFUSE SERVICE**

The following table provides a summarised version of Refuse Service for the 2024/25 revised budget and 2025/26 MTREF period.

**TABLE 37 (HIGH LEVEL SUMMARY OF THE REFUSE TRADING SERVICE)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>				
Service Charges	-308,648,200	-349,729,880	-372,462,340	-398,534,740
Interest Earned - Outstanding Debtors	-77,041,990	-83,359,430	-90,194,910	-97,681,090
Government Grants and Subsidies	-146,434,590	-146,336,410	-146,394,010	-146,451,610
Rental of Facilities and Equipment	-5,161,240	-5,403,820	-5,657,810	-5,929,400
Sale of Goods and Rendering of Services	-8,500,000	-8,899,500	-9,317,780	-9,765,040
Operational Revenue	-1,340	0	0	0
<b>Total Revenue</b>	<b>545,787,360</b>	<b>593,729,040</b>	<b>624,026,850</b>	<b>658,361,880</b>
<b>EXPENDITURE</b>				
Employee Related Costs	245,356,190	275,000,660	298,090,520	324,787,870

Impairment - Receivables	125,371,450	132,893,760	141,531,850	151,439,080
Contracted Services	6,629,930	20,647,670	21,596,140	22,608,270
Depreciation	500,370	499,940	514,940	530,380
Repairs and Maintenance	3,127,100	3,837,230	4,029,150	4,270,970
General Expenses	162,029,440	162,941,530	168,251,120	173,764,180
Operating Leases	278,560	215,290	224,740	234,800
Inventory	28,428,810	23,630,160	24,516,630	25,498,830
<b>Total Expenditure</b>	<b>571,721,850</b>	<b>619,666,240</b>	<b>658,755,090</b>	<b>703,134,380</b>
<b>(Surplus)/ Deficit</b>	<b>25,934,490</b>	<b>25,937,200</b>	<b>34,728,240</b>	<b>44,772,500</b>
<b>Service Charges Less Expenditure ((Surplus)/ Deficit)</b>	<b>(263,073,650)</b>	<b>(269,936,360)</b>	<b>(286,292,750)</b>	<b>(304,599,640)</b>

The aforementioned table indicates that the service is operating at a surplus when comparing total revenue vs. total expenditure, however, the picture is different when comparing service charges vs total expenditure.

### 1.13. THE FINANCIAL IMPACT OF SAFETY AND SECURITY SERVICE

In this section the financial impact of the Safety and Security Service, on the City's finances is highlighted.

The following table provides a summarised version of the Safety and Security Service for the 2024/25 revised budget and 2025/26 MTREF period.

**TABLE 38 (HIGH LEVEL SUMMARY OF THE SAFETY AND SECURITY SERVICE)**

	2024/2025 Revised	2025/2026 Budget	2026/2027 Budget	2027/2028 Budget
<b>REVENUE</b>				
Fines	-23,460,500	-30,669,050	-32,110,520	-33,651,850
Licences and permits	-18,251,590	-19,109,440	-20,007,610	-20,968,010
Government Grants and Subsidies	-734,794,050	-856,590,250	-951,742,290	-1,019,811,770
Rental of Facilities and Equipment	-22,600	-23,670	-24,790	-25,980
Other Income	0	0	0	0
Sale of Goods and Rendering of Services	-3,749,010	-2,867,500	-3,002,690	-3,147,000
Operational Revenue	-217,398,840	-243,347,140	-267,894,590	-297,485,060
	<b>-45,483,700</b>	<b>-52,669,660</b>	<b>-55,145,610</b>	<b>-57,792,840</b>
<b>EXPENDITURE</b>				
Employee Related Costs	1,054,242,590	1,105,574,050	1,195,358,860	1,309,617,270
Contracted Services	59,759,050	35,830,990	37,411,940	39,103,890
Impairment - OTHER	27,431,500	25,021,680	26,397,870	27,849,760
Repairs and Maintenance	16,422,710	15,905,650	16,590,820	17,412,020
Finance Cost	644,730	584,280	516,310	440,160
General Expenses	33,623,160	30,695,530	31,676,490	33,193,710
Operating Leases	1,167,820	1,236,550	1,271,340	1,308,150
Inventory	24,320,830	26,546,830	23,545,230	24,089,880
<b>Total Expenditure</b>	<b>1,217,612,390</b>	<b>1,241,395,560</b>	<b>1,332,768,860</b>	<b>1,453,014,840</b>
<b>(Surplus)/ Deficit</b>	<b>1,172,128,690</b>	<b>1,188,725,900</b>	<b>1,277,623,250</b>	<b>1,395,222,000</b>

The aforementioned table indicates that the service is operating at a significant deficit. It is to be noted that employee related costs, constitute approximately 89.1% of the total expenditure. The Council resolution of around 2017/18 of insourcing of 672 private security guards has had a significant impact on the employee related costs of the Safety and Security service. The amount of the Overtime budget incurred under the Safety & Security Directorate far exceeds other service delivery Directorates in the institution, accordingly that is not financially sustainable. It must also be noted that Safety and Security Service relies heavily on the Equitable Share for the funding of its operations.

## **PART 2 – SUPPORTING DOCUMENTATION**

### **2.1 OVERVIEW OF ANNUAL BUDGET PROCESS**

The 2025/26 Budget process was incorporated into the multi-Year timetable that was approved by Council on 21 September 2022, incorporating other plans, such as IDP, etc. and as such has informed the process of guiding the preparation of the 2025/26 to 2027/28 Operating and Capital Budgets.

The multi-year timetable prepared in conjunction with the Office of the Chief Operating Officer (COO) provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments (e.g. National / Provincial Treasuries), business and labour, during the period April to May 2025. The main aim of the timetable is to ensure that a revised IDP and a balanced Budget are tabled to Council by the end of March 2025 for noting and by the end of May 2025 for approval by Council.

After the approval, the approved budget will be submitted to National Treasury in compliance with Chapter 4 of the Local Government: Municipal Finance Management Act, Act No.56 of 2003, as well as being publicised on the municipality's website, followed by public participation processes.

#### **2.1.1 IDP & Budget Timetable 2025/26 to 2027/28**

The preparation of the 2025/26 to 2027/28 IDP and Budget was guided by the Multi-Year Time Schedule of key deadlines.

### **2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

The Integrated Development Plan (IDP) determines and prioritises the needs of the community.

The review of the IDP, in accordance with the Local Government: Municipal Systems Act (32 of 2000), was guided and informed by the following principles:

- Achievement of the five strategic priorities of the NMBM.
- Focusing on service delivery backlogs and the maintenance of infrastructure.
- Addressing community priorities (needs) as identified in the IDP.

The review of the IDP focused on establishing measurable performance indicators and targets. These targets informed the preparation of the multi-year budget, as well as the Service Delivery and Budget Implementation Plan (SDBIP).

The 2025/26 to 2027/28 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- (a) Municipal transformation and development
- (b) Service delivery and infrastructure development
- (c) Local economic development
- (d) Financial sustainability and viability
- (e) Good governance and public participation

The abovementioned strategic focus areas informed the preparation of the Budget.

Below are tables, which illustrate the link between the Budget and the IDP.

**TABLE 39 (BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING REVENUE) (SA4))**

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Municipal Transformation and Development	1,154,636	1,541,838	1,747,257	1,811,716	1,802,829	1,802,829	1,953,082	2,062,734	2,194,503
Service Delivery and Infrastructure	6,255,440	8,355,324	7,338,479	7,609,209	7,571,882	7,571,882	8,202,947	8,663,481	9,216,913
Local Economic Development	1,667,807	2,227,289	1,921,982	1,992,888	1,983,112	1,983,112	2,148,391	2,269,007	2,413,953
Financial Sustainability and Viability	2,822,443	3,769,126	3,669,239	3,804,604	3,785,941	3,785,941	4,101,474	4,331,741	4,608,457
Good Governance and Public Participation	898,050	1,199,967	2,795,611	2,898,746	2,884,527	2,884,527	3,124,933	3,300,374	3,511,205
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>12,798,376</b>	<b>17,093,544</b>	<b>17,472,568</b>	<b>18,117,163</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,827</b>	<b>20,627,337</b>	<b>21,945,031</b>

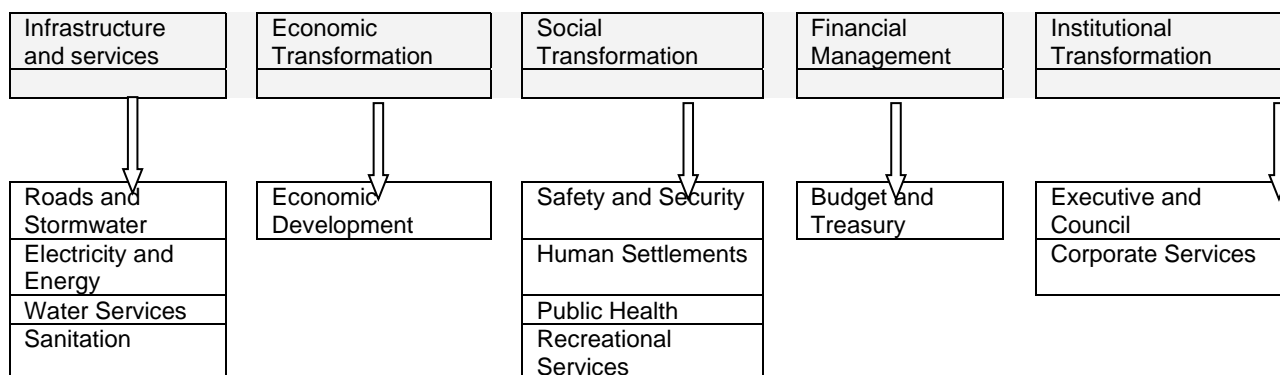
**TABLE 40 (BUDGET ALLOCATION ACCORDING TO IDP PRIORITIES (OPERATING EXPENDITURE) (SA5))**

Strategic Objective	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Municipal Transformation and Development	1,198,623	1,420,388	1,749,350	1,811,606	1,802,829	1,802,829	1,953,082	2,062,729	2,194,496
Service Delivery and Infrastructure	6,493,747	7,697,179	7,347,268	7,608,746	7,571,882	7,571,882	8,202,945	8,663,463	9,216,883
Local Economic Development	1,731,344	2,051,846	1,924,285	1,992,767	1,983,112	1,983,112	2,148,390	2,269,002	2,413,945
Financial Sustainability and Viability	2,929,966	3,472,234	3,673,634	3,804,373	3,785,941	3,785,941	4,101,473	4,331,733	4,608,442
Good Governance and Public Participation	932,262	1,105,446	2,798,959	2,898,570	2,884,527	2,884,527	3,124,932	3,300,367	3,511,193
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>13,285,942</b>	<b>15,747,093</b>	<b>17,493,496</b>	<b>18,116,062</b>	<b>18,028,291</b>	<b>18,028,291</b>	<b>19,530,822</b>	<b>20,627,294</b>	<b>21,944,959</b>

**2.2.1 Alignment with National and Provincial Priorities**

The Municipality’s priorities are aligned to those of the National and Provincial Governments.

The matrix below shows the alignment with National and Provincial Government priorities



## Figure 4: Alignment with National and Provincial Priorities

The above is an indication of NMBM's alignment to the National and Provincial Key Performance Areas and how Directorates are aligned thereto. It should, however, be noted that in terms of implementation all Directorates are focusing on the five areas. To monitor and evaluate service delivery and financial performance, key performance indicators are included in all Executive Directors' performance agreements and are monitored through the monitoring system under the Chief Operating Officer's (COO's) office, accordingly.

### 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

This section contains some of the key performance indicators.

**TABLE 41 (MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS)**

Description of financial indicator	Basis of calculation	2025/26 Medium Term Revenue & Expenditure Framework		
		Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>Borrowing Management</b>				
Credit Rating		Aaa.za	Aaa.za	Aaa.za
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.6%	2.6%	2.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.0%	3.0%	3.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	25.0%	25.0%	25.0%
<b>Safety of Capital</b>				
Gearing	Long Term Borrowing/ Funds & Reserves	5.93%	5.93%	5.93%
<b>Liquidity</b>				
Current Ratio	Current assets/current liabilities	2.09:1	2.09:1	2.10:1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.09:1	2.09:1	2.10:1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.15:1	1.15:1	1.20:1
<b>Revenue Management</b>				
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		76%	81%	85%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	24.4%	24.4%	24.5%
<b>Creditors Management</b>				
Creditors to Cash and Investments		69.6%	69.6%	69.6%
<b>Other Indicators</b>				
Employee costs	Employee costs/(Total Revenue - capital revenue)	30%	30%	30%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.3%	30.3%	30.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.0%	4.0%	4.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.3%	9.3%	9.5%
<b>IDP regulation financial viability indicators</b>				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15.6	15.6	17.2
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	32%	32%	32%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.6	3.6	3.7

#### 2.3.1 Drinking Water Quality and Waste-Water Management

The Municipality performs the dual roles of a Water Service Authority (WSA) and a Water Service Provider (WSP), in managing the provision of drinking water and the treatment of wastewater.

The detailed reports relating to the above are available from the respective Directorates.

#### 2.3.2 Basic social services package for indigent households

The Constitution of the Republic of South Act (1996) stipulates that a municipality must structure and manage its administration, budgeting and planning to give priority to the basic needs of the community and to promote their social and economic development. The basic social package is an affirmation of the Municipality's commitment to push back the frontiers of poverty by providing social welfare to those residents who cannot afford to pay, because of adverse social and economic conditions.

The Municipality utilises the Equitable Share allocation towards assisting the poor. The National Treasury has allocated the following amounts towards the Equitable Share in terms of the Division of Revenue Act (DORA) for this purpose: -

2025/26 = R1,637,749,000,  
2026/27 = R1,739,300,000, and  
2027/28 = R1,817,952,000

## **2.4 OVERVIEW OF BUDGET RELATED POLICIES**

The Local Government: Municipal Finance Management Act (MFMA) (56 of 2003) and the Local Government: Municipal Budget and Reporting Regulations (MBRR) require budget related policies to be reviewed, and where applicable, be updated on an annual basis. This process will be concluded leading up to the final approval of the budget by the end of May 2025.

It is to be noted though that the following budget related policies are attached as Annexures to this Budget Report as they will form part of public participation processes in the 2025/26 MTREF period: -

- 2.4.1. Tariff By-Law;
- 2.4.2. Water Tariff Policy;
- 2.4.3. Wastewater / Sanitation Tariff By-Law;
- 2.4.4. Miscellaneous Tariff Policy, and
- 2.4.5. Property Rates Policy

All the aforementioned Policies and By-Law are intended to be implemented with effect from 1<sup>st</sup> July 2025 of in the 2025/26 financial year.

## **2.5 OVERVIEW OF BUDGET ASSUMPTIONS**

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be prepared to support the achievement of the longer-term financial and strategic targets. The circulars issued by National Treasury (latest being Circular 129) guiding municipalities on budget processes are considered.

The municipal fiscal environment is influenced by a variety of macroeconomic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Budget through the Circulars mentioned in the previous paragraph, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases and the Department of Water and Sanitation regulates bulk water tariff increases. The municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies allocated to the NMBM, such as Library Subsidies, etc.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets, relating to the key strategic focus areas, as determined in the IDP.
- The need to enhance the municipality's revenue base.
- The impact of the water drought situation.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs, including the expansion of services.

- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- Compliance with National Treasury Budget Circulars, and the requirements of the Municipal Standard Chart of Accounts (MSCOA) reforms.
- An assessment of the relative human resources capacity to implement the Budget.

The Municipality faced the following significant challenges in preparing the 2025/26 – 2027/28 Budget:

- Declining Collection Rate.
- Maintaining electricity and water losses at acceptable levels.
- Allocation of the required operating budget provision for newly created infrastructure and facilities, with a consequential impact on the level of rates and tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the municipality's cash position into account.
- The limitations created by the non-existence of an MSCOA compliant accounting system to enable the full implementation of the regulated MSCOA reforms.
- The continuous drought situation that requires more financial resources to deal with the urgent demands.

## 2.6 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

The following table indicates all grants to be transferred to the NMBM for the 2023/24 MTREF period:

**TABLE 42 (GRANTS ALLOCATED IN TERMS OF THE DIVISION OF REVENUE ACT BY NATIONAL GOVERNMENT)**

ALLOCATION OF GRANTS i.t.o. THE DIVISION OF REVENUE BILL (2025/2026 to 2027/28)						
GRANT NAME	Page Number	GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25 (Baseline)	2025/26	2026/27 (1st Outer Year Projections)	2027/28 (2nd Outer Year Projections)
<b>OPERATING GRANTS</b>						
			<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	33	Unconditional	1,523,361,000	1,637,749,000	1,739,300,000	1,817,952,000
Financial Management Grant	259	Conditional	1,000,000	1,000,000	1,200,000	1,400,000
Infrastructure Skills Development Grant	259	Conditional	13,800,000	8,900,000	10,400,000	11,000,000
EPWP	259	Conditional	3,480,000	2,457,000	-	-
City Led Public Employment Program (Included in the NDPG)		Conditional	15,000,000	<i>Zero allocation</i>		
Urban Development Financing Grant (New Grant from National Treasury)	44	Conditional	-	48,800,000	38,606,000	44,537,000
General Fuel Levy		Unconditional	825,005,000	861,978,000	902,511,000	944,416,000
Programme and Project Preparation Support Grant		Conditional	15,000,000			
<b>TOTAL - OPERATING</b>			<b>2,396,646,000</b>	<b>2,560,884,000</b>	<b>2,692,017,000</b>	<b>2,819,305,000</b>
GRANT NAME		GRANT TYPE (CONDITIONAL / UNCONDITIONAL)	2024/25	2025/26 (1st Outer Year Projections)	2026/27 (1st Outer Year Projections)	2027/28 (2nd Outer Year Projections)
<b>CAPITAL GRANTS</b>						
			<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Urban Settlements Development Grant (USDG) Annexure W5)	44	Conditional	635,473,000	663,817,000	694,121,000	725,509,000
Informal Settlement Upgrading Partnership Grant	272	Conditional	361,684,000	377,887,000	395,200,000	413,071,000
Neighbourhood Partnership Development Grant (NDPG)		Conditional	17,213,000	<i>Zero allocation</i>		
Public Transport Network Operations Grant	272	Conditional	339,948,000	298,225,000	305,631,000	324,803,000
Regional Bulk Infrastructure Grant (Page 312 of 336)		Conditional	250,000,000	390,000,000	-	-

Energy Efficiency and Demand Side Management Grant	266	Conditional	7,000,000	7,000,000	8,500,000	9,000,000
<b>TOTAL - CAPITAL</b>			<b>1,611,318,000</b>	<b>1,736,929,000</b>	<b>1,403,452,000</b>	<b>1,472,383,000</b>
<b>TOTAL GRANTS (OPERATING AND CAPITAL)</b>			<b>4,007,964,000</b>	<b>4,297,813,000</b>	<b>4,095,469,000</b>	<b>4,291,688,000</b>

**2.7 COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS**

The salaries and allowances paid to Councillors are in terms of the Remuneration of Public Office Bearer’s Act and the Board of Directors’ emoluments are paid based on approval by the parent municipality at the applicable rates.

**2.8 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – DIRECTORATES**

In terms of section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) constitutes a detailed plan for implementing the Municipality’s delivery of services and its annual budget, which must include the following:

- (a) Monthly projections of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter.

In accordance with Section 53 of the MFMA, the Executive Mayor is required to approve the SDBIP within 28 days after the final approval of the budget. Furthermore, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators, as set out in the SDBIP, are made public within 14 days after the approval of the SDBIP.

The SDBIP gives effect to the IDP and Budget of the Municipality. It includes the service delivery targets and performance indicators for each quarter, which forms the basis for the performance agreements of the Executive Directors. It therefore facilitates oversight over the financial and non-financial performance of the Municipality and allows the City Manager to monitor the performance of the Executive Directors, the Executive Mayor/Council to monitor the performance of the City Manager, and the Community to monitor the performance of the Municipality.

The SDBIP relating to the 2025/26 financial year must be approved by the Executive Mayor, following the approval of the Budget by the end of May 2025.

**2.9 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS**

Below the schedule of contracts impacting on future budgets:

**TABLE 43 (CONTRACTS IMPACTING ON THE MUNICIPALITY’S REVENUE)**

Description	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
	Total	Original Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Esti-mate
Parent Municipality:													
<b>Revenue Obligation By Contract</b>													
<i>Contract 1</i>													-
<b>Total Operating Revenue Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-

Description	Preceding Years	Current Year 2020/21	2021/22 Medium Term Revenue & Expenditure Framework			Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Total Contract Value
	Total	Original Budget	Budget Year 2021/22	Budget Year 2022/23	Budget Year 2023/24	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>													
<b>Expenditure Obligation By Contract</b>													
<i>Absa Bank Costs</i>	9,946	5,425	5,750	6,095	0	0							27,216
<b>Total Operating Expenditure Implication</b>	9,946	5,425	5,750	6,095	0	-0	-	-	-	-	-	-	27,216
<b>Capital Expenditure Obligation By Contract</b>													
<i>Contract 1</i>													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Parent Expenditure Implication</b>	9,946	5,425	5,750	6,095	0	0	-	-	-	-	-	-	27,216
<b>Entities:</b>													
<b>Revenue Obligation By Contract</b>													
<i>Contract 1</i>													-
<b>Total Operating Revenue Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Expenditure Obligation By Contract</b>													
<i>Contract 1 Banking Service Contract</i>	44	24	25	27	28	30	32	34	36	38	0	0	318
<b>Total Operating Expenditure Implication</b>	44	24	25	27	28	30	32	34	36	38	0	0	318
<b>Capital Expenditure Obligation By Contract</b>													
<i>Contract 1</i>													-
<b>Total Capital Expenditure Implication</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Entity Expenditure Implication</b>	44	24	25	27	28	30	32	34	36	38	0	0	318

### Contracts Impacting on the Municipality's Expenditure

No contracts exceeding the R5 million limit in respect of MFMA section 33 expenditure except for the case of a contract of nine-years entered into with the Vehicle Operating Company (VOCA) under the IPTS (I&E), has been disclosed by the time this report was concluded.

### 2.10 LEGISLATION COMPLIANCE STATUS

Below a discussion of the Municipality's progress relating to the implementation of the Local Government: Municipal Finance Management Act (MFMA) (56 of 2003):

#### Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA since its inception. The municipality monitors its implementation status on an ongoing basis through reporting via its various committees as established by Council, including the following:

- The City Manager's Executive Management Team which includes the Chief Financial Officer (CFO), Chief Operating Officer (COO) and all the Executive Directors, which meets on a regular basis.
- The Budget and Treasury Standing Committee – a standing committee of the Council established in terms of Section 79 of the Municipal Structures Act, which meets every six weeks. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- The NMBM has also established Municipal Public Accounts Committee, an Audit Committee, and a Risk Management Committee, which play an oversight role.
- The municipality also has an Internal Audit Function.
- A Disciplinary Board established in terms of the applicable Regulations is also in existence.

The following reflects the status of implementation of some of the key MFMA areas:

IDP

The Municipal Systems Act (32 of 2000) requires that Council must approve a five-year Integrated Development Plan (IDP), and as such the IDP document that guides the budgeting process is also subjected to the review due to the establishment of Council that came into being after the Local Government Elections in November 2021.

## **Budget**

The annual budget document has been developed taking into account, the MFMA and National Treasury (NT) requirements as guided by the National Treasury Circulars 126 and 128.

## **In-Year Reporting**

The municipality submits the various required reports to the Executive Mayor, Council and NT on an ongoing basis, in accordance with the MFMA.

## **Supply Chain Management Policy (SCM)**

A Supply Chain Management Policy has been adopted and implemented in accordance with the MFMA and NT requirements.

The required SCM committee structures (or Bid Committees) are in place. Whilst the municipality is working at making these processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines as it relates to these matters. National Treasury has also been able to assist in identifying capacity in this area due to challenges that are experienced as can be identified in the audit reports by the Auditor General South Africa (AGSA).

## **Budget and Treasury Office (BTO)**

A Budget and Treasury Office (BTO) / Directorate has been established in accordance with Chapter 9 of the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

The BTO is split into the following Directorates: -

- (i) Budget and Financial Accounting.
- (ii) Expenditure Management.
- (iii) Revenue Management & Customer Care.
- (iv) Office of the Treasury & Financial Support, and
- (v) Supply Chain Management (SCM).

## **Audit Committee**

An Audit Committee (AC) has been established and meets on a quarterly basis.

## **Disciplinary Board**

A Disciplinary Board has been established in line with the Financial Misconduct Regulations (Number 37682 dated 30 May 2014).

## **Internal Audit Function**

The Municipality has an Internal Audit Sub-Directorate reporting to the acting / City Manager and operating in accordance with an approved audit plan.

## **Financial Internship Programme**

The Finance Internship programme is funded from National Treasury's Finance Management Grant (FMG), whilst Finance interns are rotated within various Sub Directorates of Budget and Treasury Directorate, to capacitate them. So far, the institution has been able to recruit many of the Finance Interns into fulltime employment due to their relevant work exposure and relevant qualifications. Finance Interns also undertake the training program in the form of the applicable Unit Standards as part of the training and development strategy.

## 2.11 COUNCIL'S INVESTMENT PORTFOLIO (ACTUALS AND ESTIMATED FIGURES)

In ensuring that Council's cash is managed efficiently and effectively as required in terms of Council's Cash Management and Investment Policy, excess cash is invested with banks registered in terms of the Banks Act (Act 94 of 1990). The investments are diversified across various banks based on the types of investments (Term or Call) as well as their maturity dates depending on the cashflow requirements.

The following Table gives an illustration of the historic investment portfolio for prior years, current financial year and the anticipated Investment Portfolio for the three financial years (2025/26 to 2027/28).

**TABLE 44 (NMBM'S PROJECTED INVESTMENT PORTFOLIO)**

INSTITUTION	2023/24 ACTUAL INVESTMENT	ACTUAL INVESTMENTS 28 FEBRUARY 2025	PROJECTED INVESTMENT BALANCE 30 JUNE 2025	PROJECTED INVESTMENT BALANCE 30 JUNE 2026	PROJECTED INVESTMENT BALANCE 30 JUNE 2027	PROJECTED INVESTMENT BALANCE 30 JUNE 2028
ABSA	500,000,000	510,000,000	560,000,000	560,000,000	560,000,000	560,000,000
ABSA CALL	7,676,969	7,676,969	7,676,969	7,676,969	7,676,969	7,676,969
FNB	640,000,000	565,000,000	630,000,000	630,000,000	630,000,000	630,000,000
NEDBANK	665,000,000	485,000,000	730,000,000	730,000,000	730,000,000	730,000,000
NEDBANK CALL	680,500,000	680,500,000	600,500,000	500,500,000	400,000,000	300,000,000
STANDARD BANK	726,700,000	736,700,000	671,700,000	671,700,000	671,700,000	671,700,000
INVESTEC	183,817,624	193,456,740	193,456,740	193,456,740	193,456,740	193,456,740
Stanlib	259,657	259,657	259,657	259,657	-	-
ABSA Current Account	912,197,412	347,166,640	953,186,540	965,807,283	946,697,647	944,988,011
<b>TOTAL INVESTMENTS</b>	<b>4,316,151,662</b>	<b>3,525,760,006</b>	<b>4,346,779,906</b>	<b>4,259,400,649</b>	<b>4,139,531,356</b>	<b>4,037,821,720</b>

The above investments are committed to finance other operations or commitments against the municipality, such as ESKOM payments, Salary & Wages, Repayments of Loans, and Grant funded projects, etc.

## 2.12 URBAN DEVELOPMENT FINANCE GRANT

Council must note that with effect from the 2025/26 financial year a new conditional named Urban Development Finance Grant (UDFG) has been introduced in terms of the latest Division of Revenue Bill availed directly from the National Treasury. This grant is aimed at ensuring that the Trading Services' reforms are forged ahead across all metropolitan municipalities.

The following Table represents the funding allocation made to the metropolitan municipalities under this conditional grant across the country: -

**TABLE 45 (URBAN DEVELOPMENT FINANCE GRANT AS GAZETTED)**

METROPOLITAN MUNICIPALITY	Page Number	Schedule Number	2025/26	% Ntage Allocatio n per Metro vs. Total Allocatio n	2026/27 (1st Outer Year Projections)	2027/28 (2nd Outer Year Projections)	PROJECTED TOTAL OVER MTREF PERIOD
Nelson Mandela Metro	44	Schedule 4 Part B	48,800,000	5%	38 606 000	44 537 000	131 943 000
Buffalo City	44	Schedule 4 Part B	48 500 000	5%	39 200 000	45 160 000	132 860 000
Mangaung	44	Schedule 4 Part B	48 396 000	5%	37 000 000	38 600 000	123 996 000
Ekurhuleni	44	Schedule 4 Part B	182 011 000	18%	120 819 000	124 200 000	427 030 000
Joburg	44	Schedule 4 Part B	140 208 000	14%	694 847 000	641 335 000	1 476 390 000
Tshwane	44	Schedule 4 Part B	151 868 000	15%	87 052 000	117 764 000	356 684 000
eThekweni	44	Schedule 4 Part B	221 753 000	22%	218 697 000	219 313 000	659 763 000
Cape Town	44	Schedule 4 Part B	182 100 000	18%	129 200 000	112 191 000	423 491 000
<b>TOTAL USDG</b>			<b>1,023,636,000</b>	<b>100%</b>	<b>1,365,421,000</b>	<b>1,343,100,000</b>	<b>3,732,157,000</b>

The above Table indicates that over the 2025/26 MTREF period NMBM will be receiving an amount of R131.9 million, whilst a total amount of R3.7 billion is allocated across all eight metropolitan municipalities for the Urban Development Finance Grant. It is important that the contents of the grant framework be properly studied as there are terms and conditions to be complied with to qualify for the transfers to the municipality from National Treasury.

**2.13 ATTACHMENTS TO THE BUDGET REPORT**

Attached to this Budget Report are the following Annexures: -

- Capital Works Plan (2025/26 to 2027/28) (*refer to Annexure “A1”*);
- Ward Budget / Allocations (2025/26 to 2027/28) (*refer to Annexure “A2”*);
- National Treasury Budget Circular 129 (*refer to Annexure “A3”*);
- Tariff By-Law (*refer to Annexure “A4”*);
- Water Tariff Policy (*refer to Annexure “A5”*);
- Wastewater / Sanitation Tariff Policy (*refer to Annexure “A6”*);
- Miscellaneous Tariff Policy (*refer to Annexure “A7”*);
- Property Rates Policy (*refer to Annexure “A8”*).

**2.14 CITY MANAGER’S QUALITY CERTIFICATE**

I, **S Mvunelwa (Mr)**, Acting City Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (56 of 2003) and the Municipal Budget and Reporting Regulations (32141 dated 17 April 2009) made under that Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

**Print Name : S Mvunelwa (Mr)**

**Acting City Manager of Nelson Mandela Bay Municipality (EC000)**

**Signature : \_\_\_\_\_**

**Date : 24 March 2025**