



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

**2026/27 -  
2028/29**

**DRAFT BUDGET  
REPORT**

# TABLE OF CONTENTS

<b>Item</b>	<b>Subject</b>	<b>Page</b>
	<b>TABLE OF CONTENTS</b>	<b>2</b>
	<b>PART 1 – ANNUAL BUDGET</b>	<b>3</b>
1.1	EXECUTIVE MAYOR'S FOREWORD – TABLING OF 2024/25 TO 2026/27 DRAFT BUDGET FOR NOTING	3-5
1.2	COUNCIL RESOLUTIONS	6-8
1.3	EXECUTIVE SUMMARY	9-11
1.4	HISTORIC PROPERTY RATES AND TARIFFS INCREASES	11
1.5	OPERATING REVENUE FRAMEWORK	11-15
1.6	OPERATING EXPENDITURE FRAMEWORK	15-17
1.7	CAPITAL EXPENDITURE	17
1.8	ANNUAL CONSOLIDATED BUDGET TABLES	18-36
1.9	ANNUAL BUDGET TABLES – PARENT MUNICIPALITY	36-51
1.10	CONSOLIDATED BUDGET SUPPORTING TABLES	51
	<b>PART 2 – SUPPORTING DOCUMENTATION</b>	<b>52</b>
2.1	OVERVIEW OF ANNUAL BUDGET PROCESS	52
2.2	ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN	52-53
2.3	MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS	53-54
2.4	OVERVIEW OF BUDGET RELATED POLICIES	54
2.5	OVERVIEW OF BUDGET ASSUMPTIONS	54-55
2.6	EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES	55
2.7	COUNCILLORS AND BOARD MEMBERS ALLOWANCES AND EMPLOYEE BENEFITS	55
2.8	ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – DIRECTORATES	55-56
2.9	CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS	56
2.10	LEGISLATION COMPLIANCE STATUS	56-57
2.11	URBAN DEVELOPMENT FINANCE GRANT	57-58
2.12	ATTACHMENTS TO BUDGET REPORT	58
2.13	CITY MANAGER'S QUALITY CERTIFICATE	58

## PART 1 – ANNUAL BUDGET

### 1.1 EXECUTIVE MAYOR’S FOREWORD – TABLING OF THE 2026/27 TO 2028/29 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 25 February 2026, the Minister of Finance tabled the 2026/27 to 2028/29 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>ALLOCATION OF GRANTS i.t.o. THE DIVISION OF REVENUE BILL (2026/2027 to 2028/29)</b>			
GRANT NAME	2026/27	2027/28	2028/29
<b>OPERATING GRANTS</b>			
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	1,740,504,000	1,841,721,000	1,867,588,000
Financial Management Grant	1,200,000	1,400,000	1,600,000
Infrastructure Skills Development Grant	8,500,000	9,000,000	9,000,000
EPWP	2,929,000	-	-
City Led Public Employment Program (Included in the NDPG)			
Urban Development Financing Grant (New Grant from National Treasury)			
General Fuel Levy	853,514,000	841,466,000	820,075,000
Programme and Project Preparation Support Grant			
<b>TOTAL - OPERATING</b>	<b>2,606,647,000</b>	<b>2,693,587,000</b>	<b>2,698,263,000</b>
<b>CAPITAL GRANTS</b>			
Urban Settlements Development Grant (USDG) Annexure W5)	234,309,000	207,993,000	171,530,000
Urban Development Financing Grant	650,747,000	758,123,000	971,149,000
Informal Settlement Upgrading Partnership Grant	353,844,000	408,849,000	421,556,000
Public Transport Network Operations Grant	211,004,000	201,025,000	201,186,000
Integrated National Electrification Program Grant (INEPG)	7,000,000	8,000,000	8,000,000
Regional Bulk Infrastructure Grant (Page 312 of 336)	91,589,000		
Energy Efficiency and Demand Side Management Grant			
<b>TOTAL - CAPITAL</b>	<b>1,548,493,000</b>	<b>1,583,990,000</b>	<b>1,773,421,000</b>
<b>TOTAL GRANTS (OPERATING AND CAPITAL)</b>	<b>4,155,140,000</b>	<b>4,277,577,000</b>	<b>4,471,684,000</b>

In terms of the above table, the total Operating Grants amount to R2.60 billion, R2.69 billion and R2.69 billion for the three financial years, whilst the total Capital Grants amount to R1.55 billion, R1.58 billion and R1.77 billion over the same period.

The above allocations include the Informal Settlements Upgrading Partnership Grant (ISUPG), which has been gazetted, amounting to R353. 1 million, R408.8 million and R421.5 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 2026, when the 2026/27 to 2028/29 Budget will be considered by Council.

The Regional Bulk Infrastructure Grant (RBIG) has been allocated to the municipality only for the 2026/27 financial year to the amount of R91.6 million. This grant was first allocated to the city with effect from the 2024/25 MTREF period, to deal with water drought related issues that the city has been confronted with and will, with effect from the 2027/28 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.

A new conditional grant named Urban Development Financing Grant (UDFG) has been allocated to the NMBM which comprises of Neighborhood Development Partnership Grant (NDPG), Project Preparation Support Grant (PPPSG) as well as the Metro Trading Services Component as an incentive grant to deal with Trading Services (i.e. Electricity, Water, Sanitation and Waste Management) reforms. The total allocations made in terms of the DORA for the three financial years amount to the following: -

2026/27	=	R650.7 million
2027/28	=	R758.1 million and
2028/29	=	R971.1 million

Of the above allocations, the Metro Trading Services component has been allocated R610,7 million for 2026/27 which Council must commit to have implemented the 8 minimum commitments that must be met by June 2027. Further to this, a Performance Improvement Action Plan (PIAP) must be approved with the budget in May 2026. Trading Services Directorates will have to heavily rely on the above funding, as other non-Trading Services Directorate cannot utilise this funding source. Trading Services Directorate are permitted to utilise this funding source for both capital and operating projects, accordingly, operating costs such as repairs and maintenance, consultancy services, etc. may also be accommodated in this funding source by Trading Services Directorates.

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 December 2025, compared to the position as at the end of June 2025: -

<b>ARREAR DEBT AS AT END DECEMBER 2025</b>					
Detail	OVERDUE AMOUNTS				
	Jun-25	%Ntage of Total	Dec-25	%Ntage of Total	Difference
Trade and Other Receivables from Exchange Transactions – Water	R9,316,231,825	50.1%	R 11,101,117,091	50.9%	R1,784,885,266
Trade and Other Receivables from Exchange Transactions – Electricity	R865,756,793	4.7%	R 1,005,372,235	4.6%	R139,615,442
Receivables from Non-exchange Transactions - Property Rates	R1,833,780,746	9.9%	R 2,064,408,825	9.5%	R230,628,079

Receivables from Exchange Transactions - Waste Water Management	R1,512,178,329	8.1%	R 1,689,316,086	7.8%	R177,137,757
Receivables from Exchange Transactions - Waste Management	R742,881,536	4.0%	R 826,604,613	3.8%	R83,723,077
Receivables from Exchange Transactions - Property Rental Debtors	R61,488,193	0.3%	R 64,294,782	0.3%	R2,806,589
Interest on Arrear Debtor Accounts	R3,822,318,447	20.6%	R 4,566,104,361	21.0%	R743,785,914
Other	R438,674,731	2.4%	R 473,723,927	2.2%	R35,049,196
<b>Total By Income Source</b>	<b>R18,593,310,600</b>	<b>100%</b>	<b>R 21,790,941,919</b>	<b>100%</b>	<b>R3,197,631,320</b>
<b>Debtors Age Analysis By Customer Group</b>	<b>Jun-25</b>	<b>%Ntage of Total</b>	<b>Nov-25</b>	<b>%Ntage of Total</b>	<b>Difference</b>
Organs of State	R207,945,308	1.1%	R298,711,404	1.4%	R90,766,097
Commercial	R2,313,305,563	12.4%	R2,425,351,959	11.1%	R112,046,396
NB: Municipal Employees	R24,161,147	0.13%	R 35,803,755	0.16%	R11,642,609
NB: Municipal Councillors	R120,434	0.00%	R 491,010	0.00%	R370,576
Households	R15,991,901,943	86.0%	R 18,752,313,336	86.1%	R2,760,411,393
Other NMBM	R55,876,206	0.3%	R 278,270,455	1.3%	R222,394,249
<b>Total By Customer Group</b>	<b>R18,593,310,600</b>	<b>100%</b>	<b>R 21,790,941,919</b>	<b>100%</b>	<b>R3,197,631,320</b>

The table indicates that the arrear debt has increased by R3.2 billion from R18.59 billion in June 2025 to R21.79 billion in December 2025. The biggest contributor to this increase is the arrear water debt component, due to the punitive water 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 the second major cost driver after bulk purchases. The current three-year Collective Agreement regarding salary increases for municipal employees is utilised for projecting salary & wage increases. To guide salary increases the projected average CPI, as indicated in the latest National Treasury Budget Circular, was considered.

Council must note that the Trading Services Reforms, as guided or led by National Treasury, linked to all the metropolitan municipalities have resulted in an incentive grant (i.e. Urban Development Financing Grant / UDFG) being availed to NMBM and forming part of this budget. This grant, amounting to **R2.38 billion** over the 2026/27 MTREF period must only be utilised to finance trading services (i.e. Water, Sanitation, Electricity and Waste Management), accordingly all projects that incorporated in this noted budget are linked to these trading services.

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 2026.

I therefore table the 2026/27-2028/29 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 2026/27 and the indicative allocations for the projected outer years 2027/28 and 2028/29, 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 Council notes that as part of qualification for participating in the Trading Services' Reforms the submission of Performance Improvement Action Plan (PIAP) for Trading Service Departments (i.e. Electricity and Energy, Solid Waste Management and Water and Sanitation) will be tabled to the respective Standing Committees dealing with each service and update National Treasury accordingly.
  - 2.1. Further note that Council, as principle, Council must recognise the importance of the eight minimum commitments to service delivery improvement, and to access and maintain the Metro Trading Services incentive grant and undertakes as follows: -
    - a) That Council must, by June 2027, have implemented a service compact clarifying the separation of roles between service authority and service provider, and defining accountabilities and authorities accordingly, as per M1 (SPoMA Service Compact).
    - b) That Council must, by June 2027, have implemented a formal recruitment process to appoint the Head of the Trading Services internal business unit with commercial, engineering skills and experience, with performance targets prioritising reform imperatives as well as management control of the Trading Services Business as a SPoMA, as per M2 (SPoMA appointment).
    - c) That Council must, by June 2027, have approved a macro-organisational structure which gives effect to and supports the mandate, responsibility and accountability of the Head of the Trading Services internal business unit, as per M3 (SPoMA Organisational Structure).

- d) That Council must approve Delegations of functions which give effect to and support the mandate, responsibility and accountability of the Head of the Trading Services internal business unit by June 2027, as per M4 (SPoMA Delegations).
- e) Council must approve a multi-year utility financial model for all three Trading Service Departments (i.e. reflecting utility characteristics and requirements), and use this to prioritise and generate a Business & Investment Plan to achieve long-term strategic objectives starting from 2026/27, according to the requirements set out in M5 (Financial Model and Business & Investment Plan).
- f) That Council must, by June 2027, approve an overall metro budget for the 2026/27 MTREF that accommodates, supports and funds the business and investment plans of its trading services departments, to the maximum extent possible, as set out in M6 (Budget support of Trading Service Business & Investment Plan).
- g) That Council must note that by June 2027 separate Annual Financial Statements per trading service (per specimen template provided in an MFMA circular of July 2024) for the 2026/27 financial year will have to be prepared, as set out in M7 (Financial Transparency).
- h) That Council must by 30 June 2027 *have in place an effective (a) additional capacity to support and manage the planned organisational change; and (b) additional capacity to support the planned increase in trading services capex*, as set out in M8 (Support for the management of organisational change and increased delivery).

3. That Council notes that the allocations availed to the entity in this draft budget (i.e. MBDA) for Operating Budget, Capital Budget and Helenvale Urban Renewal Project (HURP), as tabulated below, must inform the baseline in which the budget for the entity is formulated: -

Funding Purpose	2026/27	2027/28	2028/29
MBDA Operating Budget	87,226,500	92,460,090	98,007,700
MBDA Capital Budget	61,783,610	65,490,630	69,420,070
HURP	2,637,660	2,795,920	2,963,680
<b>TOTAL</b>	<b>151,647,770</b>	<b>160,746,640</b>	<b>170,391,450</b>

- 4. 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).
- 5. That the proposed tariffs increase for the 2026/27 (i.e. 1 July 2026) financial year are as follows:
  - Property rates - 5.5%
  - Water - 6.50%
  - Sanitation - 6.50%
  - Refuse - 6.50%
  - Electricity - 12.80% (On average, depending on the various customer categories, subject to NERSA's final approval).
- 6. That the indicative tariffs for 2027/28 and 2028/29 be increased as follows (considering the external factors impacting on Electricity and Water Services):

	<b>2027/28</b>	<b>2028/29</b>
Property Rates	6.00%	6.25%
Water	7.00%	7.00%
Sanitation	7.00%	7.00%
Refuse	7.00%	7.00%
Electricity	12.80%	12.80%

7. That Council **notes** the contents of **National Treasury MFMA Budget Circulars 132** (attached elsewhere to the Budget Report) for guiding the budgeting processes leading up to budget approval by the end of May 2026.
8. That the Chief Financial Officer be authorised to implement any changes (where applicable), without significantly changing the bottomline, that may be identified, after the tabling of the 2026/27 MTREF Budget in Council for approval, prior to submission to National Treasury and publication on the municipal website.
9. That Council notes that as attached to this Budget Report is the (i) Electricity Tariff Policy and (ii) Solid Waste Management Tariff Policy, (iii) Property Rates Policy, effective from 1<sup>st</sup> July 2026, all to be availed to public for comments

# **THE 2026/27 TO 2028/29 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 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 132, as attached elsewhere in this budget report.

The Municipality is faced with the following significant challenges during the compilation of the 2026/27 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 2026/27 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:

To support the 2026/27 Operating Budget, the following increase in property rates and service charges are proposed, with effect from 1 July 2026:

Property rates	-	5.5%	
Water	-	6.5%	
Sanitation	-	6.5%	
Refuse	-	6.5%	
Electricity (Average)	-	12.80%	(On average depending on various customer categories, subject to NERSA's final approval).

### 1.3.1. Summary of the Capital Budget (2026/27 to 2028/29)

The capital budget for the 2026/27, 2027/28 and 2028/29 (NMBM only) financial years amounts to R1.85 billion, R1.81 billion and R1.94 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 1 (2026/27 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM Only)**

Directorate	2026/27 Draft Capital Budget	%Ntage Allocation per Directorate	2027/28 Draft Capital Budget	2028/29 Draft Capital Budget
Budget & Treasury	54,083,000	3%	35,300,000	40,250,000
Chief Operating Officer	2,026,400	0%	1,795,450	1,748,390
Corporate Services	53,600,000	3%	32,300,000	37,150,000
Economic Development, Tourism and Agriculture	5,703,690	0%	4,703,700	4,703,700
Sport and Recreation	59,273,480	3%	66,651,300	65,181,300
Human Settlements	161,763,820	9%	144,387,900	146,675,610
Electricity and Energy	316,371,460	17%	331,671,670	369,118,490
Roads, Stormwater, Transportation & Fleet	573,200,170	31%	576,890,300	580,115,320
Water Services	312,148,770	17%	258,446,160	308,460,930
Sanitation Services	155,718,680	8%	193,417,920	229,167,470
Public Health	122,409,280	7%	133,088,720	132,670,410
Safety & Security	34,458,000	2%	32,600,000	32,600,000
NMBM Stadium	2,700,000	0%	500,000	-
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>1,853,456,750</b>	<b>100%</b>	<b>1,811,753,120</b>	<b>1,947,841,620</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 2 (2026/27 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE NMBM ONLY)**

Sources of Finance	2026/27 Draft Capital Budget	%Ntage Allocation per Funding Source	2027/28 Draft Capital Budget	2028/29 Draft Capital Budget
Total CRR - 901	138,646,330	7%	84,867,440	84,377,440
Total Levies Replacement Grant Funding - 959	460,763,160	25%	462,593,910	478,086,060
Total Public Contributions Funding - 923	43,000,000	2%	43,000,000	25,000,000
Urban Settlements Development Grant - 951	197,634,550	11%	175,437,570	144,681,830
Urban Development Financing Grant - 974	477,975,920	26%	562,009,300	728,725,300
Informal Settlements Upgrading Partnership Grant - 972	292,451,860	16%	335,064,910	338,191,000

Sources of Finance	2026/27 Draft Capital Budget	%Ntage Allocation per Funding Source	2027/28 Draft Capital Budget	2028/29 Draft Capital Budget
IPTS Grant - 918	131,168,400	7%	115,736,510	115,736,510
Neighbourhood Development Grant - 919	26,086,960	1%	26,086,960	26,086,960
Regional Bulk Infrastructure Grant - 973	79,642,610	4%	-	-
INEP - 953	6,086,960	0%	6,956,520	6,956,520
<b>Total Capital Budget Funding</b>	<b>1,853,456,750</b>	<b>100%</b>	<b>1,811,753,120</b>	<b>1,947,841,620</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 3 (HISTORIC PERCENTAGE INCREASES FOR SERVICES)**

VARIOUS SERVICES	2026/27	2025/26	2024/25	2024/25	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
			%	%	%	%	%	%	%	%	%	%	%
Electricity	12.80 (average)	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	6.5	5.5	6	6	5	6	6	7.5	8.5	9	9	13	12
Sanitation	6.5	5.5	6	6	5	6	6	7.5	8.5	9	9	12	12
Property Rates	5.5	5	5	5	5.5	6	6	7.77	5	4.4	9.5	9.5	9.5
Refuse	6.5	6	6	6	5	6	6	7.5	7.5	9	9	11	12

It is noted from the 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 132).
- 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. 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:

The following table provides a breakdown of the various operating grants and subsidies allocated through the national fiscus to the Municipality over the 2026/27 medium term (NB: These are only grants allocated in terms of the Division of Revenue Act):

**TABLE 4 (OPERATING TRANSFERS AND GRANT RECEIPTS (NB: Only DORA Grants))**

GRANT NAME	2026/27	2027/28	2028/29
<b>OPERATING GRANTS</b>			
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Equitable Share (Schedule 3)	1,740,504,000	1,841,721,000	1,867,588,000
Financial Management Grant	1,200,000	1,400,000	1,600,000
Infrastructure Skills Development Grant	8,500,000	9,000,000	9,000,000
EPWP	2,929,000	-	-
City Led Public Employment Program (Included in the NDPG)			
Urban Development Financing Grant (New Grant from National Treasury)			
General Fuel Levy	853,514,000	841,466,000	820,075,000
Programme and Project Preparation Support Grant			
<b>TOTAL - OPERATING</b>	<b>2,606,647,000</b>	<b>2,693,587,000</b>	<b>2,698,263,000</b>

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). The General Fuel Levy, can, however fund both capital and operating budgets.

### 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 5.5% on the property rates revenue is proposed, with effect from 1 July 2026.

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, 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, 128,129 and 132); 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 6.5% is proposed, effective as from 1 July 2026. 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, 128,129 and 132); 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 6.5% is proposed, effective as from 1 July 2026. 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 6.5% is proposed for the refuse collection and disposal service, effective as from 1 July 2026.

The tariff increase is mainly influenced by the following:

- The increased employee related costs necessitated by the Collective Agreement.
- Costs of servicing external service providers used for hiring of refuse compactors and or other necessary equipment to render this service.
- Costs of servicing existing external borrowing, and
- Providing for debt impairment.

#### **1.6. OPERATING EXPENDITURE FRAMEWORK**

The Municipality's expenditure framework for the 2026/27 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 132), 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.

#### **Employee related costs**

The 2026/27 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 2026/27 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 12.80% for 2026/27, 12.80% for 2027/28 and 2027/28.

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.

### **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).

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.

## 1.6. CAPITAL EXPENDITURE

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

**TABLE 5 (2026/27 MEDIUM-TERM CAPITAL BUDGET PER VOTE / DIRECTORATE – NMBM ONLY & PERCENTAGE ALLOCATION)**

Directorate	2026/27 Draft Capital Budget	%Ntage Allocation per Directorate	2027/28 Draft Capital Budget	2028/29 Draft Capital Budget
Budget & Treasury	54,083,000	3%	35,300,000	40,250,000
Chief Operating Officer	2,026,400	0%	1,795,450	1,748,390
Corporate Services	53,600,000	3%	32,300,000	37,150,000
Economic Development, Tourism and Agriculture	5,703,690	0%	4,703,700	4,703,700
Sport and Recreation	59,273,480	3%	66,651,300	65,181,300
Human Settlements	161,763,820	9%	144,387,900	146,675,610
Electricity and Energy	316,371,460	17%	331,671,670	369,118,490
Roads, Stormwater, Transportation & Fleet	573,200,170	31%	576,890,300	580,115,320
Water Services	312,148,770	17%	258,446,160	308,460,930
Sanitation Services	155,718,680	8%	193,417,920	229,167,470
Public Health	122,409,280	7%	133,088,720	132,670,410
Safety & Security	34,458,000	2%	32,600,000	32,600,000
NMBM Stadium	2,700,000	0%	500,000	-
<b>TOTAL NMBM CAPITAL BUDGET</b>	<b>1,853,456,750</b>	<b>100%</b>	<b>1,811,753,120</b>	<b>1,947,841,620</b>

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

**TABLE 6 (2026/27 MEDIUM-TERM CAPITAL BUDGET PER FUNDING SOURCE)**

Sources of Finance	2026/27 Draft Capital Budget	%Ntage Allocation per Funding Source	2027/28 Draft Capital Budget	2028/29 Draft Capital Budget
Total CRR - 901	138,646,330	7%	84,867,440	84,377,440
Total Levies Replacement Grant Funding - 959	460,763,160	25%	462,593,910	478,086,060
Total Public Contributions Funding - 923	43,000,000	2%	43,000,000	25,000,000
Urban Settlements Development Grant - 951	197,634,550	11%	175,437,570	144,681,830
Urban Development Financing Grant - 974	477,975,920	26%	562,009,300	728,725,300
Informal Settlements Upgrading Partnership Grant - 972	292,451,860	16%	335,064,910	338,191,000
IPTS Grant - 918	131,168,400	7%	115,736,510	115,736,510
Neighbourhood Development Grant - 919	26,086,960	1%	26,086,960	26,086,960
Regional Bulk Infrastructure Grant - 973	79,642,610	4%	-	-
INEP - 953	6,086,960	0%	6,956,520	6,956,520
<b>Total Capital Budget Funding</b>	<b>1,853,456,750</b>	<b>100%</b>	<b>1,811,753,120</b>	<b>1,947,841,620</b>

## 1.7. 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 7 (TABLE A1 – CONSOLIDATED BUDGET SUMMARY)**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	3 041 099	3 299 358	3 328 813	3 328 813	3 582 154	3 797 083	4 034 404
Service charges	9 600 929	10 613 071	10 567 858	10 567 858	11 336 324	12 267 871	13 277 046
Investment revenue	341 570	291 739	285 809	285 809	304 517	319 745	335 735
Transfer and subsidies - Operational	1 791 759	2 944 497	2 453 205	2 453 205	2 231 750	2 245 639	2 106 038
Other own revenue	2 734 170	2 407 084	2 488 809	2 488 809	2 592 862	2 710 114	2 828 585
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17 509 527</b>	<b>19 555 749</b>	<b>19 124 493</b>	<b>19 124 493</b>	<b>20 047 607</b>	<b>21 340 452</b>	<b>22 581 808</b>
Employee costs	4 169 896	4 886 977	4 480 203	4 480 203	4 867 633	5 156 287	5 457 744
Remuneration of councillors	85 933	98 334	97 870	97 870	101 751	105 879	110 176
Depreciation and amortisation	783 561	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
Finance charges	65 707	72 173	88 760	88 760	75 000	59 734	43 381
Inventory consumed and bulk purchases	7 050 540	7 788 041	7 620 512	7 620 512	8 140 977	8 791 875	9 547 398
Transfers and subsidies	81 059	94 962	212 930	212 930	223 490	234 713	246 557
Other expenditure	6 447 902	5 541 245	5 563 631	5 563 631	5 556 576	5 876 802	6 027 580
<b>Total Expenditure</b>	<b>18 684 598</b>	<b>19 533 147</b>	<b>19 112 210</b>	<b>19 112 210</b>	<b>20 045 104</b>	<b>21 337 358</b>	<b>22 578 264</b>
<b>Surplus/(Deficit)</b>	<b>(1 175 071)</b>	<b>22 602</b>	<b>12 283</b>	<b>12 283</b>	<b>2 503</b>	<b>3 095</b>	<b>3 544</b>
Transfers and subsidies - capital (monetary allocations)	998 198	1 366 561	1 431 944	1 431 944	909 057	997 388	1 107 432
Transfers and subsidies - capital (in-kind)	46 255	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>1 322 154</b>	<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
Transfers recognised - capital	68 921	1 368 029	1 421 140	1 421 140	1 254 047	1 264 292	1 385 378
Borrowing	-	2 150 128	2 115 186	2 115 186	1 853 457	1 811 753	1 947 842
Internally generated funds	-	1 368 029	1 421 140	1 421 140	1 254 047	1 264 292	1 385 378
<b>Total sources of capital funds</b>		<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
<b>Financial position</b>							
Total current assets	10 851 364	8 369 431	8 394 006	8 394 006	9 687 404	24 899 396	40 878 492
Total non-current assets	20 555 281	21 591 710	21 556 769	21 556 769	21 205 365	21 905 050	22 707 462
Total current liabilities	6 596 453	3 736 991	3 736 991	3 736 991	6 479 389	23 167 639	40 758 787
Total non-current liabilities	3 763 209	5 285 536	5 285 536	5 285 536	3 829 545	3 829 545	3 829 545
Community wealth/Equity	21 046 982	19 549 452	19 484 021	19 484 021	20 583 834	19 807 261	18 997 621

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Cash flows</b>							
Net cash from (used) operating	(58 838)	(126 953)	(124 708)	(124 708)	(52 130)	(39 194)	(196 151)
Net cash from (used) investing	(10 507)	-	-	-	(1 853 457)	(1 811 753)	(1 947 842)
Net cash from (used) financing	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>4 360 316</b>	<b>4 388 079</b>	<b>4 390 323</b>	<b>4 390 323</b>	<b>1 865 230</b>	<b>14 283</b>	<b>(2 129 710)</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	3 811 121	4 402 604	4 405 178	4 405 178	1 865 230	14 283	(2 129 710)
Application of cash and investments	3 940 757	397 379	410 320	410 320	981 731	8 837 429	17 259 269
<b>Balance - surplus (shortfall)</b>	<b>(129 636)</b>	<b>4 005 225</b>	<b>3 994 858</b>	<b>3 994 858</b>	<b>883 499</b>	<b>(8 823 146)</b>	<b>(19 388 979)</b>
<b>Asset management</b>							
Asset register summary (WDV)	20 407 802	21 434 292	21 399 351	21 399 351	21 108 425	21 808 111	22 610 523
Depreciation	783 561	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
Renewal and Upgrading of Existing Assets	1 130 288	720 619	828 076	828 076	839 125	1 042 807	1 115 631
Repairs and Maintenance	516 537	740 534	692 738	692 738	800 486	841 542	881 549

### 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 8 (TABLE A2 – CONSOLIDATED BUDGET FINANCIAL PERFORMANCE)**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	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
<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
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>

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2026/27
<b>R thousands</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 9 (TABLE A3 – CONSOLIDATED BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))**

Vote Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28
<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	150,667	154,607	154,607	208,819	205,081	220,993

Vote Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28
<b>R thousand</b>							
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 10 (TABLE A4 - BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
Revenue							
Exchange Revenue							
Service charges - Electricity	4,953,078	5,828,780	5,730,806	5,730,806	6,410,553	7,227,258	8,148,011

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
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>
<b>Surplus/(Deficit)</b>	<b>27,196</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>42</b>	<b>72</b>

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
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>27,196</b>	<b>1,160,097</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>Surplus/(Deficit) after income tax</b>	<b>27,196</b>	<b>1,160,097</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>Surplus/(Deficit) attributable to municipality</b>	<b>27,196</b>	<b>1,160,097</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>Surplus/(Deficit) for the year</b>	<b>27,196</b>	<b>1,160,097</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>

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

Description	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>							
<b>Capital Expenditure - Functional</b>							
<b><i>Municipal governance and administration</i></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><i>Community and public safety</i></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><i>Economic and environmental services</i></b>	<b>506,098</b>	<b>553,225</b>	<b>553,225</b>	<b>553,225</b>	<b>557,801</b>	<b>596,019</b>	<b>591,414</b>
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><i>Trading services</i></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>		

Description	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>							
<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 12 (TABLE A6 – CONSOLIDATED BUDGETED FINANCIAL POSITION)**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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							

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>							
<b>Total non-current assets</b>	20,165,382	21,750,990	22,258,956	22,258,956	20,041,747	20,853,590	21,696,581
<b>TOTAL ASSETS</b>	28,547,639	31,939,236	30,539,151	30,539,149	28,261,179	29,141,959	30,270,819
<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>	3,632,768	5,825,141	3,680,145	3,680,145	3,633,823	3,761,428	3,930,175
<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>	4,049,211	5,819,377	5,206,458	5,206,458	5,285,535	5,358,314	5,483,590
<b>TOTAL LIABILITIES</b>	7,681,979	11,644,518	8,886,603	8,886,603	8,919,358	9,119,742	9,413,765
<b>NET ASSETS</b>	20,865,660	20,294,718	21,652,548	21,652,546	19,341,821	20,022,217	20,857,054
<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>	0	19,180,622	20,345,984	20,345,984	20,593,415	20,623,058	20,836,528

## 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 13 (TABLE A7 – CONSOLIDATED BUDGET CASH FLOW STATEMENT)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<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 14 (TABLE A8 - CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<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 15 (TABLE A9 - ASSET MANAGEMENT)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
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 16 (TABLE A10 – CONSOLIDATED BASIC SERVICE DELIVERY MEASUREMENT)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Household service targets</b>						
<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 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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.

## 1.8. 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 17 (A1 BUDGET SUMMARY)**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Financial Performance</b>							
Property rates	3 041 099	3 299 358	3 328 813	3 328 813	3 582 154	3 797 083	4 034 404
Service charges	9 600 929	10 613 071	10 567 858	10 567 858	11 336 324	12 267 871	13 277 046
Investment revenue	341 570	291 739	285 809	285 809	304 517	319 745	335 735
Transfer and subsidies - Operational	1 791 759	2 944 497	2 453 205	2 453 205	2 231 750	2 245 639	2 106 038
Other own revenue	2 734 170	2 407 084	2 488 809	2 488 809	2 592 862	2 710 114	2 828 585
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17 509 527</b>	<b>19 555 749</b>	<b>19 124 493</b>	<b>19 124 493</b>	<b>20 047 607</b>	<b>21 340 452</b>	<b>22 581 808</b>
Employee costs	4 169 896	4 886 977	4 480 203	4 480 203	4 867 633	5 156 287	5 457 744
Remuneration of councillors	85 933	98 334	97 870	97 870	101 751	105 879	110 176
Depreciation and amortisation	783 561	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
Finance charges	65 707	72 173	88 760	88 760	75 000	59 734	43 381
Inventory consumed and bulk purchases	7 050 540	7 788 041	7 620 512	7 620 512	8 140 977	8 791 875	9 547 398
Transfers and subsidies	81 059	94 962	212 930	212 930	223 490	234 713	246 557
Other expenditure	6 447 902	5 541 245	5 563 631	5 563 631	5 556 576	5 876 802	6 027 580
<b>Total Expenditure</b>	<b>18 684 598</b>	<b>19 533 147</b>	<b>19 112 210</b>	<b>19 112 210</b>	<b>20 045 104</b>	<b>21 337 358</b>	<b>22 578 264</b>
<b>Surplus/(Deficit)</b>	<b>(1 175 071)</b>	<b>22 602</b>	<b>12 283</b>	<b>12 283</b>	<b>2 503</b>	<b>3 095</b>	<b>3 544</b>
Transfers and subsidies - capital (monetary allocations)	998 198	1 366 561	1 431 944	1 431 944	909 057	997 388	1 107 432
Transfers and subsidies - capital (in-kind)	46 255	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>1 322 154</b>	<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
Transfers recognised - capital	68 921	1 368 029	1 421 140	1 421 140	1 254 047	1 264 292	1 385 378
Borrowing	-	2 150 128	2 115 186	2 115 186	1 853 457	1 811 753	1 947 842
Internally generated funds	-	1 368 029	1 421 140	1 421 140	1 254 047	1 264 292	1 385 378
<b>Total sources of capital funds</b>		<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Financial position</b>							
Total current assets	10 851 364	8 369 431	8 394 006	8 394 006	9 687 404	24 899 396	40 878 492
Total non-current assets	20 555 281	21 591 710	21 556 769	21 556 769	21 205 365	21 905 050	22 707 462
Total current liabilities	6 596 453	3 736 991	3 736 991	3 736 991	6 479 389	23 167 639	40 758 787
Total non-current liabilities	3 763 209	5 285 536	5 285 536	5 285 536	3 829 545	3 829 545	3 829 545
Community wealth/Equity	21 046 982	19 549 452	19 484 021	19 484 021	20 583 834	19 807 261	18 997 621
<b>Cash flows</b>							
Net cash from (used) operating	(58 838)	(126 953)	(124 708)	(124 708)	(52 130)	(39 194)	(196 151)
Net cash from (used) investing	(10 507)	-	-	-	(1 853 457)	(1 811 753)	(1 947 842)
Net cash from (used) financing	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>4 360 316</b>	<b>4 388 079</b>	<b>4 390 323</b>	<b>4 390 323</b>	<b>1 865 230</b>	<b>14 283</b>	<b>(2 129 710)</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	3 811 121	4 402 604	4 405 178	4 405 178	1 865 230	14 283	(2 129 710)
Application of cash and investments	3 940 757	397 379	410 320	410 320	981 731	8 837 429	17 259 269
<b>Balance - surplus (shortfall)</b>	<b>(129 636)</b>	<b>4 005 225</b>	<b>3 994 858</b>	<b>3 994 858</b>	<b>883 499</b>	<b>(8 823 146)</b>	<b>(19 388 979)</b>
<b>Asset management</b>							
Asset register summary (WDV)	20 407 802	21 434 292	21 399 351	21 399 351	21 108 425	21 808 111	22 610 523
Depreciation	783 561	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
Renewal and Upgrading of Existing Assets	1 130 288	720 619	828 076	828 076	839 125	1 042 807	1 115 631
Repairs and Maintenance	516 537	740 534	692 738	692 738	800 486	841 542	881 549

**TABLE 18 (A2 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY FUNCTIONAL CLASSIFICATION))**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Revenue - Functional</b>							
<b>Municipal governance and administration</b>	4 562 473	5 256 532	4 618 499	4 618 499	4 901 910	5 133 998	5 352 267
Executive and council	1 549	1 239	1 373	1 373	1 301	1 342	1 396
Finance and administration	4 560 923	5 255 293	4 616 924	4 616 924	4 900 609	5 132 655	5 350 871
Internal audit			202	202	-	-	-
<b>Community and public safety</b>	1 449 562	1 701 863	1 801 834	1 801 834	1 479 483	1 515 736	1 548 805
Community and social services	51 120	47 044	47 908	47 908	48 052	49 398	50 832
Sport and recreation	28 984	43 141	72 520	72 520	10 404	10 885	11 399
Public safety	1 147 052	1 134 625	1 203 625	1 203 625	1 215 477	1 243 295	1 435 151
Housing	216 923	475 675	476 142	476 142	203 396	209 901	49 057
Health	5 484	1 377	1 639	1 639	2 154	2 257	2 366

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Economic and environmental services</b>	608 248	729 477	905 811	905 811	387 788	353 799	360 577
Planning and development	194 469	216 108	215 415	215 415	188 393	201 181	223 919
Road transport	382 193	467 433	610 983	610 983	197 702	150 869	134 850
Environmental protection	31 587	45 936	79 413	79 413	1 693	1 749	1 808
<b>Trading services</b>	11 895 428	13 194 517	13 193 243	13 193 243	13 240 078	14 296 743	15 278 039
Energy sources	6 321 258	6 745 392	6 802 982	6 802 982	7 105 019	7 721 403	8 411 303
Water management	3 767 489	4 472 975	4 333 496	4 333 496	4 055 738	4 350 053	4 618 777
Waste water management	1 313 626	1 384 071	1 451 114	1 451 114	1 453 298	1 557 894	1 596 976
Waste management	493 056	592 079	605 652	605 652	626 023	667 393	650 982
<b>Other</b>	38 268	39 921	37 050	37 050	38 347	40 177	42 120
<b>Total Revenue - Functional</b>	<b>18 553 980</b>	<b>20 922 310</b>	<b>20 556 437</b>	<b>20 556 437</b>	<b>20 047 607</b>	<b>21 340 452</b>	<b>22 581 808</b>
<b>Expenditure - Functional</b>							
<b>Municipal governance and administration</b>	<b>2 136 088</b>	<b>2 136 987</b>	<b>2 076 843</b>	<b>2 076 843</b>	<b>2 914 406</b>	<b>3 015 794</b>	<b>3 135 249</b>
Executive and council	384 416	472 674	465 271	465 271	356 600	371 817	388 094
Finance and administration	1 691 161	1 595 696	1 541 907	1 541 907	2 481 149	2 563 773	2 663 800
Internal audit	60 511	68 618	69 665	69 665	76 657	80 204	83 355
<b>Community and public safety</b>	<b>2 191 799</b>	<b>2 555 762</b>	<b>2 466 797</b>	<b>2 466 797</b>	<b>2 391 764</b>	<b>2 509 403</b>	<b>2 469 220</b>
Community and social services	334 366	438 661	422 049	422 049	459 884	483 101	506 857
Sport and recreation	580 715	681 444	667 927	667 927	579 813	608 228	638 402
Public safety	734 963	744 821	705 520	705 520	696 982	735 622	774 710
Housing	395 721	429 504	431 230	431 230	408 624	424 442	279 436
Health	146 034	261 333	240 072	240 072	246 461	258 009	269 816
<b>Economic and environmental services</b>	<b>1 260 745</b>	<b>1 369 222</b>	<b>1 482 733</b>	<b>1 482 733</b>	<b>1 434 648</b>	<b>1 443 272</b>	<b>1 493 054</b>
Planning and development	440 352	497 245	536 186	536 186	528 416	560 979	596 535
Road transport	757 870	781 698	863 530	863 530	847 918	821 137	832 450
Environmental protection	62 523	90 279	83 018	83 018	58 313	61 156	64 068
<b>Trading services</b>	<b>13 012 359</b>	<b>13 361 568</b>	<b>12 989 579</b>	<b>12 989 579</b>	<b>13 202 366</b>	<b>14 261 388</b>	<b>15 367 506</b>
Energy sources	7 352 770	8 404 058	8 349 441	8 349 441	8 857 113	9 513 058	10 308 200
Water management	3 977 977	3 191 843	2 766 583	2 766 583	2 672 969	2 989 285	3 191 904
Waste water management	1 077 066	1 089 674	1 211 365	1 211 365	1 086 914	1 142 928	1 218 077
Waste management	604 547	675 993	662 191	662 191	585 370	616 117	649 325
<b>Other</b>	<b>83 606</b>	<b>109 608</b>	<b>102 950</b>	<b>102 950</b>	<b>93 517</b>	<b>98 846</b>	<b>104 319</b>
<b>Total Expenditure - Functional</b>	<b>18 684 598</b>	<b>19 533 147</b>	<b>19 118 903</b>	<b>19 118 903</b>	<b>20 036 700</b>	<b>21 328 702</b>	<b>22 569 348</b>
<b>Surplus/(Deficit)</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 437 534</b>	<b>1 437 534</b>	<b>10 907</b>	<b>11 751</b>	<b>12 460</b>

**TABLE 19 (A3 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE BY MUNICIPAL VOTE))**

Vote Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<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	4 900 609	5 132 655	5 350 871
Vote 2 - Public Health	488,954	517,512	562,321	562,321	25 311	26 478	27 726
Vote 3 - Human Settlements	191,659	303,502	249,992	249,992	-	-	-
Vote 4 - Economic Development, Tourism & Agriculture	25,540	38,232	34,339	34,339	198 650	215 263	239 190
Vote 5 - Corporate Services	26,147	19,397	30,907	30,907	-	-	-
Vote 6 - Infrastructure & Engineering Unit - Rate & General	231,058	317,758	229,189	229,189	197 706	150 874	134 855
Vote 7 - Metro Water Service	3,945,200	3,734,347	3,848,870	3,848,870	4 055 738	4 350 053	4 618 777
Vote 8 - Sanitation - Metro	1,101,413	1,292,269	1,306,808	1,306,808	2 071 394	2 216 804	2 238 881
Vote 9 - Electricity & Energy	5,128,106	5,959,948	5,885,832	5,885,832	7 105 019	7 721 403	8 411 303

Vote Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousand</b>							
Vote 10 - Executive & Council	924,239	144,607	154,607	154,607	1 301	1 342	1 396
Vote 11 - Safety & Security	1,157,372	1,049,534	997,677	997,677	1 215 477	1 243 295	1 435 151
Vote 12 - Mandela Bay Stadium	48,197	72,278	72,278	72,278	-	-	-
Vote 13 - Special Projects and Programmes	29,816	22,684	22,684	22,684	-	-	-
Vote 14 - Recreational & Cultural Services	41,733	23,915	24,023	24,023	-	-	-
Vote 15 - [NAME OF VOTE 15]					276 403	282 285	123 658
<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>20 047 607</b>	<b>21 340 452</b>	<b>22 581 808</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	2 010 409	2 061 149	2 127 483
Vote 2 - Public Health	911,346	1,086,780	1,032,102	1,032,102	357 452	374 531	392 083
Vote 3 - Human Settlements	393,721	500,427	505,675	505,675	-	-	-
Vote 4 - Economic Development, Tourism & Agriculture	94,067	119,201	117,148	117,148	554 528	592 757	636 403
Vote 5 - Corporate Services	443,544	600,448	598,814	598,814	-	-	-
Vote 6 - Infrastructure & Engineering Unit - Rate & General	916,966	1,254,519	1,086,128	1,086,128	907 616	883 281	898 935
Vote 7 - Metro Water Service	3,767,564	2,939,602	2,720,338	2,720,338	2 672 969	2 989 285	3 191 904
Vote 8 - Sanitation - Metro	850,123	930,795	909,220	909,220	1 599 905	1 682 867	1 787 271
Vote 9 - Electricity & Energy	6,527,664	7,204,319	7,529,198	7,529,198	8 848 265	9 503 983	10 298 908
Vote 10 - Executive & Council	468,976	554,985	501,460	501,460	433 257	452 020	471 449
Vote 11 - Safety & Security	1,159,592	1,232,955	1,217,612	1,217,612	1 206 274	1 278 741	1 353 470
Vote 12 - Mandela Bay Stadium	51,332	71,498	72,998	72,998	-	-	-
Vote 13 - Special Projects and Programmes	29,095	24,161	23,731	23,731	-	-	-
Vote 14 - Recreational & Cultural Services	413,527	516,988	513,943	513,943	1 446 025	1 510 087	1 411 442
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>20 036 700</b>	<b>21 328 702</b>	<b>22 569 348</b>
<b>Surplus/(Deficit) for the year</b>	<b>-27,196</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>10 907</b>	<b>11 751</b>	<b>12 460</b>

**TABLE 20 (A4 BUDGETED FINANCIAL PERFORMANCE (REVENUE AND EXPENDITURE))**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
Service charges - Electricity	5 852 449	6 464 349	6 447 444	6 447 444	6 900 192	7 521 209	8 198 118
Service charges - Water	2 605 324	2 983 123	2 839 121	2 839 121	3 060 422	3 274 651	3 503 877
Service charges - Waste Water Management	832 666	817 519	915 298	915 298	987 367	1 056 482	1 130 436
Service charges - Waste Management	310 491	348 080	365 994	365 994	388 344	415 528	444 615
Sale of Goods and Rendering of Services	123 819	114 371	126 911	126 911	142 687	150 335	158 414
Agency services	3 968	4 255	4 255	4 255	4 455	4 664	4 888
Interest earned from Receivables	1 282 033	1 106 615	1 106 615	1 106 615	1 194 440	1 289 330	1 393 146
Interest earned from Current and Non-Current Assets	341 570	291 739	285 809	285 809	304 517	319 745	335 735
Rental from Fixed Assets	43 493	42 603	43 286	43 286	43 027	45 026	47 139
Licence and permits	22 448	21 319	22 365	22 365	23 357	24 455	25 629
Operational Revenue	50 891	29 273	27 793	27 793	29 780	31 136	32 626
<b>Non-Exchange Revenue</b>							
Property rates	3 041 099	3 299 358	3 328 813	3 328 813	3 582 154	3 797 083	4 034 404
Fines, penalties and forfeits	169 887	67 973	134 530	134 530	137 591	146 267	<b>154 168</b>
Licences or permits	1	1	1	1	1	1	1
Transfer and subsidies - Operational	1 791 759	2 944 497	2 453 205	2 453 205	2 231 750	2 245 639	2 106 038

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
R thousands							
Interest raised - Receivables (Other)	213 590	158 695	158 695	158 695	171 708	185 788	201 208
Fuel Levy	824 005	861 978	861 978	861 978	845 817	833 113	811 365
Gains on disposal of Assets	35	-	2 379	2 379			
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>17 509 527</b>	<b>19 555 749</b>	<b>19 124 493</b>	<b>19 124 493</b>	<b>20 047 607</b>	<b>21 340 452</b>	<b>22 581 808</b>
<b>Expenditure</b>							
Employee related costs	4 169 896	4 886 977	4 480 203	4 480 203	4 867 633	5 156 287	5 457 744
Remuneration of councillors	85 933	98 334	97 870	97 870	101 751	105 879	110 176
Bulk purchases - electricity	6 500 312	7 277 226	7 277 226	7 277 226	7 774 246	8 402 054	9 149 135
Inventory consumed	550 228	510 815	343 286	343 286	366 731	389 821	398 263
Debt impairment	-	1 946 427	1 818 084	1 818 084	1 494 502	1 695 869	1 804 958
Depreciation and amortisation	783 561	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
Interest	65 707	72 173	88 760	88 760	75 000	59 734	43 381
Contracted services	1 076 455	1 659 963	1 796 939	1 796 939	1 873 965	1 889 752	1 795 729
Transfers and subsidies	81 059	94 962	212 930	212 930	223 490	234 713	246 557
Irrecoverable debts written off	4 262 010	726 946	674 944	674 944	817 559	898 611	973 759
Operational costs	714 151	821 988	887 742	887 742	923 656	914 394	941 486
Losses on disposal of Assets							
Other Losses	395 285	385 921	385 921	385 921	446 893	478 176	511 648
<b>Total Expenditure</b>	<b>18 684 598</b>	<b>19 533 147</b>	<b>19 112 210</b>	<b>19 112 210</b>	<b>20 045 104</b>	<b>21 337 358</b>	<b>22 578 264</b>
<b>Surplus/(Deficit)</b>	<b>(1 175 071)</b>	<b>22 602</b>	<b>12 283</b>	<b>12 283</b>	<b>2 503</b>	<b>3 095</b>	<b>3 544</b>
Transfers and subsidies - capital (monetary allocations)	<b>998 198</b>	<b>1 366 561</b>	<b>1 431 944</b>	<b>1 431 944</b>	<b>909 057</b>	<b>997 388</b>	<b>1 107 432</b>
Transfers and subsidies - capital (in-kind)	46 255	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
<b>Surplus/(Deficit) after income tax</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>911 560</b>	<b>1 000 483</b>	<b>1 110 976</b>
Intercompany/Parent subsidiary transactions	-	-	-	-	8 404	8 656	8 916
<b>Surplus/(Deficit) for the year</b>	<b>(130 618)</b>	<b>1 389 163</b>	<b>1 444 227</b>	<b>1 444 227</b>	<b>919 964</b>	<b>1 009 139</b>	<b>1 119 892</b>

**TABLE 21 (A5 CONSOLIDATED BUDGETED CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING SOURCE)**

Description	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome 2024/2025	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
R thousands							
<b>Capital Expenditure - Functional</b>							
<i>Municipal governance and administration</i>	90 511	270 443	218 716	2 423	256 189	203 610	198 589
Executive and council					-	-	-
Finance and administration	90 511	270 443	218 716	2 423	256 189	203 610	198 589
Internal audit					-	-	-
<i>Community and public safety</i>	147 097	199 467	181 579	590	135 931	189 729	202 370
Community and social services	45 681	73 580	42 273	500	37 198	35 100	51 700
Sport and recreation	54 807	77 340	89 430		63 405	102 088	79 088
Public safety	1 849	46 647	47 976	90	31 461	12 750	14 050
Housing	44 250	600	600		1 817	38 391	55 783
Health	510	1 300	1 300		2 050	1 400	1 750
<i>Economic and environmental services</i>	392 605	549 435	488 630	38 069	541 277	523 547	534 513
Planning and development	20 448	58 842			-	-	-
Road transport	477 952	489 593	487 880	38 069	541 277	523 547	534 513
Environmental protection	(105 795)	1 000	750		-	-	-
<i>Trading services</i>	688 918	1 122 783	1 222 761	43 173	920 059	894 867	1 012 370

Description	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework			
	R thousands	Audited Outcome 2024/2025	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Energy sources		188 538	205 123	272 519	16 959	319 076	326 672	364 118
Water management		307 354	554 787	563 330	18 660	313 821	257 146	299 761
Waste water management		90 196	324 873	314 642	7 555	240 365	255 848	276 617
Waste management		102 830	38 000	72 270		46 798	55 201	71 873
<i>Other</i>		3 024	8 000	3 500		–	–	–
<b>Total Capital Expenditure - Functional</b>		<b>1 322 154</b>	<b>2 150 128</b>	<b>2 115 186</b>	<b>84 255</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
<b>Funded by</b>								
National Government		68 921	1 325 029	1 367 640	55 416	1 211 047	1 221 292	1 360 378
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	53 500	4 827	43 000	43 000	25 000
<b>Transfers recognised - capital</b>		<b>68 921</b>	<b>1 368 029</b>	<b>1 421 140</b>	<b>60 243</b>	<b>1 254 047</b>	<b>1 264 292</b>	<b>1 385 378</b>
<b>Borrowing</b>			60 500	60 500		–	–	–
<b>Internally generated funds</b>			662 757	633 547	24 012	599 409	547 461	562 463
<b>Total Capital Funding</b>		<b>68 921</b>	<b>2 091 286</b>	<b>2 115 186</b>	<b>84 255</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>

**TABLE 22 (A6 BUDGETED FINANCIAL POSITION)**

Description	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>R thousands</b>							
<b>ASSETS</b>							
<b>Current assets</b>							
Cash and cash equivalents	3 811 121	4 402 604	4 405 178	4 405 178	2 625 389	6 581 561	10 461 792
Trade and other receivables from exchange transactions	3 413 820	3 054 485	3 054 485	3 054 485	5 597 718	13 401 297	21 782 624
Receivables from non-exchange transactions	383 020	385 614	385 614	385 614	1 200 368	4 652 609	8 370 147
Current portion of non-current receivables	–	–	–	–	–	–	–
Inventory	213 248	134 046	156 046	156 046	212 684	212 684	212 684
VAT	3 021 568	148 902	148 902	148 902	42 657	42 657	42 657
Other current assets	8 587	243 781	243 781	243 781	8 587	8 587	8 587
<b>Total current assets</b>	<b>10 851 364</b>	<b>8 369 431</b>	<b>8 394 006</b>	<b>8 394 006</b>	<b>9 687 404</b>	<b>24 899 396</b>	<b>40 878 492</b>
<b>Non-current assets</b>							
Investments							
Investment property	134 272	143 891	138 413	138 413	128 630	122 818	116 832
Property, plant and equipment	19 970 524	20 999 755	21 025 894	21 025 894	20 673 801	21 356 901	22 142 901
Biological assets	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–
Heritage assets	264 723	235 238	235 238	235 238	264 472	264 472	264 472
Intangible assets	39 673	70 067	14 465	14 465	55 619	78 016	100 414
Trade and other receivables from exchange transactions	146 039	86 379	86 379	86 379	82 793	82 793	82 793
Non-current receivables from non-exchange transactions	50	56 379	56 379	56 379	50	50	50
Other non-current assets	–	–	–	–	–	–	–
<b>Total non-current assets</b>	<b>20 555 281</b>	<b>21 591 710</b>	<b>21 556 769</b>	<b>21 556 769</b>	<b>21 205 365</b>	<b>21 905 050</b>	<b>22 707 462</b>
<b>TOTAL ASSETS</b>	<b>31 406 645</b>	<b>29 961 141</b>	<b>29 950 774</b>	<b>29 950 774</b>	<b>30 892 768</b>	<b>46 804 446</b>	<b>63 585 954</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft	–	–	–	–	–	–	–
Financial liabilities	129 104	222 246	222 246	222 246	64 857	64 857	64 857
Consumer deposits	156 623	163 472	163 472	163 472	156 300	156 300	156 300
Trade and other payables from exchange transactions	2 656 556	2 504 910	2 504 910	2 504 910	5 462 963	23 483 623	42 407 528
Trade and other payables from non-exchange transactions	460 954	321 180	321 180	321 180	452 279	(880 131)	(2 212 888)
Provision	566 054	525 183	525 183	525 183	342 990	342 990	342 990
VAT	2 627 162	–	–	–	–	–	–
Other current liabilities							
<b>Total current liabilities</b>	<b>6 596 453</b>	<b>3 736 991</b>	<b>3 736 991</b>	<b>3 736 991</b>	<b>6 479 389</b>	<b>23 167 639</b>	<b>40 758 787</b>
<b>Non-current liabilities</b>							
Financial liabilities	796 001	938 463	938 463	938 463	860 248	860 248	860 248
Provision	1 487 634	3 474 755	3 474 755	3 474 755	734 563	734 563	734 563
Long term portion of trade payables	3 251	–	–	–	–	–	–
Other non-current liabilities	1 476 324	872 317	872 317	872 317	2 234 734	2 234 734	2 234 734
<b>Total non-current liabilities</b>	<b>3 763 209</b>	<b>5 285 536</b>	<b>5 285 536</b>	<b>5 285 536</b>	<b>3 829 545</b>	<b>3 829 545</b>	<b>3 829 545</b>

<b>TOTAL LIABILITIES</b>	<b>10 359 663</b>	<b>9 022 527</b>	<b>9 022 527</b>	<b>9 022 527</b>	<b>10 308 934</b>	<b>26 997 185</b>	<b>44 588 333</b>
<b>NET ASSETS</b>	<b>21 046 982</b>	<b>20 938 614</b>	<b>20 928 248</b>	<b>20 928 248</b>	<b>20 583 834</b>	<b>19 807 261</b>	<b>18 997 621</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated surplus/(deficit)	20 497 994	19 317 415	19 251 984	19 251 984	20 034 847	19 258 273	18 448 634
Reserves and funds	548 988	232 037	232 037	232 037	548 988	548 988	548 988
Other							
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>21 046 982</b>	<b>19 549 452</b>	<b>19 484 021</b>	<b>19 484 021</b>	<b>20 583 834</b>	<b>19 807 261</b>	<b>18 997 621</b>

**TABLE 23 (A7 BUDGETED CASH FLOWS)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	R thousands	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	146 923	148 210	148 210	2 547 398	2 702 739	2 828 591
Service charges	11 177 045	11 177 045	11 177 045	8 744 720	9 395 717	10 045 169
Other revenue	670 041	670 738	670 738	738 930	768 930	774 546
Transfers and Subsidies - Operational	2 330 627	2 330 882	2 330 882	2 231 750	2 245 639	2 106 038
Transfers and Subsidies - Capital	1,210,250	1,157,811	1,157,811	909 057	997 388	1 107 432
Interest	226,156	276,855	276,855	93 279	93 284	93 284
<b>Payments</b>						
Suppliers and employees	14,697,330	13,359,241	13,359,241	(16 092 206)	(17 052 421)	(18 057 352)
Finance charges	111,217	111,217	111,217	(75 000)	(59 734)	(43 381)
Transfers and Subsidies	84,452	93,972	93,972	(47 672)	(49 135)	(50 653)
<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			
Decrease (Increase) in non-current debtors (not used)	-	-	-			
Decrease (increase) in non-current receivables	160,820	-	160,820			
Decrease (increase) in non-current investments	-	-	-			
<b>Payments</b>						
Capital assets	2,012,773	-	1,901,227	(1 853 457)	(1 811 753)	(1 947 842)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>2,173,593</b>	<b>2,060,700</b>	<b>2,060,700</b>	<b>(1 853 457)</b>	<b>(1 811 753)</b>	<b>(1 947 842)</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			
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>344,028</b>	<b>344,028</b>	<b>344,028</b>			
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>485,910</b>	<b>102,393</b>	<b>102,393</b>	<b>(1 905 587)</b>	<b>(1 850 947)</b>	<b>(2 143 993)</b>
Cash/cash equivalents at the year begin:	4,575,873	4,426,349	4,426,349	3 770 817	1 865 230	14 283
Cash/cash equivalents at the year-end:	5,061,783	4,323,956	4,323,956	1 865 230	14 283	(2 129 710)

**TABLE 24 (A8 CASH BACKED RESERVES/ACCUMULATED SURPLUS RECONCILIATION)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<b>Cash and investments available</b>						
Cash/cash equivalents at the year end	4 388 079	4 390 323	4 390 323	1 865 230	14 283	(2 129 710)
Other current investments > 90 days	14 525	14 855	14 855	-	-	-
Non-current assets - Investments						
<b>Cash and investments available:</b>	<b>4 402 604</b>	<b>4 405 178</b>	<b>4 405 178</b>	<b>1 865 230</b>	<b>14 283</b>	<b>(2 129 710)</b>
<b>Application of cash and investments</b>						
Unspent conditional transfers	156,238	147,318	147,318	451 079	(929 002)	(2 310 894)
Unspent borrowing	130,229	130,229	130,229			
Statutory requirements	495,130	495,130	495,130	(398 036)	(398 036)	(398 036)
Other working capital requirements	-	-	-	36 711	9 272 490	19 076 222
	1,321,880	1,740,771	1,740,771			
Other provisions	2,384,230	3,471,284	3,471,284	342 990	342 990	342 990
Long term investments committed	479,638			-	-	-
Reserves to be backed by cash/investments	585,129	186,203	186,203	548 988	548 988	548 988
<b>Total Application of cash and investments:</b>	<b>2,908,714</b>	<b>2,689,393</b>	<b>2,689,393</b>	<b>981 731</b>	<b>8 837 429</b>	<b>17 259 269</b>
<b>Surplus(shortfall)</b>	<b>2,153,069</b>	<b>1,634,063</b>	<b>1,634,063</b>	<b>883 499</b>	<b>(8 823 146)</b>	<b>(19 388 979)</b>

**TABLE 25 (A9 - ASSET MANAGEMENT)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<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>1 014 332</b>	<b>768 946</b>	<b>832 211</b>
<i>Roads Infrastructure</i>	380,180	354,040	354,040	361 295	209 836	225 302
<i>Storm water Infrastructure</i>	30,822	39,602	39,602	23 017	17 800	11 500
<i>Electrical Infrastructure</i>	143,258	107,567	107,567	97 423	68 957	80 957
<i>Water Supply Infrastructure</i>	289,314	292,046	292,046	151 864	80 350	88 250
<i>Sanitation Infrastructure</i>	116,470	55,253	55,253	52 479	68 145	57 230
<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	-	-	-

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<b>Infrastructure</b>	<b>964,044</b>	<b>852,507</b>	<b>852,507</b>	<b>687 080</b>	<b>446 088</b>	<b>465 239</b>
Community Facilities	63,887	63,627	63,627	3 435	2 000	14 500
Sport and Recreation Facilities	5,000	200	200	1 600	600	600
<b>Community Assets</b>	<b>68,887</b>	<b>63,827</b>	<b>63,827</b>	<b>5 035</b>	<b>2 600</b>	<b>15 100</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	23 850	11 775	11 775	23 850	24 262	22 062
Housing				-	-	-
<b>Other Assets</b>	<b>23 850</b>	<b>11 775</b>	<b>11 775</b>	<b>30 230</b>	<b>61 653</b>	<b>76 844</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	55 022	800	800	64 439	71 856	74 356
<b>Intangible Assets</b>	<b>55 022</b>	<b>800</b>	<b>800</b>	<b>64 439</b>	<b>71 856</b>	<b>74 356</b>
<b>Computer Equipment</b>	<b>21 135</b>	<b>24 531</b>	<b>24 531</b>	<b>48 599</b>	<b>20 394</b>	<b>23 357</b>
<b>Furniture and Office Equipment</b>	<b>7 346</b>	<b>9 636</b>	<b>9 636</b>	<b>8 908</b>	<b>7 435</b>	<b>5 263</b>
<b>Machinery and Equipment</b>	<b>109 698</b>	<b>142 881</b>	<b>142 881</b>	<b>70 175</b>	<b>60 051</b>	<b>78 713</b>
<b>Transport Assets</b>	<b>100 888</b>	<b>59 249</b>	<b>59 249</b>	<b>98 649</b>	<b>98 869</b>	<b>93 339</b>
<b>Land</b>				1 217	-	-
<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>441 112</b>	<b>592 676</b>	<b>592 676</b>	<b>508 160</b>	<b>512 803</b>	<b>568 793</b>
<i>Roads Infrastructure</i>	59 500	135 660	135 660	55 500	66 350	58 750
<i>Storm water Infrastructure</i>	22 000	43 042	43 042	12 000	12 650	12 350
<i>Electrical Infrastructure</i>	59 770	71 970	71 970	152 135	112 752	143 087
<i>Water Supply Infrastructure</i>	120 768	126 153	126 153	145 576	159 866	181 381
<i>Sanitation Infrastructure</i>	105 449	135 636	135 636	86 519	68 447	81 587
<i>Solid Waste Infrastructure</i>	17 488	17 488	17 488	21 261	3 000	3 000
<i>Rail Infrastructure</i>				-	-	-
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>				-	-	-
<b>Infrastructure</b>	<b>384 975</b>	<b>529 948</b>	<b>529 948</b>	<b>472 990</b>	<b>423 066</b>	<b>480 156</b>
Community Facilities	27 800	13 850	13 850	11 200	47 846	59 496
Sport and Recreation Facilities	15 687	15 278	15 278	19 370	40 891	27 391
<b>Community Assets</b>	<b>43 487</b>	<b>29 128</b>	<b>29 128</b>	<b>30 570</b>	<b>88 738</b>	<b>86 888</b>
<b>Heritage Assets</b>						
Revenue Generating						
Non-revenue Generating						

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-
Housing	2 650	3 600	3 600	4 600	1 000	1 750
<b>Other Assets</b>						
<b>Biological or Cultivated Assets</b>	2 650	3 600	3 600	4 600	1 000	1 750
Servitudes				-	-	-
Licences and Rights				-	-	-
<b>Intangible Assets</b>						
Computer Equipment	-	-	-	-	-	-
Furniture and Office Equipment				-	-	-
Machinery and Equipment				-	-	-
<b>Transport Assets</b>						
Land	10 000	30 000	30 000	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature				-	-	-
Immature				-	-	-
<b>Living Resources</b>						
	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	<b>279 508</b>	<b>235 400</b>	<b>235 400</b>	<b>330 965</b>	<b>530 004</b>	<b>546 838</b>
<i>Roads Infrastructure</i>	42 100	20 150	20 150	91 787	189 291	189 891
<i>Storm water Infrastructure</i>	21 800	26 433	26 433	19 500	21 500	20 000
<i>Electrical Infrastructure</i>	22 848	25 412	25 412	50 989	140 707	135 787
<i>Water Supply Infrastructure</i>	17 000	13 900	13 900	12 500	13 000	26 200
<i>Sanitation Infrastructure</i>	25 050	13 855	13 855	46 900	73 856	96 100
<i>Solid Waste Infrastructure</i>						
<i>Rail Infrastructure</i>						
<i>Coastal Infrastructure</i>						
<i>Information and Communication Infrastructure</i>	2 000	345	345	1 000	-	-
<b>Infrastructure</b>	<b>136 798</b>	<b>107 596</b>	<b>107 596</b>	<b>235 676</b>	<b>455 354</b>	<b>484 978</b>
Community Facilities	63 208	43 568	43 568	38 351	31 850	19 660
Sport and Recreation Facilities	35 202	49 312	49 312	20 374	12 700	11 100
<b>Community Assets</b>	<b>98 410</b>	<b>92 880</b>	<b>92 880</b>	<b>58 724</b>	<b>44 550</b>	<b>30 760</b>
<b>Heritage Assets</b>						
Revenue Generating				-	-	-
Non-revenue Generating				-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	35 800	30 554	30 554	30 965	29 600	30 350
Housing				-	-	-
<b>Other Assets</b>	<b>35 800</b>	<b>30 554</b>	<b>30 554</b>	<b>30 965</b>	<b>29 600</b>	<b>30 350</b>
<b>Biological or Cultivated Assets</b>						
Servitudes				-	-	-
Licences and Rights	4 000	2 620	2 620	500	500	-
<b>Intangible Assets</b>	<b>4 000</b>	<b>2 620</b>	<b>2 620</b>	<b>500</b>	<b>500</b>	<b>-</b>
Computer Equipment	4 500	1 000	1 000	5 100	-	-
Furniture and Office Equipment				-	-	-
Machinery and Equipment				-	-	-
<b>Transport Assets</b>		750	750	-	-	750
Land						

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<b>Zoo's, Marine and Non-biological Animals</b>						
Mature						
Immature						
<b>Living Resources</b>	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
<i>Roads Infrastructure</i>	505 245	478 430	478 430	508 582	465 478	473 944
<i>Storm water Infrastructure</i>	69 708	99 892	99 892	54 517	51 950	43 850
<i>Electrical Infrastructure</i>	200 948	269 699	269 699	300 547	322 416	359 831
<i>Water Supply Infrastructure</i>	548 787	562 330	562 330	309 941	253 216	295 831
<i>Sanitation Infrastructure</i>	269 915	231 950	231 950	185 898	210 448	234 917
<i>Solid Waste Infrastructure</i>	25 488	26 988	26 988	35 261	21 000	22 000
<i>Rail Infrastructure</i>		-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-
<i>Information and Communication Infrastructure</i>	2 000	345	345	1 000	-	-
<b>Infrastructure</b>	<b>1 622 091</b>	<b>1 669 634</b>	<b>1 669 634</b>	<b>1 395 745</b>	<b>1 324 508</b>	<b>1 430 373</b>
Community Facilities	91 308	57 418	57 418	52 985	81 696	93 656
Sport and Recreation Facilities	61 839	70 740	70 740	41 343	54 191	39 091
<b>Community Assets</b>	<b>153 147</b>	<b>128 158</b>	<b>128 158</b>	<b>94 329</b>	<b>135 888</b>	<b>132 748</b>
<b>Heritage Assets</b>				-	-	-
Revenue Generating				-	-	-
Non-revenue Generating				-	-	-
<b>Investment properties</b>	-	-	-	-	-	-
Operational Buildings	62 300	45 929	45 929	65 795	54 862	54 162
Housing				-	37 391	54 783
<b>Other Assets</b>	<b>62 300</b>	<b>45 929</b>	<b>45 929</b>	<b>65 795</b>	<b>92 253</b>	<b>108 944</b>
<b>Biological or Cultivated Assets</b>						
Servitudes						
Licences and Rights	59 022	3 420	3 420	64 939	72 356	74 356
<b>Intangible Assets</b>	<b>59 022</b>	<b>3 420</b>	<b>3 420</b>	<b>64 939</b>	<b>72 356</b>	<b>74 356</b>
<b>Computer Equipment</b>	<b>25 635</b>	<b>25 531</b>	<b>25 531</b>	<b>53 699</b>	<b>20 394</b>	<b>23 357</b>
<b>Furniture and Office Equipment</b>	<b>7 346</b>	<b>9 636</b>	<b>9 636</b>	<b>8 908</b>	<b>7 435</b>	<b>5 263</b>
<b>Machinery and Equipment</b>	<b>109 698</b>	<b>142 881</b>	<b>142 881</b>	<b>70 175</b>	<b>60 051</b>	<b>78 713</b>
<b>Transport Assets</b>	<b>110 888</b>	<b>89 999</b>	<b>89 999</b>	<b>98 649</b>	<b>98 869</b>	<b>94 089</b>
<b>Land</b>				<b>1 217</b>	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
Mature		-	-	-	-	-
Immature		-	-	-	-	-
<b>Living Resources</b>	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset Class</b>	<b>2 150 128</b>	<b>2 115 186</b>	<b>2 115 186</b>	<b>1 853 457</b>	<b>1 811 753</b>	<b>1 947 842</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	21 434 292	21 399 351	21 399 351	21 108 425	21 808 111	22 610 523
<i>Roads Infrastructure</i>	3 223 720	3 196 904	3 196 904	3 205 236	3 261 664	3 320 810
<i>Storm water Infrastructure</i>	451 831	482 015	482 015	439 988	455 195	467 007
<i>Electrical Infrastructure</i>	1 967 121	2 035 872	2 035 872	2 064 669	2 158 131	2 284 743
<i>Water Supply Infrastructure</i>	2 518 473	2 532 017	2 532 017	2 875 741	2 956 987	3 075 691

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<i>Sanitation Infrastructure</i>	1 302 368	1 264 402	1 264 402	1 366 064	1 511 402	1 678 720
<i>Solid Waste Infrastructure</i>	(88 299)	(86 799)	(86 799)	(169 846)	(299 377)	(432 424)
<i>Rail Infrastructure</i>				-	-	-
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>	32 616	30 961	30 961	32 323	32 323	32 323
<b>Infrastructure</b>	<b>9 407 830</b>	<b>9 455 373</b>	<b>9 455 373</b>	<b>9 814 175</b>	<b>10 076 324</b>	<b>10 426 869</b>
<b>Community Assets</b>	623 814	604 303	604 303	414 874	403 338	381 368
<b>Heritage Assets</b>	235 238	235 238	235 238	264 472	264 472	264 472
<b>Investment properties</b>	143 891	138 413	138 413	128 630	122 818	116 832
<b>Other Assets</b>	10 384 852	10 368 481	10 368 481	9 844 438	10 123 600	10 421 070
<b>Biological or Cultivated Assets</b>		-	-	-	-	-
<b>Intangible Assets</b>	70 067	14 465	14 465	55 619	78 016	100 414
<b>Computer Equipment</b>	65 541	65 437	65 437	94 749	115 873	141 689
<b>Furniture and Office Equipment</b>	12 205	14 495	14 495	15 505	22 470	26 833
<b>Machinery and Equipment</b>	164 263	133 425	133 425	153 992	195 475	246 338
<b>Transport Assets</b>	272 916	316 047	316 047	267 451	351 203	430 117
<b>Land</b>	53 675	53 675	53 675	54 521	54 521	54 521
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>21 434 292</b>	<b>21 399 351</b>	<b>21 399 351</b>	<b>21 108 425</b>	<b>21 808 111</b>	<b>22 610 523</b>
<b>EXPENDITURE OTHER ITEMS</b>						
<b>Depreciation</b>	1 051 415	1 048 303	1 048 303	1 079 676	1 112 068	1 145 429
<b>Repairs and Maintenance by Asset Class</b>	<b>740 534</b>	<b>692 738</b>	<b>692 738</b>	<b>800 486</b>	<b>841 542</b>	<b>881 549</b>
<i>Roads Infrastructure</i>	100 184	70 911	70 911	107 882	115 392	120 304
<i>Storm water Infrastructure</i>	17 253	17 543	17 543	19 867	19 966	21 819
<i>Electrical Infrastructure</i>	131 433	119 397	119 397	120 863	126 915	133 331
<i>Water Supply Infrastructure</i>	152 219	163 083	163 083	174 907	179 878	185 727
<i>Sanitation Infrastructure</i>	141 416	137 315	137 315	146 540	155 125	163 005
<i>Solid Waste Infrastructure</i>				-	-	-
<i>Rail Infrastructure</i>	2 119	2 119	2 119	1 410	1 417	1 424
<i>Coastal Infrastructure</i>				-	-	-
<i>Information and Communication Infrastructure</i>	1 600	500	500	1 800	2 000	2 200
<b>Infrastructure</b>	<b>546 223</b>	<b>510 868</b>	<b>510 868</b>	<b>573 269</b>	<b>600 692</b>	<b>627 812</b>
Community Facilities	16 908	18 749	18 749	19 091	20 234	21 198
Sport and Recreation Facilities	10 057	8 863	8 863	10 636	11 124	12 311
<b>Community Assets</b>	<b>26 965</b>	<b>27 612</b>	<b>27 612</b>	<b>29 727</b>	<b>31 358</b>	<b>33 509</b>
<b>Heritage Assets</b>	<b>224</b>	<b>224</b>	<b>224</b>	<b>157</b>	<b>157</b>	<b>157</b>
Revenue Generating				-	-	-
Non-revenue Generating				-	-	-
<b>Investment properties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	57 298	48 987	48 987	61 251	64 040	66 801
Housing	7 446	7 296	7 296	7 084	7 467	7 869

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<b>R thousands</b>						
<b>Other Assets</b>	64 744	56 283	56 283	68 336	71 508	74 669
<b>Biological or Cultivated Assets</b>						
Servitudes		-	-			
Licences and Rights	6 356	6 576	6 576	7 025	7 348	7 688
<b>Intangible Assets</b>	6 356	6 576	6 576	7 025	7 348	7 688
<b>Computer Equipment</b>	5 301	5 838	5 838	5 454	5 704	6 002
<b>Furniture and Office Equipment</b>	3 691	2 903	2 903	3 550	3 652	3 765
<b>Machinery and Equipment</b>	44 612	40 270	40 270	53 956	57 259	60 523
<b>Transport Assets</b>	42 417	42 164	42 164	59 013	63 864	67 423
<b>Land</b>		-	-			
<b>Zoo's, Marine and Non-biological Animals</b>		-	-			
Mature						
Immature						
<b>Living Resources</b>	-	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	1 791 949	1 741 041	1 741 041	1 880 162	1 953 610	2 026 978
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	33.5%	39.1%	39.1%	45.3%	57.6%	57.3%
<i>Renewal and upgrading of Existing Assets as % of depreciation</i>	68.5%	79.0%	79.0%	77.7%	93.8%	97.4%
<i>R&amp;M as a % of PPE &amp; Investment Property</i>	3.5%	3.2%	3.2%	3.8%	3.9%	3.9%
<i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i>	6.9%	7.2%	7.2%	7.9%	8.7%	8.9%

**TABLE 26 (A10 BASIC SERVICE DELIVERY MEASUREMENT)**

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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>	406,361	430,341	430,341	408,000	410,000	410,820
<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)	-	-	-			

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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 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><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></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><u>Highest level of free service provided per household</u></b>						
Property rates (R value threshold)	130,000	130,000	130,000	130,000	130,000	130,000

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
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 2026, for approval.

## **PART 2 – SUPPORTING DOCUMENTATION**

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

The 2026/27 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 2026/27 to 2028/29 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 2026 for noting and by the end of May 2026 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 2026/27 to 2028/29**

The preparation of the 2026/27 to 2028/29 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 2026/27 to 2028/29 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

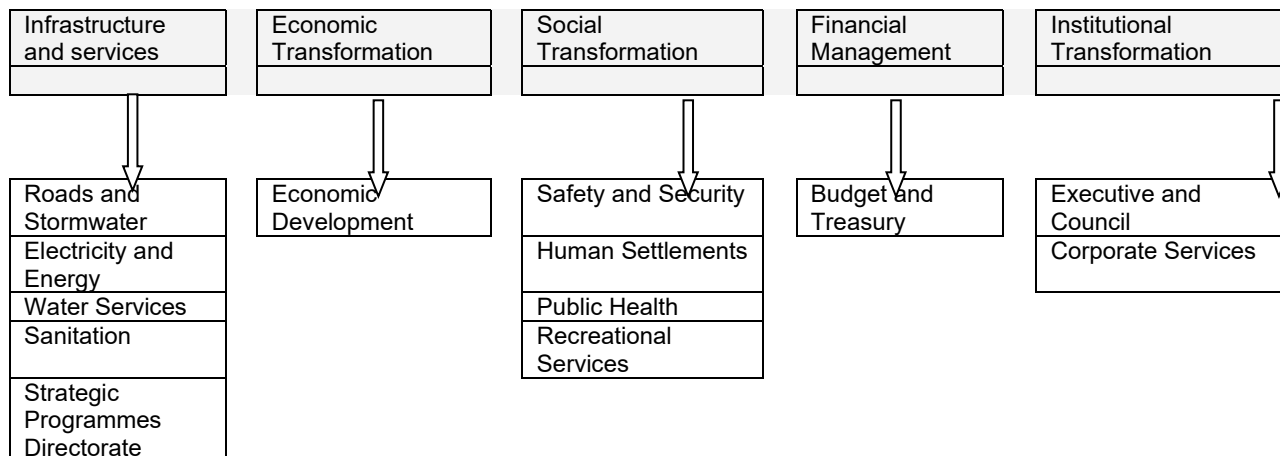
The abovementioned strategic focus areas informed the preparation of the Budget.

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

## 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 27 (MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS)**

Description of financial indicator	Basis of calculation	2026/27 Medium Term Revenue & Expenditure Framework		
		Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<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: -

2026/27 = R1,740,504,000,  
 2027/28 = R1,841,721,000, and  
 2028/29 = R1,867,588,000

## **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 2026.

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: -

## **2.5 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 132) 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 2026/27 – 2028/29 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. 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.

## **2.7 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) constitute 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.

## 2.8 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Below the schedule of contracts impacting on future budgets:

**TABLE 28 (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 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
<b>R thousand</b>													
<b>Parent Municipality:</b>													
<b>Revenue Obligation By Contract</b>													
<i>Contract 1</i>													-
<b>Total Operating Revenue Implication</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.

## 2.9 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.

## 2.10 URBAN DEVELOPMENT FINANCING GRANT (UDFG)

Council must note that with effect from the 2026/27 financial year a new conditional named Urban Development Financing 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 29 (URBAN DEVELOPMENT FINANCE GRANT AS GAZETTED)**

METROPOLITAN MUNICIPALITY	Page Number	Schedule Number	2026/27	% Ntage Allocation per Metro vs. Total Allocation	2027/28	2028/29
<b>Nelson Mandela Metro</b>	<b>44</b>	<b>Schedule 4 Part B</b>	650,747,000	7%	758,123,000	971,149,000
Buffalo City	44	Schedule 4 Part B	588,569,000	7%	664,883,000	862,541,000
Mangaung	44	Schedule 4 Part B	540,352,000	6%	610,047,000	797,588,000
<b>Ekurhuleni</b>	<b>44</b>	<b>Schedule 4 Part B</b>	1,203,176,000	13%	1,379,979,000	1,769,775,000
<b>Joburg</b>	<b>44</b>	<b>Schedule 4 Part B</b>	2,179,535,000	24%	2,315,078,000	2,829,491,000
<b>Tshwane</b>	<b>44</b>	<b>Schedule 4 Part B</b>	1,131,812,000	13%	1,247,519,000	1,575,491,000
eThekweni	44	Schedule 4 Part B	1,367,522,000	15%	1,518,954,000	1,920,555,000
Cape Town	44	Schedule 4 Part B	1,362,645,000	15%	1,483,164,000	1,919,109,000
<b>TOTAL USDG</b>			<b>9,024,358,000</b>	<b>100%</b>	<b>9,977,747,000</b>	<b>12,645,699,000</b>

Listed as part of the recommendations to this Council report are issues dealing with the Trading Services reforms as required by National Treasury.

## 2.11 ATTACHMENTS TO THE BUDGET REPORT

Attached to this Budget Report are the following Annexures: -

- Capital Works Plan (2026/27 to 2028/29) (**refer to Annexure “A1”**);
- Ward Budget / Allocations (2026/27 to 2028/29) (**refer to Annexure “A2”**);
- National Treasury Budget Circular 132 (**refer to Annexure “A3”**);
- List of projects prioritised against the Urban Development Financing Grant (**refer to Annexure “A4”**);
- Draft Solid Waste Management Tariffs Policy (**refer to Annexure “A5”**); and
- Draft Electricity Tariffs Policy (**refer to Annexure “A6”**).

## **2.12 CITY MANAGER’S QUALITY CERTIFICATE**

I, **L Ngoqo (Adv)**, 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** : **L Ngoqo (Adv)**

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

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

**Date** : **20 March 2026**