



UMDONI MUNICIPALITY

THE J.E.W.E.L OF THE SOUTH COAST

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET

2026/27 FINANCIAL YEAR

TABLED AS DRAFT

25th MARCH 2026





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DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

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1.1 MAYORS REPORT

DRAFT MUNICIPAL BUDGET SPEECH 2026/2027

Honourable Speaker,

Executive Mayor,

Members of the Mayoral Committee,

Councillors,

Acting Municipal Manager,

Senior Management,

and the People we proudly serve,

Good morning.

It is both an honour and a responsibility to present the 2026/2027 Budget, a budget that is not only a financial plan, but a commitment to restoring stability, rebuilding trust, and driving sustainable development in our municipality.

1. ECONOMIC CONTEXT AND REALITIES

We table this budget at a time when municipalities across the country continue to face significant fiscal pressures. Sluggish economic growth, rising unemployment, increasing service delivery demands, and constrained household incomes have all impacted our revenue base.

For our municipality, the situation is compounded by:

- High dependency on grant funding
- Declining collection rates
- Rising cost of service delivery
- Historical financial challenges
- War in the Gulf region

This budget responds directly to these realities with a clear focus on **financial sustainability, service delivery, and economic recovery**.

2. BUDGET OVERVIEW

The total proposed draft budget for the 2026/2027 financial year reflects a careful balancing of priorities:

- **Operating Revenue focused to R409,7 million:** Driven mainly by property rates, service charges, and government grants

- **Operating Expenditure is focused to R454,7 million:** Focused on bulk purchases, employee costs, repairs and maintenance
- **Operating deficit is focused on R44,9**
- **Capital Budget focused to R61,6 million:** Directed towards infrastructure development and asset renewal

We have ensured that the budget is **funded, credible, and aligned to legislative requirements**, particularly the Municipal Finance Management Act (MFMA).

3. KEY PRIORITIES OF THE 2026/2027 BUDGET

3.1 Financial Sustainability and Revenue Enhancement

This budget places strong emphasis on improving the financial health of the municipality through:

- Strengthening revenue collection strategies
- Enhancing billing accuracy and data management
- Implementing debt collection and credit control measures
- Exploring alternative revenue streams
- Cost containment measures

We are committed to reducing reliance on grants and building a more resilient revenue base.

3.2 Service Delivery and Infrastructure Development

We continue to prioritise the delivery of basic services:

- Road maintenance and stormwater management
- Refuse removal and environmental management
- Electrification and energy efficiency initiatives

Capital investment will focus on **maintaining existing assets while expanding access to underserved communities**.

3.3 Cost Containment and Efficiency

In line with National Treasury guidelines, the municipality will implement strict cost containment measures:

- Reduction in non-essential expenditure
- Improved supply chain management practices
- Elimination of fruitless and wasteful expenditure
- Better contract and asset management

Every rand spent must deliver value to our communities.

3.4 Governance and Accountability

We are strengthening governance systems to ensure:

- Compliance with legislation and audit requirements
- Improved internal controls
- Consequence management for non-compliance
- Transparency in financial reporting

Our goal is to move towards **clean audit outcomes** and restore public confidence.

3.5 Local Economic Development

Economic growth remains central to this budget:

- Supporting small businesses and local contractors
- Promoting tourism and investment opportunities
- Facilitating job creation initiatives
- Leveraging municipal assets for economic development

A growing local economy will directly support revenue generation and community wellbeing.

4. ADDRESSING KEY CHALLENGES

We acknowledge the challenges that remain:

- Outstanding debt and cash flow constraints
- Ageing infrastructure
- High levels of indigence
- Capacity constraints in key functions

This budget introduces practical interventions to address these issues progressively over the medium term.

5. COMMUNITY CENTRED APPROACH

This budget is informed by community engagements and reflects the needs and priorities of our residents. We remain committed to:

- Inclusive service delivery
- Transparent decision-making
- Responsive governance

We will continue to engage communities as partners in development.

6. CONCLUSION

Honourable Councillors and residents,

This is not just a budget, it is a **recovery plan, a reform agenda, and a roadmap to sustainability.**

We must collectively commit to:

- Paying for services



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

- Protecting municipal infrastructure
- Supporting economic growth initiatives

Together, we can place this municipality on a path of financial stability and improved service delivery.

I hereby table the 2026/2027 Budget for consideration and approval by Council.
Thank you.

OPERATIONAL BUDGET PROGRAMS/ PROJECTS

Programs/Projects	Budget
Rural Roads	R18 m
Urban Roads	R8 m
Street Lighting	R2,5 m
Electrification	R0,900 m
Pothole Patching	R2 m
Landfill site maintenance	R11 m
Beach management Shark	R2,1 m
Pavillion	R0,500 m
Pool maintenance	R0,650 m
Swimming Supervision	R3,6 m
Facilities maintenance	R1,9 m
Security	R16 m
Land use management	R0,800 m
Disaster management plan	R0,500 m
Land audit	R0,500 m
CO-OP Development	R2 m
Agricultural Support	R0,950 m
Strategic Environmental Assessment	R0,500 m
EIA Scott street, Beach parkings and Pennington concrete wall	R0,264 m
TC Robertson	R0,360 m
Ward committee	R2 m
Amakhosi	R0,460 m
Legal fees	R4,950 m
IDP Road shows	R0,800 m
Umkhosi womhlanga	R0,520 m
Indigent subsidy	R0,400 m
Sports and recreation	R2 m
Special Programs	R1,890 m



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Youth	R2,157 m

CAPITAL BUDGET

Projects	Budget
Oswanini Community Hall (Ward 7)	R1,8 million
Emaromeni Road (Ward 14)	R10,7 million
Nkanini Road (Ward 19)	R 16,1 million
Nkululeko hall	R0,880 million
Kwa Xulu Road (Ward 18)	R1,7 million
Yellow Plant	R14,8 million
Purchase of Skips * 30	R3,7 million
Municipal Fleet	R8,261 million
Laptops	R0,999 million
Furniture and Equipment	R0,696 million
Machinery and Equipment	R2,036 million
TOTAL	R61,620 Million



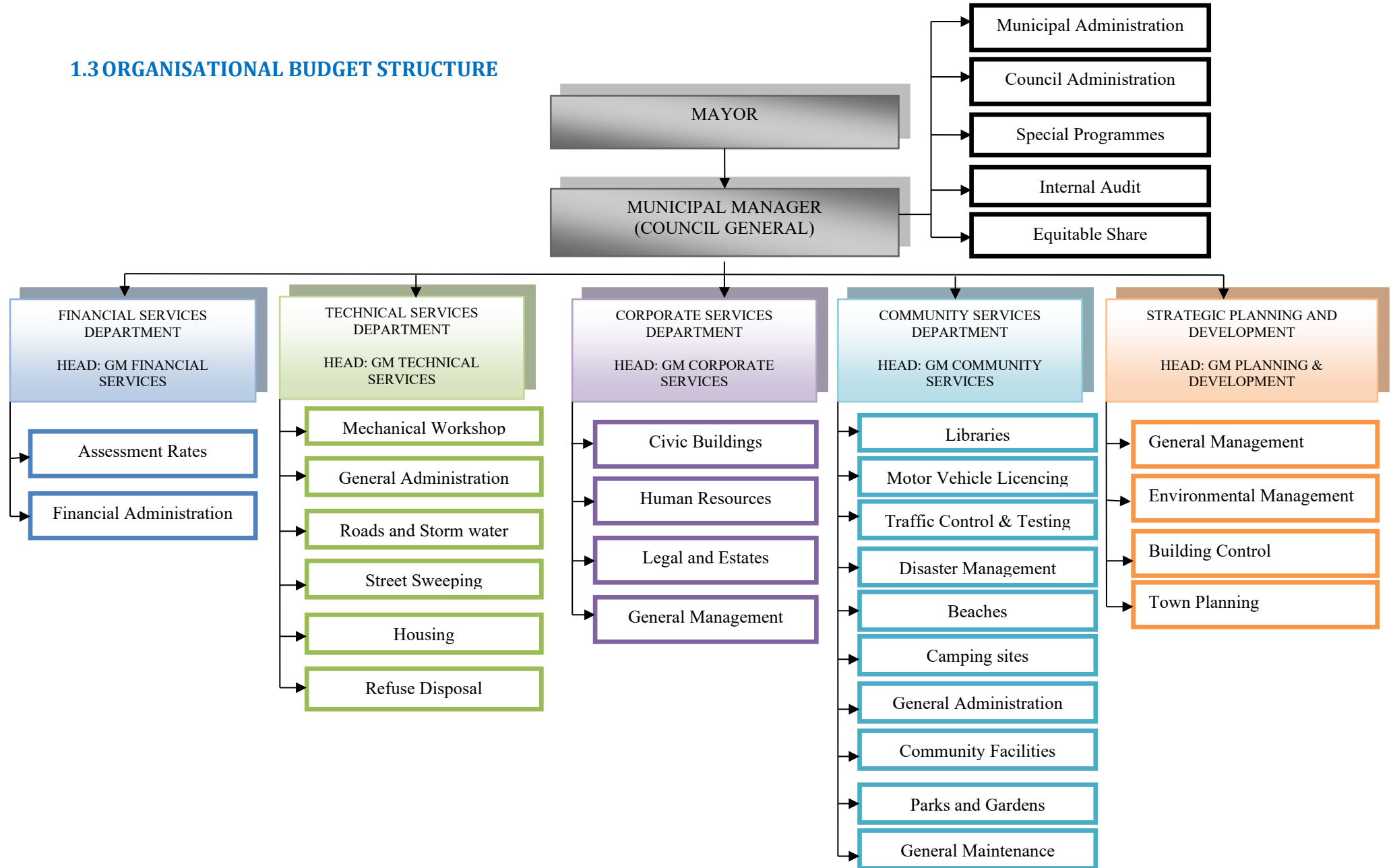
1.2 RESOLUTIONS

As required in terms of Section 16(2) of the Municipal Finance Management Act, No.56 of 2003, the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

The following resolutions are tabled for consideration as resolutions for draft budget which is subject to public consultation with the stakeholders;

- 1.1 That the draft annual capital and operating budgets of the municipality for the financial year 2026/27 are tabled as a Draft Budget for public consultation as set out in the following schedules:
 - a) Budgeted Financial Performance Summary by Revenue Source and Expenditure by Category as reflected in Annexure 1;
 - b) Budgeted Financial Performance - revenue and expenditure by municipal vote as reflected in Annexure 2;
 - c) Budgeted Financial Performance - revenue and expenditure by GFS as reflected in Annexure 3;
 - d) Budgeted Capital Expenditure by vote, GFS classification and funding as reflected in Annexure 4; and
- 1.2 That the Draft Tariff of Charges reflected in Annexure 5 is tabled for public consultation for the 2026/27 financial year.
- 1.3 That the property rates randages and rebates have been reviewed; are tabled as draft for the 2026/27 financial year.
- 1.4 That the A1 budget tables as presented are tabled as draft for consultation
- 1.5 That the budget related policies are tabled as draft for consultation
- 1.6 That the draft budget be sent to National and Provincial Treasury for further processing
- 1.7 That Council note the reduction in the operating deficit from the 2025-2026 financial year and commitment to further reduce the deficit in the 2026-2027 budget.

1.3 ORGANISATIONAL BUDGET STRUCTURE





1.4 EXECUTIVE SUMMARY OF THE DRAFT 2025/26 BUDGET

1.4.1 VISION, MISSION AND OBJECTIVES OF THE UMDONI MUNICIPALITY

VISION

MISSION STATEMENT

“BY 2030 UMDONI WILL BE THE JEWEL OF THE SOUTH COAST.”

PRINCIPALS OF UMDONI MUNICIPALITY

- **JOB CREATION**
- **ECONOMIC VIABILITY**
- **WELLBEING OF THE COMMUNITY**
- **ENVIRONMENTALLY FRIENDLY ENVIRONMENT**

“WORKING TOGETHER IN CONTRIBUTING TO JOB CREATION, ECONOMIC VIABILITY THROUGH SUSTAINED LOCAL ECONOMIC DEVELOPMENT TO ENSURE THE WELL BEING OF OUR COMMUNITY IN ECO FRIENDLY ENVIRONMENT.”

- **LOCAL ECONOMIC DEVELOPMENT**

1.4.2 EXECUTIVE SUMMARY

The Municipality has maintained strict financial discipline during the course of 2025-2026 financial year. A review was undertaken of expenditures on non-core items. The draft budget has seen reduced expenditure limits in lieu of the service delivery programs. Cost containment measures will continue to be implemented to contain spending. There is also focus to aggressively chase arrear debtors and reduce the debtors in arrear and improve cash flow and liquidity of the municipality. The challenge is to remain financially viable and remain a going concern going forward in order to continue service delivery. This draft budget was challenging in eliminating the operating deficit from which has been the case in the previous budget cycles. Efforts to totally eliminate the deficit in the 2026/2027 MTREF has proven to be challenging and as a result the deficit has been increased by R298 969.45 from the current original budget. The Municipality has used operating revenue to fund operating expenditure and non-cash items such as depreciation and contribution for debtor's provision. The municipality is totally committed to eliminating the deficit in future budget cycles. In terms of the capital budget, it is envisaged that grant funds will be spent during the 2026-2027 financial year, which will improve service delivery, where projects will be completed. Another challenge is that allocations from National and Provincial departments are on the decline and the Municipality has to implement new and innovative methods of generating additional revenue through new revenue streams and improved debt collection processes.

In view of the aforementioned, the Revenue and Expenditure Framework for 2026/2027 MTREF is detailed below.



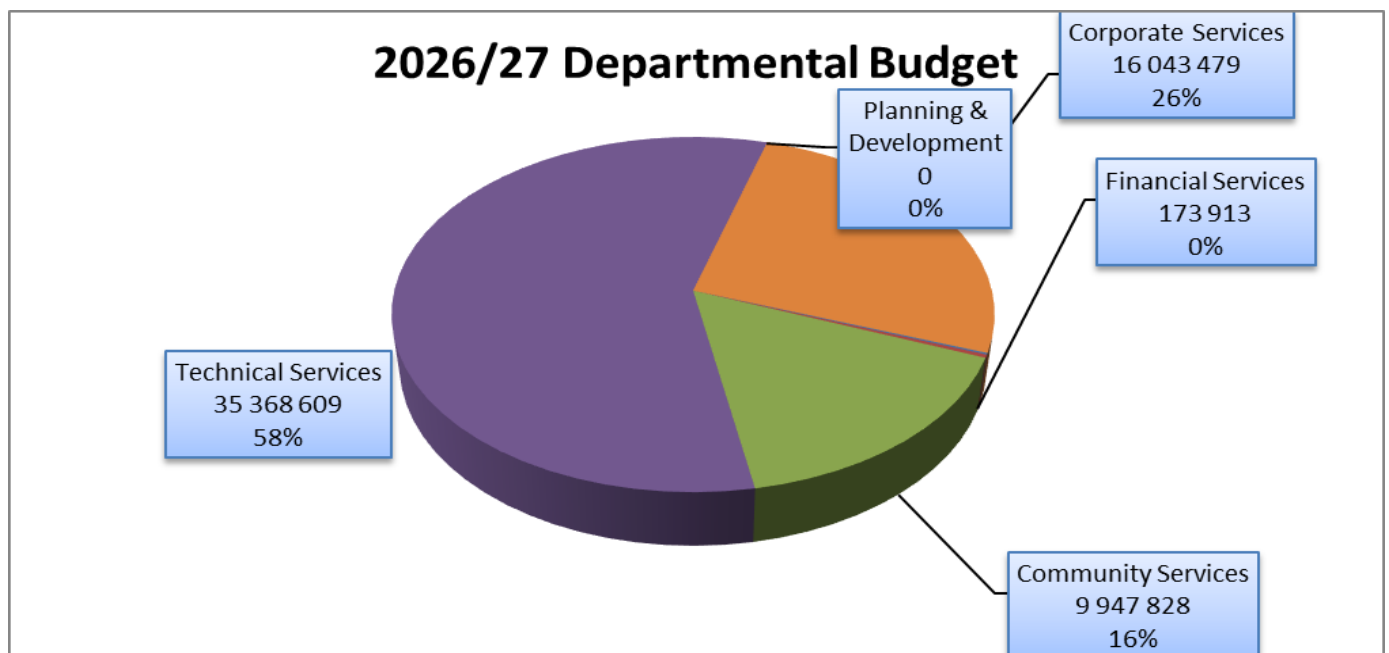
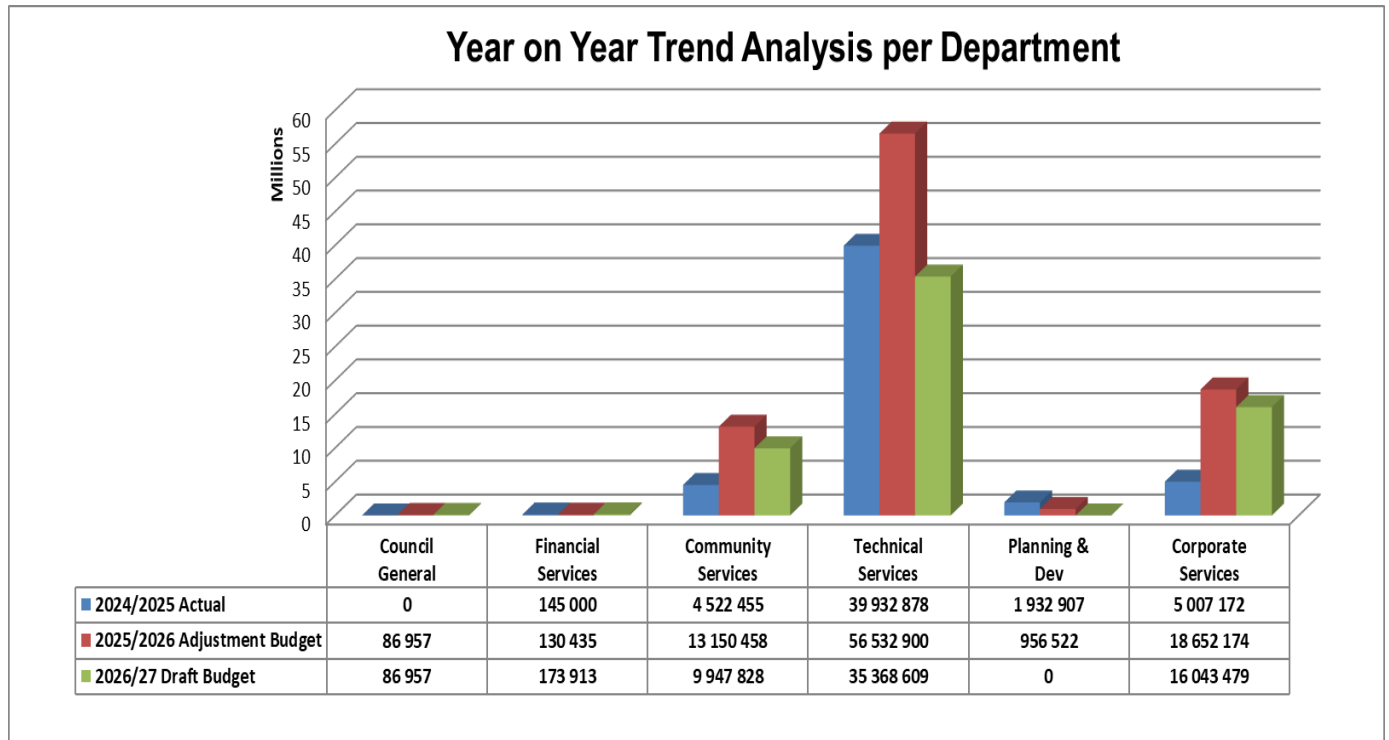
UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

1.4.3 2026/27 CAPITAL BUDGET OVERVIEW

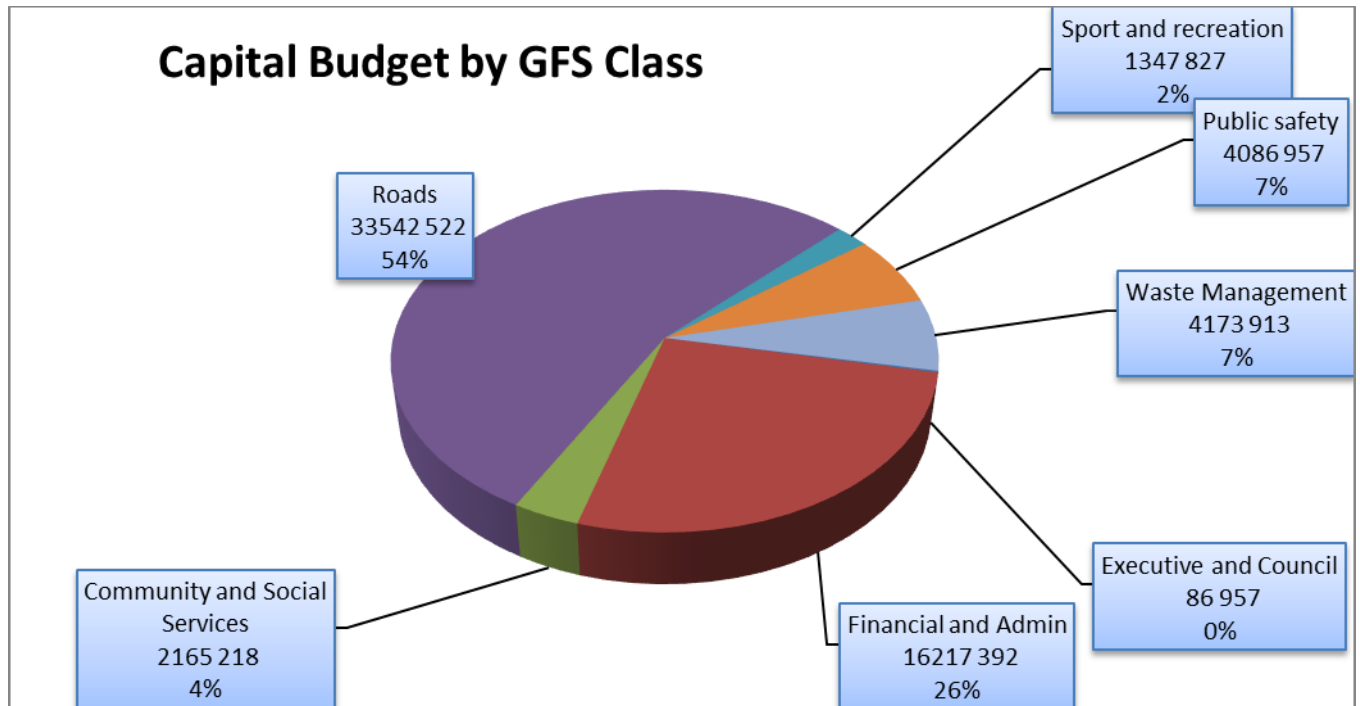
Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Community Services		-	-	-	4 170	4 170	4 170	4 170	8 774	-	0
Vote 2 - Corporate Services		-	-	-	18 652	18 348	18 348	18 348	15 348	-	-
Vote 3 - Technical Services		-	-	-	56 923	56 533	56 533	56 533	35 369	36 329	36 329
Vote 4 - FINANCIAL SERVICES		-	-	-	130	130	130	130	174	-	0
Vote 5 - MUNICIPAL MANAGER		-	-	-	87	87	87	87	87	-	0
Vote 6 - Planning And Development		-	-	-	957	957	957	957	-	-	0
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	80 919	80 224	80 224	80 224	59 751	36 329	36 329
Single-year expenditure to be appropriated	2										
Vote 1 - Community Services		237	190	4 522	-	8 981	8 981	8 981	1 174	-	0
Vote 2 - Corporate Services		232	6 248	5 007	-	304	304	304	696	-	-
Vote 3 - Technical Services		49 074	34 524	39 933	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		157	6 302	145	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	192	-	-	-	-	-	-	-	-
Vote 6 - Planning And Development		328	1 659	1 870	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		50 028	49 115	51 478	-	9 285	9 285	9 285	1 870	-	0
Total Capital Expenditure - Vote		50 028	49 115	51 478	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Capital Expenditure - Functional											
Governance and administration		929	7 792	5 152	18 900	18 900	18 900	18 900	16 304	-	0
Executive and council		-	192	-	87	87	87	87	87	-	0
Finance and administration		929	7 600	5 152	18 813	18 813	18 813	18 813	16 217	-	0
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		17 255	21 345	18 119	18 674	26 731	26 731	26 731	7 600	-	0
Community and social services		4 775	13 302	11 532	15 935	23 991	23 991	23 991	2 165	-	0
Sport and recreation		12 480	8 042	2 608	2 739	2 739	2 739	2 739	1 348	-	0
Public safety		-	-	3 978	-	-	-	-	4 087	-	0
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		23 952	14 928	28 168	40 736	41 660	41 660	41 660	33 543	36 329	36 329
Planning and development		328	1 659	1 933	957	957	957	957	-	-	0
Road transport		23 624	13 268	26 235	39 779	40 704	40 704	40 704	33 543	36 329	36 329
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		8 146	6 939	101	2 609	2 218	2 218	2 218	4 174	-	0
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	6 243	-	-	-	-	-	-	-	-
Waste management		8 146	696	101	2 609	2 218	2 218	2 218	4 174	-	0
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	50 281	51 003	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Funded by:											
National Government		37 290	25 269	36 036	30 836	39 774	39 774	39 774	31 369	36 329	36 329
Provincial Government		3 475	1 659	1 884	870	870	870	870	-	-	0
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	40 765	26 929	37 921	31 706	40 643	40 643	40 643	31 369	36 329	36 329
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		9 487	22 905	13 620	49 213	48 866	48 866	48 866	30 252	-	0
Total Capital Funding	7	50 251	49 834	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329

The 2025/26 Capital Budget has been estimated at R70 783 million incl of vat; and R61 620 million excl of vat . the following graphical representation of the capital budget of the municipality is as follows:



- As depicted from the the first above graph, the draft capital budget has decreased from 89,509 million in the adjustment budget to R 61,620 million vat exclusive for the upcoming financial year. The capital budget, is geared towards upgrading of rural as well as urban roads; construction of community facilities and sportsfields. The funding of the capital budget is as follows; R31,369 million from National grants MIG, and R30 252 million from internal funding. The grants listed above are reflected exclusive of vat and the operational portion of MIG funding operational expenditure is not included in the capital funding.

The majority of the capital budget is allocated under Technical Services Department. As Technical Services is a service delivery department, this shows Umdoni’s commitment to providing infrastructure for sustainable continuity of municipal operations. Focus has been on the road networks, Community halls and Sports fields.



The above graph categorises the capital budget by GFS classification, with roads and stormwater receiving 54%; Sport & Recreation 2%; Executive and Council at 0%, Waste management at 7%, Financial and Admin 26%, Community and Social 4% and Public safety at 7%. Major functions delivering services to the communities have been allocated with higher proportions of the slice.

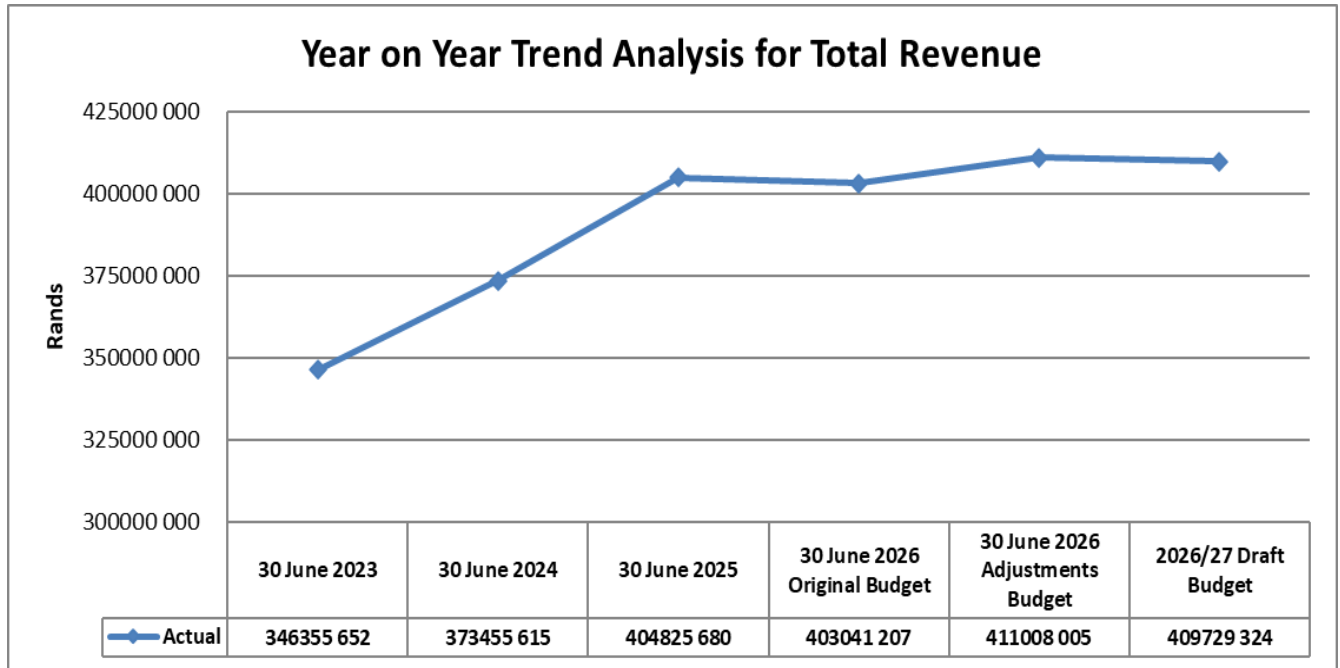
1.4.4 2026/27 OPERATIONAL BUDGET OVERVIEW

KZN212 Umdoni - Table A4 Budgeted Financial Performance (revenue and expenditure)

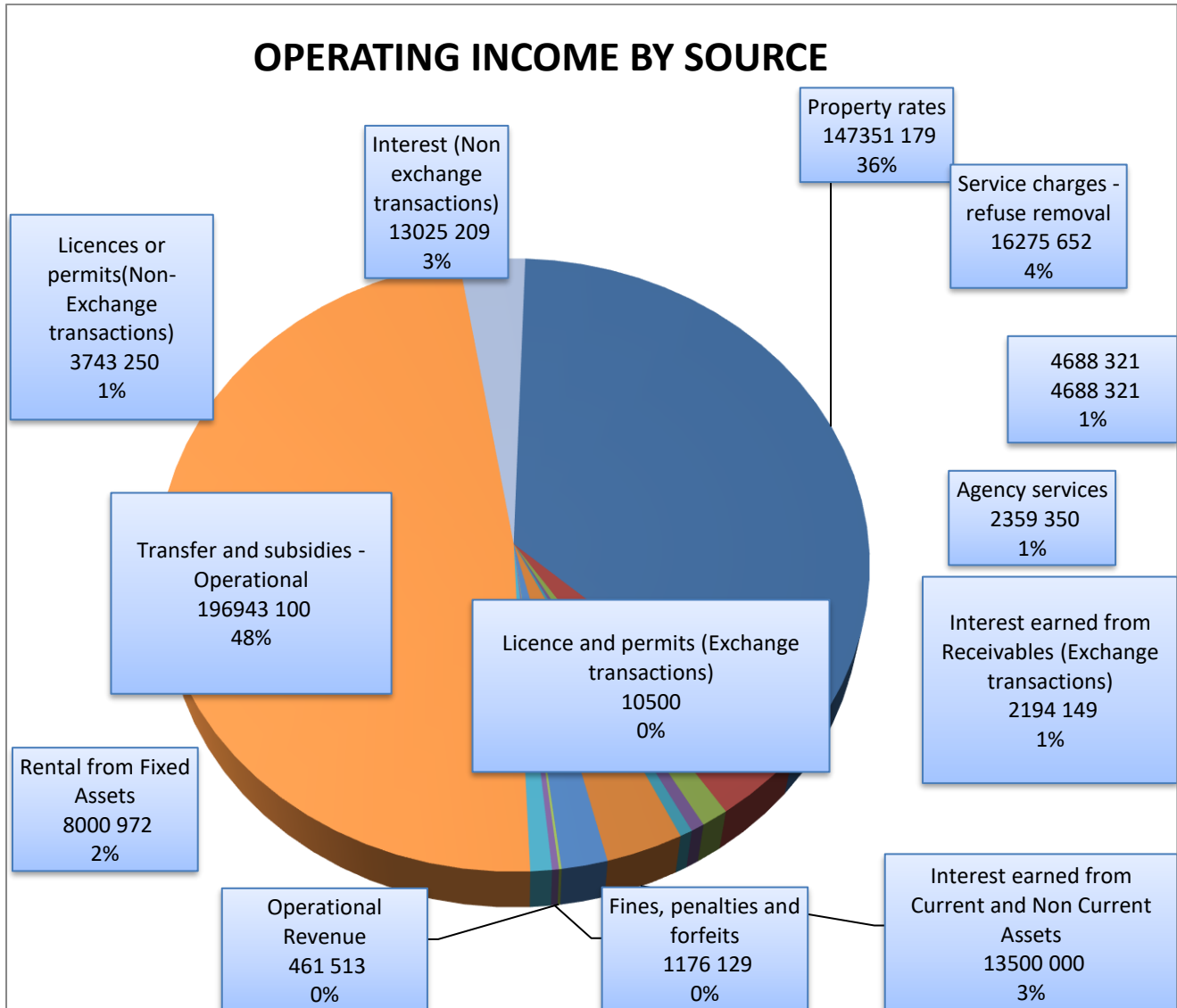
Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	1	-	-	-	-	-	-	0
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10 575	11 151	12 430	14 136	15 728	15 728	15 728	16 276	17 016	17 016
Sale of Goods and Rendering of Services	2	3 326	2 863	3 675	3 310	3 363	3 363	3 363	4 688	11 281	11 281
Agency services	2	2 087	2 357	2 339	2 247	2 247	2 247	2 247	2 359	2 467	2 467
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1 528	1 877	2 056	1 837	1 900	1 900	1 900	2 194	2 294	2 294
Interest earned from Current and Non Current Assets	2	13 513	14 608	14 037	13 000	13 000	13 000	13 000	13 500	14 175	14 175
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	7 176	6 828	7 340	7 644	7 620	7 620	7 620	8 001	8 365	8 365
Licence and permits	2	17	2	7	10	10	10	10	11	11	11
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	709	9 989	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1 352	533	484	501	2 552	2 552	2 552	462	483	483
Non-Exchange Revenue											
Property rates	2	110 977	120 535	129 634	137 803	139 482	139 482	139 482	147 351	154 719	154 719
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	2 753	1 198	1 330	1 603	1 258	1 258	1 258	1 176	1 230	1 230
Licences or permits	2	6 846	2 951	3 104	3 272	3 565	3 565	3 565	3 743	3 914	3 914
Transfer and subsidies - Operational	2	178 131	195 692	203 943	200 570	203 178	203 178	203 178	196 943	195 334	195 334
Interest	2	8 053	12 152	14 456	12 658	12 654	12 654	12 654	13 025	13 676	13 676
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	262	-	(109)	-	-	-	-	-	-	-
Other Gains	2	1 902	1 722	(548)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		348 500	375 178	404 168	398 590	406 557	406 557	406 557	409 729	424 964	424 964
Expenditure											
Employee related costs	2	145 634	149 861	162 243	177 968	197 911	197 911	197 911	203 770	213 040	213 065
Remuneration of councillors	2	15 271	16 330	16 853	18 539	17 539	17 539	17 539	18 320	19 154	19 154
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	4 712	7 056	6 145	7 500	7 750	7 750	7 750	6 118	6 396	6 400
Debt impairment	2,3	18 434	34 275	(263)	2 353	2 353	2 353	2 353	7 604	7 950	7 950
Depreciation, amortisation and impairment	2	(8 085)	46 058	49 764	42 917	44 117	44 117	44 117	46 080	48 177	48 177
Interest, Dividends and Rent on Land	2	588	1 764	1 178	2 367	2 367	2 367	2 367	2 203	2 303	2 303
Contracted services	2	122 880	107 545	107 543	120 965	116 735	116 735	116 735	105 555	110 042	110 170
Transfers and subsidies	2	650	3 021	3 309	4 769	5 286	5 286	5 286	4 330	4 527	4 527
Irrecoverable debts written off	2	9 057	-	26 419	-	-	-	-	-	-	0
Operational costs	2	53 845	55 252	56 497	66 637	67 542	67 542	67 542	60 705	63 598	63 603
Disposal of Fixed and Intangible Assets	2	4 119	1 901	127	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		367 105	423 064	429 815	444 016	461 603	461 603	461 603	454 684	475 186	475 348
Surplus/(Deficit)		(18 605)	(47 886)	(25 647)	(45 426)	(55 046)	(55 046)	(55 046)	(44 955)	(50 222)	(50 384)
Transfers and subsidies - capital (monetary allocations)	6	46 705	38 879	43 519	36 462	46 740	46 740	46 740	35 874	39 561	39 561
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		28 100	(9 007)	17 872	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		28 100	(9 007)	17 872	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28 100	(9 007)	17 872	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	28 100	(9 007)	17 872	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)

OPERATING REVENUE

The estimated operating income has been projected at R 409, 729 million. An analysis of prior year trend levels of income is reflected below:



Income levels have been projected based on current actual collection levels and the 2026/27 budget indicates income levels which are realistic and attainable by the municipality. The collection rate is estimated at 85% due to the interventions of handing over debtors for collection. The impact of the global economic crisis, economic conditions in the Republic of South Africa as well as current inflation rates have been considered extensively during the establishment of these income levels, as a substantial amount of consumers will not be able to afford increases above the inflation.



Total Revenue overall has slightly decreased by R1,278 million when compared to the 2026/2027 financial year. This is mainly caused by the decrease in grants to be received from government departments and the additional revenue from own revenue of property rate, interest on debtors being the main contributors.

Property Rates

As indicated in the graph above, 36% of the income anticipated to be recognized by the municipality relates to property rates. The increase in property rates income from the 2026/2027 year, because of the supplementary valuation rolls, and maintenance of the valuation roll which corrected valuations in the roll which affecting rates billed. Property rates tariff has a 5% increase in the 2025/2026 financial year which is within the limit of CPI.

Grants and Subsidies

Included in the grants and subsidies is the equitable share allocation which has been calculated at R179,468 million on, followed by R2.200 million allocated for the Finance Management Grant, as well as R 11,723 million from the Departments of Arts and Culture (DSRAC) for library services. In addition, R 1,664 million has been allocated for the EPWP grant. The municipality has also been allocated an amount of R1,888 million for MIG (Operational portion) and an amount of R900 000 being allocated for INEP Grants and subsidies consist of 48% of the total revenue budget compared to 49% in the 2025/2026 budget indicated a slight decrease on dependency grants. There are reductions in certain grants from National and Provincial departments as compared to previous allocations, a clear indication that the economy is not performing well, limiting growth.

Service Charges

The service charges approximate 5% of the total revenue budget. Tariffs have increased by 33%. These charges relate only to the refuse service. The refuse service is currently operating a loss of R 10,972 million and R 6,402 and 12,806 million per the audited annual financial statements 2024-2025 and 2023-2024 respectively. The concept of cost reflective tariffs per MFMA circular 129 and 130 as well as MFMA circular issued in prior year advise of the implementation of cost reflective tariffs for the service to be sustainable. The municipality has commenced with the exercise of moving to and implementing cost reflective tariffs in future budget years to come with gradual implementation to lessen the financial impact on consumers.

Sale goods and operational revenue

This revenue source comprises of Scholar patrol revenue, sub-divisions fees, cemetery fees etc. Other revenues approximate 0% of the total revenue budget. A decrease of (40%) has resulted to this category of revenue. This is due to INEP grant for electrification which has decreased by R3.551 million compared to 2025/26.

Rental of Facilities

The rental of facilities approximates 2% of the total revenue budget. It has increased by 5% when compared to the current year budget. The performance of the current year has been satisfactory hence the increment. The rentals from municipal properties and hall hire are budgeted under this revenue source.

Fines & Penalty Income

Fines and Penalty Income amounts to 0% of the total revenue budget. The overall increase equates to 5%. Traffic fines issued by traffic department and library fines are budgeted under this revenue source.

License and Permits

License and Permits approximates 1% of the total revenue budget. They have increased by 5%. Driver's license and learner's license income is budgeted under this category.

Interest Earned- External Investments

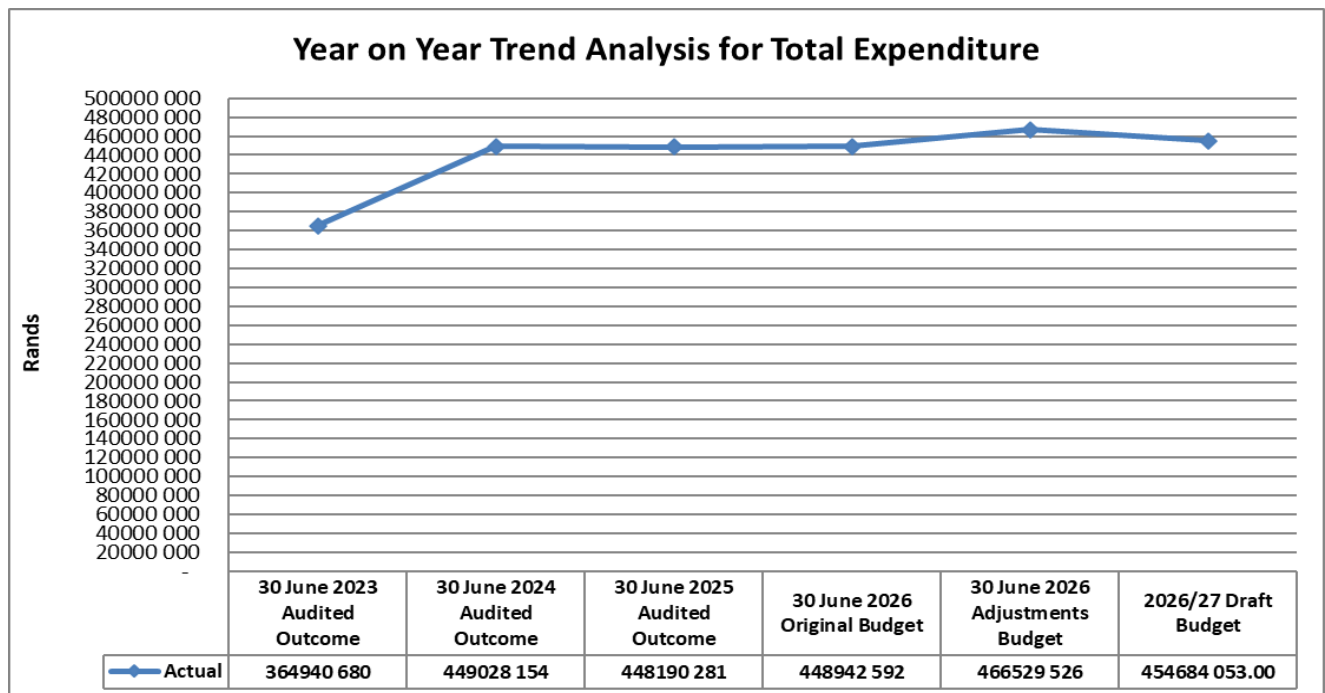
Interest Earned on External Investments equates to 3% of the total revenue budget. It has increased by 4%, considering the fluctuations of balances in our investment accounts during the year and versatile investment portfolio.

Interest Earned- Outstanding Debtors

Interest Earned on Outstanding Debtors consists of 3% of the total revenue budget. As the debtor's books are increasing, the projection for the next year has increased by 5% when compared to the current year since debtors whose accounts are in arrear for longer than 30 days will attract interest on their respective accounts. There has been an increasing trend this regard during the last budget and adjustment budget cycle.

OPERATING EXPENDITURE

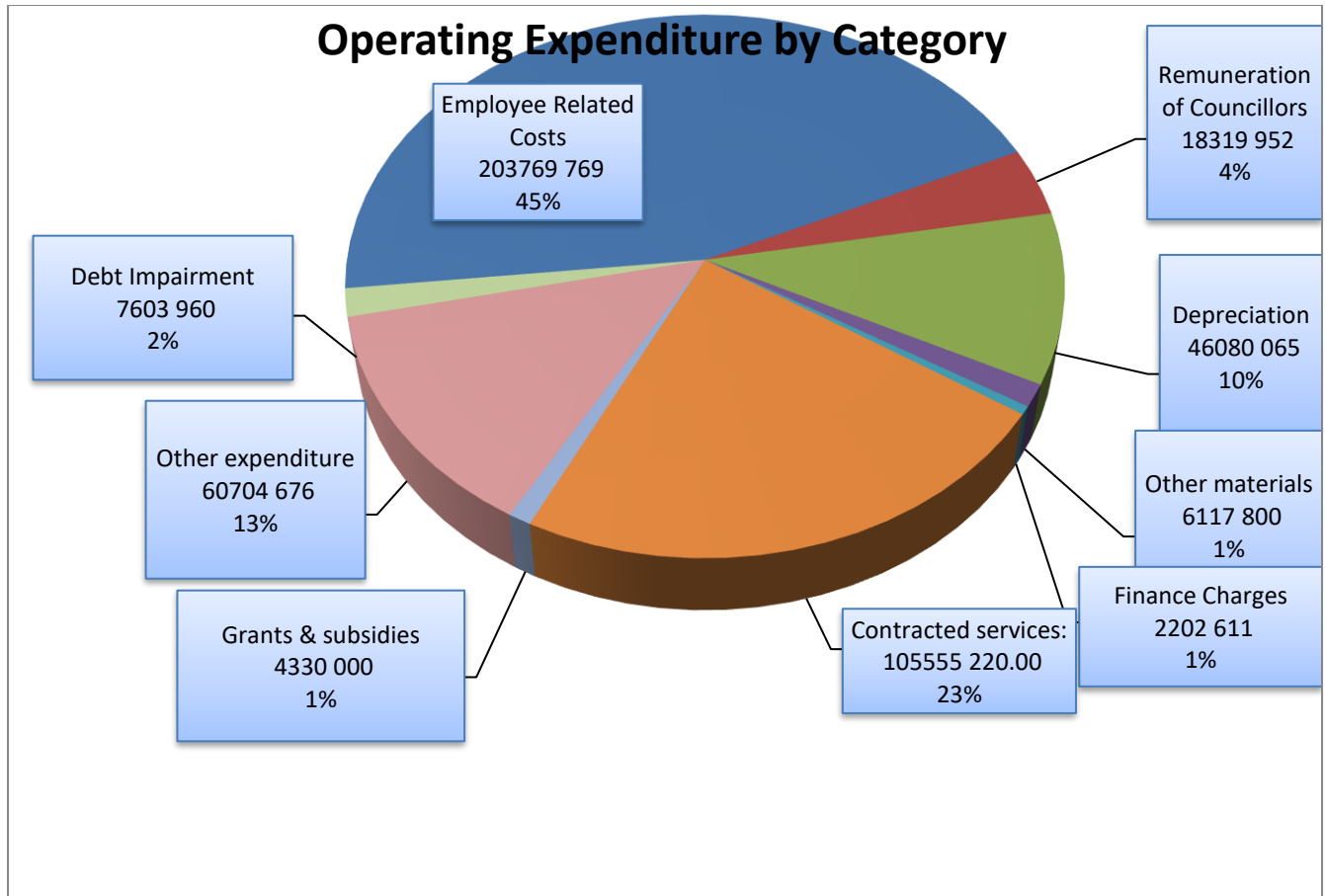
The total operating expenditure has been estimated at R454.684 million. This amount is slightly lower than that of the adjustment budget expenditure to reduce the operating deficit and accommodate those expenditures that we cannot avoid its increase like employee related cost and non-cash items. The graph below reflects the trend of expenditure levels as follows:



Whilst our income base has been limited due to the current economic times and limits on tariff increases, the day-to-day operational expenditure is increasing, which is attributable to inflationary increases and increased service delivery expectations. Operating expenditure has been reduced to a minimum to accommodate service delivery needs. The focus is to spend the limited income that we have on expenditure that matters and improve the lives of the communities that we serve. In this vein Council has also considered cost containment measures

and its policy to limit expenditure to only service delivery expenditure. Due to the operating deficit of R55,522 million which is reflected in the adjustment budget for 2025-2026, all expenditure levels were reviewed by Management and the Budget steering committee and where appropriately kept expenditure levels were kept at the same or reduced by 25% in some cases taking into account fixed term contractual obligations of the Municipality. Strict financial control and discipline is required, together with strict implementation of the cost containment regulations.

Expenditure on the Draft 2026/27 budget has been allocated as follows:



Employee Related costs

The graph above shows that 45% of budgeted expenditure will be spent on Employee Related Costs. The total remuneration when combined with councillors’ remuneration exceeds the norm of 25%-40% by 5%. It should be noted that service delivery departments are short-staffed and as a result they tend to spend more on overtime to cover the staff shortages. There is also an EPWP program to be funded internally which is aimed at boosting the capacity of the service delivery departments. This category of expenditure has increased by 4.45%, as per circular 6 of Salary & wage collective agreement.

Remuneration of Councillors

Councillors Allowance has also increased by 4.45%.

Other Expenditure

Other expenditure has been reduced to accommodate service delivery needs. In line with the cost containment measures and numerous circulars, various expenditure items have been reduced such as travelling, advertising, printing and stationery and consultants. The overall decrease equates to (10%) when compared to the 2026/2027 adjustment budget. Budgeted under this category is electricity and water usage (R 16,014 million), telephone bills (R1,2 million), audit fees (R4,4 million), fuel (R7 million), protective clothing (R3.0 million), ward committee stipends (R2 million), expenditure incurred towards indigent households (R1,6 million), Software licenses (2.5 million) etc. Insurance is also budgeted at R4 million. Operating lease of equipment (R 3,4 million). This category takes up about 13% of the total operating expenditure.

Contracted Services

The contracted services are 23% of total expenditure. Included in the contracted services is R 2,1 million for Shark Nets; R3,6 million for swimming supervision; R 4,7 million for Accounting, Auditing and Valuation Roll Services. A further appropriation has been made for the UGU Entities which amounts to R500 000. The municipality has further, appropriated under the contracted services category; R400 thousand for the internal audit services and another R250 thousand for MPAC . Furthermore, R2 million has been aside for Sport and Recreation projects. The municipality has also budgeted for; under this category, R16 million towards security services; R4,0 million for legal costs and litigation under Council. Funds to repair refuse trucks have been set aside at R525 thousand; R11 million for the landfill site operation has been provided for. R4 million has been appropriated for verge maintenance for the whole municipal area.

Repairs and Maintenance expenditure has been classified under contracted services as per the classification from the MSCOA Charts. A portion of the budget (R26 million) has been appropriated for repairs and maintenance of infrastructure. Included in the R105,5 million for contracted services; R1,2 million has been allocated for the repairs and Maintenance of the plant; R1,8 million for fleet repairs. The municipality has noted that the budget for repairs and maintenance is below the norm of 8% of PPE as it is currently sitting at 7%. In the current year. A provision of R26 million has been made to conduct the maintenance of infrastructure.

Grants and Subsidies

The municipality has set aside funds; under the Grants and Subsidies category; R 4,3 million. This expenditure item is broken down as follows;

Row Labels	Sum of DraftBudget_2026_27
Agriculture Support	320 000.00
AMAKHOSI	100 000.00
Community Development: Child Programmes	200 000.00
Community Development: Elderly	200 000.00
Co-Orp Development/LED	1 300 000.00
Disability	150 000.00
Emergency Relief Expenses	445 000.00
HIV AIDS Day	65 000.00
Indigent families	600 000.00
Youth Development	950 000.00
Grand Total	4 330 000.00

Depreciation and Asset Impairment

In compliance with the MFMA and budget circulars, the municipality has budgeted for the Depreciation and Asset Impairment at R 46,080 million. Budget for this item has been estimated after considering GRAP requirements and possible impairment losses and reversals there off.

Debt Impairment

As part of the operating budget, the municipality has provided for debt impairment at R 7,6 million. The provision has been made to accommodate contributions to provisions of doubtful debtors. The provision for the new year has been slightly increased due to an increase in the debt book.

Other Materials

The municipality has under this item budgeted for stationery, cleaning material, refuse bags and material for repair of roads (Inventory consumed) as required by MSCOA classification requirements. This category takes up about 1% of the total operating expenditure.

Row Labels	Sum of DraftBudget_2026_27
Materials and Supplies	4 571 800.00
Standard Rated	1 546 000.00
Grand Total	6 117 800.00

1.5 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK TABLES

Umdoni Municipality has tabled the 2026/27 annual budget in the format that is in accordance with the budget regulations, where possible, as follows:

- a) Budgeted Financial Performance Summary by Revenue Source and Expenditure Category for all Departments as reflected in Annexure 1.
- b) Budgeted Financial Performance - revenue and expenditure by municipal vote as reflected in Annexure 2.
- c) Budgeted Financial Performance - revenue and expenditure by GFS as reflected in Annexure 3.
- d) Budgeted Capital Expenditure by vote, GFS classification and funding as reflected in Annexure 4; and
- e) Budgeted Capital Expenditure by line item as reflected in Annexure 5
- f) A1 Schedule

The above, and all other budget related documents including policies shall be submitted to Provincial and National Treasury.

1.6 TARIFF OF CHARGES – 2026/27 FINANCIAL YEAR

The tariff of charges for 2026/2027 financial year have been reviewed on an individual basis by all respective departments to be cost reflective in the case of refuse and 33% for all other tariffs. Property rates tariffs will be increased by 5%. The revised tariff of charges has been included in Annexure 5 for comment.

1.7 PROPERTY RATES RANDAGES AND REBATES – 2026/27 FINANCIAL YEAR

The Municipality is aware that current economic conditions may affect the ability of some ratepayers to pay their rate bill according to the new valuation attached to individual properties and has therefore proposed a 5 % increase in the rate randage for 2026/2027 financial year. An additional 5% rebate will also be passed to ratepayers in the categories of Therefore, for 2026/27 financial year, property rates will increase by 5% and an additional rebate of 5% as contained in the 2025/2026 budget to be continued in the 2026/2027 budget cycle.



PART 2 - SUPPORTING DOCUMENTATIONS

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

The budget process is guided by various legislative frameworks and regulations, including the Local Government Municipal Finance Management, No, 56 of 2003, the Municipal Systems Act, 2000 and the municipal Budget and Reporting Regulations

Adherence to these guidelines and regulations are imperative during the budget preparation to ensure an effective, credible and sustainable budget. The review of past practices and performance is further necessary, to identify areas of weakness which can be addressed, as well as maintain the level of performance in areas where this has been achieved.

The process embarked upon for the preparation of the 2025/26 budget can be illustrated below:



OVERVIEW OF THE ALIGNMENT OF THE BUDGET WITH THE IDP

The alignment of the budget to the integrated development plan is crucial to ensure the effectiveness of any budget. Both the integrated development plan and the budget have incorporated these priorities and action plans, and therefore assisted in the alignment of both the budget and the integrated development plan.

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organizational performance, which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

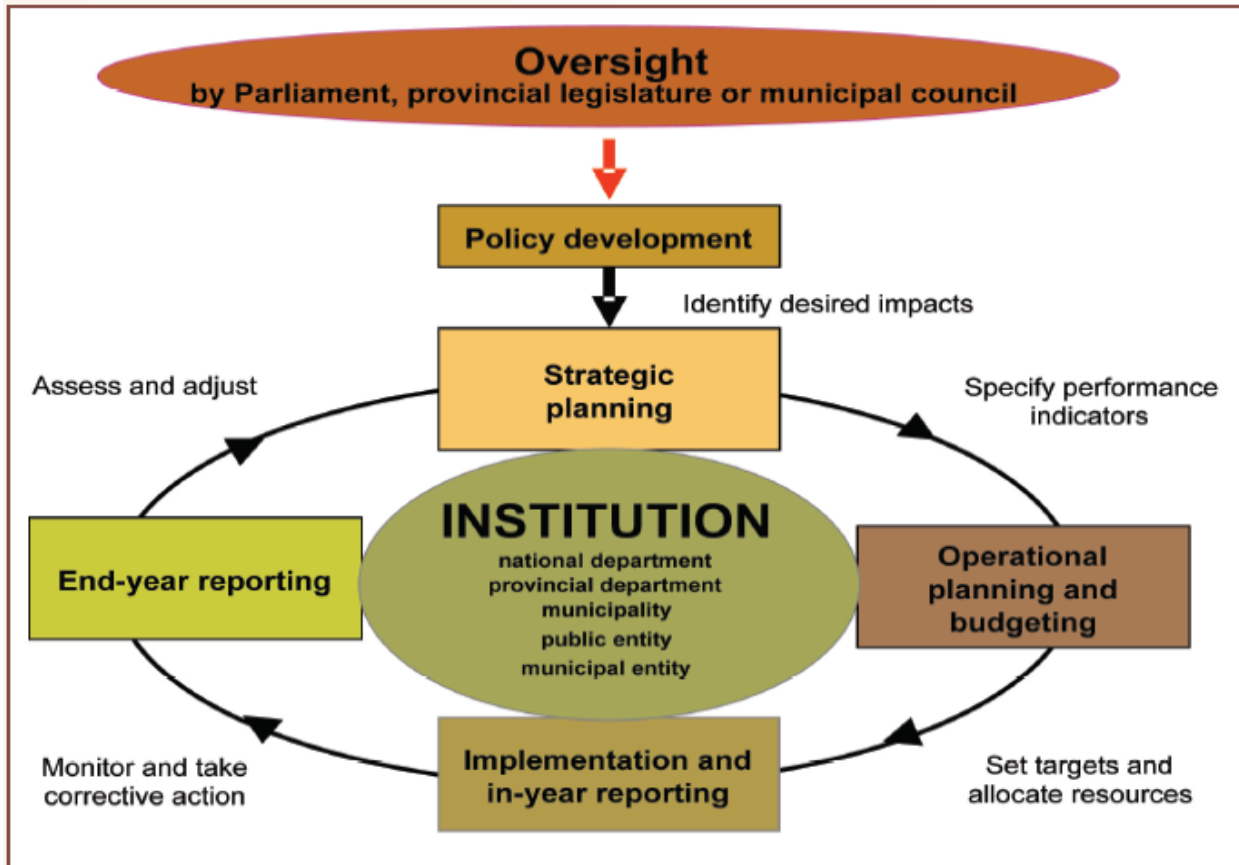


Figure 1 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore intends to adopt fully one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts to be used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

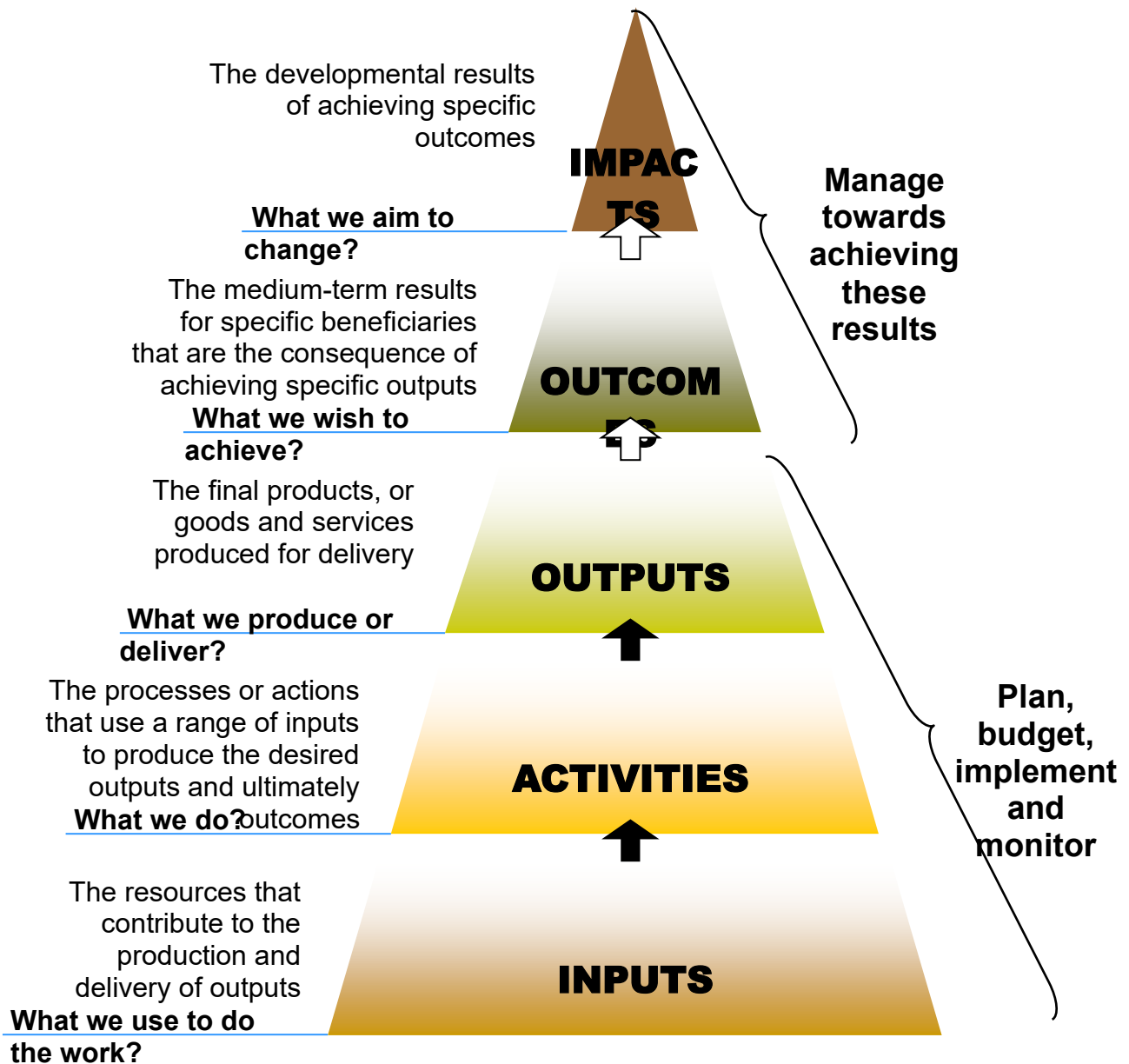


Table: Definition of performance information concepts

2.4 OVERVIEW OF THE BUDGET RELATED POLICIES

The budget related policies are currently under review and any comments or suggestions received during the public participation process will be considered and updated for the Council to consider in May 2026. The current policies are included as attachments to the budget document for comment and input.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The budgeting assumptions that inform the 2026/27 budget preparation are as follows:

Revenue

- All revenue levels were based on current and past year's actual trends and therefore resulted in a realistic revenue base and kept in line with inflation as far as possible.
- Property rates tariffs have a 5% increase
- Refuse removal has an increase of 33% on residential, 33% increase on basic charge for bread and breakfast, 33% on skips, all other refuse is 5%, moving towards cost reflective tariffs.
- All other incomes have increased by 5 % to maintain affordability and credibility considering the prevailing current trends.
- The municipality is forecasting to collect 85% of its billed revenue from consumers to improve the financial viability of the municipality.
- Encourage new development to establish in Umdoni to expand the rates base.

Expenditure

- Expenditure levels have been reduced considering service delivery requirements. The Operating budget deficit of R 55,5 million on the 2025/2026 adjustments budget must be eliminated to reflect a surplus budget position.
- The following areas were targeted in terms of expenditure:
 - Employee-related costs and Councilor Allowances- budgeted for at 4.45%
 - General expenses reduced by 16%
 - Repairs and maintenance reduced by 9%
 - Contracted services reduced by 15% considering valid contracts in place.
 - Employee costs were budgeted at an estimated increase of 4.45%.

External factors

GDP growth is expected to average 1.8 per cent from 2026 to 2028. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment

General inflation outlook and its impact on the municipal activities

These are key factors that have been taken into consideration in the compilation of the 2026/27 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on municipality's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water; and

Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate which equals or slightly above the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored. A group of ratepayers has decided to withhold payments due to service delivery matters which are of concern to them. The withheld payments will be made as their concerns are addressed by the Municipality. Their ability to pay is confirmed.

Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs.
- Enhancing education and skill development.
- Improving Health services.
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of approximately to 100 per cent is achieved on operating and capital expenditure for the 2026/27 MTREF of which performance has been factored into the cash flow budget.

Overview of budget funding

The budget is funded and as such the main table A7 for cash flow statement attests to that by reflecting positive net cash flows for budget year and the two outer years. In addition to that, investments are currently at R 112,159 million as at 28th February 2026. However, it is also anticipated that customers will continue to pay when the massive repairs and maintenance project is being rolled out. The current coverage ratio is estimated at four months.

KZN212 Umdoni - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		69 604	132 401	1 714	117 132	97 938	97 938	97 938	125 249	125 249	125 249
Service charges		(2 082)	-	-	13 818	14 662	14 662	14 662	13 369	13 369	13 369
Other revenue		6 262	3 853	-	60 655	79 024	79 024	79 024	68 886	69 632	69 632
Transfers and Subsidies - Operational	1	183 601	134 572	-	200 570	203 178	203 178	203 178	196 943	195 334	208 012
Transfers and Subsidies - Capital	1	37 810	27 034	-	35 462	35 462	35 462	35 462	35 874	35 874	35 874
Interest		-	-	-	-	1 900	1 900	1 900	26 436	27 111	27 820
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(27 338)	(121 900)	(120 013)	(419 729)	(442 373)	(442 373)	(442 373)	(419 809)	(425 704)	(425 704)
Finance charges		-	-	-	-	(2 367)	(2 367)	(2 367)	(2 476)	(2 538)	(2 538)
Transfers and Subsidies	1	-	-	-	(6 149)	-	-	-	-	(0)	(0)
NET CASH FROM/(USED) OPERATING ACTIVITIES		267 856	175 960	(118 300)	1 760	(12 577)	(12 577)	(12 577)	44 472	38 327	51 714
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Insurance Refund - Capital		-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	(49 556)	(57 684)	(88 057)	(102 936)	(102 936)	(102 936)	(70 864)	(41 778)	(43 459)
Retention (Capital)		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(49 556)	(57 684)	(88 057)	(102 936)	(102 936)	(102 936)	(70 864)	(41 778)	(43 459)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(247)	(130)	(58)	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(247)	(130)	(58)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		267 609	126 274	(176 042)	(86 297)	(115 513)	(115 513)	(115 513)	(26 392)	(3 451)	8 254
Cash/cash equivalents at the year begin:	2	192 265	161 185	146 398	218 110	218 110	218 110	218 110	149 380	122 988	119 537
Cash/cash equivalents at the year end:	2	459 875	287 459	(29 643)	131 813	102 597	102 597	102 597	122 988	119 537	127 791

2.6 OVERVIEW OF MEDIUM TERM OUTLOOK: OPERATING REVENUE AND EXPENDITURE

The following table is a breakdown of the operating revenue over the medium-term:

Table 1 Breakdown of the operating revenue and expenditure over the medium-term

KZN212 Umdoni - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	110 977	120 535	129 634	137 803	139 482	139 482	139 482	147 351	154 719	154 719
Service charges	10 575	11 151	12 431	14 136	15 728	15 728	15 728	16 276	17 016	17 016
Investment revenue	13 513	14 608	14 037	13 000	13 000	13 000	13 000	13 500	14 175	14 175
Transfer and subsidies - Operational	178 131	195 692	203 943	200 570	203 178	203 178	203 178	196 943	195 334	195 334
Other own revenue	35 303	33 192	44 123	33 081	35 169	35 169	35 169	35 659	43 720	43 720
Total Revenue (excluding capital transfers and contributions)	348 500	375 178	404 168	398 590	406 557	406 557	406 557	409 729	424 964	424 964
Employee costs	145 634	149 861	162 243	177 968	197 911	197 911	197 911	203 770	213 040	213 065
Remuneration of councillors	15 271	16 330	16 853	18 539	17 539	17 539	17 539	18 320	19 154	19 154
Depreciation, amortisation and impairment	(8 085)	46 058	49 764	42 917	44 117	44 117	44 117	46 080	48 177	48 177
Interest, Dividends and Rent on Land	588	1 764	1 178	2 367	2 367	2 367	2 367	2 203	2 303	2 303
Inventory consumed and bulk purchases	4 712	7 056	6 145	7 500	7 750	7 750	7 750	6 118	6 396	6 400
Transfers and subsidies	650	3 021	3 309	4 769	5 286	5 286	5 286	4 330	4 527	4 527
Other expenditure	208 335	198 973	190 323	189 955	186 631	186 631	186 631	173 864	181 590	181 723
Total Expenditure	367 105	423 064	429 815	444 016	461 603	461 603	461 603	454 684	475 186	475 348
Surplus/(Deficit)	(18 605)	(47 886)	(25 647)	(45 426)	(55 046)	(55 046)	(55 046)	(44 955)	(50 222)	(50 384)
Transfers and subsidies - capital (monetary allocations)	46 705	38 879	43 519	36 462	46 740	46 740	46 740	35 874	39 561	39 561
Transfers and subsidies - capital (in-kind)	258	3 670	85	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	28 358	(5 337)	17 957	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	28 358	(5 337)	17 957	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Capital expenditure & funds sources										
Capital expenditure	50 281	51 003	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Transfers recognised - capital	40 765	26 929	37 921	31 706	40 643	40 643	40 643	31 369	36 329	36 329
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	9 487	22 905	13 620	49 213	48 866	48 866	48 866	30 252	-	0
Total sources of capital funds	50 251	49 834	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Financial position										
Total current assets	254 036	232 018	257 287	290 999	232 759	232 759	232 759	304 736	337 438	345 692
Total non current assets	651 757	664 226	665 766	725 484	733 756	733 756	733 756	738 788	717 328	717 328
Total current liabilities	77 989	71 616	80 865	179 433	180 199	180 199	180 199	101 206	109 530	109 530
Total non current liabilities	38 017	47 266	46 868	16 824	16 824	16 824	16 824	58 145	64 172	64 172
Community wealth/Equity	789 786	777 363	795 320	795 944	759 687	759 687	759 687	884 173	881 064	889 319
Cash flows										
Net cash from (used) operating	267 856	175 960	(118 300)	1 760	(12 577)	(12 577)	(12 577)	44 472	38 327	51 714
Net cash from (used) investing	-	(49 556)	(57 684)	(88 057)	(102 936)	(102 936)	(102 936)	(70 864)	(41 778)	(43 459)
Net cash from (used) financing	(247)	(130)	(58)	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	459 875	287 459	(29 643)	131 813	102 597	102 597	102 597	122 988	119 537	127 791
Cash backing/surplus reconciliation										
Cash and investments available	161 185	146 398	149 379	131 813	102 597	102 597	102 597	122 988	119 537	127 791
Application of cash and investments	16 655	(21 417)	64 182	150 949	156 397	156 397	156 397	(116 750)	(133 352)	(133 352)
Balance - surplus (shortfall)	144 530	167 815	85 197	(19 136)	(53 800)	(53 800)	(53 800)	239 738	252 889	261 143
Asset management										
Asset register summary (WDV)	624 624	644 206	638 792	608 676	616 948	616 948	616 948	590 785	514 562	514 562
Depreciation	34 779	41 485	42 036	41 894	43 094	43 094	43 094	45 012	47 060	47 060
Renewal and Upgrading of Existing Assets	22 524	8 723	23 280	29 639	30 480	30 480	30 480	1 659	21 608	21 608
Repairs and Maintenance	71 662	52 140	51 200	44 389	43 139	43 139	43 139	40 796	42 336	42 355
Free services										
Cost of Free Basic Services provided	-	-	-	25	25	25	25	25	25	25
Revenue cost of free services provided	17 608	15 327	18 132	14 046	14 744	14 744	14 744	16 389	17 210	17 640
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table 3 MBRR SA 18 – Transfers and grant receipts

KZN212 Umdoni - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
RECEIPTS	1.2										
Operating											
National Government											
Monetary Allocations											
<i>Energy Efficiency and Demand Side Management Grant</i>			-	-	1 352	-	-	-	-	-	0
<i>Equitable Share</i>			162 218	173 612	182 890	182 765	182 765	182 765	179 468	178 434	190 950
<i>Expanded Public Works Programme Integrated Grant</i>			1 772	1 601	1 249	2 385	2 385	2 385	1 664	-	0
<i>Local Government Financial Management Grant</i>			1 950	1 950	1 900	2 000	2 000	2 000	2 200	2 300	2 400
<i>Municipal Infrastructure Grant</i>			1 923	1 464	1 677	1 866	1 866	1 866	1 888	2 082	2 144
<i>Specify (Add grant description)</i>											
Total Monetary Allocations		167 863	178 627	189 068	189 016	189 016	189 016	185 220	182 816	195 494	
Total Operating/National Government		167 863	178 627	189 068	189 016	189 016	189 016	185 220	182 816	195 494	
Provincial Government											
Monetary Allocations											
<i>Capacity Building and Other</i>		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518	
Total Monetary Allocations		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518	
Total Operating/Provincial Government		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518	
District Municipalities											
Monetary Allocations											
Total Allocations In-kind		-	-	-	-	-	-	-	-	-	
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-	
Total Operating	5	178 131	187 044	200 044	200 570	201 878	201 878	196 943 100	195 334 150	208 011 803	
Capital											
National Government											
Monetary Allocations											
<i>[insert description]</i>		42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732	
Total Monetary Allocations		42 709	36 171	36 852	35 462	35 462	35 462	35 873 900	39 560 850	40 732 200	
Total Capital/National Government		42 709	36 171	36 852	35 462	35 462	35 462	35 873 900	39 560 850	40 732 200	
<i>[insert description]</i>											
Total Allocations In-kind		-	-	-	-	-	-	-	-	-	
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-	
Total Capital	5	42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732	
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		220 840	223 215	236 896	236 032	237 340	237 340	232 817	234 895	248 744	

2.6.1 Expenditure on grants and reconciliations of unspent funds

Table 2 MBRR SA19 - Expenditure on transfers and grant programmes

KZN212 Umdoni - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		-	-	1 236	-	-	-	-	-	0
Equitable Share		162 218	173 612	182 890	182 765	182 765	182 765	179 468	178 434	190 950
Expanded Public Works Programme Integrated Grant		2 743	1 591	2 765	1 385	1 385	1 385	1 664	-	0
Local Government Financial Management Grant		1 638	1 690	1 548	2 000	2 000	2 000	2 000	2 300	2 400
Municipal Infrastructure Grant		1 722	1 272	37	1 866	2 033	2 033	1 888	2 082	2 144
Specify (Add grant description)										
Total Monetary Allocations		168 321	178 165	188 476	188 016	188 183	188 183	185 020	182 816	195 494
Total National Government		168 321	178 165	188 476	188 016	188 183	188 183	185 020	182 816	195 494
Provincial Government										
Monetary Allocations										
Capacity Building and Other		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518
Total Monetary Allocations		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518
Total Provincial Government		10 268	8 417	10 976	11 554	12 862	12 862	11 723	12 518	12 518
District Municipalities										
Monetary Allocations										
Other transfers/grants [insert description]										
Local Government Financial Management Grant		157	59	-	-	-	-	200	-	-
Municipal Disaster Response Grant		-	-	3 978	-	8 937	8 937	-	-	1
Municipal Infrastructure Grant		37 133	55 622	51 237	30 836	30 836	30 836	31 195	36 329	36 329
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		157	59	-	-	-	-	200	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other transfers/grants [insert description]										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		178 589	186 582	199 452	199 570	201 045	201 045	196 743	195 334	208 012
Capital										
National Government										
Monetary Allocations										
Other transfers/grants [insert description]		42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732
Total Monetary Allocations		42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732
Total National Government		42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732
Provincial Government										
Monetary Allocations										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		42 709	36 171	36 852	35 462	35 462	35 462	35 874	39 561	40 732
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		221 298	222 754	236 304	235 032	236 506	236 506	232 617	234 895	248 744

2.6.2 COUNCILLOR AND EMPLOYEE BENEFITS

KZN212 Umdoni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other Allowances and Service Related Benefits)	1									
Basic Salary		13 486	14 302	14 939	16 158	15 158	15 158	15 832	16 553	17 289
Cell phone Allowance		1 497	1 672	287	1 788	1 788	1 788	1 868	1 953	2 040
Housing Allowance		-	-	-	-	-	-	-	-	-
In-kind Benefits		-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		288	356	1 627	593	-	-	-	-	-
Office-bearer Allowance		-	-	-	-	-	-	-	-	-
Out of pocket Expenses		-	-	-	-	-	-	-	-	-
Travelling Allowance		288	356	287	593	593	593	620	648	648
Use of Personal Facilities		-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits		15 559	16 686	17 140	19 133	17 539	17 539	18 320	19 154	19 977
Social Contributions										
Medial Aid Benefits		-	-	-	-	-	-	-	-	-
Pension Fund Contributions		-	-	-	-	-	-	-	-	-
Total Social Contributions		-	-	-	-	-	-	-	-	-
Total Councillors		15 559	16 686	17 140	19 133	17 539	17 539	18 320	19 154	19 977
% increase			7.2%	2.7%	11.6%	(8.3%)	-	4.4%	4.6%	4.3%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		5 224	5 092	5 192	6 007	9 315	9 315	10 081	10 539	11 008
Bonuses		-	-	-	-	-	-	-	-	-
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	52	39	37	57	124	124	251	262	274
Housing Benefits	3	-	-	-	-	-	-	-	-	-
Non-pensionable	3	-	41	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	127	58	28	367	569	569	240	251	262
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		180	138	64	424	693	693	491	513	536
Service Related Benefits										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		5 403	5 229	5 256	6 430	10 008	10 008	10 571	11 052	11 544
Social Contributions										
Bargaining Council		-	-	-	-	-	-	-	-	-
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		-	-	-	-	-	-	-	-	-
Pension		-	-	-	-	-	-	-	-	-
Unemployment Insurance		14	13	10	13	15	15	17	18	19
Total Social Contributions		14	13	10	13	15	15	17	18	19
Post-retirement Benefit										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 417	5 242	5 266	6 443	10 023	10 023	10 588	11 070	11 563
% increase			(3.2%)	0.5%	22.4%	55.6%	-	5.6%	4.6%	4.5%
Other Municipal Staff	4									
Salaries and Allowances										
Basic Salary		90 731	90 887	98 582	109 260	120 662	120 662	126 066	131 802	137 667
Bonuses		6 735	7 087	7 299	9 022	10 046	10 046	10 285	10 753	11 232
Allowance										
Accommodation, Travel and Incidental		-	-	-	-	-	-	-	-	-
Cellular and Telephone	3	204	233	236	249	357	357	251	262	274
Housing Benefits	3	405	459	521	1 967	2 006	2 006	2 080	2 175	2 272
Non-pensionable	3	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	3	-	-	106	78	299	299	716	749	782
Voluntary Work		-	-	-	-	-	-	-	-	-
Total Allowance		609	691	862	2 295	2 663	2 663	3 047	3 186	3 327
Service Related Benefits										
Acting	3	-	(7)	-	1 982	1 981	1 981	2 643	2 764	2 886
Long Service Award		-	-	-	-	-	-	-	-	-
Overtime		7 666	8 500	14 555	10 995	13 164	13 164	11 625	12 153	12 694
Leave gratuity		(2 499)	1 706	2 567	1 800	1 800	1 800	1 673	1 747	1 966
Long Term Service Award		-	-	-	1 485	1 785	1 785	-	-	-
Total Service Related Benefits		5 167	10 198	17 121	16 263	18 730	18 730	15 941	16 664	17 546
Total Salaries and Allowances		103 243	108 863	123 864	136 840	152 101	152 101	155 339	162 405	169 773
Social Contributions										
Bargaining Council		-	-	-	-	-	-	-	-	-
Group Life Insurance		-	-	-	-	-	-	-	-	-
Medical		6 280	6 439	7 419	8 007	8 031	8 031	8 834	9 236	9 647
Pension		15 486	16 002	16 448	20 095	20 571	20 571	20 744	21 688	22 653
Unemployment Insurance		-	-	-	-	-	-	-	-	-
Total Social Contributions		21 765	22 441	23 868	28 101	28 602	28 602	29 579	30 924	32 300
Post-retirement Benefit										
Medical	6	4 153	6 753	4 316	4 278	4 278	4 278	4 178	4 368	4 562
Other Benefits	6	2 210	2 375	4 929	2 306	2 908	2 908	3 609	3 774	3 942
Pension		-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit		6 363	9 128	9 245	6 584	7 185	7 185	7 787	8 141	8 504
Costs Capitalised to PPE		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		131 370	140 433	156 977	171 525	187 888	187 888	192 704	201 470	210 577
% increase			6.9%	11.8%	9.3%	9.5%	-	2.6%	4.5%	4.5%
Total Parent Municipality		152 346	162 361	179 383	197 100	215 451	215 451	221 612	231 694	242 116
Board Members of Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS		152 346	162 361	179 383	197 100	215 451	215 451	221 612	231 694	242 116
% increase	4		6.6%	10.5%	9.9%	9.3%	-	2.9%	4.5%	4.5%
TOTAL MANAGERS AND STAFF	5,7	136 787	145 675	162 243	177 968	197 911	197 911	203 292	212 541	222 139



2.7 ANNUAL BUDGET AND SDBIP's – Internal Departments

SDBIP Document is tabled as a separate document.

2.8 CAPITAL EXPENDITURE DETAILS

TABLE 15-MBRR- TABLE A5 CAPEX

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Community Services		-	-	-	4 170	4 170	4 170	4 170	8 774	-	0
Vote 2 - Corporate Services		-	-	-	18 652	18 348	18 348	18 348	15 348	-	-
Vote 3 - Technical Services		-	-	-	56 923	56 533	56 533	56 533	35 369	36 329	36 329
Vote 4 - FINANCIAL SERVICES		-	-	-	130	130	130	130	174	-	0
Vote 5 - MUNICIPAL MANAGER		-	-	-	87	87	87	87	87	-	0
Vote 6 - Planning And Development		-	-	-	957	957	957	957	-	-	0
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	80 919	80 224	80 224	80 224	59 751	36 329	36 329
Single-year expenditure to be appropriated	2										
Vote 1 - Community Services		237	190	4 522	-	8 981	8 981	8 981	1 174	-	0
Vote 2 - Corporate Services		232	6 248	5 007	-	304	304	304	696	-	-
Vote 3 - Technical Services		49 327	36 412	39 996	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		157	6 302	145	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	192	-	-	-	-	-	-	-	-
Vote 6 - Planning And Development		328	1 659	1 870	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		50 281	51 003	51 540	-	9 285	9 285	9 285	1 870	-	0
Total Capital Expenditure - Vote		50 281	51 003	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Capital Expenditure - Functional											
Governance and administration		929	7 792	5 152	18 900	18 900	18 900	18 900	16 304	-	0
Executive and council		-	192	-	87	87	87	87	87	-	0
Finance and administration		929	7 600	5 152	18 813	18 813	18 813	18 813	16 217	-	0
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		17 255	21 345	18 119	18 674	26 731	26 731	26 731	7 600	-	0
Community and social services		4 775	13 302	11 532	15 935	23 991	23 991	23 991	2 165	-	0
Sport and recreation		12 480	8 042	2 608	2 739	2 739	2 739	2 739	1 348	-	0
Public safety		-	-	3 978	-	-	-	-	4 087	-	0
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		23 952	14 928	28 168	40 736	41 660	41 660	41 660	33 543	36 329	36 329
Planning and development		328	1 659	1 933	957	957	957	957	-	-	0
Road transport		23 624	13 268	26 235	39 779	40 704	40 704	40 704	33 543	36 329	36 329
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		8 146	6 939	101	2 609	2 218	2 218	2 218	4 174	-	0
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	6 243	-	-	-	-	-	-	-	-
Waste management		8 146	696	101	2 609	2 218	2 218	2 218	4 174	-	0
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	50 281	51 003	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329
Funded by:											
National Government		37 290	25 269	36 036	30 836	39 774	39 774	39 774	31 369	36 329	36 329
Provincial Government		3 475	1 659	1 884	870	870	870	870	-	-	0
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	40 765	26 929	37 921	31 706	40 643	40 643	40 643	31 369	36 329	36 329
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		9 487	22 905	13 620	49 213	48 866	48 866	48 866	30 252	-	0
Total Capital Funding	7	50 251	49 834	51 540	80 919	89 509	89 509	89 509	61 621	36 329	36 329

2.9 LEGISLATION COMPLIANCE STATUS

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

All amendments to the supply chain regulations have been updated in the Municipal policy.

2.10 OTHER SUPPORTING DOCUMENTS

Table 16 MBRR Table SA1 - Supporting detail to budgeted financial performance

KZN212 Umdoni - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity											
Total Service charges - Electricity		-	-	1	-	-	-	-	-	-	0
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - Electricity		-	-	1	-	-	-	-	-	-	0
Service charges - Water											
Net Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management											
Availability Charges		-	-	-	-	-	-	-	-	-	-
Carrier Bags		-	-	-	-	-	-	-	-	-	-
Disposal Facilities		10	56	91	95	73	73	73	77	81	81
Refuse Bags		-	-	-	-	-	-	-	-	-	-
Refuse Removal		10 021	10 554	11 850	14 355	15 756	15 756	15 756	16 484	17 234	17 234
Skip		544	542	489	458	520	520	520	585	611	611
Waste Bins		-	-	-	-	-	-	-	-	-	-
Total refuse removal revenue		10 575	11 151	12 430	14 909	16 348	16 348	16 348	17 145	17 926	17 926
Less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	773	620	620	620	870	909	909
Net Service charges - Waste Management		10 575	11 151	12 430	14 136	15 728	15 728	15 728	16 276	17 016	17 016
Sales of Goods and Rendering of Services											
Academic Services		-	-	-	-	-	-	-	-	-	-
Advertisements		-	3	-	-	-	-	-	-	-	0
Amendment Fees		-	-	-	-	-	-	-	-	-	-
Application Fees for Land Usage		16	27	9	10	35	35	35	2	2	2
Building Plan Approval		585	519	526	532	532	532	532	522	545	545
Building Plan Clause Levy		-	-	-	-	-	-	-	-	-	-
Buyers Card		-	-	-	-	-	-	-	-	-	-
Camping Fees		164	220	211	291	150	150	150	266	299	299
Cemetery and Burial		43	61	57	66	37	37	37	40	42	42
Cleaning and Removal		-	-	-	-	-	-	-	-	-	-
Clearance Certificates		205	212	204	179	179	179	179	289	304	304
Computer Services		-	-	-	-	-	-	-	-	-	-
Day Care Fees		-	-	-	-	-	-	-	-	-	-
Demolition Application Fees		-	-	-	-	-	-	-	-	-	-
Development Charges		-	-	-	-	-	-	-	-	-	-
Domestic Services		-	-	-	-	-	-	-	-	-	-
Drainage Fees		-	-	-	-	-	-	-	-	-	-
Encroachment Fees		7	2	2	2	2	2	2	2	2	2
Entrance Fees		-	-	-	-	-	-	-	-	-	-
Escort Fees		-	-	-	-	-	-	-	-	-	-
Exempted Parking		-	-	-	-	-	-	-	-	-	-
Fire Services		-	-	-	-	-	-	-	-	-	-
Health Services		-	-	-	-	-	-	-	-	-	-
Housing (Boarding Services)		209	229	165	200	200	200	200	182	190	190
Immunisation Fees		-	-	-	-	-	-	-	-	-	-
Laboratory Services		-	-	-	-	-	-	-	-	-	-
Legal Fees		253	179	950	525	525	525	525	600	630	630
Library Fees		0	0	0	0	0	0	0	0	0	0
Management Fees		-	-	-	-	-	-	-	-	-	-
Meal and Refreshment		-	-	-	-	-	-	-	-	-	-
Membership Fees		-	-	-	-	-	-	-	-	-	-
Objections and Appeals		-	-	-	-	-	-	-	-	-	-
Occupation Certificates		-	-	-	-	-	-	-	-	-	-
Parking Fees		210	136	148	186	400	400	400	472	494	494
Photo copies, Faxes and Telephone charges		25	31	17	14	14	14	14	13	13	13
Removal of Restrictions		-	-	1	2	2	2	2	40	42	42
Sale of Carbon Credits		-	-	-	-	-	-	-	-	-	-
Sale of Goods		-	-	-	-	-	-	-	900	7 316	7 316
Scrap, Waste & Other Goods		-	-	-	-	-	-	-	-	-	-
Shared Services		-	-	-	-	-	-	-	-	-	-
Squalter Re-allocation		-	-	-	-	-	-	-	-	-	-
Stone and Gravel		-	-	-	-	-	-	-	-	-	-
Streets/Street Markets (Informal Traders)		-	-	-	-	-	-	-	-	-	-
Town Planning and Servitudes		-	-	-	-	-	-	-	-	-	-
Traffic Control		1 560	1 199	1 361	1 304	1 287	1 287	1 287	1 340	1 401	1 401
Transport Fees		-	-	-	-	-	-	-	-	-	-
Valuation Services		-	-	-	-	-	-	-	-	-	-
Water Meter Protectors		-	-	-	-	-	-	-	-	-	-
Weighbridge Fees		-	-	-	-	-	-	-	-	-	-
Total Sales of Goods and Rendering of Services		3 278	2 819	3 650	3 310	3 363	3 363	3 363	4 688	11 281	11 281



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Free State	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-
Kwazulu/Natal	2 087	2 357	2 339	2 247	2 247	2 247	2 247	2 359	2 467	2 467
Limpopo	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-
Northwest	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-
Total Provincial	2 087	2 357	2 339	2 247	2 247	2 247	2 247	2 359	2 467	2 467
Total Agency Services	2 087	2 357	2 339	2 247	2 247	2 247	2 247	2 359	2 467	2 467
Interest - Deemed Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-	-
Affiliates/Related Parties/Associated Companies	-	-	-	-	-	-	-	-	-	-
Self	-	-	-	-	-	-	-	-	-	-
Waste Management	1 511	1 877	2 056	1 837	1 900	1 900	1 900	2 194	2 294	2 294
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Shared Services	-	-	-	-	-	-	-	-	-	-
Total Interest earned from Receivables	1 511	1 877	2 056	1 837	1 900	1 900	1 900	2 194	2 294	2 294
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-	-
Bank Accounts	-	-	-	-	-	-	-	-	-	-
Financial Assets	-	-	-	-	-	-	-	-	-	-
Short Term Investments and Call Accounts	13 515	14 608	14 037	13 000	13 000	13 000	13 000	13 500	14 175	14 175
Total Interest earned from Current and Non Current Assets	13 515	14 608	14 037	13 000	13 000	13 000	13 000	13 500	14 175	14 175
Dividends	-	-	-	-	-	-	-	-	-	-
External Investment	-	-	-	-	-	-	-	-	-	-
Municipal Entities	-	-	-	-	-	-	-	-	-	-
Total Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Investment Property	6 990	6 427	7 141	-	-	-	-	-	-	0
Property Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Total Market Related	6 990	6 427	7 141	-	-	-	-	-	-	0
Non-market Related	-	-	-	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Property Plant and Equipment	186	401	199	7 644	7 620	7 620	7 620	8 001	8 365	8 365
Total Non-market Related	186	401	199	7 644	7 620	7 620	7 620	8 001	8 365	8 365
Total Rental from Fixed Assets	7 176	6 828	7 340	7 644	7 620	7 620	7 620	8 001	8 365	8 365
Licences or Permits	-	-	-	-	-	-	-	-	-	-
Angling/Fishing	-	-	-	-	-	-	-	-	-	-
Atmospheric Emissions	-	-	-	-	-	-	-	-	-	-
Boat	17	2	7	10	10	10	10	11	11	11
Trading	-	-	-	-	-	-	-	-	-	-
Total Licences or Permits	17	2	7	10	10	10	10	11	11	11
Special Rating Levies	-	-	-	-	-	-	-	-	-	-
Agricultural Properties	-	-	-	-	-	-	-	-	-	-
Bontle Ke Boho Cleaning and Greening Award	-	-	-	-	-	-	-	-	-	-
Breakages and Losses Recovered	0	0	0	0	0	0	0	0	0	0
Bursary Repayment	-	-	-	-	-	-	-	-	-	-
Collection Charges	-	-	-	-	-	-	-	-	-	-
Commission	214	206	187	206	206	206	206	152	160	160
Discounts and Early Settlements	-	-	-	-	-	-	-	-	-	-
Incidental Cash Surpluses	-	-	-	-	-	-	-	-	-	-
Inspection Fees	-	-	-	-	-	-	-	-	-	0
Insurance Refund	860	-	-	-	2 051	2 051	2 051	-	-	0
Merchandising, Jobbing and Contracts	-	-	-	-	-	-	-	-	-	-
Recovery Maintenance	-	-	-	-	-	-	-	-	-	-
Registration Fees	-	-	-	-	-	-	-	-	-	-
Request for Information	19	22	12	10	10	10	10	11	11	11
Sale of Property	-	-	-	-	-	-	-	-	-	-
Skills Development Levy Refund	251	306	284	285	285	285	285	299	312	312
Staff and Councilors Recoveries	-	-	-	-	-	-	-	-	-	-
Total Operational Revenue	1 352	533	484	501	2 552	2 552	2 552	462	483	483
Non-Exchange revenue	-	-	-	-	-	-	-	-	-	-
Property Rates	-	-	-	-	-	-	-	-	-	-
Agricultural Properties	4 374	6 761	6 993	7 323	7 314	7 314	7 314	7 681	8 065	8 065
Business and Commercial Properties	17 384	12 333	17 339	21 297	21 483	21 483	21 483	22 558	23 685	23 685
Industrial Properties	3 681	3 671	4 510	4 833	4 833	4 833	4 833	5 075	5 329	5 329
Mining Properties	-	-	-	-	-	-	-	-	-	-
Public Benefit Organisations	11 718	14 608	15 147	700	700	700	700	736	772	772
Public Service Infrastructure Properties	4 127	3 205	2 908	-	-	-	-	-	-	0
Public Service Purposes Properties	-	-	-	14 243	14 267	14 267	14 267	14 980	15 729	15 729
Residential Properties	77 653	84 024	89 490	97 565	97 641	97 641	97 641	102 764	107 902	107 902
Residential Sectional Title Garages	-	-	-	-	-	-	-	-	-	-
Sport Clubs and Fields	-	-	-	-	-	-	-	-	-	-
Vacant Land	9 648	11 280	11 378	12 556	13 864	13 864	13 864	15 071	15 824	15 824
Total Property Rates	128 586	135 862	147 766	158 518	160 103	160 103	160 103	168 863	177 307	177 307
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRR)	17 600	15 327	18 132	20 715	20 621	20 621	20 621	21 512	22 588	22 588
Net Property Rates	110 978	120 535	129 634	137 803	139 482	139 482	139 482	147 351	154 719	154 719



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Surcharges	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Total Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits										
Fines	1 302	1 198	1 330	1 603	1 258	1 258	1 258	1 176	1 230	1 230
Forfeits	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-
Total Fines, Penalties and Forfeits	1 302	1 198	1 330	1 603	1 258	1 258	1 258	1 176	1 230	1 230
Licences or Permits										
Angling/Fishing	-	-	-	-	-	-	-	-	-	-
Atmospheric Emission	-	-	-	-	-	-	-	-	-	-
Boat	-	-	-	-	-	-	-	-	-	-
Dog	-	-	-	-	-	-	-	-	-	-
Fauna and Flora	-	-	-	-	-	-	-	-	-	-
Filming Fees	-	-	-	-	-	-	-	-	-	-
Game	-	-	-	-	-	-	-	-	-	-
Health Certificates	-	-	-	-	-	-	-	-	-	-
Hiking Trails	-	-	-	-	-	-	-	-	-	-
Hoarding (Collecting/Sorting)	-	-	-	-	-	-	-	-	-	-
Market Porters	-	-	-	-	-	-	-	-	-	-
Road and Transport	6 821	2 938	3 087	3 252	3 540	3 540	3 540	3 717	3 886	3 886
Threatened and Protected Species	-	-	-	-	-	-	-	-	-	-
Trading	25	13	17	20	25	25	25	26	27	27
Total Licences or Permits	6 846	2 951	3 104	3 272	3 565	3 565	3 565	3 743	3 914	3 914
Transfer and subsidies - Operational										
Allocations In-kind										
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	-	-
District Municipalities	-	-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
National Government	-	-	-	-	-	-	-	-	-	-
Non-Profit Institutions	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations										
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	-	-
District Municipalities	-	-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
National Governments	5 645	5 015	6 178	6 251	6 251	6 251	6 251	5 752	4 382	4 382
National Revenue Fund	162 218	173 612	182 890	182 765	182 765	182 765	182 765	179 468	178 434	178 434
Non-Profit Institutions	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-	-
Provincial Government	10 268	8 417	10 976	11 554	14 162	14 162	14 162	11 723	12 518	12 518
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Monetary Allocations	178 131	187 044	200 044	200 570	203 178	203 178	203 178	196 943	195 334	195 334
Total Transfer and subsidies - Operational	178 131	187 044	200 044	200 570	203 178	203 178	203 178	196 943	195 334	195 334
Interest Receivables										
Property Rates	8 053	12 152	14 456	12 658	12 654	12 654	12 654	13 025	13 676	13 676
Service Charges										
Electricity	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Total Service Charges	-	-	-	-	-	-	-	-	-	-
Total Interest Receivables	8 053	12 152	14 456	12 658	12 654	12 654	12 654	13 025	13 676	13 676
Fuel Levy (RSC Replacement Grant)	-	-	-	-	-	-	-	-	-	-
Operational Revenue - Service Charges										
Total Other Gains										
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue	344 820	364 054	390 912	398 590	406 557	406 557	406 557	409 729	424 964	424 964
EXPENDITURE ITEMS:										
Employee related costs										
Salaries and Allowances										
Basic Salary	95 979	99 052	103 774	115 267	129 977	129 977	129 977	136 147	142 341	142 341
Bonuses	7 087	7 247	7 299	9 022	10 046	10 046	10 046	10 285	10 753	10 753
Allowance										
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-	-
Cellular and Telephone	272	291	273	306	481	481	481	607	635	638
Housing Benefits	459	524	521	1 967	2 006	2 006	2 006	2 118	2 215	2 215
Non-pensionable	885	958	1 412	1 254	1 254	1 254	1 254	-	-	0
Travel or Motor Vehicle	-	366	133	444	867	867	867	1 015	1 062	1 084
Voluntary Work	-	-	-	-	-	-	-	-	-	-
Total Allowance	1 616	2 139	2 338	3 971	4 608	4 608	4 608	3 741	3 911	3 937



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Acting	(7)	26	17	1 982	1 981	1 981	1 981	2 643	2 764	2 764
Bonus	-	-	-	-	-	-	-	-	-	-
Danger Allowance	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Fire Brigade	-	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-	-
Leave Pay	1 706	1 630	2 567	1 800	1 800	1 800	1 800	1 673	1 747	1 747
Lifeguard/Duty Squads	-	-	-	-	-	-	-	-	-	-
Long Service Award	-	-	-	1 485	1 785	1 785	1 785	1 585	1 658	1 658
Overtime	8 500	10 182	14 822	10 995	13 164	13 164	13 164	12 210	12 766	12 766
Scarify	-	-	-	-	-	-	-	-	-	-
Standby Allowance	1 428	1 094	1 568	951	1 555	1 555	1 555	1 634	1 708	1 708
Tools Allowance	-	-	-	-	-	-	-	-	-	-
Uniform-Special-Protective Clothing	-	-	-	26	26	26	26	-	-	0
Leave gratuity	-	-	-	-	-	-	-	-	-	-
Long Term Service Award	-	-	-	-	-	-	-	-	-	-
Total Service Related Benefits	11 626	12 932	18 964	17 240	20 311	20 311	20 311	19 746	20 643	20 643
Total Salaries and Allowances	116 307	121 370	132 375	145 499	164 943	164 943	164 943	169 919	177 649	177 674
Social Contributions	60	62	64	74	74	74	74	75	78	78
Bargaining Council	3	2	2	2	2	2	2	3	3	3
Group Life Insurance	6 439	6 996	7 419	8 007	8 031	8 031	8 031	8 834	9 236	9 236
Medical	15 193	15 576	15 557	19 259	19 730	19 730	19 730	19 893	20 799	20 799
Pension	822	876	902	848	853	853	853	868	907	907
Unemployment Insurance	-	-	-	-	-	-	-	-	-	-
Total Social Contributions	22 517	23 513	23 944	28 191	28 691	28 691	28 691	29 673	31 023	31 023
Post-retirement Benefit	3 604	4 066	4 316	4 278	4 278	4 278	4 278	4 178	4 368	4 368
Medical	-	-	-	-	-	-	-	-	-	-
Other Benefits	-	-	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit	3 604	4 066	4 316	4 278	4 278	4 278	4 278	4 178	4 368	4 368
Sub-Total	142 428	148 950	160 635	177 968	197 911	197 911	197 911	203 770	213 040	213 065
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-	-
Total Employee Related Cost	142 428	148 950	160 635	177 968	197 911	197 911	197 911	203 770	213 040	213 065
Remuneration of Councillors	13 486	14 302	14 939	16 158	15 158	15 158	15 158	15 832	16 553	16 553
Allowances and Service Related Benefits	1 497	1 672	1 627	1 788	1 788	1 788	1 788	1 868	1 953	1 953
Basic Salary	-	-	-	-	-	-	-	-	-	-
Cell phone Allowance	-	-	-	-	-	-	-	-	-	-
Housing Allowance	-	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-	-
Office-bearer Allowance	-	-	-	-	-	-	-	-	-	-
Out of pocket Expenses	-	-	-	-	-	-	-	-	-	-
Travelling Allowance	288	356	287	593	593	593	593	620	648	648
Use of Personal Facilities	-	-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits	15 271	16 330	16 853	18 539	17 539	17 539	17 539	18 320	19 154	19 154
Social Contributions	-	-	-	-	-	-	-	-	-	-
Medical Aid Benefits	-	-	-	-	-	-	-	-	-	-
Pension Fund Contributions	-	-	-	-	-	-	-	-	-	-
Total Social Contributions	-	-	-	-	-	-	-	-	-	-
Total Remuneration of Councillors	15 271	16 330	16 853	18 539	17 539	17 539	17 539	18 320	19 154	19 154
Bulk Purchases - Electricity	-	-	-	-	-	-	-	-	-	-
Total Bulk Purchases - Electricity	-	-	-	-	-	-	-	-	-	-
Inventory Consumed	1 600	1 480	1 375	1 659	1 659	1 659	1 659	1 546	1 616	1 616
Agricultural	-	-	-	-	-	-	-	-	-	-
Consumables	-	-	-	-	-	-	-	-	-	-
Finished Goods	-	-	-	-	-	-	-	-	-	-
Housing Stock	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Materials and Supplies	3 104	5 577	4 770	5 841	6 091	6 091	6 091	4 572	4 780	4 784
Water	-	-	-	-	-	-	-	-	-	-
Sub-total	4 712	7 056	6 145	7 500	7 750	7 750	7 750	6 118	6 398	6 400
Less: Capitalisation of inventory consumed	-	-	-	-	-	-	-	-	-	-
Total Inventory Consumed	4 712	7 056	6 145	7 500	7 750	7 750	7 750	6 118	6 398	6 400
Debt Impairment	1 242	3 137	3 050	197	197	197	197	206	215	215
Trade and Other Receivables from Exchange Transactions	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Shared Services	-	-	-	-	-	-	-	-	-	-
Waste Management	1 242	3 137	3 050	197	197	197	197	206	215	215
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Non Specific Accounts	-	-	-	-	-	-	-	-	-	-
Total Trade and Other Receivables from Exchange Transactions	1 242	3 137	3 050	197	197	197	197	206	215	215
Other Receivables from Non-exchange Revenue	-	-	-	-	-	-	-	-	-	-
Property Rates	-	-	-	-	-	-	-	5 146	5 380	5 380
Property Rates General	-	-	-	-	-	-	-	-	-	-
Public Service Purposes Properties	-	-	-	-	-	-	-	-	-	-
Residential Properties	-	-	-	-	-	-	-	5 146	5 380	5 380
Residential Sectional Title Garages	-	-	-	-	-	-	-	-	-	-
Sport Clubs and Fields	-	-	-	-	-	-	-	-	-	-
Vacant Land	-	-	-	-	-	-	-	-	-	-
Total Property Rates	-	-	-	-	-	-	-	5 146	5 380	5 380
Service Charges	-	-	-	-	-	-	-	-	-	-
Service Charges General	-	-	-	-	-	-	-	-	-	-
Total Service Charges	-	-	-	-	-	-	-	-	-	-
Non Specific Accounts	-	-	-	2 157	2 157	2 157	2 157	2 253	2 355	2 355
Total Other Receivables from Non-exchange Revenue	-	-	-	2 157	2 157	2 157	2 157	2 253	2 355	2 355
Total Debt Impairment	1 242	3 137	3 050	2 353	2 353	2 353	2 353	2 604	2 798	2 798
Depreciation, Amortisation and Impairment	51	34	34	46	46	46	46	48	50	50
Amortisation	-	-	-	-	-	-	-	-	-	-
Intangible Assets	51	34	34	46	46	46	46	48	50	50
Total Amortisation	51	34	34	46	46	46	46	48	50	50
Depreciation	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Community Assets	10 561	13 528	14 105	13 054	13 054	13 054	13 054	13 635	14 255	14 255
Computer Equipment	961	864	1 029	1 360	1 360	1 360	1 360	1 420	1 485	1 485
Electrical Infrastructure	10	4	4	9	9	9	9	10	10	10
Furniture and Office Equipment	342	265	393	334	334	334	334	349	365	365
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Investment Property	393	394	393	357	357	357	357	373	390	390
Land	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	1 536	1 042	1 160	1 403	1 403	1 403	1 403	1 466	1 532	1 532
Other Assets	1 200	1 602	1 660	4 043	4 043	4 043	4 043	4 223	4 415	4 415
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure	14 402	14 929	15 222	14 051	15 251	15 251	15 251	15 929	16 654	16 654
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	644	2 182	782	562	562	562	562	587	613	613
Storm water Infrastructure	2 870	4 733	4 648	3 701	3 701	3 701	3 701	3 866	4 041	4 041
Transport Assets	1 808	1 908	2 607	2 975	2 975	2 975	2 975	3 107	3 249	3 249
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Zoo, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Depreciation	34 728	41 451	42 002	41 848	43 048	43 048	43 048	44 964	47 010	47 010



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-
Computer Equipment	1	6	-	25	25	25	25	26	27	27
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	1	2	-	9	9	9	9	9	10	10
Housing	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	881	881	881	881	920	962	962
Other Assets	-	-	-	-	-	-	-	-	-	-
Rails Infrastructure	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure	2 290	1 046	417	72	72	72	72	75	79	79
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	2 363	2 073	7 247	36	36	36	36	37	39	39
Transport Assets	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	-
Zoo, Marine and Non-biological Assets	-	-	-	-	-	-	-	-	-	-
Total Property, Plant and Equipment	4 656	3 127	7 664	1 023	1 023	1 023	1 023	1 068	1 117	1 117
Total Capital Impairment Losses and Reversals	4 656	3 127	7 664	1 023	1 023	1 023	1 023	1 068	1 117	1 117
Total Depreciation, Amortisation and Impairment	39 435	44 812	49 700	42 917	44 117	44 117	44 117	46 080	48 177	48 177
Interest, Dividends and Rent on Land										
Dividends Paid	-	-	-	-	-	-	-	-	-	-
Interest Paid	19	6	1 178	2 367	2 367	2 367	2 367	2 203	2 303	2 303
Rent on Land	-	-	-	-	-	-	-	-	-	-
Total Interest, Dividends and Rent on Land	19	6	1 178	2 367	2 367	2 367	2 367	2 203	2 303	2 303
Contracted Services										
Consultants and Professional Services	8 679	8 934	5 688	12 537	14 647	14 647	14 647	10 938	11 435	11 479
Contractors	75 726	56 328	55 114	46 955	47 295	47 295	47 295	45 580	47 338	47 358
Outsourced Services	36 757	41 137	46 740	61 474	54 794	54 794	54 794	49 038	51 269	51 333
Total Contracted Services	121 162	106 399	107 543	120 965	116 735	116 735	116 735	105 555	110 042	110 170
Transfers and Subsidies										
Capital										
Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-
Operational										
Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations	650	3 004	3 309	4 769	5 286	5 286	5 286	4 330	4 527	4 527
Total Operational	650	3 004	3 309	4 769	5 286	5 286	5 286	4 330	4 527	4 527
Total Transfers and Subsidies	650	3 004	3 309	4 769	5 286	5 286	5 286	4 330	4 527	4 527
Irrecoverable Debts Written Off										
Bad debt written off	-	-	-	-	-	-	-	-	-	-
Exchange										
Electricity	-	-	-	-	-	-	-	-	-	-
Non Specific Accounts	-	-	5 076	-	-	-	-	-	-	0
Waste Management	-	-	37	-	-	-	-	-	-	0
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Total Exchange	-	-	5 112	-	-	-	-	-	-	0
Non-exchange										
Non Specific Accounts	-	-	-	-	-	-	-	-	-	-
Property Rates	-	-	21 307	-	-	-	-	-	-	0
Service Charges	-	-	-	-	-	-	-	-	-	-
Total Non-exchange	-	-	21 307	-	-	-	-	-	-	0
Total Irrecoverable Debts Written Off	-	-	26 419	-	-	-	-	-	-	0
Operational Cost and Other Cost										
Operational Cost										



UMDONI MUNICIPALITY

DRAFT BUDGET DOCUMENTATION FOR THE 2026/2027 BUDGET YEAR

Achievements and Awards	-	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing	915	554	937	1 221	966	966	966	1 009	1 054	1 056
Assets less than the Capitalisation Threshold	26	-	-	70	-	-	-	-	-	0
Atmospheric Emission Licence	-	-	-	-	-	-	-	-	-	-
Bank Charges, Facility and Card Fees	285	415	295	364	364	364	364	380	397	397
Bargaining Council	-	-	-	-	-	-	-	-	-	-
Bond Issue Amortisation Costs	-	-	-	-	-	-	-	-	-	-
Brokers Fees	-	-	-	-	-	-	-	-	-	-
Bursaries (Employees)	34	-	-	450	340	340	340	330	345	345
Cash Discount	-	-	-	-	-	-	-	-	-	-
Cleaning Services	-	-	-	-	-	-	-	-	-	-
Commission	163	159	153	198	198	198	198	200	209	209
Communication	2 549	1 591	1 673	2 497	1 891	1 891	1 891	1 946	2 034	2 034
Contribution to Provisions	-	-	-	-	-	-	-	-	-	-
Copy Right Fees	-	-	-	-	-	-	-	-	-	-
Cost relating to the Sale of Houses	-	-	-	-	-	-	-	-	-	-
Courier and Delivery Services	-	-	-	-	-	-	-	-	-	-
Deeds	-	-	-	-	-	-	-	-	-	-
Drivers Licences and Permits	1 036	485	494	880	500	500	500	480	502	502
Dumping Fees (District Council)	-	-	-	-	-	-	-	-	-	-
Electricity Compliance Certificate	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Entrance Fees	-	-	-	-	-	-	-	-	-	-
Environmental Levy	-	-	-	-	-	-	-	-	-	-
Eskom Connection Fees	-	-	-	-	-	-	-	-	-	-
External Audit Fees	2 643	2 524	4 496	2 800	4 300	4 300	4 300	4 400	4 600	4 600
External Computer Service	3 446	4 596	7 377	8 263	6 367	6 367	6 367	3 378	3 532	3 532
Fines and Penalties	-	-	-	-	-	-	-	-	-	-
Firearm Handling Fees	-	37	26	36	36	36	36	66	69	69
Freight Services	-	-	-	-	-	-	-	-	-	-
Full Time Union Representative	-	-	-	-	-	-	-	-	-	-
Hire Charges	1 441	2 631	1 657	1 688	2 542	2 542	2 542	1 515	1 584	1 584
Honoraria (Voluntarily Workers)	-	-	-	-	-	-	-	-	-	-
Indigent Relief	1 012	1 155	592	1 614	1 614	1 614	1 614	1 686	1 763	1 763
Insurance Underwriting	2 715	2 901	3 703	3 486	3 906	3 906	3 906	4 000	4 182	4 182
Capitalisation of Wet Fuel Costs (Credit Account)	-	-	-	-	-	-	-	-	-	-
Land Alienation Costs	-	-	-	-	-	-	-	-	-	-
Learnerships and Internships	-	-	-	-	-	-	-	-	-	-
Levies Paid - Water Resource Management Charges	-	-	-	-	-	-	-	-	-	-
Licences	767	550	551	855	855	855	855	600	627	627
Management Fee	3 912	1 941	1 974	2 000	2 072	2 072	2 072	2 073	2 167	2 167
Municipal Services	12 385	12 951	16 381	15 999	18 299	18 299	18 299	16 350	17 094	17 094
Printing, Publications and Books	1 709	1 645	3 498	120	283	283	283	251	262	262
Professional Bodies, Membership and Subscription	-	-	-	-	-	-	-	-	-	-
Registration Fees	599	549	511	1 095	1 135	1 135	1 135	1 231	1 287	1 291
Search Fees	-	-	-	-	-	-	-	-	-	-
Sealing Allowance for Traditional Leaders	-	-	15	72	50	50	50	72	75	75
Servitudes and Land Surveys	-	-	-	-	-	-	-	-	-	-
Signage	234	319	241	759	614	614	614	474	496	496
Skills Development Fund Levy	1 242	1 310	1 504	1 625	1 625	1 625	1 625	1 338	1 530	1 530
Small Differences Tolerances	-	-	-	-	-	-	-	-	-	-
Storage of Assets and Goods	-	-	-	-	-	-	-	-	-	-
Storage of Files (Archiving)	63	161	151	180	180	180	180	170	178	178
Supplier Development Programme	-	-	-	-	-	-	-	-	-	-
Travel and Subsistence	749	821	1 091	1 578	1 749	1 749	1 749	1 476	1 543	1 544
Uniform and Protective Clothing	2 210	3 673	3 690	4 150	3 848	3 848	3 848	3 000	3 137	3 137
Vehicle Tracking	10	47	120	252	282	282	282	280	293	293
Ward Committees	2 212	2 108	2 105	2 226	1 926	1 926	1 926	2 000	2 091	2 091
Warrantless and Guarantees	-	-	-	-	-	-	-	-	-	-
Wet Fuel	8 424	8 403	6 896	7 000	6 650	6 650	6 650	7 000	7 319	7 319
Witness Fees	-	-	-	-	-	-	-	-	-	-
Workmens Compensation Fund	1 414	1 293	1 097	1 500	1 500	1 500	1 500	1 600	1 673	1 673
Total Operational Cost	52 195	52 818	61 227	62 987	64 092	64 092	64 092	57 305	60 043	60 048
Operating Leases										
Libraries	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	1 650	2 434	222	3 650	3 450	3 450	3 450	3 400	3 555	3 555
Other Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Zoo, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Operating Leases	1 650	2 434	222	3 650	3 450	3 450	3 450	3 400	3 555	3 555
Discontinued Operations										
Statutory Payments other than Income Taxes	-	-	-	-	-	-	-	-	-	-
Total Operational Cost and Other Cost	53 845	55 252	61 449	66 637	67 542	67 542	67 542	60 705	63 598	63 603
Disposal of Fixed and Intangible Assets										
Total Other Losses										
Total Expenditure	378 764	384 746	436 280	444 016	461 603	461 603	461 603	454 684	475 186	475 348
Surplus/(Deficit)	(33 945)	(20 692)	(45 368)	(45 426)	(55 046)	(55 046)	(55 046)	(44 955)	(50 222)	(50 384)
Transfers and subsidies - capital (monetary allocations)										
Households	-	-	-	-	-	-	-	-	-	-
National Government	42 709	36 171	41 427	35 462	45 740	45 740	45 740	35 874	39 561	39 561
Non-Profit Institutions	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-	-
Provincial Governments	-	-	-	1 000	1 000	1 000	1 000	-	-	0
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Transfers and subsidies - capital (monetary allocations)	42 709	36 171	41 427	36 462	46 740	46 740	46 740	35 874	39 561	39 561
Transfers and subsidies - capital (in-kind)										
Total Transfers and subsidies - capital (in-kind)										
Surplus/(Deficit) after capital transfers and contributions	8 764	15 480	(3 941)	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Income Tax										
Continuing Operations	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Income Tax										
Surplus/(Deficit) after income tax	8 764	15 480	(3 941)	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	8 764	15 480	(3 941)	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	8 764	15 480	(3 941)	(8 964)	(8 306)	(8 306)	(8 306)	(9 081)	(10 661)	(10 823)
Repairs and Maintenance by Expenditure Item										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)	816	2 558	2 285	3 248	3 248	3 248	3 248	2 108	2 204	2 204
Contracted Services	70 820	49 582	48 915	41 141	39 891	39 891	39 891	38 688	40 151	40 151
Operational Costs	26	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	71 662	52 140	51 200	44 389	43 139	43 139	43 139	40 796	42 336	42 335



2.11 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, D.D Naidoo, Acting Municipal Manager of Umdoni Municipality , hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, No.56 of 2003 and, to the extent as indicated in the budget documents, the regulations made under this Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME: Mr. D.D Naidoo

ACTING MUNICIPAL MANAGER OF: UMDONI MUNICIPALITY

SIGNATURE:

DATE: 25 MARCH 2026



UMDONI MUNICIPALITY

ANNEXURE 1

Aschedule

Preparation Instructions

Municipality Name:

CFO Name:

Tel:

Fax:

E-Mail:

Budget for MTREF starting:

Budget Year: 2026/27

Does this municipality have Entities?

If YES: Identify type of report:

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Showing / Clearing Highlights

Important documents which provide essential assistance

[MFMA Budget Circulars](#)

[Click to view](#)

[MBRR Budget Formats Guide](#)

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[Dummy Budget Guide](#)

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KZN212 Umdoni - Contact Information
A. GENERAL INFORMATION

Municipality	KZN212 Umdoni
Grade	0
Province	KZN KWAZULU-NATAL
Web Address	www.umdoni.gov.za
e-mail Address	ddnaidoo@umdoni.gov.za

1 Grade in terms of the Remuneration of Public Office Bearers Act.
B. CONTACT INFORMATION

Postal address:	
P.O. Box	P O BOX 19
City / Town	SCOTTBURGH
Postal Code	4180
Street address	
Building	
Street No. & Name	C/O Bram Fischer & Williamson Streets
City / Town	Scottburgh
Postal Code	4180
	0
General Contacts	
Telephone number	039 976 1202
Fax number	039 976 2044

C. POLITICAL LEADERSHIP

Speaker:		Secretary/PA to the Speaker:	
ID Number	830328 6041 082	ID Number	910315 5881 082
Title	Cllr	Title	Mr
Name	Mthandeni Mbutho	Name	Mmeli Shoji
Telephone number	039 976 1202	Telephone number	039 976 1202
Cell number	073 815 7465	Cell number	060 377 8684
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	mthandenim@umdoni.gov.za	E-mail address	MmeliS@umdoni.gov.za
Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
ID Number	860404 1068 082	ID Number	900607 0591 084
Title	Cllr	Title	Ms
Name	Mbali Cele	Name	Nokuthaba Poshia Cele
Telephone number	039 976 1202	Telephone number	039 976 1202
Cell number	071 711 0827	Cell number	064 089 7483
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	MbaliC@umdoni.gov.za	E-mail address	PortiaC@umdoni.gov.za
Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
ID Number	0	ID Number	0
Title	Cllr	Title	Ms
Name	Phila Thabethe	Name	Phindile Mbambo
Telephone number	039 976 1202	Telephone number	039 976 1202
Cell number	084 030 2238	Cell number	083 243 1013
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	phile.e.thabethe@gmail.com	E-mail address	happinessphindile63@gmail.com
D. MANAGEMENT LEADERSHIP			
Municipal Manager:		Secretary/PA to the Municipal Manager:	
ID Number	0	ID Number	780307 5811 083
Title	Mr	Title	Mr
Name	DD NAIDOO	Name	Masi Stokwe
Telephone number	076 521 1118	Telephone number	039 976 1202
Cell number	076 521 1118	Cell number	083 666 3850
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	ddnaidoo@umdoni.gov.za	E-mail address	Masis@umdoni.gov.za
Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
ID Number	0	ID Number	611104 0018 086
Title	Mr	Title	Ms
Name	Thando Mketsu	Name	Lynne Bernard
Telephone number	039 976 1202	Telephone number	039 976 1202
Cell number	076 208 6809	Cell number	086 406 2497
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	thandom@umdoni.gov.za	E-mail address	lynnemb@umdoni.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number	820701 5568 085	ID Number	850708 0509 082
Title	Mr	Title	Ms
Name	Prince Ndlanzi	Name	Noma Khumalo
Telephone number	039 976 1202	Telephone number	039 976 1202
Cell number	082 644 2618	Cell number	078 428 3818
Fax number	039 976 2194	Fax number	039 976 2194
E-mail address	princen@umdoni.gov.za	E-mail address	nomak@umdoni.gov.za

Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	Official responsible for submitting financial information
ID Number	ID Number
Title	Title
Name	Name
Telephone number	Telephone number
Cell number	Cell number
Fax number	Fax number
E-mail address	E-mail address
Official responsible for submitting financial information	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

KZN212 Umdoni - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		309,482	335,893	351,290	357,087	360,817	360,817	364,041	372,192	372,192
Executive and council		162,243	173,625	182,907	182,785	182,790	182,790	178,624	177,552	177,552
Finance and administration		147,239	162,268	168,382	174,302	178,027	178,027	185,416	194,640	194,640
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11,081	12,149	16,233	12,328	25,236	25,236	12,700	13,540	13,540
Community and social services		10,606	8,756	15,805	11,777	24,615	24,615	11,907	12,711	12,711
Sport and recreation		412	2,558	391	513	583	583	793	829	829
Public safety		28	-	-	-	-	-	-	-	0
Housing		36	836	37	38	38	38	-	-	0
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62,826	56,605	65,764	54,114	54,066	54,066	49,523	58,574	58,574
Planning and development		2,428	5,071	3,878	3,931	3,956	3,956	2,269	633	633
Road transport		60,398	51,535	61,885	50,184	50,110	50,110	47,253	57,941	57,941
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		12,075	13,078	14,486	15,973	17,628	17,628	19,340	20,220	20,220
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		(11)	-	-	-	-	-	-	-	-
Waste management		12,086	13,078	14,486	15,973	17,628	17,628	19,340	20,220	20,220
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	395,463	417,727	447,772	439,503	457,748	457,748	445,603	464,525	464,525
Expenditure - Functional										
Governance and administration		183,387	201,080	206,396	211,029	222,892	222,892	187,504	196,165	196,234
Executive and council		39,698	42,278	42,240	48,130	55,125	55,125	55,390	58,062	58,062
Finance and administration		142,586	157,588	162,862	160,719	165,914	165,914	129,681	135,560	135,629
Internal audit		1,103	1,215	1,293	2,180	1,853	1,853	2,433	2,543	2,543
Community and public safety		27,987	60,116	64,584	76,515	80,856	80,856	100,546	105,119	105,143
Community and social services		(2,279)	24,625	26,339	30,189	31,522	31,522	51,755	54,110	54,130
Sport and recreation		21,449	25,720	27,923	36,601	36,911	36,911	38,627	40,382	40,382
Public safety		5,984	6,638	7,528	6,512	6,705	6,705	10,106	10,566	10,569
Housing		2,832	3,127	2,792	3,213	5,719	5,719	59	61	61
Health		-	6	-	-	-	-	-	-	-
Economic and environmental services		121,633	125,654	128,589	119,226	124,225	124,225	136,248	142,133	142,202
Planning and development		15,558	17,571	15,279	21,855	24,333	24,333	35,500	36,802	36,871
Road transport		106,075	108,083	113,310	97,371	99,891	99,891	100,748	105,332	105,332
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		34,098	36,214	30,247	42,172	38,557	38,557	30,386	31,768	31,768
Energy sources		4,480	4,560	3,984	3,400	2,900	2,900	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		85	550	645	-	-	-	-	-	-
Waste management		29,533	31,104	25,618	38,772	35,657	35,657	30,386	31,768	31,768
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	367,105	423,064	429,815	448,943	466,530	466,530	454,684	475,186	475,348
Surplus/(Deficit) for the year		28,358	(5,337)	17,957	(9,440)	(8,782)	(8,782)	(9,081)	(10,661)	(10,823)

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

KZN212 Umdoni - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote	1									
Vote 1 - Community Services		22,816	19,004	24,312	20,695	31,230	31,230	21,292	22,522	22,522
Vote 2 - Corporate Services		7,707	10,635	7,674	7,931	7,931	7,931	8,299	8,677	8,677
Vote 3 - Technical Services		60,739	57,758	68,292	58,562	62,365	62,365	58,041	69,220	69,220
Vote 4 - FINANCIAL SERVICES		139,531	149,911	161,365	166,371	170,096	170,096	177,117	185,963	185,963
Vote 5 - MUNICIPAL MANAGER		162,243	173,625	182,907	182,012	182,170	182,170	178,624	177,552	177,552
Vote 6 - Planning And Development		2,428	5,071	3,878	3,931	3,956	3,956	2,230	592	592
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	395,463	416,005	448,430	439,503	457,748	457,748	445,603	464,525	464,525
Expenditure by Vote to be appropriated	1									
Vote 1 - Community Services		63,803	94,937	101,278	121,220	122,227	122,227	127,039	132,817	132,841
Vote 2 - Corporate Services		59,278	63,749	69,445	81,545	83,132	83,132	75,899	79,330	79,389
Vote 3 - Technical Services		125,163	131,676	130,773	122,239	124,024	124,024	120,224	125,380	125,415
Vote 4 - FINANCIAL SERVICES		62,289	69,256	70,109	52,799	56,494	56,494	53,724	56,168	56,177
Vote 5 - MUNICIPAL MANAGER		41,815	44,687	44,125	51,924	58,593	58,593	57,823	60,605	60,606
Vote 6 - Planning And Development		14,756	17,037	14,743	19,214	22,060	22,060	19,976	20,885	20,920
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	367,105	421,342	430,473	448,943	466,530	466,530	454,684	475,186	475,348
Surplus/(Deficit) for the year	2	28,358	(5,337)	17,957	(9,440)	(8,782)	(8,782)	(9,081)	(10,661)	(10,823)

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

KZN212 Umdoni - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	1	-	-	-	-	-	-	0
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	10,575	11,151	12,430	14,136	15,728	15,728	15,728	16,276	17,016	17,016
Sale of Goods and Rendering of Services	2	3,326	2,863	3,675	3,310	3,363	3,363	3,363	4,688	11,281	11,281
Agency services	2	2,087	2,357	2,339	2,247	2,247	2,247	2,247	2,359	2,467	2,467
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	1,528	1,877	2,056	1,837	1,900	1,900	1,900	2,194	2,294	2,294
Interest earned from Current and Non Current Assets	2	13,513	14,608	14,037	13,000	13,000	13,000	13,000	13,500	14,175	14,175
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	7,176	6,828	7,340	7,644	7,620	7,620	7,620	8,001	8,365	8,365
Licence and permits	2	17	2	7	10	10	10	10	11	11	11
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	709	9,989	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	1,352	533	484	501	2,552	2,552	2,552	462	483	483
Non-Exchange Revenue											
Property rates	2	110,977	120,535	129,634	137,803	139,482	139,482	139,482	147,351	154,719	154,719
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	2,753	1,198	1,330	1,603	1,258	1,258	1,258	1,176	1,230	1,230
Licences or permits	2	6,846	2,951	3,104	3,272	3,565	3,565	3,565	3,743	3,914	3,914
Transfer and subsidies - Operational	2	178,131	195,692	203,943	200,570	203,178	203,178	203,178	196,943	195,334	195,334
Interest	2	8,053	12,152	14,456	12,658	12,654	12,654	12,654	13,025	13,676	13,676
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	262	-	(109)	-	-	-	-	-	-	-
Other Gains	2	1,902	1,722	(548)	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		348,500	375,178	404,168	398,590	406,557	406,557	406,557	409,729	424,964	424,964
Expenditure											
Employee related costs	2	145,634	149,861	162,243	177,968	197,911	197,911	197,911	203,770	213,040	213,065
Remuneration of councillors	2	15,271	16,330	16,853	18,539	17,539	17,539	17,539	18,320	19,154	19,154
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	4,712	7,056	6,145	7,500	7,750	7,750	7,750	6,118	6,396	6,400
Debt impairment	2,3	18,434	34,275	(263)	2,353	2,353	2,353	2,353	7,604	7,950	7,950
Depreciation, amortisation and impairment	2	(8,085)	46,058	49,764	42,917	44,117	44,117	44,117	46,080	48,177	48,177
Interest, Dividends and Rent on Land	2	588	1,764	1,178	2,367	2,367	2,367	2,367	2,203	2,303	2,303
Contracted services	2	122,880	107,545	107,543	120,965	116,735	116,735	116,735	105,555	110,042	110,170
Transfers and subsidies	2	650	3,021	3,309	4,769	5,286	5,286	5,286	4,330	4,527	4,527
Irrecoverable debts written off	2	9,057	-	26,419	-	-	-	-	-	-	0
Operational costs	2	53,845	55,252	56,497	66,637	67,542	67,542	67,542	60,705	63,598	63,603
Disposal of Fixed and Intangible Assets	2	4,119	1,901	127	-	-	-	-	-	-	-
Other Losses	2	-	-	-	-	-	-	-	-	-	-
Total Expenditure		367,105	423,064	429,815	444,016	461,603	461,603	461,603	454,684	475,186	475,348
Surplus/(Deficit)		(18,605)	(47,886)	(25,647)	(45,426)	(55,046)	(55,046)	(55,046)	(44,955)	(50,222)	(50,384)
Transfers and subsidies - capital (monetary allocations)	6	46,705	38,879	43,519	36,462	46,740	46,740	46,740	35,874	39,561	39,561
Transfers and subsidies - capital (in-kind)	6	258	3,670	85	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		28,358	(5,337)	17,957	(8,964)	(8,306)	(8,306)	(8,306)	(9,081)	(10,661)	(10,823)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		28,358	(5,337)	17,957	(8,964)	(8,306)	(8,306)	(8,306)	(9,081)	(10,661)	(10,823)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28,358	(5,337)	17,957	(8,964)	(8,306)	(8,306)	(8,306)	(9,081)	(10,661)	(10,823)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	28,358	(5,337)	17,957	(8,964)	(8,306)	(8,306)	(8,306)	(9,081)	(10,661)	(10,823)

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Community Services		-	-	-	4,170	4,170	4,170	4,170	8,774	-	0
Vote 2 - Corporate Services		-	-	-	18,652	18,348	18,348	18,348	15,348	-	-
Vote 3 - Technical Services		-	-	-	56,923	56,533	56,533	56,533	35,369	36,329	36,329
Vote 4 - FINANCIAL SERVICES		-	-	-	130	130	130	130	174	-	0
Vote 5 - MUNICIPAL MANAGER		-	-	-	87	87	87	87	87	-	0
Vote 6 - Planning And Development		-	-	-	957	957	957	957	-	-	0
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	80,919	80,224	80,224	80,224	59,751	36,329	36,329
Single-year expenditure to be appropriated	2										
Vote 1 - Community Services		237	190	4,522	-	8,981	8,981	8,981	1,174	-	0
Vote 2 - Corporate Services		232	6,248	5,007	-	304	304	304	696	-	-
Vote 3 - Technical Services		49,327	36,412	39,996	-	-	-	-	-	-	-
Vote 4 - FINANCIAL SERVICES		157	6,302	145	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL MANAGER		-	192	-	-	-	-	-	-	-	-
Vote 6 - Planning And Development		328	1,659	1,870	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		50,281	51,003	51,540	-	9,285	9,285	9,285	1,870	-	0
Total Capital Expenditure - Vote		50,281	51,003	51,540	80,919	89,509	89,509	89,509	61,621	36,329	36,329
Capital Expenditure - Functional											
Governance and administration		929	7,792	5,152	18,900	18,900	18,900	18,900	16,304	-	0
Executive and council		-	192	-	87	87	87	87	87	-	0
Finance and administration		929	7,600	5,152	18,813	18,813	18,813	18,813	16,217	-	0
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		17,255	21,345	18,119	18,674	26,731	26,731	26,731	7,600	-	0
Community and social services		4,775	13,302	11,532	15,935	23,991	23,991	23,991	2,165	-	0
Sport and recreation		12,480	8,042	2,608	2,739	2,739	2,739	2,739	1,348	-	0
Public safety		-	-	3,978	-	-	-	-	4,087	-	0
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		23,952	14,928	28,168	40,736	41,660	41,660	41,660	33,543	36,329	36,329
Planning and development		328	1,659	1,933	957	957	957	957	-	-	0
Road transport		23,624	13,268	26,235	39,779	40,704	40,704	40,704	33,543	36,329	36,329
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		8,146	6,939	101	2,609	2,218	2,218	2,218	4,174	-	0
Energy sources		-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	6,243	-	-	-	-	-	-	-	-
Waste management		8,146	696	101	2,609	2,218	2,218	2,218	4,174	-	0
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	50,281	51,003	51,540	80,919	89,509	89,509	89,509	61,621	36,329	36,329
Funded by:											
National Government		37,290	25,269	36,036	30,836	39,774	39,774	39,774	31,369	36,329	36,329
Provincial Government		3,475	1,659	1,884	870	870	870	870	-	-	0
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	40,765	26,929	37,921	31,706	40,643	40,643	40,643	31,369	36,329	36,329
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		9,487	22,905	13,620	49,213	48,866	48,866	48,866	30,252	-	0
Total Capital Funding	7	50,251	49,834	51,540	80,919	89,509	89,509	89,509	61,621	36,329	36,329

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by functional classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

KZN212 Umdoni - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents	1	161,185	146,398	149,379	144,813	112,151	112,151	112,151	122,988	119,537	127,791
Short term Investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	14,988	21,366	28,656	29,758	26,836	26,836	26,836	42,846	49,583	49,583
Receivables from non-exchange transactions	3	57,646	62,652	73,931	115,639	87,792	87,792	87,792	115,639	144,692	144,692
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	-	-	-	-	5,391	5,391	5,391	5,754	5,898	5,898
VAT Receivable	6	20,121	1,420	5,174	-	-	-	-	16,720	16,730	16,730
Other current assets	7	95	182	147	789	588	588	588	789	998	998
Total current assets		254,036	232,018	257,287	290,999	232,759	232,759	232,759	304,736	337,438	345,692
Non current assets											
Investments	8	-	-	-	-	-	-	-	-	-	-
Investment property	9	7,906	7,511	7,118	6,815	6,815	6,815	6,815	6,441	6,059	6,059
Property, plant and equipment	10	643,489	656,383	658,350	718,427	726,699	726,699	726,699	732,152	711,124	711,124
Biological assets	11	-	-	-	-	-	-	-	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	261	261	261	261	261	261	261	261	261	261
Intangible assets	14	101	71	36	(19)	(19)	(19)	(19)	(67)	(116)	(116)
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
Total non current assets		651,757	664,226	665,766	725,484	733,756	733,756	733,756	738,788	717,328	717,328
TOTAL ASSETS		905,792	896,244	923,053	1,016,483	966,515	966,515	966,515	1,043,523	1,054,766	1,063,020
LIABILITIES											
Current liabilities											
Bank overdraft	17	-	-	-	-	-	-	-	-	-	-
Financial liabilities	18	171	354	344	301	301	301	301	301	301	301
Consumer deposits	19	2,487	2,526	2,540	2,526	2,526	2,526	2,526	2,526	2,526	2,526
Trade and other payables from exchange transactions	20	62,361	57,332	56,762	171,470	168,557	168,557	168,557	79,658	88,782	88,782
Trade and other payables from non-exchange transactions	21	8,642	6,935	11,528	3,255	6,935	6,935	6,935	3,255	1,791	1,791
Provision	22	1,880	1,880	2,899	1,880	1,880	1,880	1,880	1,880	1,880	1,880
VAT Payable	23	49	179	3,256	-	-	-	-	12,126	12,790	12,790
Other current liabilities	24	2,400	2,409	3,537	-	-	-	-	1,459	1,459	1,459
Total current liabilities		77,989	71,616	80,865	179,433	180,199	180,199	180,199	101,206	109,530	109,530
Non current liabilities											
Financial liabilities	25	110	122	89	175	175	175	175	175	175	175
Provision	26	9,439	16,649	11,604	16,649	16,649	16,649	16,649	16,649	16,649	16,649
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	28,468	30,495	35,175	-	-	-	-	41,321	47,348	47,348
Total non current liabilities		38,017	47,266	46,868	16,824	16,824	16,824	16,824	58,145	64,172	64,172
TOTAL LIABILITIES		116,007	118,881	127,733	196,257	197,024	197,024	197,024	159,351	173,701	173,701
NET ASSETS		789,786	777,363	795,320	820,226	769,492	769,492	769,492	884,173	881,064	889,319
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	786,643	774,000	791,733	792,581	756,324	756,324	756,324	880,809	877,701	885,955
Reserves and funds	30	3,143	3,363	3,587	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Other	31	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	32	789,786	777,363	795,320	795,944	759,687	759,687	759,687	884,173	881,064	889,319

References

1. Detail breakdown in Table SA3.
2. Detail breakdown in Table SA3.
3. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
4. Detail breakdown in Table SA3.
5. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
6. Detail breakdown in Table SA3.

KZN212 Umdoni - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	459,875	287,459	(29,643)	131,813	102,597	102,597	102,597	122,988	119,537	127,791
Other current investments > 90 days		(298,689)	(141,060)	179,022	-	-	-	-	-	-	-
Non current Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		161,185	146,398	149,379	131,813	102,597	102,597	102,597	122,988	119,537	127,791
Application of cash and investments											
Unspent conditional transfers		8,642	6,935	11,528	5,935	6,935	6,935	6,935	3,255	1,791	1,791
Unspent borrowing		(22,918)	(12,888)	(13,052)	-	-	-	-	-	-	-
Statutory requirements	2	23,508	(23,116)	55,683	-	-	-	-	(18,123)	(17,481)	(17,481)
Other working capital requirements	3	-	-	-	139,770	144,219	144,219	144,219	(107,126)	(122,906)	(122,906)
Other provisions		4,280	4,289	6,436	1,880	1,880	1,880	1,880	1,880	1,880	1,880
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	3,143	3,363	3,587	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Total Application of cash and investments:		16,655	(21,417)	64,182	150,949	156,397	156,397	156,397	(116,750)	(133,352)	(133,352)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		144,530	167,815	85,197	(19,136)	(53,800)	(53,800)	(53,800)	239,738	252,889	261,143
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		144,530	167,815	85,197	(19,136)	(53,800)	(53,800)	(53,800)	239,738	252,889	261,143
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves - Total Reserves to be backed by cash/investments excl Valuation reserve											
Other working capital requirements											
Debtors		7,168	14,912	213	31,700	24,338	24,338	24,338	186,784	211,688	211,688
Creditors due		62,651	57,387	56,362	171,470	168,557	168,557	168,557	79,658	88,782	88,782
Total		(55,483)	(42,475)	(56,149)	(139,770)	(144,219)	(144,219)	(144,219)	107,126	122,906	122,906
Debtors collection assumptions											
Balance outstanding - debtors		72,634	84,018	102,587	145,397	114,629	114,629	114,629	158,485	194,275	194,275
Estimate of debtors collection rate		9.9%	17.7%	0.2%	21.8%	21.2%	21.2%	21.2%	117.9%	109.0%	109.0%
Long term investments committed											
Balance (Insert description; eg sinking fund)		-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments											
Housing Development Fund		2,981	3,143	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Compensation for Occupational Injuries and Diseases		-	-	-	-	-	-	-	-	-	-
Employee Benefit reserve		-	-	-	-	-	-	-	-	-	-
Non-current Provisions reserve		-	-	-	-	-	-	-	-	-	-
Valuation reserve		-	-	-	-	-	-	-	-	-	-
Investment in associate account		-	-	-	-	-	-	-	-	-	-
Capitalisation		-	-	-	-	-	-	-	-	-	-
	6	2,981	3,143	3,363	3,363	3,363	3,363	3,363	3,363	3,363	3,363

Note:
6. Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed

Total Upgrading of Existing Assets	6	14,409	(6,243)	2,608	522	2,012	2,012	1,659	21,608	21,608
<i>Roads Infrastructure</i>		1,827	(6,243)	-	522	2,012	2,012	1,659	21,608	21,608
<i>Storm water Infrastructure</i>		3,475	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		5,302	(6,243)	-	522	2,012	2,012	1,659	21,608	21,608
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		8,682	-	2,608	-	-	-	-	-	-
Community Assets		8,682	-	2,608	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		328	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		328	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		98	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	50,281	50,999	51,540	80,919	89,509	89,509	61,621	36,329	36,329
<i>Roads Infrastructure</i>		19,976	13,268	30,096	38,347	39,834	39,834	28,468	28,737	28,737
<i>Storm water Infrastructure</i>		3,475	6,243	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		23,451	19,512	30,096	38,347	39,834	39,834	28,468	28,737	28,737
Community Facilities		4,726	15,211	12,807	15,097	13,611	13,611	2,726	7,592	7,592
Sport and Recreation Facilities		12,258	7,824	2,608	-	-	-	-	-	-
Community Assets		16,984	23,035	15,415	15,097	13,611	13,611	2,726	7,592	7,592
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		886	869	-	1,052	1,052	1,052	-	-	0
Housing		-	-	-	-	-	-	-	-	-
Other Assets		886	869	-	1,052	1,052	1,052	-	-	0
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	4	-	-	-	-	-	-	-
Intangible Assets		-	4	-	-	-	-	-	-	-
Computer Equipment		457	280	784	391	478	478	304	-	-
Furniture and Office Equipment		106	602	584	1,791	1,704	1,704	2,643	-	0
Machinery and Equipment		466	1,548	660	5,283	13,873	13,873	4,391	-	0
Transport Assets		7,931	5,153	4,001	18,957	18,957	18,957	23,087	-	0
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		50,281	50,999	51,540	80,919	89,509	89,509	61,621	36,329	36,329

ASSET REGISTER SUMMARY - PPE (WDV)	5	624,363	643,945	638,531	608,676	616,948	616,948	590,785	514,562	514,562
Roads Infrastructure		233,850	251,063	252,189	236,431	244,169	244,169	221,659	206,624	206,624
Storm water Infrastructure		93,599	93,036	81,137	85,741	85,741	85,741	81,833	77,827	77,827
Electrical Infrastructure		15	11	7	(7)	(7)	(7)	(17)	(27)	(27)
Water Supply Infrastructure		-	-	-	-	-	-	-	0	0
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		8,749	13,600	12,818	12,504	12,504	12,504	11,916	11,314	11,314
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		336,212	357,711	346,152	334,669	342,407	342,407	315,392	295,738	295,738
Community Assets		173,219	168,123	175,706	142,637	142,637	142,637	128,983	114,988	114,988
Heritage Assets		7,906	7,511	7,118	261	261	261	261	261	261
Investment properties		17,343	16,619	14,920	6,815	6,815	6,815	6,441	6,059	6,059
Other Assets		-	-	-	7,005	7,886	7,886	2,776	(2,481)	(2,481)
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		101	71	36	(19)	(19)	(19)	(67)	(116)	(116)
Computer Equipment		3,703	2,646	2,386	1,256	1,343	1,343	111	(1,678)	(1,678)
Furniture and Office Equipment		1,413	1,633	1,813	4,977	4,890	4,890	7,218	4,337	4,337
Machinery and Equipment		5,435	4,265	3,766	8,330	7,983	7,983	11,297	5,358	5,358
Transport Assets		11,865	14,531	15,798	31,910	31,910	31,910	47,537	21,261	21,261
Land		67,166	70,836	70,836	70,836	70,836	70,836	70,836	70,836	70,836
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	624,363	643,945	638,531	608,676	616,948	616,948	590,785	514,562	514,562
EXPENDITURE OTHER ITEMS		106,440	93,625	93,236	86,283	86,233	86,233	85,807	89,396	89,414
Depreciation	7	34,779	41,485	42,036	41,894	43,094	43,094	45,012	47,060	47,060
Repairs and Maintenance by Asset Class	3	71,662	52,140	51,200	44,389	43,139	43,139	40,796	42,336	42,355
Roads Infrastructure		59,743	2,666	2,252	3,140	3,140	3,140	2,000	2,091	2,091
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,468	3,503	3,393	2,500	2,000	2,000	2,500	2,614	2,614
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	34,502	36,167	26,000	26,000	26,000	26,000	27,183	27,183
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		63,211	40,671	41,812	31,640	31,140	31,140	30,500	31,888	31,888
Community Facilities		388	2,304	580	1,827	969	969	2,110	2,206	2,225
Sport and Recreation Facilities		388	674	619	846	792	792	650	680	680
Community Assets		776	2,979	1,199	2,673	1,761	1,761	2,760	2,886	2,904
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		1,278	2,377	4,921	4,050	4,698	4,698	2,800	2,614	2,614
Housing		-	-	-	-	-	-	-	-	-
Other Assets		1,278	2,377	4,921	4,050	4,698	4,698	2,800	2,614	2,614
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	22	-	24	24	24	30	31	31
Furniture and Office Equipment		-	-	-	29	9	9	20	21	21
Machinery and Equipment		2,521	1,978	1,082	2,843	2,694	2,694	2,253	2,353	2,353
Transport Assets		3,876	4,114	2,186	3,130	2,814	2,814	2,433	2,544	2,544
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		106,440	93,625	93,236	86,283	86,233	86,233	85,807	89,396	89,414
Renewal and upgrading of Existing Assets as % of total capex		44.8%	17.1%	45.2%	36.6%	34.1%	34.1%	2.7%	59.5%	59.5%
Renewal and upgrading of Existing Assets as % of deprecn		64.8%	21.0%	55.4%	70.7%	70.7%	70.7%	3.7%	45.9%	45.9%
R&M as a % of PPE & Investment Property		11.6%	8.2%	8.1%	7.3%	7.0%	7.0%	6.9%	8.2%	8.2%
Renewal and upgrading and R&M as a % of PPE and Investment Property		15.3%	9.6%	11.8%	12.2%	11.9%	11.9%	7.2%	12.4%	12.4%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

KZN212 Umdoni - Table A10 Basic service delivery measurement

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		1,907	1,907	1,907	1,907	1,907	1,907	1,907	1,907	1,907
Informal Settlements		23	23	23	23	23	23	23	23	23
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		2	2	2	2	2	2	2	2	2
Refuse (removed once a week for indigent households)		23	23	23	23	23	23	23	23	23
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	25	25	25	25	25	25	25	25	25
Highest level of free service provided per household										
Property rates (R value threshold)		295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000	295,000
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		20	20	20	20	20	20	20	20	20
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		9,736	14,897	(2,581)	14,046	14,744	14,744	16,389	17,210	17,640
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	9,736	14,897	(2,581)	14,046	14,744	14,744	16,389	17,210	17,640

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share



UMDONI MUNICIPALITY

ANNEXURE 2

Detailed capital data



UMDONI MUNICIPALITY
THE J.E.W.E.L OF THE SOUTH COAST

CAPITAL BUDGET 2026-27

FINAL BUDGET TEMPLATE				MTREF 2025-26	
SECTION	UKEY	FUNDING	PROJECT DESCRIPTION		2025-26 FINAL ADJUSTED BUDGET INCL VAT
				Finance	
Finance	20210802065159	Internal funding	Furniture and Office Equipment (Desk Expenditure & SCM & Chairs for Tender room)		150,000.00
Finance	new	FMG	Laptops, Computers and Printers		
					150,000.00
				Council	
Municipal Admin	New	Internal funding	Machinery and Equipment(Camera- Comm Office)_Drone		100,000.00
Municipal Admin	New	Internal funding	Furniture & Office Equipment (Couches, Desks & chairs (OMM)		
					-
					100,000.00
				Corporate	
General Management	20210317000842	Internal funding	Laptops, Computers and Printers		550,000.00
General Management	20230719003725	Internal funding	Purchase of fleet		20,000,000.00
			Council recording system		350,000.00
General Management	20210802065128	Internal funding	Furniture and Office Equipment		550,000.00
					21,450,000.00
				Planning &	
PLANNING	20250715031233	Specify (Add grant description)	Mechanical workshop		1,000,000.00
GENERAL MANAGEMEN	20250715031064	Internal funding	Furniture and Office Equipment		100,000.00
Building Control	20250610135124	Internal funding	Machinery and Equipment		-
General Management	20240711995338	Internal funding	Laptops, Computers and Printers		
					1,100,000.00
				Technical	
Roads And Stormwater	20230719004555	Infrastructure Grant	Refurbishment Of Dumisa Community Hall And Skill Center (Ward 5)		6,737,381.05
Roads And Stormwater	20210802065851	Infrastructure Grant	Construction Of Oswanini Hall (Ward 7)		8,914,727.99
Roads And Stormwater	20230719004543	Municipal Infrastructure Grant	Construction Of Mafithini Tar Road (Ward 08)		7,281,741.03
Roads And Stormwater	20230719004540	Municipal Infrastructure Grant	Construction Of Nsongeni Tar Road (Ward 16)		6,818,958.23
Roads And Stormwater	20250715031272	Municipal Infrastructure Grant	Emaromeni Road (Ward 14)		1,340,425.92
Roads And Stormwater	20250715031248	Municipal Infrastructure Grant	Nkanini Road (Ward 19)		2,054,101.68
			Nkululeko hall		
Roads And Stormwater	20250715031266	Municipal Infrastructure Grant	Construction Of Ngwadini Community Hall (Ward 3)		-
Roads And Stormwater	20210802065839.00	Municipal Infrastructure Grant	Kwa Xulu Road (Ward 18)		2,314,264.19
Roads & Housing	20250715030958	Internal funding	2 x Double cab bakkies (Roads & Housing)		1,000,000.00
Roads And Stormwater	20220719996138	Internal funding	Rehabilitation of Roads Infrastructure		26,000,000.00
Roads And Stormwater	20210802065875	Infrastructure Grant	Mgangeni Hall		
Roads And Stormwater	20220719996150	Infrastructure Grant	Upgrading of Umzinto Sportsfield		
Roads And Stormwater	20240711995682	Internal funding	Renewal of Gardner Street		
Roads And Stormwater	20210802065842	Infrastructure Grant	Mandalalathi Hall		
Roads And Stormwater	20240711995736	Internal funding	Renewal of Court Road		
Refuse disposal	20250227064699	Internal funding	Purchase of Radios		
Roads And Stormwater	20250227064705	Internal funding	PURCHASE OF HIGH PRESSURE CLEANER		
Roads And Stormwater	20240711995332	Infrastructure Grant	PMU Office Furniture		
Roads And Stormwater	new	Internal funding	Bakkie for refuse		
Refuse disposal	20210802065026	Internal funding	Purchase of Skips * 30		2,551,235.79
					65,012,835.89
					35,461,600.10
				Communit	

Beach	20250715031024	Internal funding	Boom gates		90,000.00
Beach	20250715030961	Internal funding	2 x Beach Bakkies		800,000.00
Beach	20250715031091	Internal funding	Furniture, lifesaving & Office Equipment		450,000.00
Beach	20250715031076	Internal funding	Jojo Tanks		100,000.00
Beach	20250715031082	Internal funding	Beach Wheelchair & ramp		150,000.00
Beach	20250715031033	Internal funding	wendy houses		60,000.00
Beach	new	Internal funding	Beach Bakkies		
Beach	new	Internal funding	Quard Bike		
Beach	new	Internal funding	Office furniture		
Beach	new	Internal funding	Jojo tanks		
Beach	new	Internal funding	Life Guard Shelter_Windy house		
Beach	new	Internal funding	Swimming Pool Pumps		
Comm FACILITIES	new	Internal funding	Vehicle_Crue cap		
Comm FACILITIES	new	Internal funding	Machinery and Equipment		
Comm FACILITIES	20250715031073	Internal funding	Community Halls furniture		360,000.00
Comm FACILITIES	20250715031067	Internal funding	back up generator_Halls		1,200,000.00
Comm FACILITIES	20250715031085	Internal funding	Industrial floor washer_Umzinto town hall		50,000.00
COMMUNITY FACILITIES	20240310025331	Internal funding	Machinery and Equipment		-
Comm FACILITIES	new	Internal funding	Fidge		
LIBRARIES	20250227064702	Internal funding	Installation of water tanks		-
LIBRARIES	20210802065086	Internal funding	Printer		-
FIRE & DISASTER MAN	new	Internal funding	Machinery and Equipment		
FIRE & DISASTER MAN	new	Internal funding	Office furniture		
FIRE & DISASTER MAN	new	Internal funding	Machinery and Equipment		50,000.00
PARKS AND GARDENS	20250715031036	Internal funding	Tractor with slasher deck		1,100,000.00
PARKS AND GARDENS	20250715031030	Internal funding	Machinery and Equipment		400,000.00
BUILDING & MAINTEN	20250715031027	Internal funding	Machinery and Equipment		35,000.00
Traffic Control and Tes	new	Internal funding	Double cap Bakkie *4		
Traffic Control and Tes	new	Internal funding	Road Making Machine		
Traffic Control and Tes	new	Internal funding	Fire arms *10		
Traffic Control and Tes	new	Internal funding	Breathliser *3		
FIRE & DISASTER MAN	new	Internal funding	Single cap Bakkies_ Rescure vehicle		
FIRE & DISASTER MAN	new	Internal funding	Canopy alluminium		
FIRE & DISASTER MAN	new	Internal funding	Gym equipment		
LIBRARIES	New	Internal funding	Vehicle_7 Seater		
LIBRARIES	New	Internal funding	Jojo tanks and pumps		
LIBRARIES	New	Internal funding	Office furniture		
LIBRARIES	New	Internal funding	CCTV cameras for all libraries		
LIBRARIES	New	Internal funding	Aircorns		
FIRE & DISASTER MAN	20250227064896	Municipal Disaster Response Grant	MALANGENI BRIDGE (WARD 11)		
					-
					4,845,000.00
					92,657,835.89
SUMMARY OF THE FUNDING:					
National Grants(FMG)		Disaster grant-NATIONAL GOVERNMENT			-
National Grants(MIG)		MIG-NATIONAL GOVERNMENT			35,461,600.10
Provincial grants: EDTEA		National grant INTERNAL			1,000,000.00
Transfer from Operational Revenue(Internal Fu		FUNDING			-
					56,196,235.79
					-
					92,657,835.89



UMDONI MUNICIPALITY

ANNEXURE 3

Tariff of charges 2026-27 Draft budget



UMDONI MUNICIPALITY
TARIFF OF CHARGES
2026/2027 DRAFT

CONTENTS

No.	Description		
1	PENALTIES AND COLLECTION CHARGES		
2	ADVERTISING SIGNS		
3	ENCROACHMENTS		
4	BUILDING PLAN FEES		
5	TOWN PLANNING		
6	CAMPING		
7	SKI BOAT FEES		
8	CEMETERY		
9	HIRE OF COMMUNITY HALL		
10	REFUSE SERVICES		
11	LIBRARIES		
12	FIRE BRIGADE SERVICES		
13	TAXI/BUS RANKS		
14	JOBGING		
15	HIRE OF MUNICIPAL GROUNDS		
16	CRAFT MARKET		
17	DOG LICENCES		
18	TRAFFIC CONTROL, VEHICLE LICENCING AND TESTING		
19	GOODS IN CUSTODY		
20	SMME CO-OPERATIVES		
21	MISCELLANEOUS		
22	HUMAN SETTLEMENT		

1. PENALTIES AND COLLECTION CHARGES

PROPERTY RATES AND SERVICES:

Penalties:

Penalties for the late payment of all rates and services shall be raised in respect of any capital remaining unpaid after the final date, and shall be added to each month during which the default continues. Penalties shall be calculated in terms of the Municipal Property Rates Act.

HOUSING:

Interest on housing accounts shall be levied at 1% per month on outstanding capital payable in arrears.

Any arrears for part of a month shall be deemed, for the purpose of raising penalties and collection charges, to be equivalent to a month.

ALL TARIFFS ARE ANNUAL UNLESS SPECIFIED

VALUE ADDED TAX

Tariffs may change with the finalisation of any VAT implications, and are in Rand value, unless indicated otherwise. The Tariffs reflected in this schedule supercede all previously

2. ADVERTISING SIGNS

2026/2027

2025 / 2026

It is hereby notified that the Umdoni Municipality has amended its Determination of Charges for Advertising Signs and Hoardings with effect from **1 July 2026** as set forth hereunder. All amounts indicated below are VAT inclusive.

2.1	In terms of clause 2:				
	(i) Application fee	R 640.00		R 609.00	
2.2	In terms of clause 18.(3):				
	(i) Banner permit fee	R 957.00		R 911.00	

	(ii) Banner bulk deposit	R 893.00		R 850.00	
2.3	In terms of clause 20.(2)(a):				
	(i) Application fee	R 642.00		R 611.00	
	(ii) For sale permit	R 139.00	per board per 90 days	R 132.00	per board per 90 days
	(iii) For sale bulk deposit	R 1,622.00		R 1,544.00	
2.4	In terms of clause 20.(2)(c):				
	(i) Application fee	R 642.00		R 611.00	
	(ii) On show permit	R 132.00	per property per show day	R 125.00	per property per show day
	(iii) On show bulk deposit	R 1,783.00		R 1,698.00	
2.5	In terms of clause 20.(2)(b):				
	(i) Application fee	R 642.00		R 611.00	
	(ii) Large temporary permit	R 980.00	per board per 30 days	R 933.00	per board per 30 days
	(iii) On show bulk deposit	R 1,783.00	thereof	R 1,698.00	thereof
2.6	In terms of clause 21.(3):				
	(i) Annual encroachment fee	R 1,598.00	per sign face	R 1,521.00	per sign face
2.7	In terms of clause 24 (i.e. posters):				
	(i) Application fee	R 642.00		R 611.00	
	(ii) A poster display fee to permit the display of posters of non-profit bodies only. These posters have to display the fundraising numbers of bodies or a formal constitution has to be submitted to Council. No commercial advertising and logos of sponsors will appear on posters;	R 16.00	per poster	R 15.00	per poster
	(iii) A poster display fee to permit the display of posters for religious, sporting, social and cultural events, with commercial advertising and logos of sponsors. The commercial advertising shall not exceed 30% of the area of the poster, nor is any lettering to be larger than any other lettering;	R 34.00	per poster with a minimum fee of R396.01	R 32.00	per poster with a minimum fee of R396.01

	(iv) A bulk deposit (fully refundable on removal) for a National, Provincial or Municipal election;	R 1,622.00	per candidate	R 1,544.00	per candidate
	(v) A bulk deposit (fully refundable on removal) for a Parliamentary, Provincial or Municipal referendum/election;	R 8,106.00	per political party	R 7,720.00	per political party
	(vi) A bulk deposit (fully refundable on removal) for non-profit, religious, sporting, social and cultural bodies.	R 1,622.00	per applicant	R 1,544.00	per applicant
2.8	In terms of clause 22 (i.e. billboards):				
	(i) Application fee	R 2,904.00		R 2,765.00	
	(ii) Annual fee (Private land)	R 12,908.00		R 12,293.00	
	(iii) Annual encroachment fee (Council land)	R 30,579.00		R 29,122.00	
2.9	In terms of clause 25 (i.e. sandwich boards):				
	(i) Application fee	R 642.00		R 611.00	
	(ii) Monthly rental	R 173.00		R 164.00	
2.10	(i) Illuminated Street Name Indicators (Council owned) - In terms of Resolution A.3.2 Mar-09	R 1,874.00	per annum	R 1,784.00	per annum
	(ii) 3rd party Illuminated Street Name Indicators (Council land) Annual Fee per signface	R 1,598.00	per sign face	R 1,521.00	per sign face
	(iii) 3rd Party Illuminated Street Name Indicators (Private land) Annual fee per signface	R 1,598.00	per sign face	R 1,521.00	per sign face
2.11	(i) 3rd party Litter Bins (Council land) Annual Fee per signface	R 838.00	per annum	R 798.00	per annum
	(ii) 3rd Party Litter Bins (Private land) Annual fee per signface	R 838.00	per annum	R 798.00	per annum
2.12	Pole Mounted Litter Bins - In terms of Council approved policy on Advertising Street Furniture	R 578.00	per annum	R 550.00	per annum
2.13	Advertising Seating Benches - In terms of Council approved policy on Advertising Street Furniture	R 838.00	per annum	R 798.00	per annum
2.14	Mobile (Trailer) Signs – In terms of Council approved policy on Trailer Advertising	R 3,306.00	per annum	R 3,148.00	per annum

2.15	Street Pole Permanent Poster Placeholders – In terms of Council approved policy on Permanent Poster Placeholders	R 760.00	per sign face per annum	R 723.00	per sign face per annum
3. ENCROACHMENTS		2026 /2027		2025/2026	
3.1	Application fee	R 671.00		R 639.00	
3.2	Annual permit – Overhangs and Awnings	R 1,116.00		R 1,062.00	
3.3	Charge per square metre or part thereof for the use of verge or pavements, available and approved by Council, <i>per annum (residential)</i>	R 91.00		R 86.00	
3.4.	Charge per square metre or part thereof for the use of verge or pavements, available and approved by Council, <i>per annum (Business)</i>	R 153.00		R 145.00	
3.5	Per pedestrian gate within the Admiralty Reserve, Amenity reserve, Public Open Space, or Conservation Zone	R 1,590.00		R 1,514.00	
3.6	Charge per square metre for use of the Admiralty Reserve, Amenity reserve, Public Open Space, or Conservation Zone.	R 115.00		R 109.00	
3.7	Per boardwalk within the Admiralty or Amenity reserve	R 2,286.00		R 2,177.00	
4. BUILDING PLAN FEES		2026/ 2027		2025/2026	
4.1	New buildings per square meter of floor space or part thereof > 60m ²	R 19.00		R 18.00	
	Minimum fee up to 60m ²	R 2,932.00		R 2,792.00	

4.2	Alterations to a building where no increase in floor area is involved	R 1,119.00		R 1,065.00	
4.3	Minor works in terms of the National Building Regulations or other work not listed Incl 1 inspection	R 1,572.00		R 1,497.00	
4.4.	Amended plans where increase in floor area is involved	R 1,119.00	plus R14.72 PER M ²	R 1,065.00	plus R14.02 PER M ²
4.5	Amended plans with no increase in floor area	R 1,119.00		R 1,065.00	
4.6	Preliminary plan scrutinising fees:				
	In respect of every preliminary plan of any building intended to be erected, or any other form of construction which may be deposited for scrutiny, consideration and comment prior to the submission of the plans together with application forms, the fee payable shall be as follows:	R 471.00		R 448.00	
4.7	Temporary Buildings:				
	For each six monthly period or part thereof in respect of every temporary building or structure for the erection of which the Council's approval has been obtained for on site use during the construction of a building or dwelling	R 672.00		R 640.00	
4.8	With every application for approval of plans the property owner or his agent shall lodge the said amount to be utilized by the town Council in part of full payment for the re-instatement of the Council's property, such as tarred roads, verges, kerbing, paving etc damaged during operations, if necessary (refer to 4.14 - building deposit - construction)				
4.9	For the use of a road verge abutting the property concerned for storage of building materials, per 6 month period or part thereof for each 20m ² of verge or part thereof	R 42.00	per m ²	R 40.00	per m ²
4.10	If a plan is withdrawn or rejected and application is made thereafter to the Council, in writing, stating that it is not intended to amend and re-submit such plan, the Council may refund the verge deposit and site inspection fee only.				
4.11	For re-inspection through work not being ready for inspection or through defects, per visit, payable in advance	R 675.00		R 642.00	
	Boundary/Retaining wall plan fees on application for the approval of a boundary wall constructed of brick, cement or pre-cast cement fences:				

4.12	(a) For the first 140 linear metre or part thereof	R 1,119.00		R 1,065.00	
	(b) For every 10 linear metre or part thereof in excess of 140 linear metres	R 65.00		R 61.00	
4.13	Drainage/Foundation/Slab/Completion inspections	R 454.00		R 432.00	
4.14	Building Deposit - Construction	R 4,937.00	greater than 120 m ²	R 4,701.00	than 120 m ²
		R 3,665.00	greater than 60m ² but	R 3,490.00	than 60m ² but less than
		R 1,882.00	than and equal to 60m ²	R 1,792.00	than and equal to 60m ²
4.15	Fee for obtaining a demolition permit	R 675.00		R 642.00	
4.16	Refundable verge deposit for demolition	R 1,974.00		R 1,880.00	
4.17	Plan printing fees				
	A0	R 44.00		R 41.00	
	A1	R 29.00		R 27.00	
	A2	R 19.00		R 18.00	
	A3	R 16.00		R 15.00	
	A4	R 13.00		R 12.00	
5. TOWN PLANNING		2026/ 2027		2025/2026	
5.1.	Town Planning Scheme Clauses, per copy	R 12.00	per page	R 11.00	per page
5.2	Fee payable in respect of rezoning application in terms of the Planning and Development Act 6 of 2008.	R 649.00		R 618.00	
	Area of land to be zoned:				
	(1) 0 ha- 5ha (including minor inconsequential)				
	(2) <5000m ²	R 5,107.00		R 4,863.00	
	(3) ≥5000m ² - 5Ha	R 14,298.00		R 13,617.00	
	(4) >5ha – 10 ha	R 23,830.00		R 22,695.00	
	(5) >10ha	R 24,316.00	hectare/part thereof in	R 23,158.00	hectare/part thereof in
	Material change/cancellationj to an application				
Appeals in terms of Planning By-Law	R 1,992.00		R 1,897.00		
Advertisement is the responsibility of the applicant					
No tariffs applicable for the applications of the state					

	Provided that the foregoing fees may be adapted or waived by the Council in respect of applications brought by a charitable institution				
	Special Consent Application/Consent Application/Relaxation of space about buildings				
	LAND DEVELOPMENT APPLICATION: Special Consent				
5.3	Fee payable in respect of special consent application in terms of Section 67 bis of the Ordinance 27 of 1949 as amended	R 8,511.00		R 8,105.00	
	CONSENT				
	Relaxations to building height (non residential without letters of consent)				
	Bed and Breakfast (max 6 bedrooms)	R 8,511.00		R 8,105.00	
	Guest House	R 12,158.00	basic fee plus R665.70 per bedroom	R 11,579.00	basic fee plus R634.00 per bedroom
	Tuck shops	R 1,191.00		R 1,134.00	
	Home Business	R 1,191.00		R 1,134.00	
	RELAXATION OF SPACE ABOUT BUILDINGS, BUILDING LINES, HEIGHTS				
	Relaxation of all building lines, space about buildings, heights (only where applicable in terms of the Schems)				
	a) For Residential sites	R 1,768.00		R 1,683.00	
	b) Non-residential sites	R 11,917.00		R 11,349.00	
	c) Relaxation of height of boundry walls in excess of 3m (Residential & Non residential sites)	R 1,768.00		R 1,683.00	
	Material change/cancellation to an application	development application fee as indicated above			development application fee as indicated above
	Appeals in terms of Planning By-Law	R 1,992.00		R 1,897.00	
	Appeal (Municipal Structures Act Section 62	R 1,992.00		R 1,897.00	
	Advertising at the cost of the applicant				
	No tariffs applicable for the applications of the state				

	Provided that the foregoing fees may be adapted or waived by the Council in respect of applications brought by a charitable institution				
	Front building line and/or rear space and /or side space (with letters of consent)	R 1,768.00		R 1,683.00	
	Approval of sub divisional plans, examination and approval of Street Plans and Stormwater Drainage Services:				
	(i) Application fee for approval of Sub divisional plans:				
	Basic fee	R 5,107.00		R 4,863.00	
	Fee for additional subdivision	R 4,863.00	plus R507.15/portion	R 4,631.00	plus R483/portion
	(ii) Amendment of existing sub divisional plan	R 4,863.00	plus R507.15/portion	R 4,631.00	plus R483/portion
	LAND DEVELOPMENT APPLICATION: Removal/Amendment or Alteration of Conditions of Title or Application				
5.4	All instances where the conditions are removed automatically by law	Free		Free	
	All instances where the conditions are amended/altere d or removed	R 3,216.00		R 3,062.00	
	Material change/cancellation to an application		50% of the land development application fee as indicated above		50% of the land development application fee as indicated above
	Advertising at the cost of the applicant				
	No tariffs applicable for the applications of the state				
	Provided that the foregoing fees may be adapted or waived by the Council in respect of applications brought by a charitable institution				
5.5	Removal of restrictive Condition of title	R 3,216.00		R 3,062.00	
5.6	Sectional Title application:				
	The fee generally or specifically prescribed in terms of Section 40 of the Sectional Titles Act, 1971 (Act 66 of 1971) as amended from time to time				

	Appeal:				
	(i) Minimum fee by aggrieved applicants or other persons appealing Council decision	R 1,992.00		R 1,897.00	
	(ii) Should the objection be repudiated, all costs incurred to be borne by the applicant				
	Development Levy	2026/ 2027		2025/2026	
5.7	Consolidations in terms of the Planning and Development Act	R 1,940.00		R 1,847.00	
5.8	Road Closure and Open Space	R 2,219.00		R 2,113.00	
5.9	Zoning Certificates	R 161.00		R 153.00	
5.10	Enforcement:	R 1,879.00		R 1,789.00	
	i) Guilty of contravening the Town Planning Scheme and/ or bylaws	R 8,106.00	additional R66. per day	R 7,720.00	R63 per day for every day
	Development of Land Outside the Scheme				
	Residential Development:				
	Unit1-4	R 2,924.00		R 2,784.00	
	Units 5-30	R 3,896.00		R 3,710.00	
	Units 31 or more	R 4,872.00		R 4,640.00	
5.11	Non Residential:				
	Commercial	R 7,795.00		R 7,423.00	
	Infrastructure	R 3,896.00		R 3,710.00	
	Agricultural	R 1,949.00		R 1,856.00	
	Religious				

	50m ² or smaller				
	Municipal Projects				
5.12	GIS Printing (Aerials and Schemes)				
	A4	R 69.00		R 65.00	
	A3	R 88.00		R 83.00	
	GIS Printing (Cadastral)				
	A4	R 35.00		R 33.00	
	A3	R 44.00		R 41.00	
	6. CAMPING AND/OR CARAVAN PARKS (VAT INCLUSIVE)	2026/ 2027		2025/2026	
	Park Rynie Campsite:				
	(i) Parking a car (Mon-Fri) per day excl public holidays	R 48.00		R 45.00	
	(ii) Parking a car / Picnic weekends and public holidays	R 110.00		R 104.00	
	(iii) Parking a car / Picnic (in season)	R 140.00		R 133.00	
6.1	(iv) Parking – Bus per day		No Buses Allowed		No Buses Allowed
	(v) Site Fees – out of season	R 325.00		R 309.00	
	(vi) Site Fees – in season	R 386.00		R 367.00	
	(vii) 1 Pole marquee 6 x 6m per pole maximum size – Out of Season		N/A		N/A
	(viii) 1 Pole marquee 6 x 6m per pole maximum size – In Season		N/A		N/A
6.2	Scottburgh Picnic Site/Beach Parking:				
	(i) Per car (out of season)	R 39.00		R 37.00	
	(ii) Per car (in season)	R 63.00		R 60.00	

6.3	Parking Permit for residents – valid for 12 months from date of issue	R 155.00		R 147.00	
6.4	Parking in season at Preston and Rocky Bay – per day	R 48.00		R 45.00	
7. SKI BOAT FEES		2026/ 2027		2025/2026	
7.1	Licence fees, payable once every five years		As per the memorandum of agreement		As per the memorandum of agreement
7.2	Tariff for launching of a ski boat – per annum		As per the memorandum of agreement		As per the memorandum of agreement
8. CEMETERY / BURIAL FEES		2025 / 2026		2024 / 2025	
8.1	Residents:				
	(i) Child (under 12 years of age, including stillborn)	R 1,271.00		R 1,210.00	
	(ii) Adult	R 2,696.00		R 2,567.00	
8.2	Non resident	R 5,516.00		R 5,253.00	
8.3	Ashes internment	R 559.00		R 532.00	
8.4	Exhumations	R 3,239.00		R 3,084.00	

8.5	Erection of tombstone (Permit fee)	R 490.00		R 466.00	
9. HIRE OF COMMUNITY HALLS		2026/ 2027		2025/2026	
	ALL TARIFFS WILL BE PER SESSION:				
9.1	Promotion of culture and education (book discussions, art evaluation, educational film shows etc):				
	(i) Scottburgh Town Hall :	R 1,159.00		R 1,103.00	
	(ii) Community Hall :	R 935.00		R 890.00	
	(iii) Umzinto Town Hall:	R 1,285.00		R 1,223.00	
	(iv) Umzinto Dining Hall:	R 1,006.00		R 958.00	
	(v) Umzinto Dining and Town Hall:	R 1,705.00		R 1,623.00	
9.2	Political meetings or meetings of a similar nature:				
	(i) Scottburgh Town Hall	R 2,894.00		R 2,756.00	
	(ii) Community Hall	R 1,173.00		R 1,117.00	
	(iii) Umzinto Town Hall	R 4,860.00		R 4,628.00	
	(iv) Umzinto Dining Hall	R 2,305.00		R 2,195.00	
	(v) Umzinto Town and Dining Hall	R 5,348.00		R 5,093.00	
9.3	Special functions (Weddings, birthdays, anniversaries, parties etc) – Weekday events (Mon-Fri until 4pm):				
	(i) Scottburgh Town Hall	R 3,086.00		R 2,939.00	
	(ii) Community Hall	R 1,216.00		R 1,158.00	
	(iii) Umzinto Town Hall	R 4,552.00		R 4,335.00	
	(iv) Umzinto Dining Hall	R 2,305.00		R 2,195.00	
	(v) Umzinto Dining and Town Hall	R 5,180.00		R 4,933.00	

	Religious services and charitable institutions (Mon-Fri until 4pm):				
9.4	(i) Scottburgh Town Hall	R 1,621.00		R 1,543.00	
	(ii) Community Hall	R 936.00		R 891.00	
	(iii) Umzinto Town Hall	R 2,110.00		R 2,009.00	
	(vi) Umzinto Dining Hall	R 1,314.00		R 1,251.00	
	(vii) Umzinto Dining and Town Hall	R 2,389.00		R 2,275.00	
	Used by commercial undertakings(Mon – Fri until 4pm):				
9.5	(i) Scottburgh Town Hall	R 5,348.00		R 5,093.00	
	(ii) Community Hall	R 1,466.00		R 1,396.00	
	(iii) Umzinto Town Hall	R 5,516.00		R 5,253.00	
	(iv) Umzinto Dining Hall	R 1,621.00		R 1,543.00	
	Weekends and Public Holidays:				
9.6	(i) Scottburgh Town Hall	R 5,556.00		R 5,291.00	
	Additional time per hour charge	R 342.00		R 325.00	
	(ii) Community Hall	R 1,690.00		R 1,609.00	
	(iii) Umzinto Town Hall	R 6,255.00		R 5,957.00	
	Additional time per hour charge	R 416.00		R 396.00	
	(iv) Umzinto Dining Hall	R 3,239.00		R 3,084.00	
	Additional time per hour charge	R 264.00		R 251.00	
	(v) Umzinto Dining and Town Hall	R 7,569.00		R 7,208.00	
	Additional time per hour charge	R 497.00		R 473.00	
	Booking fees (Deposits) payable in advance and refundable provided no damage is caused to the premises:				
	(i) Scottburgh Town Hall	R 1,671.00		R 1,591.00	

	(ii) Community Hall	R 851.00		R 810.00	
	(iii) Umzinto Town Hall	R 2,778.00		R 2,645.00	
	(iv) Umzinto Dining Hall	R 851.00		R 810.00	
	Used by Government Departments (Provincial, National, SAPS, Dept of Health, SASSA, Dept of Social Development, Home Affairs, etc (Mon-Fri until 4pm) (for official government work excl, farewells, parties, social gatherings etc)				
	(i) Scottburgh Town Hall	No Cost		No Cost	
	(ii) Community Hall	No Cost		No Cost	
9.7	(iii) Umzinto Town Hall	No Cost		No Cost	
	(iv) Umzinto Dining Hall	No Cost		No Cost	
	Senior Citizens Organisations (Mon-Fri until 4pm)				
	(i) Scottburgh Town Hall	R 209.00		R 199.00	
	(ii) Community Hall	R 70.00		R 66.00	
	(iii) Umzinto Town Hall	R 279.00		R 265.00	
	(iv) Umzinto Dining Hall	R 140.00		R 133.00	
	50% of Hire Fee on cancellation excluding non-profit and state organisations (should one month's notice be tendered then the above will not apply)				
9.8	Hire of (per session – 8 hours):				
	(i) Hire of PA system (per session)				
	(ii) Hire of air conditioner				
	(iii) Hire of video projector and screen				

9.9	Excessive cleaning after functions	R 572.00	PER HOUR	R 544.00	PER HOUR
	Capacity Per Hall:				
	Amahlongwa - 300				
	Amandawe - 300				
	Malangeni - 200				
	Shayamoya - 200				
	Umzinto (town) - 500				
	Umzinto (dining) - 200				
	Scottburgh - 300				
	10. REFUSE SERVICES: (VAT EXCLUDED)	2026/ 2027		2025/2026	
	The owner of the property shall be liable for all outstanding refuse.				
	Developed Properties:				
10.1.	Domestic: (Per single family dwelling, including farms, flats, sectional titles, and residential complexes):				
	(i) Over R 75,000	R 1,704.00		R 1,278.00	
	(ii) Under R 75,000	R 548.00		R 411.00	
10.2	Bed and Breakfasts:				
	(i) Basic	R 1,704.00		R 1,278.00	
	(ii) Per room	R 520.00		R 390.00	
	Business Industries: (includes boarding and old age establishments with central facilities)				
	(i) Micro (0 - 4 bags per week)	R 2,681.00		R 2,011.00	
	(ii) Small (5 – 12 bags per week)	R 6,287.00		R 5,987.00	

10.3	(iii) Medium (13 – 25 bags per week)	R 12,571.00		R 11,972.00	
	(iv) Large (26 - 45 bags per week)	R 18,204.00		R 17,337.00	
	(v) Macro 1 (46 – 85 bags per week)	R 32,098.00		R 30,569.00	
	(vi) Macro 2 (86 - 140 bags per week)	R 52,395.00		R 49,900.00	
	(vii) Macro 3 (141 - 200 bags per week)	R 76,527.00		R 72,882.00	
	(viii) Macro 4 (201 - 300 bags per week)	R 112,929.00		R 107,551.00	
	(ix) Macro 5 (301 - 400 bags per week)	R 148,331.00		R 141,267.00	
	(x) Macro 6 (401 – 500 bags per week)	R 182,524.00		R 173,832.00	
	(xi) Macro 7 (501 – 600 bags per week)	R 215,513.00		R 205,250.00	
	(xii) Macro 8 (601 – 700 bags per week)	R 247,294.00		R 235,518.00	
	(xiii) Macro 9 (701 – 800 bags per week)	R 277,871.00		R 264,639.00	
	(xiv) Macro 10 (800+ bags per week)	R 307,241.00		R 292,610.00	
	240 litre wheelie bin = five (5) 760mm x 910mm bags	R 1,384.00		R1,318.00	
10.4	Sports and recreation clubs, schools, welfare organisations:				
	(i) Organisations	R 2,225.00		R 1,669.00	
10.5	Vacant Sites Including farms (Irrespective of zoning or size in terms of the valuation roll)	R 467.00		R 350.00	
10.6	Commercial users disposing at landfill (VAT exclusive):				
	Domestic users using the dump more than once a week for disposal of Garden refuse				
	Solid refuse (200 kg)		N/A		N/A
	Garden Refuse (200 kg)	R 19.00		R 18.00	
	Builders Rubble (200 kg)	R 8.00		R 7.00	
	Mixed loads (200 kg)	R 19.00		R 18.00	
	Whole tyres (200 kg)		N/A		N/A

	Suitable cover (200 kg)		Free		Free
	Special Disposal (200 kg)		N/A		N/A
	Light waste (200 kg)		N/A		N/A
	Polystyrene (200 kg)		N/A		N/A
	Vehicle weighing service		N/A		N/A
	Dumping of Rubble				
	Disposal of clean soil – usable as cover material		Free		Free
10.7	Sale of Refuse Bags		N/A		N/A
10.8	Skips per removal	R 1,040.00		R 990.00	
10.9	Illegal Dumping:				
	A collection and disposal fee per 1m ³ load of refuse, waste, debris or rubble dumped.	R 3,027.00		R 2,882.00	
10.10	Sale of 240 litre Wheelie Bins:	R 1,384.00		R 1,318.00	
	11. LIBRARIES	2026/ 2027		2025/2026	
	Membership charges:				
11.1.	(i) Borrowers who reside outside the area of jurisdiction of Council, per adult, per annum	R 171.00		R 162.00	
	(ii) Children of 18 years and younger, where at least one parent is a member of the library				
	(iii) Visitors Deposit (refundable) per person Applications to be accompanied by residential address and official identity document (Maximum of 3 items)	R 243.00	per book	R 231.00	per book
	Fines:				

	The fines for each item retained beyond the specified time shall be for each day or part thereof, per item:				
	Children:				
11.2	(i) Books	R 5.00	per book	R 4.00	per book
	(ii) Video/Audio/CD		N/A		N/A
	Adult:				
	(iii) Books	R 5.00	per day	R 4.00	per day
	(iv) Video/Audio/CD	R 6.00	per day	R 5.00	per day
	Damaged books:				
	Torn pages – per page	R 9.00		R 8.00	
	Torn or lost book barcode – per barcode	R 12.00		R 11.00	
	Torn book pockets	R 12.00		R 11.00	
	Damage to book spine	R 16.00		R 15.00	
11.3	Damage to book – to be assessed on return to librarian		cost		cost
	Lost / damaged plastic covers-				
	-Small	R 9.00		R 8.00	
	-Medium	R 12.00		R 11.00	
	-Large	R 15.00		R 14.00	
11.4	Lost books:				
	Administration costs for the recovery of the above:				
	Basic charge		Cost + 10%		Cost + 10%
	Photocopy of any document, per folio:				
11.5	(i) Material from within	R 5.00		R 4.00	
	(ii) Material from outside	R 5.00		R 4.00	
	(iii) Printing (Black and White)	R 5.00		R 4.00	

	(iv) Printing Colour	R 10.00		R 9.00	
11.6	Hire of activity rooms for profit making				
	- During library hours	R 213.00	per session	R 202.00	per session
	- After hours and weekends	R 278.00	per hour	R 264.00	per hour
11.7	Deposit payable in advance and refundable provided the premises are used and no damage is caused to the premises	R 173.00		R 164.00	
12. FIRE BRIGADE SERVICES		2026/ 2027		2025/2026	
12.1.	Fire Brigade Charges:				
	(i) Call out and first hour or part thereof	R 2,760.00		R 2,628.00	
	(ii) In excess of one hour or part thereof	R 1,461.00		R 1,391.00	
12.2	For each kilometre travelled by any Council motor vehicle to or from or in connection with the fire, per vehicle	R 35.00		R 33.00	
	[False Alarms will be charged for under (i) above]				
12.3	Surcharges:				
	The following surcharges based on the tariff of charges shall be applicable:				
	(i) Fires outside the Municipal area	105%		105%	
	(ii) Fires involving inflammable substances to any large extent	105%		105%	
	(iii) Fire where high tension electrical current is concerned	75%		75%	
	(iv) Fires occurring on business premises	75%		75%	
	(v) Government and Provincial buildings excluding rateable dwellings	37%		37%	
	(vi) Government and provincial land excluding rateable land	37%		37%	

	(vii) Any chemicals used		Cost + 30%		Cost + 30%
	(viii) Re-inspection after 14 days	R 311.00		R 296.00	
	13. TAXI / BUS RANKS	2025 / 2026		2024 / 2025	
13.1	Taxi permit per year OR	R 455.00		R 433.00	
	Taxi permit per month		No per month charge		No per month charge
13.2	Water tokens				
13.3	Buses	R 1,299.00	p.a	R 1,237.00	p.a
	14. JOBBING	2026/ 2027		2025/2026	
14.1	Clearing of plots		Cost + 50%		Cost + 50%
14.2	Damage to Road, Paving, Kerbing, Guttering		Cost + 50%		Cost + 50%
14.3	Pollution Control		Cost + 50%		Cost + 50%
14.4	Other		Cost + 50%		Cost + 50%
14.5	Standard 3m wide concrete access scoop for residential area sites	R 4,497.00		R 4,282.00	
	Additional cost per m for wider entrances to a maximum of 7m	R 860.00		R 819.00	
14.6	Standard 3m wide concrete access scoop for commercial and industrial sites	R 6,756.00		R 6,434.00	
	Additional cost per m for wider entrances to a maximum of 7m	R 1,296.00		R 1,234.00	

15. HIRE OF MUNICIPAL GROUNDS		2026/ 2027		2025/2026	
Hire of ground / beaches only per day or part thereof:					
15.1	(i) Sporting, cultural, schools, charitable and religious organisations	R 486.00	per day	R 462.00	per day
	(ii) Organisations outside the Municipal Area	R 974.00	per day	R 927.00	per day
	(iii) Training sessions (per hour)	R 91.00	per hour	R 86.00	per hour
	(iv) Flea Markets	R 33.00	per stall+ R 1995.00 per day	R 31.00	per stall+ R 1900.00 per day
	(v) Political organisations	R 2,432.00	per day	R 2,316.00	per day
	(vi) Private functions/Commercial undertakings	R 2,432.00	per day	R 2,316.00	per day
	(vii) Deposit payable in advance and refundable provided the premises are used and no damage is caused to Council property.	R 3,242.00		R 3,087.00	
	(viii) Services rendered (electricity, water, and refuse)	R 486.00	per day	R 462.00	per day
	(ix) Penalty fee (should Council permission not be obtained)	R 8,658.00		R 8,245.00	
	(x) Wedding Ceremonies - only	R 486.00		R 462.00	
16. CRAFT MARKET		2026/ 2027		2025/2026	
16.1	Undercover – permit per annum	R 293.00		R 279.00	
16.2	New business application fee	R262.50		R 250 .00	
16.3	Business licence Renewal administration fee	R 210.00		R 200.00	
16.4	New trading permit application fee trading in Municipal stall	R 231.00		R 220.00	
16.5	Trading permit annual rental fee	R 231.00		R 220.00	
16.6	New trading permit application fee trading in municipal open space	R 105.00		R100.00	
16.7	Trading permit for municipal open space	R 105.00		R100.00	
16.8	New application for Spaza Shop permit	R 210.00		R200 00	

16.9	Renewal of Spaza Shops permit annual	R 210.00		R200 00	
17. DOG LICENCES		2026/ 2027		2025/2026	
17.1	(i) For each male dog and each spayed bitch	R 81.00		R 77.00	
	(ii) For any unspayed bitch	R 309.00		R 294.00	
	(iii) For every such dog in any household in local authority areas, in excess of two dogs, subject to Council consent	R 238.00		R 226.00	
	(iv) Duplicate badge	R 77.00		R 73.00	
	(v) Failure to license	R 894.00		R 851.00	
	(vi) Non-compliance with municipal animal control bylaws	R 894.00		R 851.00	
	(vii) Conveyance to Pound	R 978.00	plus cost of travel + cost at pound	R 931.00	plus cost of travel + cost at pound
18. TRAFFIC CONTROL, VEHICLE LICENCING AND TESTING		2026/ 2027		2025/2026	
18.1	Removal of motor vehicles from public roads and public space:	R 3,247.00	removal + R902.00 storage per day	R 3,092.00	removal + R859.00 storage per day
18.2	Release of impounded vehicles	R 978.00	plus all fees in 19.2	R 931.00	plus all fees in 19.2
18.3	Impounding fees per day	R 370.00	per day	R 352.00	per day
18.4	Mandatory enforcement fee		Cost + 10%		Cost + 10%
18.5	Driver's licence application fee		As per directive issued by National Department of Transport		As per directive issued by National Department of Transport
	Learner's licence application fee				
	Renewal of lost driver's card				
	Application of temporary driver's licence				

18.6	Contravention of the National Road Traffic Acts 93/1996		As per National Dept of Transport schedule		As per National Dept of Transport schedule
19. GOODS IN CUSTODY		2026/ 2027		2025/2026	
	The following charges shall be levied on goods confiscated and held in custody:				
19.1	Levy of Perishable and non-perishables	R 2,723.00	per day plus transportation and labour cost	R 2,593.00	per day plus transportation and labour cost
19.2	Abandoned vehicle	R 3,248.00	removal + R996.45 storage per day	R 3,093.00	removal + R949.00 storage per day
19.3	Livestock		To be determined in accordance with a tariff levied by a local livestock dealer plus the cost of transportation of livestock		To be determined in accordance with a tariff levied by a local livestock dealer plus the cost of transportation of livestock
19.4	Any goods confiscated and not claimed within 3 months will be sold to defray expenses.				
	Any other costs shall be determined by the Municipal Manager				
20. SMME CO-OPERATIVES		2026/ 2027		2025 / 2026	
20.1	Utilisation of the agricultural tractor by co-operatives	R 262.50	per hectare	R 250.00	per hectare

20.2	Utilisation of the disk harrow by co-operatives	R 262.50	per hectare	R 250.00	per hectare
	21. MISCELLANEOUS	2026/ 2027		2025/2026	
	The following fees shall be paid to the Town Treasurer in advance:				
21.1	Search fee, per plan, document or file produced for inspection, excluding inspection of Council's minutes	R 77.00		R 73.00	
21.2	Certified copy of extract from minutes and/or hearings per page or part thereof	R 18.00		R 17.00	
21.3	Purchase of Valuation Roll, per copy	R 5.00		R 4.00	
21.4	Purchase of Voters Roll, per ward		Cost + 10%		Cost + 10%
21.5	Extract of Bylaws, per page of part thereof	R 11.00		R 10.00	
21.6	For supply of copy of any document or copy of any document supplied with permission and the discretion of the Municipal Manager, per page or part thereof	R 11.00		R 10.00	
21.7	For the supply of any document, or copy of any documents, stores or services not elsewhere specified in the Council's Bylaws and not ordinarily provided at the cost of the Council, the charge shall be		Cost + 10%		Cost + 10%
	Plan of the Umdoni entities		Cost + 10%		Cost + 10%
	Rates Clearance Certificate				

21.8	- Electronic	R 377.00		R 359.00	
	- Manual	R 754.00		R 718.00	
	Re-issue of clearance certificate	R 308.00		R 293.00	
	Valuation Certificate	R 154.00		R 146.00	
21.9	Fees payable in respect of dishonoured cheques or other negotiable				
21.10	Transcripts:				
	Per hour or part thereof				
	Basic fee	R 742.00		R 706.00	
	In addition, per page	R 48.00		R 45.00	
21.9	Non refundable tender deposits:		As specified in the advert		As specified in the advert
	The tender documentation deposit is charged on collection of a tender document by a tenderer and is non-refundable.				
21.10	Tender Appeals and objections (refundable if appeal or objection is successful)		5 % of the awarded value of the tender; limited to R6030		5 % of the awarded value of the tender; limited to R6030
21.11	Lodging of an objection against any entry in the Valuation Roll or Supplementary Roll (Non-Refundable)				
21.12	Lodging of an appeal against any entry in the Valuation Roll or Supplementary Roll (Refundable if appeal is successful).	R 935.00			
	Forfeit of appeal deposit for late withdrawal of appeals hearing.	R 935.00		R 890.00	
	Request for a change in appeals hearing date (Non refundable)	R 380.00		R 890.00	

	Section 78 queries on property valuations	R 293.00		R 361.00	
	Deeds Searches		Cost +10%	R 279.00	Cost +10%
21.13	Application fee for notification of reasons for outcome of objection lodged (Section 53 MPRA)	R 161.00		R 153.00	
21.14	Any charge made under this tariff or rates randage which remains unpaid after the final date for payment as determined by the Council shall be liable to penalty interest as determined by Council per annum for each month or part thereof during which the charge remains unpaid; provided that, where prior arrangements have been made for the payment of such charges by monthly instalments, and the instalment due for any month remains unpaid after the last working day of that month, the penalty interest shall be calculated on the amount of such instalment then unpaid.				
22. HUMAN SETTLEMENT		2026/ 2027		2025/2026	
<u>ELECTRICITY</u>					
22.1	A Connection Fee, subject to Section 2(3) of the Electricity Supply By-Laws For single phase (230V) 40A subsidised connection with a small power distribution unit	R 615.00		R 585.00	
22.2	Disconnections Where disconnected as a result of the illegal bypassing of the meter, meter tampering or for tampering with the metering installation; per disconnection for residential connection	R 1,023.00		R 974.00	
23. RATES RANDAGES		2026 /2027		2025/2026	
	Residential	0.013192		0.012564	
	Industrial	0.016885		0.016081	
	Business and Commercial	0.019129		0.018218	

Public Service Purposes	0.017677		0.016835	
Agriculture	0.003298		0.003141	
Mining	0.019129		0.018218	
Public Benefit Organization (PBO)	0.003298		0.003141	
Multiple Purpose	Rated on dominate use			
State Owned Property	Known as Public Service Purposes		Known as Public Service Purposes	
Public Service Infrastructure	0.003298		0.003141	
Vacant	0.032980		0.031409	
The rebates applied for the financial year				
Residential (R 60,000 elective and 15,000 legislated)	R 75,000		R 75,000	
Vacant	R 15,000		R 15,000	
Disabled Persons/Pensioners/Indigent: (inclusive of R 75 000 above)	R 370,000		R 370,000	
Medium to High Density level developments (Sectional Titles and Share blocks) 4% on rates due for the financial year				
Annual payments inclusive of arrears on or before a date determined during the final budget shall be granted a discount of 3.5% of the current rates and services raised during the financial year				
5% rebate on the following categories of properties: Residential, Industrial, Commercial, Agricultural, Vacant Other				



UMDONI MUNICIPALITY

ANNEXURE 4

SDBIP_ monthly projections

SDBIP 2025/26 - Monthly Cashflows

Directorate	Total		
	Revenue	Operational Expenditure	Capital Expenditure
Vote 1 - Community Services	21,291,516	127,038,736.00	9,947,828.00
Vote 2 - Corporate Services	8,299,122	75,898,535.00	16,043,479.00
Vote 3 - Technical Services	58,041,085	120,223,644.00	35,368,609.00
Vote 4 - FINANCIAL SERVICES	177,117,274	53,723,736.00	173,913.00
Vote 5 - MUNICIPAL MANAGER	178,624,405	57,822,990.00	86,957.00
Vote 6 - Planning And Development	2,229,822	19,976,412.00	-
Grand Total	445,603,224	454,684,053.00	61,620,786.00

SDBIP 2025/26 - Monthly Cashflows

Directorate	Revenue	July		August		September		October		November
		Operational Expenditure	Capital Expenditure	Operational Expenditure	Capital Expenditure	Operational Expenditure	Capital Expenditure	Operational Expenditure	Capital Expenditure	Operational Expenditure
Vote 1 - Community Services	21,291,516	10,586,561	828,986	10,586,561	828,986	10,586,561	828,986	10,586,561	828,986	10,586,561
Vote 2 - Corporate Services	8,299,122	6,324,878	1,336,957	6,324,878	1,336,957	6,324,878	1,336,957	6,324,878	1,336,957	6,324,878
Vote 3 - Technical Services	58,041,085	10,018,637	2,947,384	10,018,637	2,947,384	10,018,637	2,947,384	10,018,637	2,947,384	10,018,637
Vote 4 - FINANCIAL SERVICES	177,117,274	4,476,978	14,493	4,476,978	14,493	4,476,978	14,493	4,476,978	14,493	4,476,978
Vote 5 - MUNICIPAL MANAGER	178,624,405	4,818,583	7,246	4,818,583	7,246	4,818,583	7,246	4,818,583	7,246	4,818,583
Vote 6 - Planning And Development	2,229,822	1,664,701	-	1,664,701	-	1,664,701	-	1,664,701	-	1,664,701
Grand Total	445,603,224	37,890,338	5,135,066	37,890,338	5,135,066	37,890,338	5,135,066	37,890,338	5,135,066	37,890,338



UMDONI MUNICIPALITY

ANNEXURE 5

Grant register

**UMDONI MUNICIPALITY
2025/2026 FINANCIAL YEAR**

SUMMARY OF UNSPENT GRANTS

DETAILS	2025/26								
	OPENNING BALANCE '01 JULY 2025	UN-APPROVED 'ROLL OVER	ALLOCATION	RECEIVED	BALANCE TO BE RECEIVED	GRANT REALISED/ SPENT	LIABILITY AS AT 28 FEBRUARY 2026	PERCENTAGE SPENT	PERCENTAGE SPENT BASED ON THE ALLOCATION RECEIVED EXCLUDING OPENING BALANCE
CONDITIONAL GRANT	11 527 722,58	-	55 851 600,00	59 765 312,82	1 180 730,43	46 386 854,88	26 416 838,50		
MIG	-	-	35 461 600,00	35 150 000,00	311 600,00	22 075 701,60	13 074 298,40	62,80%	62,80%
EPWP	-	-	1 385 000,00	1 339 869,57	45 130,43	2 620 317,90	-	195,57%	195,57%
LIBRARIES GRANT	-	-	11 554 000,00	11 291 000,00	263 000,00	11 248 546,82	42 453,18	0,00%	0,00%
FMG	-	-	2 000 000,00	2 000 000,00	-	1 238 566,74	761 433,26	61,93%	61,93%
EDTEA GRANT (UMZINTO INFORMAL TRADING PROJECT)	258,18	-	1 000 000,00	1 000 000	-	989 068,92	11 189,26	98,91%	98,91%
SMALL TOWN REHABILITATION GRANT	3 893,56	-	-	-	-	-	3 893,56	0,00%	0,00%
TITLE DEEDS RESTORATION GRANT	587 558,00	-	-	-	-	-	587 558,00	0,00%	0,00%
INEP	-	-	4 451 000,00	2 890 000	1 561 000,00	3 120 209,65	-	0,00%	0,00%
MUNICIPAL EMPLOYMENT INITIATIVE	31 147,00	-	-	1 000 000	-1 000 000,00	-	1 031 147,00	0,00%	0,00%
BEACH INFRASTRUCTURE GRANT	321 415,00	-	-	-	-	-	321 415,00	0,00%	0,00%
MUNICIPAL DISASTER RESPONSE GRANT - OPEX	123,29	-	-	-	-	-	123,29	0,00%	0,00%
MUNICIPAL DISASTER RESPONSE GRANT- CAPEX	10 278 027,55	-	-	-	-	-	10 278 027,55	0,00%	0,00%
KZN HUMAN SETTLEMENT (HOUSING)	-	-	-	5 094 443	-	5 094 443,25	-	100,00%	100,00%
ENERGY EFFICIENCY AND DEMAND-SIDE MANAGEMENT	305 300,00	-	-	-	-	-	305 300,00	0,00%	0,00%
UNCONDITIONAL GRANT	-	-	-	-	45 996 000,00	-	-		
Equitable share	-	-	182 765 000,00	136 769 000,00	45 996 000,00	-	-	-	-
TOTAL UNSPENT GRANTS	11 527 723	-	55 851 600	59 765 313	47 176 730	46 386 855	26 416 838		



UMDONI MUNICIPALITY

ANNEXURE 6

Investment register

UMDONI MUNICIPALITY

INVESTMENT REGISTER SUMMARY : 01 FEBRUARY 2026 TO 28 FEBRUARY 2026

BANK	ACCOUNT	Interest rate	TYPE OF ACCOUNT	OPENING BALANCE AS AT 01 FEBRUARY 2026	INTEREST EARNED FOR THE MONTH	INTEREST PAID	BANK CHARGES	WITHDRAWALS	TRANSFERS	CLOSING BALANCE AS AT 28 FEBRUARY 2026
ABSA	92-3600-6170	9,88%	Call Account	25 136 389,15	121 687,67					25 258 076,82
ABSA	20-816-657-26	8,51%	fixed deposit	-						-
ABSA	9 405 045 036		Call Account	39 893 772,93	306 721,57					40 200 494,50
				65 030 162,08	428 409,24	-	-	-	-	65 458 571,32
FNB	6 222 5155 391	7,75%	Call Account	25 979 706,56	137 905,02					26 117 611,58
				25 979 706,56	137 905,02	-	-	-	-	26 117 611,58
STD BANK	5 876 211 6/007	8,00%	Call Account	18 301 169,91	51 186,64			- 15 051 186,64		3 301 169,91
	5 876 211 6/015	8,05%	Call Account	17 947 368,56	49 422,50			- 15 000 000,00	51 186,64	3 047 977,70
	058762116/028	7,50%	Call Account	3 678 696,47	19 048,59					3 697 745,06
	058762116/029	7,50%	Call Account	3 005 126,49	12 136,19			- 771 592,50		2 245 670,18
	058762116/035	7,00%	Call Account	1 503 503,46	7 496,92					1 511 000,38
	058762116/037	7,70%	Fixed Deposit	-						-
				44 435 864,89	139 290,84	-	-	- 30 822 779,14	51 186,64	13 803 563,23
NEDBANK	7881017759/94	6,65%	Call Account	6 744 933,78	34 408,36					6 779 342,14
	1 766 000 029,00		Fixed Deposit	-						-
				6 744 933,78	34 408,36	-	-	-	-	6 779 342,14
				142 190 667,31	740 013,46	-	-	- 30 822 779,14	51 186,64	112 159 088,27



UMDONI MUNICIPALITY

ANNEXURE 7

Debtors recor

DEBTORS AGE ANALYSIS FEBRUARY 2026

FEBRUARY 2026								
ACCOUNT TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	OVER 120	TOTAL	DEBT %
REFUSE REMOVAL	1,047,688.33	606,196.29	491,552.90	457,533.12	1,538,527.54	13,224,716.91	17,366,215.09	7.05%
PENALTIES	373.60	9,685.62	15,818.96	21,950.71	27,500.04	6,282,843.15	6,358,172.08	2.58%
RATES(Total of all categories)	9,356,063.33	5,513,935.67	3,934,852.16	3,692,573.27	3,562,177.12	114,049,939.12	140,109,540.67	56.85%
PENALTIES	860.82	45,128.30	72,259.87	101,582.68	130,932.39	40,459,498.96	40,810,263.02	16.56%
SEWER	0.00	0.00	0.00	0.00	0.00	6,051.17	6,051.17	0.00%
PENALTIES	0.00	0.00	0.00	0.00	0.00	5,805.94	5,805.94	0.00%
HOUSING	2,960.30	2,981.05	2,981.05	2,981.05	2,981.05	815,488.45	830,372.95	0.34%
PENALTIES	0.00	0.00	0.00	0.00	0.00	164,217.94	164,217.94	0.07%
TRAFFIC FINES	222,150.00	0.00	0.00	193,100.00	0.00	15,579,790.99	15,995,040.99	6.49%
PENALTIES							0.00	0.00%
SUNDRY ACCOUNTS	790,449.60	793,212.82	785,684.48	816,451.20	823,327.23	24,649,961.23	28,659,086.56	11.63%
PENALTIES	0.00	6,436.91	12,692.65	19,551.16	26,995.05	3,042,609.23	3,108,285.00	1.26%
Sub-total	11,420,546	6,977,577	5,315,842	5,305,723	6,112,440	218,280,923	253,413,051	100.00%
ADVANCED PAYMENTS	-6,970,252.44						-6,970,252.44	-2.83%

Total	4,450,294	6,977,577	5,315,842	5,305,723	6,112,440	218,280,923	246,442,799	
% OF DEBT	1.8%	2.8%	2.2%	2.2%	2.5%	88.6%	100.00%	

PREPARED BY 1,234.42 61,250.83 100,771.48 143,084.55 185,427.48 49,954,975.22

DEBTORS AGE ANALYSIS FEBRUARY 2026

FEBRUARY 2026								
ACCOUNT TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	OVER 120	TOTAL	DEBT %
REFUSE REMOVAL	1,047,688.33	606,196.29	491,552.90	457,533.12	1,538,527.54	13,224,716.91	17,366,215.09	7.05%
PENALTIES	373.60	9,685.62	15,818.96	21,950.71	27,500.04	6,282,843.15	6,358,172.08	2.58%
GENERAL RATES	-56,354.73	0.00	0.00	0.00	0.00	9,910,376.43	9,854,021.70	4.00%
PENALTIES	0.00	0.00	0.00	0.00	0.00	9,636,915.62	9,636,915.62	3.91%
RATES-RESIDENTIAL	5,087,400.10	2,630,473.95	1,843,659.97	1,657,806.47	1,563,819.75	52,782,701.29	65,565,861.53	26.60%
PENALTIES	858.38	23,988.92	34,123.47	45,900.74	58,134.49	16,071,838.36	16,234,844.36	6.59%
RATES-INDUSTRIAL	240,991.82	129,343.34	84,803.91	67,122.83	59,454.29	1,715,910.69	2,297,626.88	0.93%
PENALTIES	0.00	1,212.63	1,581.11	1,886.27	2,229.64	368,692.98	375,602.63	0.15%
RATES-COMMERCIAL	1,313,148.28	513,310.60	356,339.70	342,258.34	328,314.12	11,343,859.25	14,197,230.29	5.76%
PENALTIES	2.44	4,126.98	6,535.41	9,463.62	11,988.24	3,703,892.75	3,736,009.44	1.52%
RATES-AGRICULTURAL	425,029.99	323,619.46	293,687.27	286,412.54	285,742.31	11,308,836.16	12,923,327.73	5.24%
PENALTIES	0.00	2,997.41	5,431.28	7,945.67	10,568.48	3,747,677.88	3,774,620.72	1.53%
RATES-FARMS COMM	0.00	0.00	0.00	0.00	0.00	24,885.67	24,885.67	0.01%
PENALTIES	0.00	0.00	0.00	0.00	0.00	13,907.26	13,907.26	0.01%
RATES-FARMS - RES	523.50	523.50	523.50	523.50	523.50	1,470,294.34	1,472,911.84	0.60%
PENALTIES	0.00	4.91	9.82	14.73	19.64	888,703.75	888,752.85	0.36%
RATES-STATE OWNED						206,934.48	206,934.48	0.08%
PENALTIES						167,990.76	167,990.76	0.07%
RATES-PSI	0.00	0.00	0.00	0.00	0.00	693,143.73	693,143.73	0.28%
PENALTIES	0.00	0.00	0.00	0.00	0.00	491,007.69	491,007.69	0.20%
RATES-PRIVATE TOWNS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
PENALTIES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
RATES-INFORMAL SETTLE	0.00	0.00	0.00	0.00	0.00	354,974.46	354,974.46	0.14%
PENALTIES	0.00	0.00	0.00	0.00	0.00	161,215.32	161,215.32	0.07%
RATES-MINING	0.00					0.00	0.00	0.00%
PENALTIES						0.00	0.00	0.00%
RATES-VACANT LAND	1,573,127.44	1,044,255.17	489,048.61	471,660.39	457,533.95	13,909,280.02	17,944,905.58	7.28%
PENALTIES	0.00	4,618.90	8,326.38	11,993.05	15,487.10	3,641,122.87	3,681,548.30	1.49%
RATES-AGRIC-S/HOLDING	0.00	0.00	0.00	0.00	0.00	497,582.82	497,582.82	0.20%
PENALTIES	0.00	0.00	0.00	0.00	0.00	207,719.75	207,719.75	0.08%
RATES-RESI-S/HOLDING	0.00	0.00	0.00	0.00	0.00	55,720.06	55,720.06	0.02%
PENALTIES	0.00	0.00	0.00	0.00	0.00	31,138.75	31,138.75	0.01%
RATES-FARMS OTHER	0.00	0.00	0.00	0.00	0.00	60,986.21	60,986.21	0.02%
PENALTIES	0.00	0.00	0.00	0.00	0.00	29,717.43	29,717.43	0.01%
RATES-POW	183.22	183.22	183.22	183.22	183.22	326,133.64	327,049.74	0.13%
PENALTIES	0.00	1.72	3.44	5.16	6.88	192,471.82	192,489.02	0.08%
RATES-P SERVICE PURPO	713,634.57	868,500.69	862,880.24	862,880.24	862,880.24	9,294,016.25	13,464,792.23	5.46%
PENALTIES		8,141.90	16,179.10	24,268.65	32,358.20	1,093,711.25	1,174,659.10	0.48%
RATES-PBO	58,379.14	3,725.74	3,725.74	3,725.74	3,725.74	94,303.62	167,585.72	0.07%
PENALTIES		34.93	69.86	104.79	139.72	11,774.72	12,124.02	0.00%
SEWER	0.00	0.00	0.00	0.00	0.00	6,051.17	6,051.17	0.00%
PENALTIES	0.00	0.00	0.00	0.00	0.00	5,805.94	5,805.94	0.00%
HOUSING	2,960.30	2,981.05	2,981.05	2,981.05	2,981.05	815,488.45	830,372.95	0.34%
PENALTIES	0.00	0.00	0.00	0.00	0.00	164,217.94	164,217.94	0.07%
V.T.S.						0.00	0.00	0.00%
PENALTIES						0.00	0.00	0.00%
TRAFFIC FINES	222,150.00	0.00	0.00	193,100.00	0.00	15,579,790.99	15,995,040.99	6.49%
PENALTIES							0.00	0.00%
SUNDRY ACCOUNTS	790,449.60	793,212.82	785,684.48	816,451.20	823,327.23	24,649,961.23	28,659,086.56	11.63%
PENALTIES	0.00	6,436.91	12,692.65	19,551.16	26,995.05	3,042,609.23	3,108,285.00	1.26%
Sub-total	11,420,545.98	6,977,576.66	5,315,842.07	5,305,723.19	6,112,440.42	218,280,923.09	253,413,051.41	
ADVANCED PAYMENTS	-6,970,252.44						-6,970,252.44	-2.83%
Total	4,450,294	6,977,577	5,315,842	5,305,723	6,112,440	218,280,923	246,442,799	100.00%
% OF DEBT	1.8%	2.8%	2.2%	2.2%	2.5%	88.6%	100.00%	

COGTA REPORT

CATEGORY OF DEBTORS

GOVERNMENT	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Older than Oct-25	Total
	1,071,322.70	1,371,494.84	1,371,633.51	1,398,773.58	1,472,782.56	36,817,782.94	43,503,790.13

HOUSEHOLDS	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Older than Oct-25	Total
	2,025,218.60	4,470,008.94	3,347,793.56	3,304,051.85	4,069,084.44	159,172,326.83	176,388,484.22

COMMERCIAL	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Older than Oct-25	Total
	1,415,307.77	1,001,696.74	462,139.50	465,684.53	419,975.35	14,546,136.09	18,310,939.98

OTHER	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	Older than Oct-25	Total
	-61,555.53	134,376.14	134,275.50	137,213.23	150,598.07	7,744,677.23	8,239,584.64

246,442,798.97



UMDONI MUNICIPALITY

ANNEXURE 8

Creditors recor

KZN212 Umdoni - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	4,047	-	-	-	-	0	-	-	-	4,047	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	4,047	-	-	-	-	0	-	-	-	4,047	-



UMDONI MUNICIPALITY

ANNEXURE 9

Bank recorcn

UMDONI MUNICIPALITY
Cashbook Reconciliation for February 2026

CASHBOOK

Balance B/fwd - 1 February 2026	-	12 771 165,75
Revenue: 40101010011		42 125 667,48
Expenditure: 40101010012	-	22 399 945,71
Other:	-	21 874,43
CASHBOOK BALANCE - 28 February 2026		<u>6 932 681,59</u>

BANK STATEMENT

Balance as per bank statement as at 28 February 2026	28/02/2026	4 783 465,94
PLUS:		
Receipts not cleared in bank	10	152 451,25
Other	4 -	45 640,34
LESS:		
Uncleared ACB	8	2 422 400,00
Outstanding cheques	0	-
Receipts in bank not recieved in cash book	22 -	379 995,26
Cash Book balance as at 28 February 2026		<u>6 932 681,59</u>
Difference		-

Verified by:

Signature:

On (dd/mm/ccyy)



UMDONI MUNICIPALITY

ANNEXURE 10

Depreciation calculations

Category	Annual Forecast	
PPE - Community assets	R	13,634,532.20
PPE - Infrastructure: Electricity	R	9,762.94
PPE - Infrastructure: Roads, pavements, bridge	R	15,929,357.19
PPE - Infrastructure: Waste management	R	4,452,027.71
PPE - Buildings	R	4,223,201.78
PPE - Computer equipment	R	1,420,188.89
PPE - Furniture and office equipment	R	349,140.84
PPE - Machinery and equipment	R	1,465,560.93
PPE - Transport assets	R	3,107,270.52
Investment Property	R	372,775.78
Intangibles	R	47,891.37
	R	<u>45,011,710.16</u>

Fin Year	Class Cost Code	Business Key	Directorate	Item	Function	Annual Forecast	Annual Forecast	SCDA Descr
2025	109020031800	20240310026163	Community Services	Patrol Facilities	Beaches and Jetties	2,254.00	2,324.00	Community Assets
2025	109020031800	20240310026184	Community Services	Public Abolition Facilities	Recreational Facilities	235,586.00	246,099.28	Community Assets
2025	109020031800	20240310026174	Community Services	Outdoor Facilities	Community Halls and Facilities	860,607.00	886,956.24	Community Assets
2025	109020031800	20240310026175	Community Services	Halls	Administrative and Corporate	6,794.00	6,166.24	Community Assets
2025	109020031800	20240310026191	Community Services	Public Facilities	Community Parks (Including	726,203.00	726,203.00	Community Assets
2025	1031020200100	20240310026173	Corporate Services	Halls	Property Services	926,139.00	967,352.19	Community Assets
2025	1012020031800	20240310026190	MUNICIPAL MANAGER	Outdoor Facilities	Mayor and Council	31,356.00	32,751.34	Community Assets
2025	1050200202200	20240310026188	Technical Services	Capital Spares	Roads	450,137.00	470,168.10	Community Assets
2025	1050200202100	20240310026182	Technical Services	Cemeteries/Crematoriums	Roads	464,115.00	484,769.12	Community Assets
2025	1050200202000	20240310026176	Technical Services	Centres	Roads	49,866.00	52,085.04	Community Assets
2025	10502002020400	20240310026178	Technical Services	Clinical/Care Centres	Roads	69,706.00	72,807.00	Community Assets
2025	10502002020300	20240310026177	Technical Services	GP/Homes	Roads	7,260.00	7,683.07	Community Assets
2025	10502002020500	20240310026179	Technical Services	Fire/Ambulance Stations	Roads	19,186.00	20,039.78	Community Assets
2025	10502002020100	20240310026174	Technical Services	Halls	Roads	5,716,661.00	6,070,968.65	Community Assets
2025	1050200203100	20240310026189	Technical Services	Indoor Facilities	Roads	139,684.00	145,899.44	Community Assets
2025	10502002021000	20240310026181	Technical Services	Libraries	Roads	627,696.00	655,837.37	Community Assets
2025	10502002021700	20240310026186	Technical Services	Markets	Roads	1,067,103.00	1,114,589.08	Community Assets
2025	10502002031800	20240310026192	Technical Services	Outdoor Facilities	Roads	53,623.00	55,382.52	Community Assets
2025	10502002021800	20240310026185	Technical Services	Public Abolition Facilities	Roads	907,907.00	948,308.66	Community Assets
2025	10502002021400	20240310026183	Technical Services	Public Open Space	Roads	677,324.00	693,014.00	Community Assets
2025	10502002022100	20240310026187	Technical Services	Taxi Ranks/Bus Terminals	Roads	58,700.00	61,312.18	Community Assets
2025	10502002020800	20240310026180	Technical Services	Testing Stations	Roads	44,672.00	49,669.60	Community Assets
							13,034,032.20	
2025	1860201860000	20240310026099	Community Services	Computer Equipment	Beaches and Jetties	949.00	991.23	Computer Equipment
2025	1860201860000	20240310026090	Community Services	Computer Equipment	Community Halls and Facilities	3,053.00	3,188.46	Computer Equipment
2025	1050201860000	20240310026096	Community Services	Computer Equipment	Fire Fighting and Protection	2,730.00	2,851.49	Computer Equipment
2025	10830201860000	20240310026088	Community Services	Computer Equipment	Administrative and Corporate	1,658.00	1,731.26	Computer Equipment
2025	1010201860000	20240310026094	Community Services	Computer Equipment	Beaches and Jetties	24,441.00	26,326.69	Computer Equipment
2025	1050201860000	20240310026097	Community Services	Computer Equipment	Community Parks (Including	811.00	833.74	Computer Equipment
2025	10430201860000	20240310026089	Community Services	Computer Equipment	Road and Traffic Regulation	13,301.00	13,892.69	Computer Equipment
2025	10310201860000	20240310026092	Corporate Services	Computer Equipment	Property Services	175,197.00	182,999.27	Computer Equipment
2025	1030201860000	20240310026110	Corporate Services	Computer Equipment	Administrative and Corporate	1,027,668.00	1,104,074.00	Computer Equipment
2025	10340201860000	20240310026094	Corporate Services	Computer Equipment	Human Resources	8,193.00	8,526.25	Computer Equipment
2025	10020201860000	20240310026093	FINANCIAL SERVICES	Computer Equipment	Finance	16,577.00	17,314.68	Computer Equipment
2025	10120201860000	20240310026095	MUNICIPAL MANAGER	Computer Equipment	Mayor and Council	3,551.00	3,709.02	Computer Equipment
2025	10110201860000	20240310026102	MUNICIPAL MANAGER	Computer Equipment	Municipal Manager, Town Se	7,115.00	7,431.62	Computer Equipment
2025	10300201860000	20240310026087	Planning AND Development	Computer Equipment	Town Planning, Building Reg	5,326.00	5,563.01	Computer Equipment
2025	10370201860000	20240310026098	Planning AND Development	Computer Equipment	Economic Development/Plan	2,305.00	2,407.57	Computer Equipment
2025	10510201860000	20240310026086	Technical Services	Computer Equipment	Administrative and Corporate	1,200.00	1,253.40	Computer Equipment
2025	10610201860000	20240310026085	Technical Services	Computer Equipment	Housing	688.00	697.73	Computer Equipment
2025	10620201860000	20240310026100	Technical Services	Computer Equipment	Solid Waste Removal	1,503.00	1,569.86	Computer Equipment
2025	10520201860000	20240310026103	Technical Services	Computer Equipment	Roads	33,537.00	35,029.45	Computer Equipment
						1,389,683.00	1,420,188.89	
2025	10520201870800	20240310026127	Technical Services	TV Networks	Roads	9,347.00	9,762.94	Electrical Infrastructure
						9,347.00	9,762.94	
2025	1060201860000	20240310026124	Community Services	Furniture and Office Eq	Beaches and Jetties	7,901.00	8,252.59	Furniture and Office Equipment
2025	1030201860000	20240310026108	Community Services	Furniture and Office Eq	Community Halls and Facilities	90,563.00	94,593.65	Furniture and Office Equipment
2025	10560201860000	20240310026113	Community Services	Furniture and Office Eq	Fire Fighting and Protection	31,678.00	33,087.67	Furniture and Office Equipment
2025	10830201860000	20240310026111	Community Services	Furniture and Office Eq	Administrative and Corporate	562.00	587.01	Furniture and Office Equipment
2025	10530201860000	20240310026103	Community Services	Furniture and Office Eq	Community Halls and Facilities	1,694.00	1,694.83	Furniture and Office Equipment
2025	1010201860000	20240310026104	Community Services	Furniture and Office Eq	Beaches and Jetties	6,313.00	6,593.03	Furniture and Office Equipment
2025	1050201860000	20240310026114	Community Services	Furniture and Office Eq	Community Parks (Including	231.00	241.28	Furniture and Office Equipment
2025	10430201860000	20240310026120	Community Services	Furniture and Office Eq	Road and Traffic Regulation	39,297.00	41,045.72	Furniture and Office Equipment
2025	10310201860000	20240310026125	Corporate Services	Furniture and Office Eq	Property Services	16,679.00	17,451.22	Furniture and Office Equipment
2025	1030201860000	20240310026105	Corporate Services	Furniture and Office Eq	Administrative and Corporate	63,197.00	66,002.97	Furniture and Office Equipment
2025	10340201860000	20240310026122	Corporate Services	Furniture and Office Eq	Human Resources	4,143.00	4,327.36	Furniture and Office Equipment
2025	10020201860000	20240310026106	FINANCIAL SERVICES	Furniture and Office Eq	Legal Services	140.00	171.09	Furniture and Office Equipment
2025	10030201860000	20240310026115	MUNICIPAL MANAGER	Furniture and Office Eq	Finance	14,449.00	15,091.88	Furniture and Office Equipment
2025	10130201860000	20240310026123	MUNICIPAL MANAGER	Furniture and Office Eq	Governance Function	24.00	25.07	Furniture and Office Equipment
2025	10120201860000	20240310026108	MUNICIPAL MANAGER	Furniture and Office Eq	Mayor and Council	3,526.00	3,682.01	Furniture and Office Equipment
2025	10110201860000	20240310026116	MUNICIPAL MANAGER	Furniture and Office Eq	Municipal Manager, Town Se	7,484.00	7,817.04	Furniture and Office Equipment
2025	10640201860000	20240310026107	MUNICIPAL MANAGER	Furniture and Office Eq	Municipal Manager, Town Se	4,255.00	4,444.35	Furniture and Office Equipment
2025	10300201860000	20240310026110	Development	Furniture and Office Eq	Town Planning, Building Reg	5,007.00	5,229.81	Furniture and Office Equipment
2025	10370201860000	20240310026112	Development	Furniture and Office Eq	Economic Development/Plan	3,442.00	3,695.17	Furniture and Office Equipment
2025	10510201860000	20240310026119	Technical Services	Furniture and Office Eq	Administrative and Corporate	3,887.00	4,059.97	Furniture and Office Equipment
2025	10610201860000	20240310026118	Technical Services	Furniture and Office Eq	Housing	1,316.00	1,374.56	Furniture and Office Equipment
2025	10620201860000	20240310026117	Technical Services	Furniture and Office Eq	Solid Waste Removal	191.00	199.90	Furniture and Office Equipment
2025	10520201860000	20240310026121	Technical Services	Furniture and Office Eq	Roads	27,787.00	29,033.02	Furniture and Office Equipment
						314,286.00	349,140.84	

2025	1030201790200	2024031020083	Corporate Services	Effluent Licenses	Administrative and Corporate	37,228.00	38,884.65	Intangible Assets
2025	1040201790200	2024031020084	Technical Services	Effluent Licenses	Administrative and Corporate	8,633.00	9,006.79	Intangible Assets
						45,861.00	47,891.44	
2025	1052021920100	2024031020132	Technical Services	Improved Properties	Roads	30,696.00	32,061.97	Investment Property
2025	1052021920300	2024031020133	Technical Services	Improved Properties	Roads	313,081.00	327,013.10	Investment Property
2025	1052021920400	2024031020134	Technical Services	Unimproved Properties	Roads	13,117.00	13,700.71	Investment Property
						366,894.00	372,775.78	
2025	1060201940000	2024031020153	Community Services	Machinery and Equip	Beaches and Jetties	16,451.50	17,183.07	Machinery and Equipment
2025	1030201940000	2024031020144	Community Services	Machinery and Equip	Community Halls and Facilities	352,899.00	368,394.11	Machinery and Equipment
2025	10550201940000	2024031020152	Community Services	Machinery and Equip	Fire Fighting and Protection	102,176.00	106,722.83	Machinery and Equipment
2025	10830201940000	2024031020156	Community Services	Machinery and Equip	Administrative and Corporate	40.00	41.76	Machinery and Equipment
2025	10530201940000	20250710011430	Community Services	Machinery and Equip	Community Halls and Facilities	48.00	48.90	Machinery and Equipment
2025	1010201940000	2024031020136	Community Services	Machinery and Equip	Records and Archives	58,370.00	62,302.33	Machinery and Equipment
2025	1050201940000	2024031020137	Community Services	Machinery and Equip	Community Parks (Locks/Is)	67,864.00	70,497.48	Machinery and Equipment
2025	10430201940000	2024031020135	Community Services	Machinery and Equip	Road and Traffic Regulation	114,820.00	119,938.89	Machinery and Equipment
2025	10310201940000	2024031020148	Corporate Services	Machinery and Equip	Property Services	207,524.00	210,774.26	Machinery and Equipment
2025	1030201940000	2024031020145	Corporate Services	Machinery and Equip	Administrative and Corporate	33,379.00	34,864.57	Machinery and Equipment
2025	10540201940000	2024031020147	Corporate Services	Machinery and Equip	Human Resources	2,132.00	2,226.87	Machinery and Equipment
2025	1020201940000	2024031020139	FINANCIAL	Machinery and Equip	Finance	99.00	103.41	Machinery and Equipment
2025	01120201940000	2024031020138	MANAGER	Machinery and Equip	Mayor and Council	11,346.00	11,850.80	Machinery and Equipment
2025	01110201940000	2024031020146	MUNICIPAL	Machinery and Equip	Municipal Manager, Town Be	6,626.00	9,008.81	Machinery and Equipment
2025	1030201940000	2024031020142	Planning and Development	Machinery and Equip	Town Planning, Building Reg	5,543.00	5,789.46	Machinery and Equipment
2025	10510201940000	2024031020151	Technical Services	Machinery and Equip	Administrative and Corporate	1,751.00	1,828.50	Machinery and Equipment
2025	10610201940000	2024031020150	Technical Services	Machinery and Equip	Housing	564.00	589.10	Machinery and Equipment
2025	1040201940000	2024031020149	Technical Services	Machinery and Equip	Administrative and Corporate	67,215.00	69,761.07	Machinery and Equipment
2025	10520201940000	2024031020140	Technical Services	Machinery and Equip	Solid Waste Removal	173,596.00	183,514.47	Machinery and Equipment
2025	1050201940000	2024031020143	Technical Services	Machinery and Equip	Roads	67,043.00	69,881.46	Machinery and Equipment
2025	10580201940000	2024031020141	Technical Services	Machinery and Equip	Street Cleaning	10,584.00	10,932.74	Machinery and Equipment
						1,483,122.00	1,486,960.93	
2025	1033020301000	20240310202196	Community Services	Municipal Offices	Community Halls and Facilities	78,958.00	82,471.63	Other Assets
2025	10502020030100	2024031020200	Community Services	Municipal Offices	Fire Fighting and Protection	191,626.00	200,163.36	Other Assets
2025	10110202030100	20240310202199	Community Services	Municipal Offices	Records and Archives	16,483.00	17,216.48	Other Assets
2025	10310202030100	20240310202003	Corporate Services	Municipal Offices	Property Services	2,562,697.00	2,676,737.49	Other Assets
2025	10302020030100	20240310202001	Corporate Services	Municipal Offices	Administrative and Corporate	555,664.00	580,391.00	Other Assets
2025	10302020030100	20240310202195	Corporate Services	Municipal Offices	Legal Services	1,140.00	1,190.23	Other Assets
2025	10202020030100	20240310202007	FINANCIAL	SERVICES	Deposits	273.00	285.14	Other Assets
2025	01120202030100	20240310202196	MANAGER	Municipal Offices	Mayor and Council	1,110.00	1,159.40	Other Assets
2025	10610202030100	20240310202197	Technical Services	Municipal Offices	Housing	12,015.00	12,549.67	Other Assets
2025	10530202031100	20240310202008	Technical Services	Capital Spares	Roads	2,398.00	2,828.61	Other Assets
2025	10520202030100	20240310202002	Technical Services	Municipal Offices	Roads	65,502.00	68,065.94	Other Assets
2025	10502020010200	20240310202009	Technical Services	Staff Housing	Roads	15,462.00	16,150.06	Other Assets
2025	10520202030800	20240310202006	Technical Services	Training Centres	Roads	150,417.00	157,110.66	Other Assets
2025	10520202030400	20240310202004	Technical Services	Workshops	Roads	163,005.00	170,298.72	Other Assets
2025	10520202030500	20240310202005	Technical Services	Yards	Roads	236,126.00	246,633.61	Other Assets
						4,843,276.00	4,933,291.75	
2025	1030201980100	20240310202166	Community Services	Roads	Community Halls and Facilities	4,190,914.00	4,383,676.67	Roads Infrastructure
2025	10430201980100	20240310202164	Community Services	Roads	Road and Traffic Regulation	5,863.00	6,123.90	Roads Infrastructure
2025	10520201980200	20240310202168	Technical Services	Road Furniture	Roads	654,133.00	683,241.90	Roads Infrastructure
2025	105020201980200	20240310202167	Technical Services	Road Structures	Roads	1,120,060.00	1,169,602.67	Roads Infrastructure
2025	10520201980100	20240310202166	Technical Services	Roads	Roads	9,273,731.00	9,686,412.43	Roads Infrastructure
						16,365,794.00	16,929,307.57	
2025	10320201980100	20240310202131	Community Services	Capital Spares	Community Halls and Facilities	800.00	860.94	Solid Waste Infrastructure
2025	1050201980100	20240310202128	Technical Services	Landfill Sites	Solid Waste Removal	77,335.00	80,995.31	Solid Waste Infrastructure
2025	10520201890400	20240310202130	Technical Services	Waste Drop-off Points	Roads	486,019.00	498,756.86	Solid Waste Infrastructure
2025	10520201890200	20240310202129	Technical Services	Waste Transfer Stations	Roads	17,052.00	17,810.61	Solid Waste Infrastructure
2025	10520201990100	20240703110208	Community Services	Drainage Collection	Community Halls and Facilities	2,318,363.00	2,422,596.54	Storm water Infrastructure
2025	10520201990200	20240310202172	Technical Services	Attenuation	Roads	619,504.00	647,071.69	Storm water Infrastructure
2025	105020201990100	20240310202170	Technical Services	Drainage Collection	Roads	613,307.00	636,149.16	Storm water Infrastructure
2025	10520201990200	20240310202171	Technical Services	Storm Water Conveya	Roads	248,633.00	259,697.17	Storm water Infrastructure
						4,362,363.00	4,462,927.51	
2025	1060201950000	20240310202157	Community Services	Transport Assets	Beaches and Jetties	205,087.00	218,391.37	Transport Assets
2025	105020201950000	20240310202158	Community Services	Transport Assets	Fire Fighting and Protection	94,432.00	98,634.24	Transport Assets
2025	1043020201950000	20240310202161	Community Services	Transport Assets	Road and Traffic Regulation	387,572.00	404,816.65	Transport Assets
2025	1036020201950000	20240310202160	Corporate Services	Transport Assets	Administrative and Corporate	297,774.00	248,354.94	Transport Assets
2025	102020201950000	20240310202159	FINANCIAL	SERVICES	Finance	111,909.00	116,886.85	Transport Assets
2025	0111020201950000	20240310202162	MUNICIPAL	MANAGER	Municipal Manager, Town Be	27,292.00	28,656.49	Transport Assets
2025	104020201950000	20240310202163	Technical Services	Transport Assets	Administrative and Corporate	1,336,780.00	1,396,276.11	Transport Assets
2025	1052020201950000	20240310202156	Technical Services	Transport Assets	Roads	2,070,633.00	2,197,868.89	Transport Assets
						43,894,056.00	45,811,710.18	



UMDONI MUNICIPALITY

ANNEXURE 11

Service delivery standards

Province: Municipality(KZN212) - Draft Schedule of Service Delivery Standards Table for Umdoni Municipality 2026/2027

Standard	Description	Service Level
Solid Waste Removal		
Premise based removal (Residential Frequency)		yes
Premise based removal (Business Frequency)		yes
Bulk Removal (Frequency)		yes
Removal Bags provided(Yes/No)		yes
Garden refuse removal Included (Yes/No)		yes
Street Cleaning Frequency in CBD		yes
Street Cleaning Frequency in areas excluding CBD		yes
How soon are public areas cleaned after events (24hours/48hours/longer)		24hours
Cleaning of illegal dumping (24hours/48hours/longer)		24hours
Recycling or environmentally friendly practices(Yes/No)		yes
Licensed landfill site(Yes/No)		
Water Service		
Water Quality rating (Blue/Green/Brown/No drop)		
Is free water available to all? (All/only to the indigent consumers)		yes
Frequency of meter reading? (per month, per year)		per month
Are estimated consumption calculated an actual consumption over (two month's/three month's/longer period)		yes
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		2months
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)		
One service connection affected (number of hours)		
Up to 5 service connection affected (number of hours)		
Up to 20 service connection affected (number of hours)		
Feeder pipe larger than 800mm (number of hours)		
What is the average minimum water flow in your municipality?		
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		
How long does it take to replace faulty water meters? (days)		
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)		
Electricity Service		
What is your electricity availability percentage on average per month?		-
Do your municipality have a ripple control in place that is operational? (Yes/No)		no
How much do you estimate is the cost saving in utilizing the ripple control system?		0
What is the frequency of meters being read? (per month, per year)		per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)		ria
On average for how long does the municipality use estimates before reverting back to actual readings? (months)		ria
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)		-
Are accounts normally calculated on actual readings? (Yes/No)		ria
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)		ria
How long does it take to replace faulty meters? (days)		ria
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)		ria
How effective is the action plan in curbing line losses? (Good/Bad)		ria
How soon does the municipality provide a quotation to a customer upon a written request? (days)		7 days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)		2 weeks
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)		2 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)		4 days
Sewerage Service		
Are your purification system effective enough to put water back in to the system after purification?		yes
To what extent do you subsidize your indigent consumers?		10%
How long does it take to restore sewerage breakages on average		
Severe overflow? (hours)		48
Sewer blocked pipes: Large pipes? (hours)		24
Sewer blocked pipes: Small pipes? (hours)		12
Spillage clean-up? (hours)		12
Replacement of manhole covers? (hours)		12
Road Infrastructure Services		
Time taken to repair a single pothole on a major road? (hours)		5
Time taken to repair a single pothole on a minor road? (hours)		5
Time taken to repair a road following an open trench service crossing? (hours)		72
Time taken to repair walkways? (hours)		3
Property valuations		
How long does it take on average from completion to the first account being issued? (one month/three months or longer)		1month
Do you have any special rating properties? (Yes/No)		no
Financial Management		
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/increase)		decrease
Are the financial statement outsourced? (Yes/No)		yes
Are there Council adopted business process structuring the flow and management of documentation leading to Trial Balance?		
How long does it take for an Tax/Invoice to be paid from the date it has been received?		30 days
Is there advance planning from SCM Unit linking all departmental plans quarterly and annually including for the next two to three years procurement plans?		yes
Administration		
Reaction time on enquiries and requests?		
Time to respond to a verbal customer enquiry or request? (working days)		
Time to respond to a written customer enquiry or request? (working days)		
Time to resolve a customer enquiry or request? (working days)		
What percentage of calls are not answered? (5%, 10% or more)		ria
How long does it take to respond to voice mails? (hours)		
Does the municipality have control over locked enquiries? (Yes/No)		
Is there a reduction in the number of complaints or not? (Yes/No)		yes
How long does it take to open an account to a new customer? (1 day/ 2 days/ a week or longer)		1day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?		
Community safety and licensing services		
How long does it take to register a vehicle? (minutes)		5
How long does it take to renew a vehicle license? (minutes)		18
How long does it take to issue a duplicate registration certificate vehicle? (minutes)		5
How long does it take to de-register a vehicle? (minutes)		5
How long does it take to renew a drivers license? (minutes)		18
What is the average reaction time of the fire service to an incident? (minutes)		11
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)		
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)		
Economic development		
How many economic development projects does the municipality drive?		
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?		
What percentage of the projects have created sustainable job security?		
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)		
Other Service delivery and communication		
Is a information package handed to the new customer? (Yes/No)		yes
Does the municipality have training or information sessions to inform the community? (Yes/No)		yes
Are customers treated in a professional and humanly manner? (Yes/No)		yes



UMDONI MUNICIPALITY

ANNEXURE 12

Circulars



Municipal Budget Circular for the 2026/27 MTREF

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Introduction:

This budget circular provides guidance to municipalities on the compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and aims to support municipalities' budget preparation processes to ensure minimum requirements are met.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

1. The South African economy and inflation targets:

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

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

Table 1: Macroeconomic performance and projections, 2023 – 2029

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate	Forecast		
CPI Inflation	6.9%	5.9%	4.4.%	3.3%	3.7%	3.3%	3.2%

Source: National Treasury Budget Review 2025.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

Headline inflation declined to 4.4 per cent in the fourth quarter of 2024/25, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 3.3 per cent in 2025/26 and 3.7 per cent in 2026/27. In the short term, reducing the inflation target to 3 per cent will result in more cuts in interest rates than would be the case under a 4.5 per cent target. Over time, a lower target will decrease inflation and inflation expectations, creating the space for permanently lower interest rates, which will support household spending and investment – boosting economic growth and job creation.

The lower inflation will support higher levels of real economic growth. South Africa's inflation target will be more in line with its trading partners and peer economies, making the economy more competitive. Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.

2. Key focus areas for the 2026/27 budget process:

2.1 Local government allocations

Over the 2026 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.7 per cent to local government. Local government funding is projected to increase from R192.9 billion in 2026/27 to R204.9 billion in 2028/29. In 2026/27, this increase comprises R110.6 billion for the local government equitable share, R17.6 billion from the general fuel levy sharing with metropolitan municipalities, and R64.6 billion for both direct and indirect conditional grants. The increased allocations to local government reflect the government's commitment to social protection as a cornerstone of its fiscal strategy, ensuring ongoing support for indigent populations and the expansion of critical infrastructure through conditional grants. These figures represent the preliminary fiscal framework outlined in the 2025 Medium Term Budget Policy Statement; final details will be provided in the 2026 Budget Review.

Notable changes to the conditional grants system

The government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These are reforms aimed at rationalising conditional grants and enhancing their effectiveness, and some have already been implemented in 2025/26 already. Reforms over the 2026 MTREF will include:

- **Electricity** – The merging of the Integrated National Electrification Programme grant and the Energy Efficiency Demand Side Management grant focuses on energy efficiency and renewable energy programmes that can lead to more sustainable energy provision and enable the achievement of long-term goals;
- **Water and sanitation** – The Water Services Infrastructure Grant, Regional Bulk Infrastructure Grant and Municipal Infrastructure Grant will be reviewed to address overlaps in water services provision;
- **Transport** – The Public Transport Network Grant will be phased out over the MTEF, and new arrangements will be explored for integrated public transport and improvements to higher-density housing to maximise benefits;
- **National Treasury grants** – The Infrastructure Skills Development Grant and Neighbourhood Development Partnership Grant will be discontinued and will be replaced with better-designed instruments that will simplify oversight, reduce administrative burden, and channel more resources to actual delivery;
- **Metro Trading Services** – An amount of R19.3 billion over the MTEF for infrastructure associated with municipal trading services will be shifted from the *Urban Settlements Development Grant* to the performance-based *Urban Development Financing Grant*; and
- **Municipal Infrastructure Grant** – there will be the introduction of a performance-based split delivery model (direct and indirect). An indirect delivery model will only be used to rebuild (not replace) municipal capacity. The role of MISA and DBSA in the indirect delivery models will be elevated, coupled with time-bound capability plans aimed at restoring direct funding.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2025 Division of Revenue Act when developing their 2026/27 MTREF calculations. It is also crucial to make considerations to the proposed amendments to baselines that were presented in the 2025 MTBPS, as they may have an impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2028/29 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2025 Division of Revenue Act for 2026/27. The Division of Revenue Bill, 2025, which includes the annexures outlining allocations to each municipality is available at:

<https://www.treasury.gov.za/documents/National%20Budget/2025May/>

The Integrated National Electrification Programme and the Energy Efficiency and Demand Side Management grant will be merged in the 2026 Budget to streamline electrification funding, while the Public Transport Network Grant will be discontinued due to its failure to meet intended

objectives. The phased changes arise from the review of local government conditional grants to address infrastructure delivery inefficiencies.

Division Of Revenue Amendment Bill, 2025 (DoRAB)

Changes to local government allocations –

Additional funding to the Municipal Disaster Recovery Grant: An additional R496 million is allocated to the Municipal Disaster Recovery Grant to support the reconstruction and rehabilitation of municipal infrastructure that was damaged by the floods and storm surges that struck the Eastern Cape between March and June 2025.

Additional funding to the Urban Development Financing Grant: An additional R2.1 billion is provided to the Urban Development Financing Grant to strengthen the metro trading services component. This allocation had already been provisionally set aside on a provisional basis when the main budget was presented in May 2025.

Roll over of funds in the Public Transport Network Grant: An amount of R303 million is rolled over in the Public Transport Network Grant to enable the eThekweni Metropolitan Municipality to proceed with essential work needed to operationalise Corridor 3 of its Integrated Public Transport Network operational.

Reprioritisation from the Urban Settlements Development Grant (USDG) – R5.7 billion, R6.4 billion and R7.2 billion are shifted in the respective years of the 2026 MTEF period from the Urban Settlements Development Grant to the Metro Trading Services component of the Urban Development Financing Grant to strengthen core utility functions.

Rescheduling of BFI funding in the Regional Bulk Infrastructure Grant (RBIG) – Over the medium term, an additional R2.1 billion is allocated to the Regional Bulk Infrastructure Grant to finance the Polokwane wastewater treatment works project through the Budget Facility for Infrastructure.

Reforms in the Municipal Infrastructure Grant (MIG) – Government is reforming MIG to control underspending, misuse of funds and capacity constraints. Municipalities with proven capacity will retain direct transfers, while those with ongoing capacity or governance failures will shift to indirect transfers through entities such as the Municipal Infrastructure Support Agency (MISA) and the Development Bank of Southern Africa (DBSA), supported by time-bound capability plans to restore direct access. This approach accelerates service delivery while strengthening long-term municipal capability.

Changes to conditional grant frameworks and allocations –

The framework of the MDRG – Recovery will be amended to ring-fence the additional funds for the reconstruction and rehabilitation of municipal infrastructure damaged by the disasters that occurred in the Eastern Cape between March and June 2025.

The framework of the *Urban Development Financing Grant* – is amended to reflect the revised 2025/26 baseline following the additional R2.1 billion for metro trading services.

Details per municipality of the changes to allocations for the municipal disaster recovery grant, urban development financing grant, and the public transport network grant that have been described in Part 2 of the explanatory memorandum to the Division of Revenue Amendment Bill will be gazetted.

All amended frameworks will be gazetted in terms of section 15(2) of the 2025 DoRA, after consulting Parliament.

2.2 Reporting requirements for Disaster Allocations, Metro Trading Services Programme (MTSP) – Rollover and the stopping and re-allocation guidelines

Reporting requirements for Disaster Allocations

The Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) provides for the unallocated funds to local government through the Municipal Disaster Response Grant schedule 7B (MDRG 7B) and the Municipal Recovery Grant schedule 5B (MDRG 5B). The main purpose of the MDRG 7B is to provide for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002) while the MDRG 5B main goal is to rehabilitate and reconstruct municipal infrastructure damaged by a disaster.

These allocations remain unallocated until a declaration of a disaster by the Minister of Cooperative Governance and Traditional Affairs (CoGTA) in terms of Section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

Section 25 of the 2025 DoRA provides that:

(3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a classified disaster, within 100 days after the date of the classification of the disaster.

(c) The National Treasury must, within 21 days after the end of the 100-day period envisaged in paragraph (a), by notice in the Gazette, publish all transfers of a Schedule 7 allocation made for a classified disaster.

(f) The funds approved in terms of paragraph (a) must be included in municipal adjustments budgets.

Any additional disaster funding that may be approved by the National Treasury also through section 19 (6) of the DoRA which states that “On a joint request by the transferring officer and the National Disaster Management Centre (NDMC), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a classified disaster or the reconstruction or rehabilitation of infrastructure damage caused by a classified disaster. Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6 allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation”. These funds will then form part of the total disaster allocation for that financial year.

Upon approval by the National Treasury either through section 25(3)(a) or section 19(6), municipalities are then required to follow all reporting prescripts in terms of DoRA. Therefore, in terms of the duties of receiving officer in respect of schedule 5 or 7 allocations, section 12 requires municipalities to report expenditure and transfers received monthly, not later than 10 working days after the end of each month. Furthermore, a municipality must submit a quarterly non-financial performance report within 30 days after the end of each quarter. Lastly, municipalities must evaluate the financial and non-financial performance of the municipality, in respect of programmes partially or fully funded by a schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2025/26 financial year applicable to a municipality.

In addition to the reporting requirements outlined in section 12 of DoRA, municipalities must also adhere to the reporting guidelines specified in the disaster management frameworks. They are required to implement all approved projects and ensure that allocated funds are used for their intended purposes. Municipalities should submit disaster assessment reports and funding requests, signed by the Accounting Officer to the Provincial Disaster Management Centre (PDMC) within fourteen (14) days of the disaster classification. Additionally, municipalities must provide a performance report, including supporting evidence (such as payment certificates, photographs, and invoices) demonstrating the progress of project implementation, to the PDMC within 30 days after the end of the quarter in which the funds were utilized.

Rollover of the Urban Development Financing Grant: Metro Trading Service Component

Rollover requests for the incentive grant and Metro Trading Services component will follow the standard conditional grant guidelines. However, cities are required to submit applications by 31 July 2026 rather than the usual 31 August deadline. Metros are additionally required to provide their bank balances / statements as at June 2026 to demonstrate that unspent funds are cash-backed (also see the additional in-year reporting requirements in paragraph 5.12 below). Further details on the criteria and guidelines will be provided in the March 2026 MFMA Circular.

2.3 Metro Trading Services Reform Incentive

Metro Trading Services Reform: Implications for the 2025/26 Adjustments Budget and 2026/27 Budget Preparation

The Metro Trading Services Reform (MTRSR) is transitioning from early implementation in 2025/26 into its first full operational year in 2026/27. The reform introduces a performance-based financing incentive through the **Metro Trading Services component of the Urban Development Financing Grant (UDFG-MTS)**, designed to improve accountability, financial management, and operational performance in water and sanitation, electricity and energy, and solid waste management.

Metro trading services are participating in the reform in two cohorts, according to year of entry into the reform:

- **Cohort 1, entering the reform in 2025/26, includes:**
 - Water and Sanitation: Buffalo City, City of Cape Town, City of Johannesburg, City of Tshwane, eThekweni and Mangaung
 - Electricity and Energy: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekweni
- **Cohort 2, entering the reform in 2026/27, includes:**
 - Solid Waste Management: all metros
 - Water and Sanitation: Ekurhuleni and Nelson Mandela Bay
 - Electricity and Energy: Mangaung and Nelson Mandela Bay

This section outlines the implications for the **2025/26 adjustments budget** and **2026/27 MTREF budget** and highlights key requirements for metros.

Implications for the 2025/26 Adjustments Budget (Cohort 1 metros)

For Cohort 1, 2025/26 is Year 1 of the MTRSR, with an in-year allocation, based on independent verification of metro compliance with reform entry requirements, to participating Water and Sanitation and Electricity and Energy trading services following the national adjustments budget in November 2025.

Key requirements for Cohort 1 metro 2025/26 adjustments budget are:

- **Provision for the UDFG-MTS allocation:** Cohort 1 metros must include the in-year UDFG-MTS allocation in their 2025/26 adjustments budget, following its approval in the 2025 National Adjusted budget/DORA amendment bill. This is the performance reward for submission and Council approval of A3-PIAP v1 and the making of the Minimum Commitments;
- **Ring-fencing and alignment with PIAP activities:** Adjusted budgets must ensure incentive funds are used for MTSP-related operational and capital reforms only. Budget shifts may be required to align spending with PIAP implementation, especially early reform activity packages and organisational readiness measures; and
- **Updating A3-PIAP-linked spending profiles:** A3-PIAP v1 (approved June 2025) contains indicative spending plans. These must now be reflected in adjustments budgets, with corresponding procurement plan adjustments where necessary. It is expected that these funds in the adjustments budget reflect reform start-up and priority spending, such as those associated with the Minimum Commitments, identified through financial modelling and in updated trading service business and investment plans. As Year 1 has a typical reporting schedule, metros must ensure internal systems are aligned to enable two quarterly spending reports and one annual performance report.

Preparing the 2026/27 Budget (Cohort 1 and Cohort 2)

For Cohort 1 metro trading services, 2026/27 is the first implementation year, to achieve performance targets set in the A3-PIAP v2 (to be Council-approved by June 2026). That performance can only be verified during 2027/28. During 2026/27, Cohort 1 performance will be verified only on maintaining of the Minimum Commitments.

Budget preparation must include:

- **Funding full A3-PIAP implementation:** Operational and capital budgets must support Year 2 reform milestones, aligned with financial models and updated business and investment plans, including strengthening core management capacity, reducing technical and commercial losses, improving revenue performance, and undertaking priority network upgrades in support of the relevant A3 PIAP indicators;
- **Integrating expected incentive revenue:** Budgets must incorporate the **verified Year 1 incentive allocation for 2026/27**, reflected under the UDFG-MTS component and aligned with relevant *m*SCOA posting level accounts; and
- **Ensuring alignment between the A3-PIAP v2 and MTREF:** A3-PIAP v2 is the binding multi-year plan for performance measurement and should drive reprioritisation within the 2026/27 MTREF. Final sectoral allocation decisions (within the permissible Water and Sanitation, Electricity and Energy and Solid Waste Management ranges) must be reflected in the tables and adopted budgets; and

Cohort 2 metros entering the programme in 2026/27 must finalise and obtain Council approval of A3-PIAP v1 by June 2026 and budget for preparatory reform activities, including any diagnostic assessments, organisational restructuring, and development of business and investment plans.

Independent Verification: role and process

The Independent Verification Agent (IVA) verifies metro performance to inform a performance score. This score is used by the grant manager to determine each trading service's share of the incentive allocation. The IVA verifies **metro performance against the Minimum Commitments** (made, achieved and maintained) and **annual performance** against scalable performance indicators.

Metros must upload all performance claims and evidence to the National Treasury's MTSR online portal (in development and scheduled for rollout in early 2026). Metros must also prepare

internal data, reporting and governance arrangements to use this portal from the first 2026 submission cycle onward.

The IVA timeline relevant to 2026/27 budgeting is as follows:

- 15 August 2026: first performance evidence uploads for 2025/26;
- 30 September 2026: final evidence uploads for 2025/26;
- 31 October 2026: IVA submits verification outcomes to NT grant manager;
- November 2026: National Steering Committee confirms results; and
- February 2027: incentive allocations communicated via Budget Allocation Letters from NT grant manager.

Streamlined and Integrated Reporting Requirements

While the MTSR includes its **own quarterly and annual reporting requirements, which are necessary for performance verification and incentive administration**, the reform has been explicitly designed to **leverage existing metro reporting systems** to avoid duplication or unnecessary administrative burden.

The MTSR therefore aligns with and draws upon: **mSCOA implementation; Section 71 monthly and quarterly reporting; MFMA Circular No. 88; and conditional grant reporting**. MTSR seeks to **minimise additional reporting** and strengthen existing systems rather than create parallel processes.

Reference to Existing Guidance

This Circular should be read together with: **MTSR Guidance Notes 1–5, MTSR Guidance, Note 4 Addendum Indicator Definition Addendum, MTSR Sector Resource Documents (W&S, E&E, SWM), the forthcoming MTSP Programme Operations Manual (POM), 2025, UDFG Framework and any further technical guidance**.

2.3 Criteria for the release of the Equitable Share

The criteria for the release of the equitable as covered in MFMA Circular No. 122 remain relevant and are still applicable to the release of equitable share instalments in the 2026/27 financial year.

Failure to comply with the criteria will result in the National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

The following criteria will be applied in relation to addressing **UIFWe** and the implementation of consequence management as required in terms of Chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings:

- The municipality's UIFWe balance (audited) as at 30 June 2025 has not decreased by 75 per cent in the unaudited 2025/2026 AFS as submitted to the AGSA;
- The municipality did not have a disciplinary board in place as at 30 June 2026; and/or
- Notwithstanding the municipality having a DC Board in place, not all UIFWe matters have been referred to the DC Board during the 2024/2025 financial period and/or
- Municipalities have not instituted disciplinary measures stemming from UIFWe incurred up to 30 June 2025 in the 2025/26 financial year.

The National Treasury will start using the prevention of UIFWe as required in terms of sections 62 and 78 as a criteria from the 2026/27 financial year. It is therefore crucial for municipalities

to start implementing measures to curb the incurrence of UIFWe as required in terms of sections 62 and 78 of the MFMA.

In addition, those municipalities currently under mandatory intervention in terms of Section 139(5) of the Constitution and who fail to comply with submitting monthly progress reports on the implementation of the financial recovery plan in terms of Section 146(1)(c) of the MFMA, will also be eligible to have their equitable share allocations withheld with effect from the 2026/27 financial year.

The Joint Circular issued by the Ministers of CoGTA and Finance on 8 September 2025 with regard to Free Basic Services will also be considered as a criteria going forward.

2.4 Stopping and re-allocation guidelines

Following the 2025/26 mid-year expenditure reports (second quarter) in terms of section 10 of the 2025 DoRA and section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), National Treasury intends to invoke section 18 of DoRA which provides that the National Treasury may in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a schedule 4B or 5B allocation, or a portion thereof to a municipality if the National Treasury anticipates that a municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2025/26 financial year. Further, in terms of section 18(2) of DoRA, a request by a transferring officer or a receiving officer to stop the transfer of a schedule 4B or 5B allocation, or a portion thereof must be submitted to the National Treasury by **31 January 2026**.

As part of the annual process for the stopping of the grants that underperform, National Treasury will engage with transferring officers to identify municipalities that are at risk of underspending based on their in-year performance using both the performance reports submitted by transferring officers and the verified *mSCOA* data strings. While the process remains standardised across departments, a differential approach may be applied where justified. This recognises that certain grants may face distinct performance dynamics. However, this process will not compromise overall consistency, fiscal prudence or accountability.

Stopping criteria

National Treasury will within 14 days from receiving the recommendations from the transferring officers issue letters to municipalities with the intention to stop the allocations based on recommendations from transferring officers and/or at the National Treasury's own discretion/assessment. Municipalities are requested to submit representations to National Treasury, providing motivation for the following:

- Expenditure reported as at 31 December 2025 (40 per cent for allocations under R100 million and 45 percent for allocations over R100 million);
- Progress report against approved projects (provide list/names of approved projects);
- Representation on the cash coverage for grants transferred (ring fencing) (Liquidity ratio);
- Representation on the initial cash flow projections against actual performance;
- Progress report on any approved rollover for 2025/26 financial year;
- Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2026, i.e., commitment that the municipality will not request rollovers against the funds proposed to be stopped;
- Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2025;

- Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects;
- Declaration by the municipality on the amount that should be stopped by National Treasury where the municipality anticipates that it will not fully utilise grant funds before 30 June 2026;
- All reporting must be accurate and aligned to *mSCOA* system; and
- An acceleration plan against the 2025/26 approved implementation plan.

The National Treasury will then give notice in the Gazette of the stopping of an allocation or a portion thereof in terms of section 18 (5), and include in the notice, the effective date and reason for the stopping.

Reallocations:

According to section 19 of DoRA, when a schedule 4B or 5B allocation, or a portion thereof, is stopped in terms of section 18, the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2025/26 financial year.

Once stopping of funds has been confirmed through consultation, National Treasury reassesses the performance and reallocates funds to municipalities that demonstrate capacity to absorb additional allocations. Reallocation follows a structured sequence guided by the points mentioned below to preserve the benefit of funds within the original location. Funds are allocated:

- First within the same district;
- Then within the same province; and
- Only then nationally, in cases where no suitable recipient exists within the province.

Municipalities become eligible for additional funding if they have spent at least 70 per cent or more of their original allocation, have credible and shovel-ready projects, demonstrate strong compliance with MFMA and DoRA reporting requirements and maintain realistic cash-flow projections. Historical performance including their ability to manage additional allocations in previous years is also considered.

Where applicable, Water Services Authorities may be prioritised for water and sanitation projects due to service delivery imperatives, while non-WSA municipalities may receive priority for well-prepared and impactful roads projects.

3. 2026 Local Government Elections and the budget process

3.1 Transitional processes – development and adoption of IDPs during the 2026 election year

The 2025/26 municipal financial year represents the last year of the current municipal councils' electoral term. The the next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The purpose of this hand-over report is to provide the new councils with important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy (where applicable);
- An overview of the municipality's financial health, with specific reference to:
 - Its cash and investments, and its funding of commitments (Table A8);
 - Cash coverage of normal operations (see Supporting Table SA10);
 - Creditors outstanding for more than 30 days and the reasons for delayed settlement;
 - Current revenue collection levels and debtors outstanding for more than 30 days; and
 - The extent of existing loans and associated finance and redemption payments.
- The municipality's 2024/25 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2026/27 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important to the transitioning process.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2026/27 MTREF budget, the mid-year budget and performance

assessment report for 2026/27, the latest monthly financial statement, and the annual report for 2024/25.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Revenue Management

4.1 Prioritise funding the Electricity Revenue Protection Programme

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities (with the electricity function) as a result, at higher risk of non-technical losses, particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in reduced collections and a related strain on cash flow and the ability to pay creditors. Municipalities are advised to prioritise the following Revenue Protection measures in 2026/27 and future MTREFs if not already implemented:

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

4.2 Revenue Management Assessment Tool

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

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

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

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

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

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

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

4.3 Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended and implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) and or tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjusted MTREF submissions to the National Treasury GoMuni portal (refer MFMA Budget

Circular No. 129. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

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

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

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

4.4 Electricity Tariffs

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

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

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

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

- Latest **updated and or reviewed COS** (approved by Council) supporting its Electricity tariffs application for the MTREF to NERSA and parallel upload such to the GoMuni Revenue Portal. The COS must be uploaded to the GoMuni Revenue Portal in PDF format (the content must be in the NERSA content format), and include a file heading of: **"Demarcation Code_Municipality Name_Cost of Supply Study (period)";**

- **NERSA D-forms** submitted to NERSA, supporting its Electricity tariffs application for the 2026/27 MTREF to the GoMuni Revenue Portal in the Excel format required by NERSA, and include a file heading of: "**Demarcation Code_Municipality Name_NERSA D-form (period)**"; and
- **NERSA’s letter approving the municipality’s energy tariffs** for the MTREF annually with the tabled and adopted MTREFs. The municipality must upload the letter with the correct saving convention: "**Demarcation Code_Municipality Name_NERSA tariff approval (period)**".

4.5 Municipal Valuation Roll Reconciliation Tool

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

The municipality must submit the completed tool together with the related documentation to the National Treasury GoMuni portal as follows:	Timeframe
1. The municipality's list of Property Rates tariffs approved by council for the financial year reported on, together with the Council resolution that approved such.	Annually, with the tabled and adopted MTREF’s
2. The municipality’s time schedule for implementing its new general valuation roll (GVR) (aligned to the MPRA).	Annually
3. The Municipal Property Rates Act (MPRA) (section 23): Part A Register of the latest consolidated general valuation roll (GVR). **Note – The municipality to submit an updated Part A GVR to the GoMuni portal every time that it undertakes a supplementary GVR.	Annually or every time that a supplementary GVR is undertaken
4. Municipality Valuation Roll Reconciliation – undertake monthly but only required to submit quarterly. The monthly reconciliation should be maintained and made available on request to the Treasuries and or the Department of Cooperative Governance (DCoG).	Quarterly and only upon request of NT / relevant PT / CoGTA monthly
5. Property Rates Transaction List (for the 3rd month of every quarter) – in excel format.	Only upon request of NT / relevant PT

To assist municipalities in complying with these requirements, the National Treasury will provide follow-up training.

4.6 Prohibition on vending system(s) / third party vending solutions without consulting the National Treasury

Municipalities are cautioned on the iterations on private service offerings of vending system(s) / solution(s) offered to municipalities. These include service provider(s) funding metering solutions for municipalities, parallel to a pre-paid solution (requiring a vending platform) – these service providers then collect on behalf of the municipality in exchange for a fee. However, in several cases, the service provider does not remit to the municipality what is collected and /or claims a fee that is out of proportion to what is reasonable. This is worsened by many municipalities not undertaking weekly /monthly reconciliation of what they provide / sell (also via prepaid) vs. the revenue they receive from the service provider(s).

The MFMA, read together with the recently assented Public Procurement Act, provides a clear framework for procurement in local government. The MFMA regulatory framework, in terms of section 116, read with MFMA Circular No. 62, furthermore, provides clear guidance on how amendments to contracts should be undertaken. In our view, any offerings beyond the initial scope of the contract should not be considered a contract amendment but rather a material change or extension of scope, warranting a whole new separate procurement process.

The National Treasury therefore confirms that with immediate effect, no municipality may enter into or extend any related vending system(s) / solution(s) without the views of the provincial and National Treasury. Should any municipal official and / or political office bearer fail to honour this prohibition, she / he could render themselves personally liable for any related financial loss over and above potential criminal liability for financial misconduct.

Any municipality procuring must first request the National Treasury and relevant provincial treasury for written input. The municipality should send any request for the written input of the National Treasury together with the proposed contract for such a service offering to: both RevenueManagement@treasury.gov.za and RT29.LGBA@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury.

Municipalities are advised that the Office of the Chief Procurement Officer (OCPO) will soon initiate a tender process for a transversal contract establishing a panel of vending service providers. In the interim, until the panel is awarded and operational, municipalities must obtain prior written approval from National Treasury before procuring any new vending service providers. Permission to proceed with any such vending contract will only be authorized with the express written permission of National Treasury. Once the panel is awarded and operational, municipalities must procure vending services from the approved vendors. Should a municipality elect not to utilise the transversal contract, a comprehensive motivation, including full reasons, must be submitted to National Treasury for consideration.

4.6A Smart Meter end-to-end solutions

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

Municipalities are reminded that a smart meter is not just the physical device and are cautioned against only procuring the meter hardware. The latter is insufficient and will not deliver the intended benefits of smart metering. The full value is realised only when the meter is connected to a functioning platform, integrated with the billing system, supported by trained staff, and monitored continuously. Buying only the device is similar to purchasing a cell phone without a SIM card and network service: the handset exists, but the core functionality is unavailable. The same principle applies to smart metering.

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

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

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

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

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

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

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

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

4.6B Large Power Users (LPU) – Advanced Metering Infrastructure (AMI)

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

Municipalities manage a large number of meters and should invest in bulk intake points to reconcile the volume of electricity consumed. If the LPU (Three Phase Direct Connect and

Three Phase CT/VT Connect) are not measured accurately, the municipality will under-bill, lose revenue, and struggle to reconcile its bulk electricity (i.e. Eskom) account. AMI directly addresses this risk.

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

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

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

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

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

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

4.6C Request for Meter Statistical Information in terms of MFMA Section 74

The National Treasury, in terms of MFMA section 74 requests municipalities to provide certain minimum statistical meter information and in the format of the **“Meter Statistical information – Water and Electricity” workbook included as Annexure D to this Circular**. The template workbook is designed to help municipalities move from high-level smart metering decisions to concrete MTREF's, credible schedules, and monthly reporting. It brings together municipal details, meter requirements, trading services information, and budget information in one place so that electricity and water smart metering can be planned, costed, and monitored in a

consistent way. Municipalities are expected to complete and submit this template bi-annually (before the 10th working day of January and July) as part of the relevant MFMA Section 71 and or 72 statement(s). The submissions should cover meter data and key trading service information for the preceding six-month period.

The Municipal Meter Requirements:

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

4.6D Smart Metering Financing Solutions

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

4.6E Transversal Contract for the procurement of Smart Metering end-to-end solutions

Municipalities must note and consider the guidance and contact information to participate in the transversal contract RT29-2024. It contains compulsory documentation and a step-by-step participation guideline which can be accessed on the National Treasury website at <http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx> under RT29-2024. Municipalities must familiarise themselves with the RT29-2024 pricing schedule and related documentation published on the National Treasury before submitting their participation application.

Applications to participate will be assessed against the municipal MTREF and cash flow, with affordability and sustainability evaluated by the relevant Local Government Budget Analysis (LGBA) directorate, in consultation with the National Treasury Revenue Management directorate towards facilitating that smart metering procurement and implementation is planned, budgeted, and implemented as an integrated solution.

4.7 Training Tools of the National Treasury

Revenue Management Assessment Tool

Municipalities must submit the Revenue Management Assessment Tool annually, as set out above. Training was already undertaken across all provinces, and the National Treasury will facilitate follow-up training during 2026/27, upon request, only for municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries.

Municipalities and provincial treasuries can request training through the relevant Provincial Treasury, which is responsible for coordinating training requests. It is noted that any National Treasury-deployed technical advisor may directly request training from the National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

Tariff Tool

All municipalities, including metropolitan and secondary cities, must undertake a tariff assessment in the format of the updated National Treasury Tariff Tool, as explained above. The National Treasury will facilitate training during January to March 2026, and thereafter, upon request only, to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries. Training must be scheduled for a **full day**, and would be more relevant towards municipal processes if scheduled:

- Before and/ or during the **Adjustments Budget preparation** (for re-allocations);
- Before and/ or during the **Tabled Budget process** (to evaluate tariff changes); or
- Before the **final MTREF submission** to Council for approval.

Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Municipal Valuation Roll Reconciliation Tool

The National Treasury confirms the guidance already provided in MFMA Circulars No. 130 and above to the effect that ALL municipalities must reconcile valuation rolls monthly and submit them quarterly to the National Treasury, together with the related documentation set out above. The latest format of the tool must be used as set-out above.

The National Treasury will facilitate follow-up training during January to March 2026, and thereafter, upon request, only to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries on the Municipal Valuation Roll Reconciliation Tool. Training must be scheduled for at least **two full days** and can be facilitated at any time since municipalities perform this task monthly. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

4.8 GoMuni Portal – Revenue Management Document Uploads required

All municipalities are required to upload, annually, to the GoMuni Upload Portal, the Revenue Management-related documents included in Annexure E to this Circular, in the specified format and within the timeframes indicated. It is noted that **items 10 and 17 in Annexure E** are only relevant to Water Debt Relief participants, and **items 13, 15 and 16** to Municipal (Eskom) Debt Relief participants. In relation to **items 10, 13, 15, 16, and 17, all other municipalities must submit a zero (empty) form to prevent these items from reflecting as outstanding.**

4.9 Monitoring – Water Debt Relief

As outlined in paragraph 5.2 of the Water Debt Relief Guideline of the Department of Water and Sanitation (DWS), the DWS in collaboration with the relevant Water Trading Entity (WTE) and or Water Board (WB) and or Water User Association (WUA), National Treasury, and Provincial Treasury, will closely monitor the municipality's compliance with the conditions of its water debt relief approval.

The relevant National Treasury (non-delegated municipalities) or provincial treasury (delegated municipalities)¹ monthly to assess the municipality's compliance with the conditions and issue **the compliance certificate in the format of Annexure F attached to this Budget Circular** to the DWS, and relevant WTE/WB/WUA via: munic.incentive@dws.gov.za and to the municipality in one email no later than 20 working days after month-end. It is the responsibility of the DWS to ensure that the certificate, together with any DWS input as may be relevant reaches the relevant WTE/WB/WUA within one (1) working day of the Treasuries submission.

The relevant WTE/WB/WUA is to consider any inputs as part of its own assessment and monthly report on any participating municipality's compliance via email to: munic.incentive@dws.gov.za and RevenueManagement@treasury.gov.za and to the municipality, including issuing a non-compliance letter at its sole discretion as may be relevant.

The National Treasury issued guidance to all Municipal (Eskom) and Water Debt Relief participants, guiding on the reporting required as part of the monthly MFMA section 71 statement. Municipalities must closely adhere to this guidance and the relevant Treasury assessments as part of the monthly compliance certification of any debt relief participant.

Municipalities must upload their Water Debt Relief application, together with the DWS approval letter, as a single PDF to the GoMuni Revenue Upload Portal.

4.10 Delivery Agency Agreement(s) (DAA) with Eskom

Municipalities intending to enter into Delivery Agency Agreement(s) with Eskom should take note of the following with immediate effect.

Step 1: The Municipal Systems Act (MSA) section 78 process is a requirement before the DAA can be concluded. The National Treasury and the Department of Cooperative Governance (DCoG) legal services jointly confirm that the process in section 78 of the MSA must be followed before a municipality may enter into any DAA that proposes that Eskom take over the electricity function from and/or operate the service on behalf of the municipality. Section 78(1) of the MSA provides the process to be undertaken when deciding on a mechanism to provide a municipal service in the municipality or a part of the municipality, or to review any existing mechanism, and would need to be applied first.

The municipality may, before it decides on an appropriate mechanism, explore the possibility of providing the service through an external mechanism under MSA section 76(b). Once a municipality has decided to utilise an external mechanism, such as entering into an agreement with an organ of state to provide the service, it may do so, considering section 110(2)(b) of the MFMA in order to contract directly with an organ of state, in this case, Eskom.

The MSA section 78 criteria and process must be complied with regardless of whether the electricity license will remain that of the municipality in terms of the proposed DAA.

The MSA does not prescribe any period or deadlines within which this process must be concluded, and the municipality, planning diligently, may comply with this process within the shortest possible period without jeopardising or delegitimising it. DCoG and SALGA confirmed that they can assist municipalities with the MSA section 78 process and should partner to

¹ Refer MFMA Circular Number 20 (Delegations).

provide support in this regard. Concluding a DAA with Eskom without following the MSA section 78 required process will be illegal, and all expenditure incurred in terms of such a DAA will be irregular under the MFMA.

Step 2: A standardised DAA. The National Treasury, DCoG, and the Department of Electricity and Energy (DEE), working with Eskom and SALGA, are to agree on standardised terms and conditions for DAAs. It is important that municipalities maintain the standardised terms in the agreement and not deviate from them. Additional terms may be included based on municipal-specific circumstances. It will be necessary for the municipality to obtain comments from its respective provincial treasury and provincial CoGTAs before signing the DAA.

Step 3: Municipalities participating in Municipal (Eskom) Debt Relief must, in parallel to the MSA Section 78(3) process, inform and obtain the inputs of the Treasuries and DCoG, demonstrating that the proposed DAA will facilitate the municipality's compliance with the debt relief conditions set out in the National Treasury's 2023 approval letter.

The municipality should send any request (refer step 2 and or 3 above) for the written input of the National Treasury together with the feasibility study (MSA Section 78(3)(c)) and the proposed DAA (any additions and or deviations must clearly be highlighted in the request) to: both RevenueManagement@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury and DCoG.

Step 4: Submission of the DAA. All municipalities signing a DAA with Eskom must submit the signed DAA together with the municipal council resolution approving such to the National Treasury to: RevenueManagement@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section and parallel to the relevant Provincial Treasury and CoGTAs.

5. Budget and other management issues:

5.1 National Treasury Guideline on Budgeting for a Funded Budget

National Treasury is concerned by the many unfunded budgets adopted by municipalities. Municipal funding plans are not realistic or credible and there is insufficient effort to achieve financial turnaround and to progress from an unfunded budget to one that is funded. Municipalities are reminded to consult the National Treasury Guideline on budgeting for a funded budget issued during the 2018/19 MTREF to assist municipalities in preparing a funded MTREF budget and or use the guideline to develop credible funding plans. **For ease of reference the 2018/19 Guideline is included as Annexure G to this Circular.**

5.2 Employee related Costs

The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is a five-year agreement effective from July 1, 2024, to June 30, 2029.

In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.

Municipalities should reflect these negotiated salary increases in the budget submissions.

5.3 Remuneration of Councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

5.4 Using section 67 transfers to pay for councillor funeral costs

In terms of MFMA Circular 131 – Funds Transferred by Municipalities to Organisations and Bodies Outside the Government, section 67 of the MFMA provides a mechanism for municipalities to make transfers to organisations or bodies outside of government.

National Treasury is aware that municipalities are erroneously applying the provisions of section 67 of the MFMA to pay for deceased councillors' funeral costs. This practice is not permissible and constitutes non-compliance to Section 67 of the MFMA; and such transfer of funds is deemed irregular expenditure. This practice must immediately be stopped.

Any council policy which makes provision for the use of section 67 of the MFMA to make payment for councillor funeral costs must be rescinded with immediate effect.

Municipalities must comply with section 167(1)(a) of the MFMA which provides that a municipality may remunerate its political office-bearers and members of its political structures, but only within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members.

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

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

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

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

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

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

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

5.6 Submission of payroll information on Central Supplier Database

In recent years, more municipalities and municipal entities are incurring irregular expenditure due to awards made to persons in the service of the state, including municipal officials and councillors.

On 01 September 2015, the National Treasury launched the Central Supplier Database (CSD), which became fully effective for municipalities and municipal entities from 1 July 2016. The CSD provides a myriad of services, including the verification of state employees. Whilst information for National and provincial officials is available, municipalities and municipal entities are not consistent in submitting information to the CSD.

This lack of information has resulted in municipalities and municipal entities inadvertently making awards to persons in the service of the state, including awards made to their own officials and councillors. As such, municipalities and municipal entities are urged to submit all the relevant information to CSD.

This will enable all municipalities and municipal entities to be able to verify information and avoid possible non-compliance findings timeously.

5.7 Unauthorised, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management

As previously explained in MFMA Circular no. 129, municipalities are continuing to incur unauthorised, irregular, fruitless and wasteful expenditure (UIFWE) year-on-year. Whilst more municipalities are establishing disciplinary boards, such boards are not investigating matters as required, or where such investigations are undertaken, municipal councils are not implementing the disciplinary boards' recommendations.

Municipalities are required to submit an action plan which must address the period from 02 January 2025 to 31 August 2026. The action plan should include monthly calendar actions that will allow for the monitoring of the action plan implementation.

The action plan should include the following information:

- plan to process the UIFWE balances up to 30 June 2026 by 31 August 2026, and how future UIFWE will be prevented with specific UIFWE prevention controls;

- the key process changes (including administrative processes) the municipality will implement to ensure that the UIFWE balances are processed to adhere to the August 2026 deadline; and
- the process to be followed to establish and appoint members of the disciplinary board and address the backlog of financial misconduct referrals to the disciplinary board. This should include processes and procedures for the referral of matters to the disciplinary board.

This action plan must be uploaded to the *Muni eMonitor* as part of the evidence for UIFWE reporting.

5.8 Fruitless and Wasteful External Legal and Consultant Costs

National Treasury has observed that municipalities (including municipal entities) incur legal and consulting fees on matters that could have been avoided had officials followed proper procedures, or had officials or councillors not been negligent or acted deliberately, thereby causing legal disputes. These costs place pressure on operating budgets and provide no value to the municipality. Legal or consultant fees arising from non-compliance, negligence, inaction, deliberate conduct, flawed processes, or attempts to justify irregular decisions constitute fruitless and wasteful expenditure under the MFMA.

Legal costs linked to labour matters where procedures were not followed by the municipality, or for justified reasons, or to council matters involving unlawful meetings or invalid decisions, are avoidable and must be treated as wasted legal costs. Municipalities must also not incur legal costs to defend officials or councillors where there is clear negligence, misconduct, or deliberate misrepresentation of facts, including cases where material facts are withheld or altered, resulting in legal and consultant costs. Appointing lawyers or consultants to create a predetermined outcome, rationalise irregular conduct, or shield individuals from consequences exposes the municipality to irregular, fruitless and wasteful expenditure. Municipalities are reminded to exercise caution and prudence regarding such matters.

This section does not prevent a municipality from defending or instituting legal proceedings arising from a genuine and bona fide legal dispute. It also does not prevent a municipality from bringing self-review proceedings to set aside its own irregular or unlawful decisions.

5.9 Fruitless and Wasteful Expenditure Audit Finding Disputes

A recent concern noticed is the use of external consultants or lawyers to oppose Auditor-General South Africa (AGSA) audit findings, or to prepare opinions (including legal opinions) aimed at disputing audit findings that the municipality cannot justify in law or that do not align with the facts, or where material facts are distorted or have not been provided to the AGSA. Municipalities and municipal entities are forewarned not to use external lawyers and consultants to respond to or dispute AGSA audit findings but instead follow AGSA's dispute resolution procedures to address audit disputes. Municipal officials are also specifically warned not to provide misleading or incomplete information to the AGSA to obtain a specific outcome, as these actions or inactions will qualify as both financial misconduct under sections 171 (municipalities) and 172 (municipal entities) of the MFMA and as a financial offence in terms of section 173 of the MFMA.

5.10 Request for information regarding procurement spend, employee related data and audit management reports

The National Treasury aims to strengthen public trust and foster public accountability in the procurement systems of government. This initiative will be achieved by, amongst others, making the procurement systems more transparent through the publication of procurement information of institutions. An Instruction on Procurement Information Transparency has been issued by the National Treasury for the publication of the dashboard and requesting procurement information from procurement systems of all departments, public entities, and

constitutional institutions. The published information will include, but is not limited to, supplier and ownership details, the nature, value, quantity of procurement transactions, and payments made to suppliers.

One of the key principles underpinning the MFMA read with the Municipal Supply Chain Management Regulations is that of transparency. Therefore, a letter, signed by the Director General of the National Treasury in terms of section 74 of the MFMA, will be written to municipalities wherein similar information as referred to in the preceding paragraph is requested. The information requested is inclusive of personnel data within municipalities. The employee information requested should be available on the HR sub-systems of all municipalities. Municipalities should liaise with their respective system vendors to extract this information in the required template format directly from their relevant sub-systems.

5.11 Additional in-year reporting requirements

Reference is made to MFMA Circular No. 67 point 5.5. Municipalities must provide additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms. This information will assist in improving the quality of the quarterly published local government performance information. Additional information and supporting documentation include:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

6 Municipal Standard Chart of Accounts (*mSCOA*):

6.1 Release of Version 7.1 of the Chart

Version 7.1 of the *mSCOA* chart is released with this circular and must be used to compile the 2026/27 MTREF. The linkages to chart version 7.1 can be downloaded from the Local Government Database and Reporting System (LGDRS) on the following link under the *mSCOA*/List *mSCOA* WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

The reports on the Local Government Database and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must therefore use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting Regulation (MBRR) Schedules when generating their data strings.

The MBRR Schedules (A to F) and non-financial data string (A1S) will be aligned to chart version 7.1. A protected version of these Schedules for version 7.1 of the A1S will be available by 31 January 2026 on the MFMA Webpage and the LGDRS under GoPublic / Explore *mSCOA* on the links below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

https://lg.treasury.gov.za/ibi_apps/portal/Explore_mSCOA

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal, as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

To ensure that all integrated municipal system solutions have incorporated the required changes for *m*SCOA chart version 7.1, several municipalities across all systems will be required to submit test data to the LGDRS in January and February 2026. Communication in this regard will follow in January 2026.

For the National Treasury to consider a new chart change in version 7.2 of the chart, the issue must be logged with all relevant details and supporting documents on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2026. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when an FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *m*SCOA Technical and Steering Committees for recommendation and approval. This process concludes annually by the end of October. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be sent to lgdataqueries@treasury.gov.za.

6.2 Important changes in *m*SCOA chart version 7.1

Capitalisation of conversion costs to water inventory

MFMA Budget Circular No 129 dated 6 December 2024 detailed the requirements for the accounting treatment of water inventory costs in terms of Generally Recognised Accounting Practises (GRAP) 1.104, 12 (paragraphs 19 to 28) and 17.22. *m*SCOA chart version 7.1 addresses the capitalisation of conversion cost from the nature of the expense to Water Inventory as required in terms of these GRAP standards.

In addition, the Accounting Standards Board (ASB) FAQ 3.3 guides the measurement of Water Inventory as follows:

- *Entities need to develop their own accounting policies to measure water using the principles in GRAP 12.*
- *After the entity demonstrates that it can recognise the water, it is initially measured as follows:*
 - *Costs incurred to bring the inventory to its current location and condition including related infrastructure costs. Some examples include costs of extraction and depreciation; plus*
 - *Costs of conversion.*

As per the guidance provided in the GRAP standards and ASB, the capitalisation of conversion costs should align with the principle applied to Employee Related Costs (Cost Capitalisation to PPE). Toward this end, the following credit accounts have been included in version 7.1 of the *m*SCOA chart:

Account	Change in chart version 7.1
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1	Basic Salary - Capitalisation of Costs to Property, Plant and Equipment (PPE), Water Inventory	<ul style="list-style-type: none"> • Credit account adjusted • Updated the description and definition to include Water Inventory for all posting levels
2	Capitalisation of Electricity Costs	Credit account added
3	Contracted Services (Maintenance)	Credit accounts added for: <ul style="list-style-type: none"> • Capitalisation of Maintenance of Building and Facilities • Capitalisation of Maintenance of Equipment • Capitalisation of Maintenance of Unspecified Assets
4	Capitalisation of Depreciation of Water Treatment Works	Credit accounts added
5	Operational Costs	Credit accounts added for: <ul style="list-style-type: none"> • Capitalisation of Courier and Delivery Services Costs • Capitalisation of Vehicle Tracking Costs • Capitalisation of Wet Fuel Costs • Capitalisation of Licences Costs

The chart was also updated to allow for the accumulation of the following additions to water inventory: system input volume:

- Water Treatment Works: Acquisitions;
- Bulk Purchases: Acquisitions; and
- Natural Resources: Acquisitions.

Alignment of cash flow linkages

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

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

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

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

- Development Charges will no longer form part of Operational Revenue. A new funding source was created to separately populate Development Charges as part of Other Revenue on MBRR supporting table SA30.

The structure of the MBRR table A7 and its related cash flow linkages has also been aligned with the *mSCOA* chart version 7.1. The updated linkages to the MBRR supporting table SA30 are attached as **Annexure H: Cash Flow Linkages**.

Intercompany Transfers

In terms of the MFMA, municipalities with entities must submit budgets, in-year Section 71 reports, annual financial statements and annual reports for the parent municipality, as well as consolidated documents for both the parent and its entity. Furthermore, in accordance with GRAP 35 paragraph 39, a controlling entity shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

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

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

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

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

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

6.3 Improving *mSCOA* implementation

mSCOA e-Road Map

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

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

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

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

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

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

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

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

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

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

[E1 Draft Regulations - Consultation - Shared](#)

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

6.4 Improving *m*SCOA data string credibility

Introducing a 3rd validation rule

Currently, the LGDRS implements automated stage 1 and 2 validations to ensure that credible data strings are submitted to the GoMuni Upload portal. The stage 1 validations verifies that the file structure is correct, while the stage 2 validation verifies that the *m*SCOA chart has been used correctly across 18 validation areas. Details on the stage 2 LGDRS validations are attached as **Annexure I**.

A third stage automated validation will be introduced from the 2026/27 MTREF to validate the credibility of *m*SCOA data strings. Details in this regard will be communicated when available.

7 The Municipal Budget and Reporting Regulations:

7.1 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Khanyisile Khosa Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekweni uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za

Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.admams@treasury.gov.za
Municipal (Eskom) and or Water Debt Relief and Smart Metering	LGBA: Revenue Section (Sadash Ramjathan)		revenuemanagement@treasury.gov.za

8 Submitting budget documentation and A schedules for the 2026/27 MTREF

8.1 Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- https://lg.treasury.gov.za/ibi_apps/welcome (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: mSCOA Data Strings; Budget-related, in-year and year-end documents and schedules (A, B and C); Revenue and MFRS Documents (as per MFMA Circular No. 126) procurement spent reports, etc.;
- lgdataqueries@treasury.gov.za – Database related and submission queries;
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za; and
- mSCOA Regulations@treasury.gov.za – all inputs and comments relating to the intended mSCOA Regulations on the minimum business processes and system specifications; and
- Rolloverapplication@treasury.gov.za – all rollover applications and queries related to the conditional grants.

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

8.2 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the mSCOA data strings to the LGDRS.

The GoMuni Upload portal can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents, including budget-related documents, Annual Financial Statements, and Annual Reports, to the National Treasury via post or courier services. PDF versions of documents must be submitted to the GoMuni Upload portal.

8.3 Updating of contact details on GoMuni

Municipalities are reminded that it is their responsibility to ensure the minimum, that is, to update their contact details monthly on the LGDRS as and when changes occur. Often emails containing important information and deadlines are returned (“undeliverable”) and do not reach the intended LGDRS users because of outdated contact information. Updates to contact details made by municipal officials on the LGDRS are validated and approved for upload by the Contacts Administrators who were nominated by the Municipal Manager for this purpose within each municipality.

Registered LGDRS users can download the contact details for their municipality on the LGDRS by logging-in to GoMuni on the following link and then accessing the report under Database/Contacts/Reporting/Contact information:

https://lg.treasury.gov.za/ibi_apps/signin

The names of the respective Contact Administrators for each municipality are indicated in the contact information list on the LGDRS.

8.4 Training on GoMuni and mSCOA

The National Treasury training schedule and registration links for 2026 to assist municipalities, national and provincial government departments and other stakeholders that require new or refresher training on how to draw reports on the LGDRS and technical support on mSCOA, is available on the GoMuni/ Go Training portal on the following link:

https://lg.treasury.gov.za/ibi_apps/portal/GoMuni_Navigation

Contact

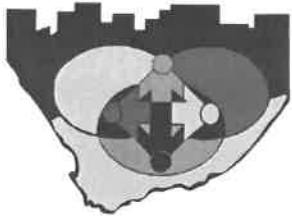


national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
05 December 2025



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

KWAZULU-NATAL OFFICE

Private Bag X16
MUSGRAVE ROAD
4062

Tel: (031) 201 8210
Fax: (031) 201 9752
E-mail: vusi@salgbc.org.za

461 Dinuzulu Road South
Formerly: Berea Road
DURBAN
4001

09 September 2024

TO: ALL MUNICIPAL MANAGERS - KWAZULU NATAL
GERARD GREVELING - SALGA
JOHANNA NAIR - IMATU
NOKUBONGA DINGA - SAMWU

Sir / Madam

CIRCULAR NO.: 6/2024

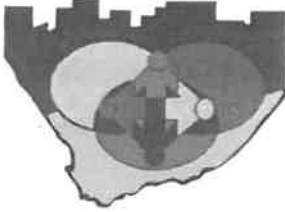
SALARY AND WAGE COLLECTIVE AGREEMENT

Please find attached, self explanatory correspondence from the National Office in respect of the above.

Yours faithfully



VUSI NZUZA
REGIONAL SECRETARY



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

HEAD OFFICE

Private Bag X16
MUSGRAVE
4062

461 King Dinuzulu Road
BEREA
4062

Tel: (031) 201-8210/6219/6255
Fax: (031) 201-9788

E-mail: info@salgbc.org.za
Web-site: www.salgbc.org.za

9 September 2024

**TO: ALL MUNICIPAL MANAGERS
ALL CHIEF FINANCIAL OFFICERS**

The Parties

SALGA
SAMWU
IMATU

Mr. S Mbanga
Mr. D Magagula
Mr. J Koen

sembanga@salga.org.za
dumisane.magagula@samwu.org.za
joan@imatu.co.za

REGIONAL SECRETARIES:

Gauteng/Johannesburg/Tshwane Division
Eastern Cape Division
Western Cape/Cape Metro Division
Northern Cape/Free State Division
North West/Mpumalanga/Limpopo Division
KwaZulu-Natal/eThekweni Division

Ms. E Sekgweleo
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Ms. W Brink
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Ms D Monyemangene
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esmeralda@salgbc.org.za
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Dikeledi@salgbc.org.za
vusi@salgbc.org.za

CIRCULAR NO.: 6/2024

SALARY AND WAGE COLLECTIVE AGREEMENT

The parties (SALGA, SAMWU and IMATU) to the Council have been engaged in three rounds of salary and wage negotiations, in July and August 2024. These negotiations were facilitated by two independent facilitators and a Facilitator's Proposal, was issued on 16 August 2024.

The parties to the Council adopted and signed the attached Salary and Wage Collective Agreement at the Bargaining Committee, held on 6 September 2024.

The Collective Agreement must be published on the employee noticeboards. The Collective Agreement is available on the SALGBC website as well.

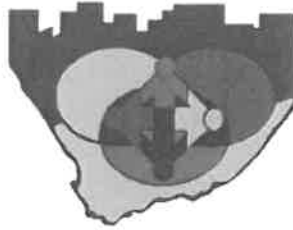
Your faithfully



MR S S GOVENDER
GENERAL SECRETARY

Encl: Salary and Wage Collective Agreement (22 Pages)

Address correspondence to the General Secretary



**SOUTH AFRICAN LOCAL GOVERNMENT
BARGAINING COUNCIL**

(Hereinafter referred to as "the "SALGBC or Council")

**SALARY AND WAGE
COLLECTIVE AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 1995 made and entered into by and between the:-

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

(Hereinafter referred to as "SALGA")

and

INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION

(Hereinafter referred to as "IMATU")

and

SOUTH AFRICAN MUNICIPAL WORKERS' UNION

(Hereinafter referred to as "SAMWU")

(IMATU and SAMWU will together be referred to as the "Trade Unions")

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1. SCOPE OF APPLICATION

The terms of this agreement shall be observed in the Local Government Undertaking in the Republic of South Africa by all employers and by all employees who fall within the registered scope of the SALGBC.

2. EXCLUSIONS

Municipal Managers and those employees appointed as managers directly accountable to Municipal Managers in terms of Section 54A, Section 56 and Section 57 of the Municipal Systems Act 32 of 2000, as amended, shall be excluded from all the terms of this collective agreement.

3. PERIOD OF OPERATION

3.1 Notwithstanding the date of signature, this agreement shall come into operation in respect of the Parties to the agreement on **1 July 2024** and shall remain in force until **30 June 2029**.

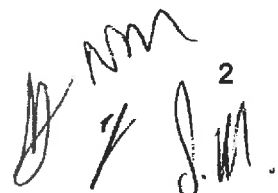
3.2 This agreement may, by agreement of the parties, be submitted to the Minister of Employment and Labour for extension in terms of Section 32 of the Labour Relations Act, in which case, the agreement shall come into operation in respect of non-parties on a date to be determined by the Minister of Employment and Labour and shall remain in force until **30 June 2029**.

4. OBJECTIVES

The objectives of this agreement are, *inter alia*, to:

4.1 Provide for across the board increases and other related matters, within competing constraints of a high inflation, fiscally constrained economy and a limited fiscus.

4.2 Provide for across-the-board, salary adjustments as well as increases in the minimum wage for the financial years 2024/2025, 2025/2026, 2026/2027, 2027/2028 and 2028/2029.



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- 4.3 Provide for annual adjustments to the maximum monthly employer contribution rate to accredited medical schemes for the financial years 2024/2025, 2025/2026, 2026/2027, 2027/2028 and 2028/2029;
- 4.4 Provide for annual increases to the Home-Owners Allowance for the financial years 2024/2025, 2025/2026, 2026/2027, 2027/2028 and 2028/2029 as well as a once off, non-pensionable payment to GAP Market employees;
- 4.5 Provide for the conduct of an investigation, the purpose of which is to improve access to home ownership for Local Government employees;
- 4.6 Specify that the provision of Serviced Stands is left to the Municipal discretion;
- 4.7 Specify that the review of Maternity, Paternity and Adoption leave benefits shall be dealt with as part of the negotiations on the Main Collective Agreement;
- 4.8 Outline a productivity statement to emphasise that wage increases provided for in this agreement strive to encourage and promote optimal municipal performance and higher levels of productivity;
- 4.9 Provide for an exemption procedure, inclusive of a mediation process; and
- 4.10 Provide for matters connected therewith.

5. DEFINITIONS

All expressions used in this agreement, which are defined in the Labour Relations Act, 1995 (hereinafter referred to as "the Act"), shall bear the same meaning as in the Act, unless the contrary intention appears, words importing the masculine gender shall include the feminine.



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6. SALARY AND RELATED INCREASES

Financial Year 2024/2025

- 6.1 In respect of this financial year, all employees covered by this agreement shall receive an increase of **four and a half percent (4.5%)** with effect from 1 July 2024.
- 6.2 With effect from 1 March 2025, all employees covered by this agreement shall receive a further increase of **one and a half percent (1.5%)**, based on the salaries of the employees as at 28 February 2025.

Financial Year 2025/2026

- 6.3 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus zero comma seventy five percent (**0.75%**).
- 6.4 The publications of Statistics South Africa shall be used to determine the average CPI in terms of clause 6.3. above.
- 6.5 In the event that the average CPI percentage for the period 1 February 2024 until 31 January 2025 is less than four percent (4%), it will be deemed to be four percent (4%), and in the event that the average CPI percentage for this period is higher than seven percent (7%), it will be deemed to be seven percent (7%).

Financial Year 2026/2027

- 6.6 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, an increase based on the average CPI percentage for the period 1 February 2025 until 31 January 2026, plus zero comma seventy five percent (**0.75%**).



6.7 The publications of Statistics South Africa shall be used to determine the average CPI in terms of clause 6.6 above.

6.8 In the event that the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than four percent (4%), it will be deemed to be four percent (4%), and in the event that the average CPI percentage for this period is higher than seven percent (7%), it will be deemed to be seven percent (7%).

Financial Year 2027/2028

6.9 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2027, an increase based on the average CPI percentage for the period 1 February 2026 until 31 January 2027, plus one comma twenty five percent (1.25%).

6.10 The publications of Statistics South Africa shall be used to determine the average CPI in terms of clause 6.9 above.

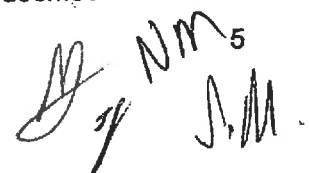
6.11 In the event that the average CPI percentage for the period 1 February 2026 until 31 January 2027 is less than four percent (4%), it will be deemed to be four percent (4%), and in the event that the average CPI percentage for this period is higher than seven percent (7%), it will be deemed to be seven percent (7%).

Financial Year 2028/2029

6.12 In respect of this financial year, all employees covered by this agreement shall receive, with effect from 1 July 2028, an increase based on the average CPI percentage for the period 1 February 2027 until 31 January 2028, plus one comma twenty five percent (1.25%).

6.13 The publications of Statistics South Africa shall be used to determine the average CPI in terms of clause 6.12 above.

6.14 In the event that the average CPI percentage for the period 1 February 2027 until 31 January 2028 is less than four percent (4%), it will be deemed to be four

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percent (4%), and in the event that the average CPI percentage for this period is higher than seven percent (7%), it will be deemed to be seven percent (7%).


7. MINIMUM WAGE

- 7.1 With effect from 1 July 2024, the minimum wage payable in the sector shall increase by 4.5% to R 9 960.45 per month.
- 7.2 With effect from 1 March 2025, the minimum wage payable in the sector shall increase by a further 1.5% to R 10 109.85 per month.
- 7.3 With effect from 1 July 2025, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2025/2026 financial year.
- 7.4 With effect from 1 July 2026, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2026/2027 financial year.
- 7.5 With effect from 1 July 2027, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2027/2028 financial year.
- 7.6 With effect from 1 July 2028, the minimum wage payable in the sector shall increase by the same percentage as the salary and wage increase for the 2028/2029 financial year.

8. HOME-OWNERS ALLOWANCE AND RELATED MATTERS

8.1 Increase to the Home-Owners Allowance

- 8.1.1 The flat rate Home-Owners Allowance, which is currently set at R1 066.41, shall increase as follows:

 NM
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8.1.1.1 For the 2024/2025 financial year, with effect from 1 July 2024, by **4.5%**, to **R 1 114.40**. The home-owners allowance shall not increase by 1.5% on 1 March 2025 and shall remain at R 1 114.40 until 30 June 2025.

8.1.1.2 For the 2025/2026 financial year, with effect from 1 July 2025, by the same percentage as the salary and wage increase for the 2025/2026 financial year.

8.1.1.3 For the 2026/2027 financial year, with effect from 1 July 2026, by the same percentage as the salary and wage increase for the 2026/2027 financial year.

8.1.1.4 For the 2027/2028 financial year, with effect from 1 July 2027, by the same percentage as the salary and wage increase for the 2027/2028 financial year.

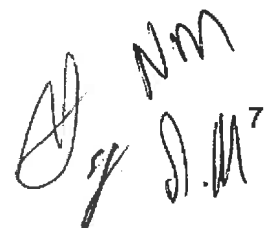
8.1.1.5 For the 2028/2029 financial year, with effect from 1 July 2028, by the same percentage as the salary and wage increase for the 2028/2029 financial year.

8.2 GAP Market Allowance

8.2.1 Gap Market employees are defined as employees whose income is regarded as too low to access bank funded housing finance (mortgage finance), but too high to qualify for the national government's free-basic housing subsidy scheme.

8.2.2 Gap Market employees who earn a basic salary of R22 000.00 per month or less, as at 01 July 2024, and who do not own a house or receive any form of housing assistance or do not participate in the current or any Home-Owners Allowance shall be paid a once-off, non-pensionable payment of **R2 000.00**.

8.2.3 The once off, non-pensionable payment shall be made on 31 December 2024, and where not possible, by no later than 31 March 2025.



8.3 Housing Investigation

8.3.1 The parties shall conduct an investigation, the purpose of which shall be to improve access to home ownership for employees within the Local Government sector.

8.3.2 The housing investigation must be concluded by no later than 31 March 2025, unless the Parties agree otherwise in writing.

9. MEDICAL AID

9.1 For the duration of this agreement, and based on the 60/40 principle set out in the Main Collective Agreement, the maximum medical aid employer contribution rate to accredited medical schemes, which is currently set at **R5 277.38**, shall increase as follows:

9.1.1 For the 2024/2025 financial year, with effect from 1 July 2024, by **4.5%**, to **R 5 514.86**. The maximum medical aid employer contribution shall not increase by 1.5% on 1 March 2025 and shall remain at R 5 514.86 until 30 June 2025.

9.1.2 For the 2025/2026 financial year, with effect from 1 July 2025, by the same percentage as the salary and wage increase for the 2025/2026 financial year.

9.1.3 For the 2026/2027 financial year, with effect from 1 July 2026, by the same percentage as the salary and wage increase for the 2026/2027 financial year.

9.1.4 For the 2027/2028 financial year, with effect from 1 July 2027, by the same percentage as the salary and wage increase for the 2027/2028 financial year.

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9.1.5 For the 2028/2029 financial year, with effect from 1 July 2028, by the same percentage as the salary and wage increase for the 2028/2029 financial year.

10. LINKED BENEFITS AND CONDITIONS OF SERVICE

Any benefit or condition of service that ordinarily increases by virtue of its link to the increase in the salary of an employee, shall increase by the same rate as the salary increase in each financial year, as set out in clause 6 above.

11. MATERNITY, PATERNITY AND ADOPTION LEAVE BENEFITS

The review of maternity, paternity and adoption leave benefits shall be dealt with as part of the negotiations on the Main Collective Agreement.

12. SERVICED STANDS

The provision of Serviced Stands is left to the Municipal discretion.

13. PRODUCTIVITY STATEMENT

13.1 The Parties recognise that wage increase adjustments strive to reinforce, encourage and promote optimal municipal performance to ensure a higher level of productivity. Therefore, this salary and wage adjustment collective agreement must be seen to attract and retain scarce and critical skills to help municipalities maintain financial sustainability and viability.

13.2 This wage collective agreement is to address socio-economic needs of workers, their families and communities to benefit from the employers' revenue and productivity. Parties commit and recognise that municipalities exist to serve the public. Therefore, service delivery is the focal point of this collective agreement.

13.3 The Parties commit to engage on a method to optimise productivity of the employees in all municipalities, though the implementation of the current Service Charter and Professionalisation Framework for the local government sector.

14. EXEMPTIONS

14.1 Exemption Applications

14.1.1 Any Party or municipality bound by this collective agreement shall be entitled to apply for exemption from any provision of this collective agreement.

14.1.2 All applications for exemption by a municipality must be lodged with the SALGBC's National Office by no later than:

14.1.2.1 45-working days of this collective agreement being signed, in respect of the 2024/2025 financial year; and

14.1.2.2 30-days from the date of approval of the budget of the municipality by the municipal council, or 30 June, whichever is the soonest, in respect of the 2025/2026, 2026/2027, 2027/2028 and 2028/2029 financial years.

14.1.3 All applications for exemption shall be made in writing on the prescribed application form, obtained from the SALGBC, setting out relevant information, including, but not limited to:

14.1.3.1 The provisions of the agreement in respect of which exemption is sought;

14.1.3.2 The number of employees in respect of whom the exemption is sought;

14.1.3.3 The reasons why the exemption is sought;

14.1.3.4 The nature and size of the municipality in respect of which the exemption is sought;

14.1.3.5 The duration and timeframe for which the exemption sought;

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14.1.3.6 The financial recovery plan of the applicant seeking the exemption;

14.1.3.7 The applicant's past record (if applicable) of compliance with the provisions of the Collective Agreement, its amendments and Exemptions Outcome;

14.1.3.8 Confirmation that the trade unions or employees themselves were advised of the exemption application at local level;

14.1.3.9 The following relevant financial information:

14.1.3.9.1 The last two years' audited financial statements;

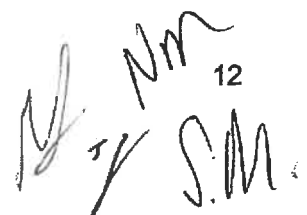
14.1.3.9.2 The Section 71 and Section 72 Municipal Finance Management Act (MFMA) reports for the current and preceding two financial years; and

14.1.3.9.3 The latest financial ratios as prescribed by National Treasury in the template for Calculating Uniform Financial Ratios and Norms (MFMA Circular 71 of January 2014).

14.1.4 An application for exemption from any provision of the collective agreement shall be lodged, in writing on the prescribed form, with the General Secretary of the SALGBC and the applicant shall serve a copy of the application as follows:

14.1.4.1 In the case of a Trade Union applying for exemption from this collective agreement, serve a copy of the exemption application to the national office of SALGA and the relevant municipality affected by the application; and

- 14.1.4.2 In the case of SALGA and/or a Municipality applying for exemption from this collective agreement, serve a copy of the exemption application to the national office of IMATU and SAMWU.
- 14.1.5 The Parties referred to in clause 14.1.4, as the case may be, shall be afforded ten (10) days to submit a response to the application for exemption to the General Secretary of the SALGBC. The party shall also be obliged to submit the response to the applicant for exemption.
- 14.1.6 The application for exemption shall be considered by the Panellist.
- 14.1.7 All applications considered by the Panellist shall only be based on the written exemption application and written submissions and arguments in respect of the application, if any, by the applicant and any party or a Municipality opposing the application, unless determined otherwise by a Panellist.
- 14.1.8 The Panellist shall consider and determine exemption applications in a manner that is fair and transparent. The applications shall be determined as expeditiously as possible and may, in exceptional cases and subject to the decision of the Panellist, include the hearing of evidence, where the matter cannot be decided solely on the documentation.
- 14.1.9 The Exemptions Process shall be a financial inquiry based on the Exemptions Criteria set out in clause 14.4 below.
- 14.1.10 Notwithstanding clauses 14.1.9 and 14.1.3.9 any Party to this Agreement shall be free to submit any relevant evidence / documents for consideration by the Panellist. However, the Panellist shall determine the relevance and weight to be attached to such evidence, noting the specific criteria and factors to be considered by the Panellist.

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- 14.1.11 In the event of applications being made that are frivolous and vexatious, such applications may be dismissed with costs.
- 14.1.12 Where a municipality submits an application for exemption, the municipality's obligation to implement the salary increase is suspended pending the outcome of the exemption application.
- 14.1.13 The Panellist must consider and make a decision and issue an Exemption Outcome within 30 days of appointment of the Panellist.
- 14.1.14 The onus to prove the case for the granting of an exemption lies with the applicant.
- 14.1.15 Parties undertake to make every reasonable effort to assist their members to discharge such onus in a full and proper manner.

14.2 National Exemption Panel:

- 14.2.1 The Executive Committee of the SALGBC shall establish a dedicated panel of exemption panellists and mediators that are preferably accredited by the CCMA to conduct mutual interest disputes from the National and Divisional Panel of conciliators and arbitrators of the SALGBC to constitute the National Exemptions Panel.
- 14.2.2 The Executive Committee of the SALGBC shall also establish a dedicated panel of independent financial experts made up of persons, in good standing, from a body to be determined by the Executive Committee. The financial expert should be in possession of a qualification in finance and, preferably a background and experience in local government finances.
- 14.2.3 The role of the financial expert shall be to:
- 14.2.3.1 Conduct an assessment of the exemption application, within the parameters stipulated by this agreement, including the relevant information set out in 14.1.3.9 hereof;

14.2.3.2 Assess whether the municipality can afford the costs of the whole or part of the agreement;

14.2.3.3 Provide financial advice to the Panellist; and

14.2.3.4 Develop and submit a written report with recommendations for consideration by the Panellist.

14.2.4 For each exemption application, the General Secretary of the SALGBC shall appoint a Panellist from the dedicated exemptions panel of arbitrators together with one financial expert from the appointed panel of financial experts.

14.3 Exemption Procedure

14.3.1 The SALGBC must, in the first instance, appoint a mediator to the exemption application.

14.3.2 The mediator must attempt to resolve the application through mediation, within 30-days of receipt of the exemption application by the SALGBC. However, the parties may agree, in writing, to extend the 30-day period.

14.3.3 The discussions and exchange of proposals during the mediation session shall be confidential and on a without prejudice basis.

14.3.4 In the event that mediation is successful, the agreement must be recorded and issued as an exemption outcome of the Panellist, by consent of the parties.

14.3.5 In the event that mediation has failed, or at the end of the 30-day period or any further period agreed to between the parties, the mediator shall issue a written mediation outcome to the Parties, through the office of the General Secretary of the SALGBC.

14.3.6 Any party shall be entitled to supplement its exemption application or response thereto as the case may be, within 10 days of receipt of the mediation outcome.

14.3.7 Once the mediation outcome has been issued, and the 10-day period referred in clause 14.3.6 above has expired, the SALGBC must set the application down for a hearing before a Panellist assisted by a financial expert.

14.3.8 The Panellist shall hear and determine the application. The financial expert shall assist and provide advice and recommendations to the Panellist.

14.3.9 The Panellist shall consider any written and or verbal substantiation provided by the applicant or a Party to the SALGBC.

14.3.10 The Panellist shall undertake its duties in a fair and transparent manner and shall have the powers and functions to:

14.3.10.1 Grant a full or partial exemption or reject an application for exemption; and

14.3.10.2 Approve interim orders in circumstances where this will not affect the final outcome.

14.3.11 For the purposes of this section:

14.3.11.1 Full exemption is defined as an exemption in terms of which a municipality is fully exempted from implementing the provisions of this collective agreement which relate to the salary increase, and / or related conditions, for the full duration of the financial year in respect of which exemption has been sought.

14.3.11.2 Partial exemption is defined as an exemption in terms of which a municipality is exempted from implementing the provisions of

this collective agreement in full, either by a later implementation date, or reduced salary increase or reduced conditions as per the collective agreement.

14.3.12 The Panellist shall have the power to grant a full or partial exemption or reject an application for exemption or issue an exemption outcome by consent of the parties as referred to in clause 14.3.4 above.

14.3.13 The Panellist shall have the power to condone any failure to comply with the time periods provided for in terms of this procedure based on good cause shown.

14.3.14 The decisions of the Panellist shall be final and binding, subject to an aggrieved party's right to institute review proceedings in any court having jurisdiction to hear the matter. The Panellist shall provide brief written reasons for its decision, together with a copy of the financial expert's report.

14.3.15 The Panellist shall notify the parties of its decision and that the aggrieved party has the right to institute review proceedings in any court having jurisdiction to hear the matter.

14.3.16 An Exemption Outcome shall be signed by the Panellist, and contain the following information:

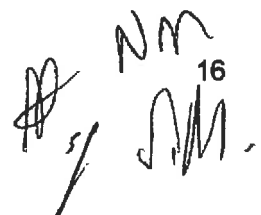
14.3.16.1 The full name of the applicant employer;

14.3.16.2 The date of issue;

14.3.16.3 The details of the agreement for which exemption is granted;

14.3.16.4 The period for which exemption shall operate;

14.3.16.5 The terms and conditions, or remedial requirements of the exemption;

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14.3.16.6 The reasons for the decision;

14.3.16.7 A copy of the financial expert's report; and

14.3.16.8 Any other matter the Panellist deems relevant.

14.4 Criteria to be considered by the Panellist:

14.4.1 When considering an application for exemption, including an application for the withdrawal of an Outcome of Exemption by the SALGBC, the following criteria shall be taken into account (the order not indicating any form of priority):

14.4.1.1 The employer is unable to afford the costs of the whole or part of this agreement;

14.4.1.2 The level of compliance with Section 138 and 140 of the Municipal Finance Management Act 56 of 2003, as amended;

14.4.1.3 Fairness to the employer and its employees with reference to the criteria set out in this agreement as well as the impact of the exemption on the employer and its employees;

14.4.1.4 The employer has short-term cash flow problems necessitating a partial exemption;

14.4.1.5 Unexpected economic hardship occurring during the currency of this agreement and job creation and/or loss thereof;

14.4.1.6 Whether a budgetary provision, approved by the Municipal Council, was made for implementation of the obligations arising out of the collective agreement, having regard, where applicable, to unfunded budgets and unforeseen budget constraints;

14.4.1.7 The outcome of the exemption application should not have the effect of undermining this agreement or the collective bargaining process; and

14.4.1.8 Any other factor(s) which is considered appropriate.

14.5 For the purposes of this section only, "Day" shall mean calendar day, unless otherwise specified.

15. ENFORCEMENT OF THIS COLLECTIVE AGREEMENT

15.1 Despite any other provision in the Act, the SALGBC shall monitor and enforce compliance of this collective agreement in terms of Section 33A of the Act.

15.2 The General Secretary or his appointed designated agent may, in keeping with the SALGBC constitution and Section 33(3) of the Act, issue a compliance order in terms of which any person bound by this collective agreement is required to comply with the terms of this agreement, stipulating the alleged breach and requiring that such breach be rectified within ten (10) days of receipt of such compliance order.

15.3 The SALGBC may refer any unresolved dispute concerning compliance with any provision of this collective agreement to arbitration by an arbitrator appointed by the SALGBC.


15.4 If a party to an arbitration in terms of Section 33A of the Act is not a party to the SALGBC, and objects to the appointment of an arbitrator, the CCMA (herein referred to as "the Commission"), on request by the Council, must appoint an arbitrator.

15.5 If an arbitrator is appointed by the Commission in terms of clause 15.4:

15.5.1 The council remains liable for the payment of the arbitrator's fee; and

15.5.2 The arbitration is not conducted under the auspices of the Commission.

- 15.6 An arbitrator conducting an arbitration in terms of Section 33A of the Act has the powers of a commissioner in terms of Section 142 of the Act, read with the changes required by the context.
- 15.7 Section 138 of the Act, read with the changes required by the context, applies to any arbitration conducted in terms of Section 33A of the Act and clause 15.6.
- 15.8 An arbitrator acting in terms of Section 33A of the Act and clause 15.6 may determine any dispute concerning the interpretation or application of a collective agreement.
- 15.9 An arbitrator conducting an arbitration in terms of Section 33A of the Act and clause 15.6 may make an appropriate award, including:
- 15.9.1 Ordering any party to pay any amount owing in terms of a collective agreement;
 - 15.9.2 Imposing a fine for a failure to comply with a collective agreement;
 - 15.9.3 Charging a party an arbitration fee;
 - 15.9.4 Ordering a party to pay the costs of the arbitration;
 - 15.9.5 Confirming, varying or setting aside a compliance order issued by the General Secretary or his appointed designated agent; and
 - 15.9.6 Any award contemplated in Section 139 (9) of the Act.
- 15.10 Interest on any amount that a party is obliged to pay in terms of this collective agreement accrues from the date on which the amount was due and payable at the rate prescribed in terms of Section 1 of the Prescribed Rate of Interest, Act 55 of 1975, unless the arbitration award provides otherwise.

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15.11 An arbitration award in an arbitration conducted in terms of Section 33A of the Act and clause 15.6 is final and binding and may be enforced in terms of Section 143 of the Act.

15.12 If an employer upon whom a fine has been imposed in terms of this Section files an application to review and set aside an award made in terms of this clause 15.6, any obligation to pay a fine is suspended pending the outcome of the application.

16. DISPUTES ABOUT THE APPLICATION OR INTERPRETATION OF THIS COLLECTIVE AGREEMENT

16.1 Any Party may refer a dispute about the application or interpretation of this agreement to the General Secretary of the SALGBC.

16.2 The General Secretary must appoint a conciliator from the national panel of conciliators, (doing so as far as possible on a rotational basis) to attempt to resolve the dispute.

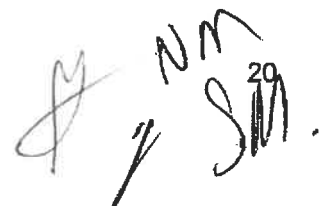
16.3 If the dispute remains unresolved any of the parties to the dispute may request the General Secretary to appoint an arbitrator from the national panel of arbitrators, (doing so as far as possible on a rotational basis) to arbitrate the dispute.

17. ENTIRE AGREEMENT, SEVERABILITY, WAIVER AND VARIATION

17.1 This agreement incorporates the entire agreement between the Parties.

17.2 Any failure by any Party to enforce any provision of this agreement shall not constitute a waiver of such provision or affect, in any way, a Party's right to require performance of such provision at any time in the future, nor shall the waiver of any subsequent breach nullify the effectiveness of the provision itself.

17.3 If any provision of this agreement is held to be illegal, invalid or unenforceable, such illegality, invalidity and/or unenforceability shall not affect the other provisions of this agreement which shall continue to remain in force and effect.

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THIS AGREEMENT WAS CONSIDERED, ADOPTED AND APPROVED BY THE BARGAINING COMMITTEE OF THE CENTRAL COUNCIL IN TERMS OF CLAUSE 17.3 OF THE CONSTITUTION.

SIGNED BY THE PARTIES AT KEMPTON PARK ON THIS THE 6TH DAY OF SEPTEMBER 2024.



**MEMBER OF THE SALGBC
(REPRESENTING SALGA – MR S MBANGA)**



**MEMBER OF THE SALGBC
(REPRESENTING IMATU – MR K SWANEPOEL)**



**MEMBER OF THE SALGBC
(REPRESENTING SAMWU – MR N MOKGOTHO)**



**GENERAL SECRETARY OF THE SALGBC
MR SS GOVENDER**