1. REPORT: DRAFT BUDGET 2026/2027 MTREF (MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK) / *VERSLAG: KONSEP BEGROTING 2026/2027 MEDIUM TERMYN INKOMSTE EN UITGAWE RAAMWERK (MTIUR)* / INGXELO: UYILO LOLWABIWO-MALI 2026/2027 MTREF (INGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO)

(6/18/7)

23 March 2026

REPORT FROM THE EXECUTIVE MAYOR (ALD M KRUGER)

2. PURPOSE

To table the draft budget 2026/27 MTREF of Garden Route District Municipality for consideration in terms of Section 16 (2) of the Municipal Finance Management Act 56 of 2003.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The draft budget 2026/27 MTREF of Garden Route District Municipality is hereby tabled for consideration in terms of Section 16 (2) of the Municipal Finance Management Act 56 of 2003.

5. RECOMMENDATIONS

That Council take the following resolutions:

1) That the draft annual budget of Garden Route District Municipality for the financial year 2026/27 as set out in the schedules contained in Section 4 and Annexure A be noted:
   (i) Table A1 Consolidated Budget Summary;
   (ii) Table A2 Consolidated Budget Financial Performance (by standard classification);
   (iii) Table A3 Consolidated Budget Financial Performance (by municipal vote);
   (iv) Table A4 Consolidated Budget Financial Performance (revenue and expenditure);

(v) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source);

(vi) Table A6 Consolidated Budget Financial Position;

(vii) Table A7 Consolidated Budget Cash Flows;

(viii) Table A8 Consolidated Cash backed reserves/ accumulated surplus;

(ix) Table A9 Consolidated Asset Management; and

(x) Table A10 Consolidated basic service delivery measurement

2) That Council takes note of the Operating Revenue Budget of **R271,362,650.**

3) That Council takes note of the Operating Expenditure budget of **R311,118,907.**

4) That Council takes note of the Capital budget of **R66,583,388.**

5) That a special budget workshop be held to address the current draft unfunded budget before the final budget is tabled.

6) That Council takes note of the Service Delivery Standards (Section 13).

7) That Council takes note of the tariffs for all services (Annexure B).

8) That council takes note of the following policies that have been reviewed and remained unchanged, namely:

i. Tariff Policy (Annexure C)
ii. Long term Financial Plan Policy (Annexure D)
iii. Budget policy (Annexure E)
iv. Asset Mangement Policy (Annexure F)
v. Funding and Reserve Policy (Annexure G)
vi. Supply Chain Management Policy (Annexure H)
vii. Credit Control and Debt Collection Policy and Bylaw (Annexure I)
viii. Banking, Cash Management and Investment Policy (Annexure J)
ix. Borrowing Policy (Annexure K)
x. Preferential Procurement Policy (Annexure L)
xi. Petty Cash Policy (Annexure M)
xii. Cost Containment Policy (Annexure N)

9) That Council takes note of the following Budget Circulars, namely:

i. MFMA Circular No. 132 (Annexure O)
ii. MFMA Circular No. 134 (Annexure P)

10) That Council takes note of the Draft Procurement Plan (Annexure Q).

11) That Council takes note of the Draft Funding Plan (Annexure R).

12) That Council takes note of the Draft mSCOA Roadmap (Annexure S).

AANBEVELINGS

Dat die Raad die volgende aanbevelings aanvaar:

1) Dat die Raad kennis neem van die meerjarige konsepbegroting vir Garden Route Distrik Munisipaliteit vir die finansiële jaar 2026/2027 soos uiteengesit in seksie 4 van die begrotingsverslag en Aanhangsel A:

(i) Tabel A1 Gekonsolideerde begrotings opsomming;

(ii) Tabel A2 Gekonsolideerde Begrotings Finansiële prestasie (volgens standaard klassifikasie);

(iii) Tabel A3 Gekonsolideerde Begrotings Finansiële Prestasie (volgens munisipale segment);

(iv) Tabel A4 Gekonsolideerde Begrotings Finansiele Prestasie (Inkomste en Uitgawes);

(v) Tabel A5 Gekonsolideerde Kapitale Begrotings uitgawes (volgens munisipale segment en befondsing bron);

(vi) Tabel A6 Gekonsolideerde Begroting Finansiële Posisie;

(vii) Tabel A7 Gekonsolideerde Begroting Kontantvloei;

(viii) Tabel A8 Gekonsolideerde kontant gerugsteunde reserwes/opgehoopte surplus;

(ix) Tabel A9 Gekonsolideerde Bate Bestuur; en

(x) Tabel A10 Gekonsolideerde Basiese dienslewering bepaling.

*2) Dat die Raad kennis neem van die Bedryfsinkomste van **R271,362,650.***

*3) Dat die Raad kennis neem van die Bedryfsuitgawes van **R311,118,907.***

*4) Dat die Raad kennis neem van die Kapitale Begroting van **R66,583,388.***

5) Dat 'n spesiale begrotingswerkswinkel gehou word om die huidige onbefondsde konsepbegroting aan te spreek voordat die finale begroting by die raad dien.

6) Dat die Raad kennis neem van die verslag rakende Diensleweringsstandaarde (Seksie 13).

7) Dat die Raad kennis neem van die tariewe vir alle dienste (Aanhangsel B).

8) Dat die Raad kennis neem dat die volgende beleide hersien is en geen veranderinge is aangebring nie, naamlik:

i. Tariewe Beleid (Aanhangsel C)
ii. Langtermyn Finansiële Bestuurs Beleid (Aanhangsel D)
iii. Begrotings Beleid (Aanhangsel E)
iv. Bate Bestuurs Beleid (Aanhangsel F)
v. Opgehoopte fondse en reserwe beleid (Aanhangsel G)
vi. Voorsienings Kanaal Beleid (Aanhangsel H)
vii. Krediet Beheer en Skuld Invorderings Beleid (Aanhangsel I)
viii. Bank, Kontantbestuur en beleggings Beleid (Aanhangsel J)
ix. Lenings Beleid (Aanhangsel K)
x. Voorkeur Verkrygings Beleid (Aanhangsel L)
xi. Kleinkas Beleid Regulasies (Aanhangsel M)
xii. Koste Inperkingsbeleid (Aanhangsel N)

9) Dat die Raad kennis neem van die volgende begrotings omsendskrywes, naamlik:

i. MFMA Omsendskrywe Nr. 132 (Aanhangsel O)
ii. MFMA Omsendskrywe Nr. 134 (Aanhangsel P)

10) Dat die Raad kennis neem van die konsep Verkrygingsplan (Aanhangsel Q).

11) Dat die Raad kennis neem van die konsep befondsingsplan (Aanhangsel R)

12) Dat die Raad kennis neem van die konsep mSCOA padkaart (Aanhangsel S).

ISINDULULO

Sesokuba iBhunga lithatha ezi zigqibo zilandelayo:

1) Sesokuba uhlahlo-lwabiwo mali lonyaka lweGarden Route District Municipality lonyaka-mali ka-2026/27 njengoko luchazwe kwiishedyuli ezikwiCandelo 4 kunye neSihlomelo A luqatshelwe:
(i) Isishwankathelo seBhajethi eDibeneyo yeTable A1;
(ii) ITable A2 Ukusebenza kwezeMali kweBhajethi eDibeneyo (ngokwendlela eqhelekileyo yokuhlelwa);
(iii) ITable A3 Ukusebenza kwezeMali kweBhajethi eDibeneyo (ngokwevoti kamasipala);
(iv) ITable A4 Ukusebenza kwezeMali kweBhajethi eDibeneyo (ingeniso kunye nenkcitho);

(v) ITable A5 Inkcitho yeNkunzi yeBhajethi eDibeneyo (ngokwevoti kamasipala kunye nomthombo wemali);
(vi) ITable A6 Isikhundla sezeMali seBhajethi eDibeneyo;
(vii) ITable A7 Ukuhamba kwemali kweBhajethi eDibeneyo;
(viii) ITable A8 Imali egciniweyo exhaswayo/ intsalela eqokelelweyo;
(ix) ITable A9 Ulawulo lweeAsethi eziDibeneyo; kunye
(xi) ITable A10 Umlinganiselo odibeneyo wokuhanjiswa kweenkonzo ezisisiseko

2) Okokuba iBhunga liqaphela uHlahlo-lwabiwo-mali lweNgeniso yokuSebenza oluyi-**R271,362,650.**

3) Okokuba iBhunga liqaphela uhlahlo-lwabiwo-mali lweNdleko yokuSebenza oluyi-**R311,118,907.**

4) Okokuba iBhunga liqaphela uhlahlo-lwabiwo-mali lweNkunzi oluyi-**R66,583,388**.

5) Ukuba kubanjwe iworkshop ekhethekileyo yohlahlo-lwabiwo-mali ukuze kujongwane nohlahlo-lwabiwo-mali olungekaxhaswa ngemali ngaphambi kokuba uhlahlo-lwabiwo-mali lokugqibela lubekwe etafileni.

6) IBhunga liqaphela iMigangatho yokuHanjiswa kweNkonzo (Icandelo 13).

7) IBhunga liqaphela amaxabiso azo zonke iinkonzo (Isihlomelo B).

8) IBhunga liqaphela le migaqo-nkqubo ilandelayo ehlaziyiweyo kwaye ayizange itshintshe, oko kukuthi:

i. UMgaqo-nkqubo weRhafu (Isihlomelo C)
ii. UMgaqo-nkqubo weSicwangciso sezeMali sexesha elide (Isihlomelo D)
iii. Umgaqo-nkqubo woHlahlo-lwabiwo-mali (Isihlomelo E)
iv. Umgaqo-nkqubo woLawulo lweeAsethi (Isihlomelo F)
v. Umgaqo-nkqubo weNkxaso-mali kunye noGcino (Isihlomelo G)
vi. Umgaqo-nkqubo woLawulo lweCandelo loNikezelo (Isihlomelo H)
vii. Umgaqo-nkqubo kunye noMthetho woLawulo lweTyala kunye nokuQokelelwa kwaMatyala (Isihlomelo I)
viii. Umgaqo-nkqubo weBhanki, uLawulo lweMali kunye noTyalo-mali (Isihlomelo J)
ix. Umgaqo-nkqubo wokuBoleka (Isihlomelo K)
x. Umgaqo-nkqubo woThengo oluKhethekileyo (Isihlomelo L)
xi. Umgaqo-nkqubo weMali encinci (Isihlomelo M)
xii. Umgaqo-nkqubo woLawulo lweendleko (Isihlomelo N)

9) Sesokuba iBhunga lithathele ingqalelo ezi Setyhula zeBhajethi zilandelayo, ezizezi:
i. ISetyhula ye-MFMA No. 132 (Isihlomelo O)
ii. ISetyhula ye-MFMA No. 134 (Isihlomelo P)

10) Sesokuba iBhunga lithathele ingqalelo uMgaqo-nkqubo woThengo oluYilwayo (Isihlomelo Q).

11) Sesokuba iBhunga lithathele ingqalelo uMgaqo-nkqubo woThengo oluYilwayo (Isihlomelo R).

12) Sesokuba iBhunga liyayiqaphela iDrafti ye-mSCOA Roadmap (Isihlomelo S).

6. DISCUSSION / CONTENTS

6.1. Background

Municipal Finance Management Act 56 of 2003:

Section 16 (2) *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.*

Section 16 of the MFMA states:

"(1) the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year

(2) In order for a municipality to comply with subsection (1), 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."

Municipal Budget and Reporting Regulations dated April 2009:

Regulation (9) *of the Municipal Budget and Reporting Regulations dated April 2009 states:*

The annual budget and supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Regulation 14 (1) *of the Municipal Budget and Reporting Regulations dated April 2009 states:*

– an annual budget and supporting documentation tabled in a municipal council in terms of section 16(2) and 17(3) of the Act –

(a) be in the format in which it will eventually be approved by council.

(b) be credible and realistic such that it is capable of being approved and implemented as tabled.

6.2 Discussion

The draft budget 2026/27 MTREF of Garden Route District Municipality is hereby tabled for consideration in terms of Section 16 (2) of the Municipal Finance Management Act 56 of 2003.

6.3 Financial Implications

As set out in the tabled draft budget.

6.4 Legal Implications

Municipal Finance Management Act, No 56 of 2003
Municipal Budget and Reporting Regulations, 17 April 2009

6.5 Staff Implications

None

6.6 Previous / Relevant Council Resolutions:

There are no previous or relevant Council resolutions related to this matter.

6.7 Risk Implications

Possible financial sustainability concerns.

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Annexure A: Budget Schedules for 2026/2027 MTREF

Annexure B: Tariffs 2026/2027 MTREF

Annexures C – N: Budget related policies

Annexure O: MFMA Circular No. 132

Annexure P: MFMA Circular No. 134

Annexure Q: Draft Procurement Plan

Annexure R: Draft Funding Plan

Annexure S: Draft mSCOA Roadmap

GARDEN ROUTE DISTRICT - MUNICIPALITY

DRAFT ANNUAL BUDGET REPORT

2026/2027 - 2028/2029 MTREF

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Annexure N – Cost Containment Policy

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Annexure Q: Draft Procurement Plan

Annexure R: Draft Funding Plan

Annexure S: Draft mSCOA Roadmap

Glossary

Annual budget – Prescribed in Chapter 4 of the MFMA.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Municipal budget and reporting regulations April 2009.

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principal piece of legislation relating to municipal financial management.

mSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium-term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spends without, or in excess of, an approved budget.

Virement – means transfer of funds between function / votes within a budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be endorsed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District Municipality's case, this means the different directorates/ departments the budget is divided into.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – No. 56 of 2003

Section 16 & 17 Annual Budgets

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations, April 2009

A Schedule budget formats

PART 1 – ANNUAL BUDGET

SECTION 1 – MAYOR'S REPORT

Honourable Speaker, Deputy Mayor, Councillors, Municipal Manager, officials and members of the public. I want to welcome you to this stage of the agenda.

It is a privilege to be here and to table the 2026/2027 MTREF Draft Budget to council.

The current period has been particularly challenging, with an unfunded budget tabled in light of prevailing financial constraints. As a district municipality that is heavily reliant on grant funding, the Equitable Share grant increased by only 3% (R5,4 million), while employee-related costs rose by 6,25% (R 11.5 million). Notably, no provision was made for vacant positions in the salary budget.

In addition, the transfer of the roads agency function to the Department of Infrastructure (DOI) effective 1 April 2026 resulted in the loss of the administration fee of approximately R22 million. Further financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

Various discussions are in place to address the revenue sources of council for long term financial sustainability. Various actions are in process by the Planning and Economic Development Department to ensure maximum revenue is derived from properties and resorts.

The following 2026/27 Annual Budget is presented to Council for consideration:

1. HIGH LEVEL SUMMARY: BUDGET 2026/27

HIGH-LEVEL SUMMARY: BUDGET 2026/2027			
High-level summary	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Operational Revenue	271 362 650	260 706 918	270 152 789
Operational Expenditure	(311 118 907)	(310 584 717)	(325 847 394)
	(39 756 257)	**(49 877 799)**	**(55 694 605)**
Capital Expenditure	(66 583 388)	(150 000)	(150 000)
Less funded from NT Grants	-	-	-
Less funded from PT Grants	2 500 000	-	-
Less funded from Borrowings	63 933 388	-	-
Less funded from Own funds (Insurance Refunds)	150 000	150 000	150 000
Surplus/ (Deficit)	**(42 406 257)**	**(50 027 799)**	**(55 844 605)**

2. SUMMARY: TOTAL OPERATING REVENUE

SUMMARY: TOTAL OPERATING REVENUE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Sales of Goods and Rendering of Services	28 719 720	14 845 071	15 320 113
Interest earned from Receivables	8 033 482	8 298 587	8 564 141
Interest earned from Current and Non Current Assets	7 931 280	8 168 263	8 405 647
Rent on Land	735 863	760 146	784 471
Rental from Fixed Assets	2 204 260	2 277 000	2 349 864
Operational Revenue	1 875 325	1 920 713	1 966 174
Licences or Permits	170 905	176 545	182 195
Transfer and subsidies - Operational	218 983 150	224 051 928	232 371 519
Transfer and subsidies - Capital	2 500 000	-	-
Other Gains	208 665	208 665	208 665
Total Operating Revenue	**271 362 650**	**260 706 918**	**270 152 789**

Notes on operating revenue:

1. Operational revenue was increased by the projected CPI Inflation forecast of 3,7% per MFMA Budget Circular No.132.
2. Transfers and Subsidies revenue includes the government grant allocations as per the DoRA (Division of Revenue Act) as well as allocations received from Provincial Government. Funds received from the National Skills Fund (NSF) and Skills Mecca projects are also included under this item.
3. Revenue relating to the roads function was removed from the budget, including the administration fee of approximately R22m.

3. SUMMARY: TOTAL OPERATING EXPENDITURE

SUMMARY: TOTAL OPERATING EXPENDITURE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Employee related costs	195 829 215	206 101 961	219 204 933
Remuneration of councillors	16 397 824	17 217 714	18 078 602
Inventory consumed	3 069 052	3 073 148	3 078 939
Depreciation and amortisation	8 064 299	8 064 299	8 064 299
Debt impairment	4 000 000	4 000 000	4 000 000
Interest	419 880	419 880	419 880
Contracted services	39 908 965	27 289 764	27 584 892
Transfers and subsidies	932 612	940 931	952 689
Irrecoverable debts written off	3 000 000	3 000 000	3 000 000
Operational costs	36 409 752	37 389 712	38 375 852
Losses on disposal of assets	172 135	172 135	172 135
Other losses	2 915 173	2 915 173	2 915 173
Total Operating Expenditure	**311 118 907**	**310 584 717**	**325 847 394**

Notes on the other operating expenditure items:

1. Operational expenditure has been classified and budgeted for according to mSCOA.
2. Fixed operational expenditure was increased by CPI.
3. Non-cash items such as bad debts, depreciation and amortisation were aligned to the 2024/25 audited financial figures where applicable.
4. Fixed expenditure was increased by the projected CPI Inflation forecast of 3,7% per MFMA Budget Circular No.132.
5. Discretionary expenditure such as Inventory consumed, Operational costs and Contracted services primarily remained the same as 2025/26 due to the current financial constraints.
6. Expenditure relating to the roads function was removed from the budget.

4. SALARY/REMUNERATION RELATED EXPENDITURE

SALARY/ REMUNERATION RELATED EXPENDITURE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Employee Related Cost - Senior Management	11 559 164	12 331 735	13 156 446
Employee Related Cost - Municipal Staff	184 270 051	193 770 226	206 048 487
Remuneration of Councillors	16 397 824	17 217 714	18 078 602
Total Salary/ Remuneration Related Expenditure	**212 227 039**	**223 319 675**	**237 283 535**

Employee related costs were adjusted on average with 6,25% (4% consumer price index (CPI) inflation plus 0,75% per the Salary and Wage Collective Agreement and the 1,5% notch increase).

No vacant positions have been budgeted for in view of the financial constraints and given that most of the operating expenditure budget (68%) is allocated to employee related costs.

5. OPERATING REVENUE

SUMMARY: TOTAL OPERATING REVENUE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Sales of Goods and Rendering of Services	28 719 720	14 845 071	15 320 113
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Licences or Permits	170 905	176 545	182 195
Transfer and subsidies - Operational	218 983 150	224 051 928	232 371 519
Transfer and subsidies - Capital	2 500 000	-	-
Other Gains	208 665	208 665	208 665
Total Operating Revenue	**271 362 650**	**260 706 918**	**270 152 789**

5.1 Equitable Share Grant

The equitable share over the MTREF period grows very slowly and increased by only 3% (R5,4m), which is not sufficient to ensure the financial sustainability of the municipality as it is below the annual CPI inflation (3,7% for 2026/27) as well as the salary increase percentage (6,25% circa R11.5m).

The limited revenue resources have compelled the municipality to pursue additional income sources to deliver the services in the region, and this remains a challenge as the municipality has limited own income sources.

Turnaround strategies are being compiled for properties and resorts, and alternative revenue enhancement strategies are being explored.

The Integrated Planning and Economic Development Department is in process of compiling action plans for properties and resorts to ensure maximum revenue is generated from the resorts and properties in the long-term.

5.2 Regional Landfill Site

The landfill site construction commenced towards the end of the 2022/23 financial year. According to the Engineer's report, the landfill cell is designed with a capacity to be of service for 25 years (4 cells of 25 hectares in size with a capacity to be filled 12 meters in height).

The Garden Route District Municipality completed procurement process to obtain borrowing to finance the facility's construction. After an intensive tender adjudication process and after a meeting with all the participating municipalities to analyse and determine the best and most appropriate tendered loan option, the meeting collectively decided unanimously that the preferred option of the tenders offered would be clearly the 10-year loan with an all-in floating rate of 6,89% offered by Standard Bank.

GRDM has negotiated service level agreements with participating B-Municipalities. It is imperative that the participating local municipalities provide a signed SLA, indicating the participation for 10 years. The tariffs will be included in the GRDM tariff structure to cater for the provision of this service.

There are four participating municipalities (Bitou, Knysna, George and Mossel Bay) who will be utilising the regional landfill site. Monthly accounts will be sent to the participating municipalities for the utilisation of the landfill site. The tariff policy and tariff listings included in the budget submission sets the tariff to be charged. This was established based on a financial model prepared by consultants based on a “best estimate” calculation for the construction and operating of the landfill site. This tariff will be revised annually to ensure the tariff covers the full cost of the service that GRDM will be providing to participating municipalities in this regard.

A separate rehabilitation reserve will be set up which must be cash-backed to ensure cash is available to rehabilitate the landfill space at the end of its useful life. Included in the monthly accounts to the participating municipalities will be a contribution for the rehabilitation of the regional landfill site to ensure cash reserves will be sufficient to rehabilitate the landfill site at the end of its useful life.

A portion of the regional landfill site is expected to become operational during the 2027/28 financial year only.

Further financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

5.3 Rental of Properties/ Facilities

It is envisioned with the turnaround strategy for properties and resorts that additional funding can be generated if market related rental agreements are signed with current/ new tenants.

Properties not needed for service delivery will be investigated for possible sale if rental of the property is not feasible.

5.4 Interest Earned

Interest earned was increased over the MTREF period and consists of interest earned on overdue debtor accounts and interest earned on investment of cash.

5.5 Government Grants

Budgeted as per DoRA (Division of Revenue Act) as well as allocations received from Provincial Government as follows:

Grant	Budget 2026/2027	Budget 2027/2028	Budget 2028/2029
Equitable Share	193 449 000	199 805 000	207 302 000
Municipal Service Delivery And Capacity Building Grant	200 000	-	-
Local Government Financial Management Grant	1 200 000	1 300 000	1 500 000
Expanded Public Works Programme Integrated Grant	1 774 000	-	-
Municipal Fire Service Capacity Support Grant	1 000 000	-	-
Municipal Water Resilience Grant	1 500 000	-	-
Safety Initiative Implementation - Whole Of Society Approach (WOSA)	1 230 000	1 302 000	1 406 000
Integrated Transport Planning	982 000	1 026 000	1 072 000
Rural Roads Asset Management Systems Grant	2 958 000	3 076 000	3 172 000
Total	**204 293 000**	**206 509 000**	**214 452 000**

Other grant-related expenditure also includes the National Skills Fund (NSF) and Skills Mecca projects.

5.6 Sale of Goods and Services/ Operational Revenue

Included under this item is the income from resorts, firefighting and health services.

With the turnaround strategies for resorts and properties, it is envisioned that revenue derived from these sources will increase from 2026/27.

5.7 Turnaround Strategy Properties

A turn-around strategy for properties and resorts will be developed by the property manager to maximise potential for properties. Related revenue from properties were increased as it is envisioned that it will increase with the turnaround strategies but will not be realised in the short term. This is a long-term planning process with envisioned additional revenue.

Negotiations are in advanced stages with different spheres of Government regarding transfer of certain properties to GRDM.

6. OPERATING EXPENDITURE

SUMMARY: TOTAL OPERATING EXPENDITURE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Employee related costs	195 829 215	206 101 961	219 204 933
Remuneration of councillors	16 397 824	17 217 714	18 078 602
Inventory consumed	3 069 052	3 073 148	3 078 939
Depreciation and amortisation	8 064 299	8 064 299	8 064 299
Debt impairment	4 000 000	4 000 000	4 000 000
Interest	419 880	419 880	419 880
Contracted services	39 908 965	27 289 764	27 584 892
Transfers and subsidies	932 612	940 931	952 689
Irrecoverable debts written off	3 000 000	3 000 000	3 000 000
Operational costs	36 409 752	37 389 712	38 375 852
Losses on disposal of assets	172 135	172 135	172 135
Other losses	2 915 173	2 915 173	2 915 173
Total Operating Expenditure	**311 118 907**	**310 584 717**	**325 847 394**

6.1 Employee related cost

Employee related costs were adjusted on average with 6,25% (4% consumer price index (CPI) inflation plus 0,75% per the Salary and Wage Collective Agreement and the 1,5% notch increase), around R11.5m increase in monetary value.

No vacant positions have been budgeted for in view of the financial constraints and given that most of the operating expenditure budget (68%) is allocated to employee related costs.

6.2 Councillor Remuneration

Councillor remuneration was budgeted on a grade 5 and adjusted with an annual increase of 5%.

6.3 Irrecoverable Debts Written Off and Debt Impairment

Mainly due to firefighting accounts not being paid as debtors are disputing the origin of the fires.

6.4 Depreciation

This is a GRAP related expenditure item which must be provided for annually in the financial statements as per the relevant GRAP accounting standards. The amount was aligned to the audited annual financial statements of 2024/2025.

6.5 Repairs and Maintenance

Maintenance for assets have been budgeted for to ensure that repairs and maintenance can be done timeously so that the useful life of the assets can be lengthened. The maintenance of Council equipment should be done regularly because replacement of the current assets with new purchases will be very costly for the municipality on the long term.

The user department is in the process of compiling maintenance plans per asset. This will guide council on what the amount is for the backlog in maintenance as well as what should be budgeted annually for repairs and maintenance.

6.6 Grant Allocations

Unbundled into the relevant expenditure classification votes as per GRAP Standards.

6.7 Other Operating expenditure

1. Operational expenditure has been classified and budgeted for according to mSCOA.
2. Fixed operational expenditure was increased by CPI.
3. Non-cash items such as bad debts, depreciation and amortisation were aligned to the 2024/25 audited financial figures where applicable.
4. Fixed expenditure was increased by the projected CPI Inflation forecast of 3,7% per MFMA Budget Circular No.132.

5. Discretionary expenditure such as Inventory consumed, Operational costs and Contracted services primarily remained the same as 2025/26 due to the current financial constraints.
6. Expenditure relating to the roads function was removed from the budget.

7 CAPITAL BUDGET

In the 2026/27 financial year, the construction of the regional landfill site is the largest item budgeted for.

In compliance with the appropriate GRAP accounting standards, GRDM must capitalise this asset to its Statement of Financial Position as an addition once the site becomes operational and complies with the definition of an asset.

The funding source from borrowing and the asset will be offset with a liability of the same quantum (as per the GRAP requirements).

Financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

Refer to section 5.2 for more detail regarding the regional landfill site project.

CAPITAL BUDGET			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Capital Expenditure	(66 583 388)	(150 000)	(150 000)
Less funded from NT Grants	-	-	-
Less funded from PT Grants	2 500 000	-	-
Less funded from Borrowings	63 933 388	-	-
Less funded from Own funds (Insurance Refunds)	150 000	150 000	150 000
	-	-	-

Notes on the above Capital Budget:

1. Concern should be raised over the limited funding available for the capital budget.
2. The landfill site construction is in progress and not yet operational. However, a portion of the regional landfill site is expected to become operational during the 2027/28 financial year.

The detailed capital budget for the 2026/27 MTREF is listed below:

CAPITAL BUDGET				
Cost Centre	**Own Description**	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Assets	Furniture / Equipment (Insurance Refunds)	150 000	150 000	150 000
Disaster Management	Moveable 10000 Liter Water Tank	1 500 000	-	-
Fire fighting	Hazardous Materials Equipment	1 000 000	-	-
Waste Management Landfill Sites	Landfill Site: PPE	63 933 388	-	-
Total Capital Budget		**66 583 388**	**150 000**	**150 000**

8 OPERATING SURPLUS / (DEFICIT)

High-level summary	Budget 2026/2027	Budget 2027/2028	Budget 2028/2029
Surplus/ (Deficit)	**(42 406 257)**	**(50 027 799)**	**(55 844 605)**

It is imperative that the turnaround strategies be compiled urgently and submitted to Council for approval and implemented to ensure the additional revenues will be collected as well as other revenue generating projects/ strategies be concluded and outputs achieved as envisioned.

I want to express my appreciation to the Budget Steering Committee, the Senior Managers and staff for their commitment and dedication.

Speaker, on this note, I would therefore like to recommend that council approve the following resolutions:

1) That the draft annual budget of Garden Route District Municipality for the financial year 2026/27 as set out in the schedules contained in Section 4 and Annexure A be noted:
    (i) Table A1 Consolidated Budget Summary;
    (ii) Table A2 Consolidated Budget Financial Performance (by standard classification);
    (iii) Table A3 Consolidated Budget Financial Performance (by municipal vote);
    (iv) Table A4 Consolidated Budget Financial Performance (revenue and expenditure);
    (v) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source);
    (vi) Table A6 Consolidated Budget Financial Position;
    (vii) Table A7 Consolidated Budget Cash Flows;
    (viii) Table A8 Consolidated Cash backed reserves/ accumulated surplus;
    (ix) Table A9 Consolidated Asset Management; and
    (x) Table A10 Consolidated basic service delivery measurement
2) That Council takes note of the Operating Revenue Budget of **R271,362,650.**
3) That Council takes note of the Operating Expenditure budget of **R311,118,907.**

4) That Council takes note of the Capital budget of **R66,583,388.**

5) That a special budget workshop be held to address the current draft unfunded budget before the final budget is tabled.

6) That Council takes note of the Service Delivery Standards (Section 13).

7) That Council takes note of the tariffs for all services (Annexure B).

8) That council takes note of the following policies that have been reviewed and remained unchanged, namely:

   i. Tariff Policy (Annexure C)
   ii. Long term Financial Plan Policy (Annexure D)
   iii. Budget policy (Annexure E)
   iv. Asset Mangement Policy (Annexure F)
   v. Funding and Reserve Policy (Annexure G)
   vi. Supply Chain Management Policy (Annexure H)
   vii. Credit Control and Debt Collection Policy and Bylaw (Annexure I)
   viii. Banking, Cash Management and Investment Policy (Annexure J)
   ix. Borrowing Policy (Annexure K)
   x. Preferential Procurement Policy (Annexure L)
   xi. Petty Cash Policy (Annexure M)
   xii. Cost Containment Policy (Annexure N)

9) That Council takes note of the following Budget Circulars, namely:
   iii. MFMA Circular No. 132 (Annexure O)
   iv. MFMA Circular No. 134 (Annexure P)

10) That Council takes note of the Draft Procurement Plan (Annexure Q).

11) That Council takes note of the Draft Funding Plan (Annexure R).

12) That Council takes note of the Draft mSCOA Roadmap (Annexure S).

SECTION 2 – RESOLUTIONS

Municipal Financial Management (Act, 56 of 2003) - SECTION 16 & 17 Municipal budgets.

These are the resolutions being presented to Council in terms of Municipal Finance Management Act, in respect of the annual budget and related information.

1) That the draft annual budget of Garden Route District Municipality for the financial year 2026/27 as set out in the schedules contained in Section 4 and Annexure A be noted:
   (i) Table A1 Consolidated Budget Summary;
   (ii) Table A2 Consolidated Budget Financial Performance (by standard classification);
   (iii) Table A3 Consolidated Budget Financial Performance (by municipal vote);
   (iv) Table A4 Consolidated Budget Financial Performance (revenue and expenditure);
   (v) Table A5 Consolidated Budget Capital Expenditure (by municipal vote and funding source);
   (vi) Table A6 Consolidated Budget Financial Position;
   (vii) Table A7 Consolidated Budget Cash Flows;
   (viii) Table A8 Consolidated Cash backed reserves/ accumulated surplus;
   (ix) Table A9 Consolidated Asset Management; and
   (x) Table A10 Consolidated basic service delivery measurement
2) That Council takes note of the Operating Revenue Budget of **R271,362,650.**
3) That Council takes note of the Operating Expenditure budget of **R311,118,907.**
4) That Council takes note of the Capital budget of **R66,583,388.**
5) That a special budget workshop be held to address the current draft unfunded budget before the final budget is tabled.
6) That Council takes note of the Service Delivery Standards (Section 13).
7) That Council takes note of the tariffs for all services (Annexure B).
8) That council takes note of the following policies that have been reviewed and remained unchanged, namely:
   i. Tariff Policy (Annexure C)
   ii. Long term Financial Plan Policy (Annexure D)
   iii. Budget policy (Annexure E)
   iv. Asset Mangement Policy (Annexure F)
   v. Funding and Reserve Policy (Annexure G)
   vi. Supply Chain Management Policy (Annexure H)
   vii. Credit Control and Debt Collection Policy and Bylaw (Annexure I)

viii. Banking, Cash Management and Investment Policy (Annexure J)
ix. Borrowing Policy (Annexure K)
x. Preferential Procurement Policy (Annexure L)
xi. Petty Cash Policy (Annexure M)
xii. Cost Containment Policy (Annexure N)

9) That Council takes note of the following Budget Circulars, namely:
v. MFMA Circular No. 132 (Annexure O)
vi. MFMA Circular No. 134 (Annexure P)

10) That Council takes note of the Draft Procurement Plan (Annexure Q).

11) That Council takes note of the Draft Funding Plan (Annexure R).

12) That Council takes note of the Draft mSCOA Roadmap (Annexure S).

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

This budget report is tabled in terms of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations, dated 17 April 2009.

Municipal Finance Management Act, 56 of 2003

Section 16(1) The council of a municipality must for each financial year approve an annual budget before the start of that financial year.

Section 16(2) The annual budget must be tabled at the council meeting at least 90 days before the start of the new financial year.

Section 17(1) An annual budget must be in a prescribed format.

Municipal Budget and Reporting Regulations, 17 April 2009

14) Tabling of annual budgets in municipal councils

14(1) An annual budget and supporting documentation tabled in a municipal council in terms of sections 16(2) and 17 (3) of the Act must-

(a) be in a format in which it will eventually be approved by the council; and

(b) be credible and realistic such that it is capable of being approved and implemented as tabled

9) Format of annual budgets

The annual budget and supporting documentation of a municipality must be in the format specified in Schedule A and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

3.2 Proposed Annual Budget 2026/27 - 2028/29 MTREF

The annual operating budget for the financial year 2026/27 MTREF period is proposed:

HIGH-LEVEL SUMMARY: BUDGET 2026/2027			
High-level summary	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Operational Revenue	271 362 650	260 706 918	270 152 789
Operational Expenditure	(311 118 907)	(310 584 717)	(325 847 394)
	(39 756 257)	**(49 877 799)**	**(55 694 605)**
Capital Expenditure	(66 583 388)	(150 000)	(150 000)
Less funded from NT Grants	-	-	-
Less funded from PT Grants	2 500 000	-	-
Less funded from Borrowings	63 933 388	-	-
Less funded from Own funds (Insurance Refunds)	150 000	150 000	150 000
Surplus/ (Deficit)	**(42 406 257)**	**(50 027 799)**	**(55 844 605)**

OPERATING SURPLUS / (DEFICIT)

High-level summary	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Surplus/ (Deficit)	**(42 406 257)**	**(50 027 799)**	**(55 844 605)**

The current period has been particularly challenging, with an unfunded budget tabled in light of prevailing financial constraints. As a district municipality that is heavily reliant on grant funding, the Equitable Share grant increased by only 3% (R5,4 million), while employee-related costs rose by 6,25% (R 11.5 million). Notably, no provision was made for vacant positions in the salary budget.

In addition, the transfer of the roads agency function to the Department of Infrastructure (DOI) effective 1 April 2026 resulted in the loss of the administration fee of approximately R22 million. Further financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

It is imperative that the turnaround strategies be compiled urgently and submitted to Council for approval and implemented to ensure the additional revenues will be collected as well as other revenue generating projects/ strategies be concluded and outputs achieved as envisioned.

OPERATING REVENUE

SUMMARY: TOTAL OPERATING REVENUE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Sales of Goods and Rendering of Services	28 719 720	14 845 071	15 320 113
Interest earned from Receivables	8 033 482	8 298 587	8 564 141
Interest earned from Current and Non Current Assets	7 931 280	8 168 263	8 405 647
Rent on Land	735 863	760 146	784 471
Rental from Fixed Assets	2 204 260	2 277 000	2 349 864
Operational Revenue	1 875 325	1 920 713	1 966 174
Licences or Permits	170 905	176 545	182 195
Transfer and subsidies - Operational	218 983 150	224 051 928	232 371 519
Transfer and subsidies - Capital	2 500 000	-	-
Other Gains	208 665	208 665	208 665
Total Operating Revenue	**271 362 650**	**260 706 918**	**270 152 789**

Equitable Share Grant

The equitable share over the MTREF period grows very slowly and increased by only 3% (R5,4m), which is not sufficient to ensure the financial sustainability of the municipality as it is below the annual CPI inflation (3,7% for 2026/27) as well as the salary increase percentage (6,25% (R11.5m)).

In addition, the transfer of the roads agency function to the Department of Infrastructure (DOI) effective 1 April 2026 resulted in the loss of the administration fee of approximately R22 million. Further financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

The limited revenue resources have compelled the municipality to pursue additional income sources to deliver the services in the region, and this remains a challenge as the municipality has limited own income sources.

Turnaround strategies are being compiled for properties and resorts, and alternative revenue enhancement strategies are being explored.

The Integrated Planning and Economic Development Department is in process of compiling action plans for properties and resorts to ensure maximum revenue is generated from the resorts and properties in the long-term.

Regional Landfill Site

The landfill site construction commenced towards the end of the 2022/23 financial year. According to the Engineer's report, the landfill cell is designed with a capacity to be of service for 25 years (4 cells of 25 hectares in size with a capacity to be filled 12 meters in height).

The Garden Route District Municipality completed procurement process to obtain borrowing to finance the facility's construction. After an intensive tender adjudication process and after a meeting with all the participating municipalities to analyse and determine the best and most appropriate tendered loan option, the meeting collectively decided unanimously that the preferred option of the tenders offered would be clearly the 10-year loan with an all-in floating rate of 6,89% offered by Standard Bank.

GRDM has negotiated service level agreements with participating B-Municipalities. It is imperative that the participating local municipalities provide a signed SLA, indicating the participation for 10 years. The tariffs will be included in the GRDM tariff structure to cater for the provision of this service.

There are four participating municipalities (Bitou, Knysna, George and Mossel Bay) who will be utilising the regional landfill site. Monthly accounts will be sent to the participating municipalities for the utilisation of the landfill site. The tariff policy and tariff listings included in the budget submission sets the tariff to be charged. This was established based on a financial model prepared by consultants based on a “best estimate” calculation for the construction and operating of the landfill site. This tariff will be revised annually to ensure the tariff covers the full cost of the service that GRDM will be providing to participating municipalities in this regard.

A separate rehabilitation reserve will be set up which must be cash-backed to ensure cash is available to rehabilitate the landfill space at the end of its useful life. Included in the monthly accounts to the participating municipalities will be a contribution for the rehabilitation of the regional landfill site to ensure cash reserves will be sufficient to rehabilitate the landfill site at the end of its useful life.

A portion of the regional landfill site is expected to become operational during the 2027/28 financial year only.

Financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

Rental of Properties/ Facilities

It is envisioned with the turnaround strategy for properties and resorts that additional funding can be generated if market related rental agreements are signed with current/ new tenants.

Properties not needed for service delivery will be investigated for possible sale if rental of the property is not feasible.

Interest Earned

Interest earned was increased over the MTREF period and consists of interest earned on overdue debtor accounts and interest earned on investment of cash.

Government Grants

Budgeted as per DoRA (Division of Revenue Act) as well as allocations received from Provincial Government as follows:

Grant	Budget 2026/2027	Budget 2027/2028	Budget 2028/2029
Equitable Share	193 449 000	199 805 000	207 302 000
Municipal Service Delivery And Capacity Building Grant	200 000	-	-
Local Government Financial Management Grant	1 200 000	1 300 000	1 500 000
Expanded Public Works Programme Integrated Grant	1 774 000	-	-
Municipal Fire Service Capacity Support Grant	1 000 000	-	-
Municipal Water Resilience Grant	1 500 000	-	-
Safety Initiative Implementation - Whole Of Society Approach (WOSA)	1 230 000	1 302 000	1 406 000
Integrated Transport Planning	982 000	1 026 000	1 072 000
Rural Roads Asset Management Systems Grant	2 958 000	3 076 000	3 172 000
Total	**204 293 000**	**206 509 000**	**214 452 000**

Other grant-related expenditure also includes the National Skills Fund (NSF) and Skills Mecca projects.

Sale of Goods and Services/ Operational Revenue

Included under this item is the income from resorts, firefighting and health services.

With the turnaround strategies for resorts and properties, it is envisioned that revenue derived from these sources will increase from 2026/27.

Turnaround Strategy Properties

A turn-around strategy for properties and resorts will be developed by the property manager to maximise potential for properties. Related revenue from properties were increased as it is envisioned that it will increase with the turnaround strategies but will not be realised in the short term. This is a long-term planning process with envisioned additional revenue.

Negotiations are in advanced stages with different spheres of Government regarding transfer of certain properties to GRDM.

OPERATING EXPENDITURE

SUMMARY: TOTAL OPERATING EXPENDITURE			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Employee related costs	195 829 215	206 101 961	219 204 933
Remuneration of councillors	16 397 824	17 217 714	18 078 602
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Depreciation and amortisation	8 064 299	8 064 299	8 064 299
Debt impairment	4 000 000	4 000 000	4 000 000
Interest	419 880	419 880	419 880
Contracted services	39 908 965	27 289 764	27 584 892
Transfers and subsidies	932 612	940 931	952 689
Irrecoverable debts written off	3 000 000	3 000 000	3 000 000
Operational costs	36 409 752	37 389 712	38 375 852
Losses on disposal of assets	172 135	172 135	172 135
Other losses	2 915 173	2 915 173	2 915 173
Total Operating Expenditure	**311 118 907**	**310 584 717**	**325 847 394**

Employee related cost

Employee related costs were adjusted on average with 6,25% (4% consumer price index (CPI) inflation plus 0,75% per the Salary and Wage Collective Agreement and the 1,5% notch increase).

No vacant positions have been budgeted for in view of the financial constraints and given that most of the operating expenditure budget (68%) is allocated to employee related costs.

Councillor Remuneration

Councillor remuneration was budgeted on a grade 5 and adjusted with an annual increase of 5%.

Irrecoverable Debts Written Off and Debt Impairment

Mainly due to firefighting accounts not being paid as debtors are disputing the origin of the fires.

Depreciation

This is a GRAP related expenditure item which must be provided for annually in the financial statements as per the relevant GRAP accounting standards. The amount was aligned to the audited annual financial statements of 2024/2025.

Repairs and Maintenance

Maintenance for assets have been budgeted for to ensure that repairs and maintenance can be done timeously so that the useful life of the assets can be lengthened. The maintenance of Council equipment should be done regularly because replacement of the current assets with new purchases will be very costly for the municipality on the long term.

The user department is in the process of compiling maintenance plans per asset. This will guide council on what the amount is for the backlog in maintenance as well as what should be budgeted annually for repairs and maintenance.

Grant Allocations

Unbundled into the relevant expenditure classification votes as per GRAP Standards.

Other Operating expenditure

1. Operational expenditure has been classified and budgeted for according to mSCOA.
2. Fixed operational expenditure was increased by CPI.
3. Non-cash items such as bad debts, depreciation and amortisation were aligned to the 2024/25 audited financial figures where applicable.
4. Fixed expenditure was increased by the projected CPI Inflation forecast of 3,7% per MFMA Budget Circular No.132.
5. Discretionary expenditure such as Inventory consumed, Operational costs and Contracted services primarily remained the same as 2025/26 due to the current financial constraints.
6. Expenditure relating to the roads function was removed from the budget.

Tariffs

Increased by CPI or cost-reflective tariffs. Refer to the tariffs for all services (Annexure B).

LIST OF POLICIES THAT WILL BE INCLUDED IN THE BUDGET

1. Annexure C – Tariff Policy
2. Annexure D – Long term Financial Management Policy
3. Annexure E – Budget Policy
4. Annexure F – Asset Management Policy
5. Annexure G – Funding and Reserve Policy
6. Annexure H – Supply Chain Management Policy
7. Annexure I – Credit Control and Debt Collection Policy and Bylaw
8. Annexure J – Banking Cash Management and Investment Policy
9. Annexure K – Borrowing Policy
10. Annexure L – Preferential Procurement Policy
11. Annexure M – Petty Cash Policy
12. Annexure N – Cost Containment Policy

Capital Budget

The annual capital budget for the financial year 2026/27 MTREF period is as follow:

CAPITAL BUDGET			
Description	**Budget 2026/2027**	**Budget 2027/2028**	**Budget 2028/2029**
Capital Expenditure	(66 583 388)	(150 000)	(150 000)
Less funded from NT Grants	-	-	-
Less funded from PT Grants	2 500 000	-	-
Less funded from Borrowings	63 933 388	-	-
Less funded from Own funds (Insurance Refunds)	150 000	150 000	150 000
	-	-	-

See comments included under the mayor's report.

3.3 Provision of basic services

The municipality as a category C municipality does not deliver basic services in respect of the following:

1. Provision of water services
2. Provision of sanitation services
3. Provision of refuse
4. Provision of electricity

Service that is delivered by the municipality that is essential to the communities of the Garden Route region includes the following:

1. GRDM plays a critical role in the delivery of Fire services in the area. This is supported by the fact that a number of mutual aid agreements are in place with different local municipalities to ensure delivery of fire services within their areas. After a 'cost vs benefit' analysis, the municipality is exploring the possibility to adjust the service delivery agreements to ensure a more mutual beneficial agreement for all parties involved. Other alternatives for the fire section operations are being investigated and will be reported to MMF and DCF in due course.
2. GRDM has an Air Quality service level agreement with Hessequa Municipality.
3. Disaster Management is also a key function performed by the municipality and the municipality strives to ensure that a collective effort is implemented in the region.
4. Firefighting services are performed by the district municipality for bush and veld fires.
5. The provision of Environmental Health practitioners is another key function performed by the district. With the impact that drought has on the provision of food security, the impact this function is performing is of critical importance. The monitoring of water quality is of equal importance given the prevalence of water issues experienced in the country.
6. Regional Waste Management Facility.

The municipal budget is to ensure the provision of these services can continue on an uninterrupted basis within the Garden Route District.

3.4 SDBIP and MTREF financial sustainability

The budget that has been tabled is an unfunded budget for the 2026/27 MTREF period. The financial sustainability for the district municipality is challenging due to the limited revenue sources, but Council together with Provincial Government and other district municipalities in the Western Cape are investigating ways for extra revenue sources. After the abolishment of RSC levies, the main source of income for district municipalities is the Equitable Share grant which increases annually ±2-4%.

The current period has been particularly challenging, with an unfunded budget tabled in light of prevailing financial constraints. As a district municipality that is heavily reliant on grant funding, the Equitable Share grant increased by only 3% (R5,4 million), while employee-related costs rose by 6,25% (R 11.5 million). Notably, no provision was made for vacant positions in the salary budget.

In addition, the transfer of the roads agency function to the Department of Infrastructure (DOI) effective 1 April 2026 resulted in the loss of the administration fee of approximately R22 million. Further financial strain has arisen from delays in the construction of the landfill site. GRDM has commenced repayment obligations, including interest of approximately R25 million and capital redemption of around R8 million, without being able to recover contributions from the B-municipalities, as the landfill site is not yet operational.

The Municipal Service Delivery and Budget Implementation Plan (SDBIP) is compiled to enhance council's ability to measure the impact of the budget on the municipal performance in terms of service delivery and to ensure that the municipality will deliver on its promise to ensure delivery of services to its communities.

Section 4 – Annual Budget Tables

DC4 Garden Route - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	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
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	8 389	47 855	–	–	–	–	–	–
Investment revenue	10 253	12 400	16 541	14 385	8 588	8 588	8 588	7 931	8 168	8 406
Transfer and subsidies - Operational	189 810	196 854	211 404	214 504	220 814	220 814	220 814	218 983	224 052	232 372
Other own revenue	215 857	225 520	222 899	277 670	253 283	253 283	253 283	41 948	28 487	29 376
Total Revenue (excluding capital transfers and contributions)	415 921	434 774	459 233	554 413	482 685	482 685	482 685	268 863	260 707	270 153
Employee costs	280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Remuneration of councillors	12 306	11 983	13 953	15 251	15 617	15 617	15 617	16 398	17 218	18 079
Depreciation, amortisation and impairment	5 766	6 435	7 565	11 095	8 191	8 191	8 191	8 064	8 064	8 064
Interest, Dividends and Rent on Land	148	4 664	435	136	420	420	420	420	420	420
Inventory consumed and bulk purchases	51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Transfers and subsidies	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953
Other expenditure	77 373	77 570	98 786	150 313	131 565	131 565	131 565	86 442	74 767	76 048
Total Expenditure	431 824	466 537	490 160	552 991	482 311	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit)	(15 903)	(31 763)	(30 927)	1 423	374	374	374	(42 256)	(49 878)	(55 695)
Transfers and subsidies - capital (monetary allocations)	3 765	13 072	2 563	3 000	5 084	5 084	5 084	2 500	–	–
Transfers and subsidies - capital (in-kind)	3 284	13	2 493	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Capital expenditure & funds sources										
Capital expenditure	–	(0)	60 895	108 921	72 580	72 580	72 580	–	–	–
Transfers recognised - capital	3 149	8 046	2 934	3 000	5 084	5 084	5 084	2 500	–	–
Borrowing	–	(13)	45 817	105 571	67 122	67 122	67 122	63 933	–	–
Internally generated funds	(3 149)	(8 033)	12 143	350	374	374	374	150	150	150
Total sources of capital funds	–	(0)	60 895	108 921	72 580	72 580	72 580	66 583	150	150
Financial position										
Total current assets	202 225	277 181	296 593	189 340	317 904	317 904	317 904	231 603	200 869	164 318
Total non current assets	315 923	355 895	339 864	437 579	350 029	350 029	350 029	364 167	356 252	348 338
Total current liabilities	83 156	85 875	88 995	95 627	108 632	108 632	108 632	128 270	129 118	129 967
Total non current liabilities	141 634	262 380	264 922	240 633	266 958	266 958	266 958	266 958	268 995	271 031
Community wealth/Equity	254 809	238 113	216 115	250 383	229 917	229 917	229 917	198 505	156 972	109 621
Cash flows										
Net cash from (used) operating	15 467	109 259	35 960	8 464	13 040	13 040	13 040	(27 802)	(38 188)	(44 267)
Net cash from (used) investing	(28 287)	(46 306)	(43 397)	(108 921)	(72 580)	(72 580)	(72 564)	(66 583)	(150)	(150)
Net cash from (used) financing	–	116 912	63 000	106 519	118 555	118 555	118 555	118 555	–	–
Cash/cash equivalents at the year end	123 584	336 681	212 379	58 676	174 126	174 126	174 142	155 939	117 601	73 185
Cash backing/surplus reconciliation										
Cash and investments available	123 612	336 696	212 394	58 692	174 142	174 142	174 158	155 955	117 617	73 200
Application of cash and investments	225 741	66 204	89 853	(27 286)	98 279	98 279	98 279	41 830	27 110	16 497
Balance - surplus (shortfall)	(102 129)	270 492	122 541	85 978	75 863	75 863	75 879	114 125	90 507	56 703
Asset management										
Asset register summary (WDV)	232 381	250 210	256 738	239 248	254 005	254 005		248 591	240 677	232 763
Depreciation	5 766	6 435	7 135	11 095	8 191	8 191		8 064	8 064	8 064
Renewal and Upgrading of Existing Assets	62	(418)	10 611	–	–	–		–	–	–
Repairs and Maintenance	2 559	2 752	11 443	10 345	11 102	11 102		11 287	11 786	12 317
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	–	–	–	–	–	–		–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

DC4 Garden Route - 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		
R thousand	1	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		**240 643**	**246 905**	**243 829**	**177 732**	**157 503**	**157 503**	**230 524**	**237 926**	**246 594**
Executive and council		238 879	240 008	223 262	74 390	71 136	71 136	194 435	200 807	208 320
Finance and administration		1 763	6 898	20 567	103 343	86 367	86 367	36 089	37 119	38 274
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**9 762**	**11 907**	**17 730**	**90 130**	**92 338**	**92 338**	**17 272**	**15 085**	**15 630**
Community and social services		–	–	2 571	13 200	15 484	15 484	2 930	1 302	1 406
Sport and recreation		9 382	8 866	8 154	8 347	7 983	7 983	8 279	8 552	8 826
Public safety		–	2 567	5 582	27 547	33 518	33 518	4 426	3 539	3 652
Housing		–	–	–	–	–	–	–	–	–
Health		380	474	1 423	41 036	35 352	35 352	1 638	1 692	1 746
Economic and environmental services		**172 672**	**189 154**	**191 773**	**236 494**	**219 234**	**219 234**	**8 467**	**6 946**	**7 179**
Planning and development		–	4 856	12 605	19 549	50 613	50 613	4 248	2 556	2 638
Road transport		172 594	184 199	178 754	216 780	168 352	168 352	3 940	4 102	4 244
Environmental protection		78	99	414	165	269	269	279	288	297
Trading services		**–**	**–**	**10 849**	**51 482**	**17 119**	**17 119**	**15 099**	**750**	**750**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	10 849	51 482	17 119	17 119	15 099	750	750
Other	4	**–**	**–**	**108**	**1 575**	**1 575**	**1 575**	**–**	**–**	**–**
Total Revenue - Functional	2	**423 077**	**447 966**	**464 289**	**557 413**	**487 769**	**487 769**	**271 363**	**260 707**	**270 153**
Expenditure - Functional										
Governance and administration		**145 428**	**170 437**	**186 728**	**170 929**	**177 851**	**177 851**	**172 215**	**179 809**	**187 935**
Executive and council		50 753	63 937	79 474	62 663	62 443	62 443	69 189	71 661	74 253
Finance and administration		91 829	103 404	103 398	104 250	111 346	111 346	98 714	103 547	108 776
Internal audit		2 846	3 096	3 856	4 017	4 062	4 062	4 313	4 600	4 906
Community and public safety		**81 518**	**83 666**	**85 981**	**86 267**	**91 644**	**91 644**	**91 600**	**96 300**	**101 553**
Community and social services		6 644	8 591	10 640	10 837	10 456	10 456	11 072	11 385	11 959
Sport and recreation		11 458	11 424	10 868	8 212	10 313	10 313	10 753	11 252	11 783
Public safety		27 355	26 904	27 020	27 018	31 579	31 579	28 225	29 534	30 931
Housing		–	–	–	–	–	–	–	–	–
Health		36 061	36 746	37 453	40 200	39 295	39 295	41 550	44 129	46 880
Economic and environmental services		**202 343**	**208 909**	**204 683**	**244 558**	**193 787**	**193 787**	**28 204**	**27 916**	**29 471**
Planning and development		20 500	16 324	24 985	23 442	21 307	21 307	19 903	19 189	20 319
Road transport		178 357	188 663	175 491	216 780	168 352	168 352	3 940	4 102	4 244
Environmental protection		3 486	3 922	4 207	4 337	4 129	4 129	4 361	4 626	4 908
Trading services		**2 057**	**3 300**	**11 718**	**50 733**	**17 396**	**17 396**	**17 386**	**4 754**	**4 984**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 057	3 300	11 718	50 733	17 396	17 396	17 386	4 754	4 984
Other	4	**2 639**	**1 827**	**1 587**	**1 575**	**1 633**	**1 633**	**1 714**	**1 806**	**1 904**
Total Expenditure - Functional	3	**433 984**	**468 139**	**490 697**	**554 063**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit) for the year		**(10 908)**	**(20 173)**	**(26 408)**	**3 350**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - 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		
R thousand		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 - Office of the Municipal Manager		238 879	240 008	223 262	74 390	71 136	71 136	194 435	200 807	208 320
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		(4)	4 386	5 439	49 644	29 455	29 455	16 193	16 781	17 469
Vote 4 - Financial Services (cont)		–	(14)	20	–	–	–	–	–	–
Vote 5 - Corporate Services		1 764	1 590	1 882	39 949	37 601	37 601	9 793	9 843	9 894
Vote 6 - Corporate Services (cont)		–	929	13 184	9 644	15 205	15 205	10 104	10 495	10 911
Vote 7 - Community Services		380	474	3 038	57 341	53 941	53 941	3 338	1 692	1 746
Vote 8 - Community Services (cont)		78	2 666	17 801	80 194	51 906	51 906	21 033	5 879	6 105
Vote 9 - Planning and Economic Development		4	5	4 922	3 075	3 075	3 075	–	–	–
Vote 10 - Planning and Economic Development (cont)		5 701	10 182	11 686	10 258	16 729	16 729	4 464	2 778	2 867
Vote 11 - Planning and Economic Development(cont2		3 681	3 540	4 301	16 138	40 367	40 367	8 064	8 330	8 596
Vote 12 - Roads		172 594	184 199	178 754	216 780	168 352	168 352	3 940	4 102	4 244
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**423 077**	**447 966**	**464 289**	**557 413**	**487 769**	**487 769**	**271 363**	**260 707**	**270 153**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Office of the Municipal Manager		58 788	73 105	86 242	69 692	69 375	69 375	75 970	78 822	81 819
Vote 2 - Office of the Municipal Manager (cont)		6 265	6 884	7 670	7 875	7 966	7 966	8 439	8 981	9 559
Vote 3 - Financial Services		17 787	20 669	20 222	22 829	19 836	19 836	21 041	22 289	23 713
Vote 4 - Financial Services (cont)		5 803	6 000	6 510	6 448	10 442	10 442	5 807	6 182	6 582
Vote 5 - Corporate Services		19 658	24 086	19 569	21 405	23 440	23 440	22 432	23 182	23 980
Vote 6 - Corporate Services (cont)		23 395	27 761	43 219	39 691	41 785	41 785	33 305	34 886	36 554
Vote 7 - Community Services		46 997	48 499	49 089	54 078	53 657	53 657	56 585	59 733	63 303
Vote 8 - Community Services (cont)		31 715	32 891	43 502	81 999	52 806	52 806	49 831	38 763	40 689
Vote 9 - Planning and Economic Development		18 107	16 175	8 102	3 113	4 532	4 532	3 113	3 205	3 303
Vote 10 - Planning and Economic Development (cont)		23 685	21 007	20 024	16 417	17 530	17 530	17 422	16 470	17 345
Vote 11 - Planning and Economic Development(cont2		3 221	2 389	11 058	13 736	12 589	12 589	13 234	13 971	14 757
Vote 12 - Roads		114 056	112 647	108 914	134 114	97 330	97 330	3 940	4 102	4 244
Vote 13 - Roads (cont)		64 508	76 016	66 577	82 666	71 022	71 022	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**433 984**	**468 129**	**490 697**	**554 063**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit) for the year	2	**(10 908)**	**(20 163)**	**(26 408)**	**3 350**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - 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		
R thousand	1	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	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	8 389	47 855	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	15 181	11 727	13 544	21 280	35 230	35 230	35 230	28 720	14 845	15 320
Agency services	2	188 140	18 489	18 860	22 763	14 881	14 881	14 881	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	4 189	5 222	5 379	6 711	7 747	7 747	7 747	8 033	8 299	8 564
Interest earned from Current and Non Current Assets	2	10 253	12 400	16 541	14 385	8 588	8 588	8 588	7 931	8 168	8 406
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	573	495	481	593	710	710	710	736	760	784
Rental from Fixed Assets	2	1 315	1 586	2 000	3 199	2 126	2 126	2 126	2 204	2 277	2 350
Licence and permits	2	-	-	-	165	165	165	165	171	177	182
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	6 385	188 526	179 345	217 188	166 940	166 940	166 940	1 875	1 921	1 966
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	2 568	-	-	-	-	-	-	-
Licences or permits	2	78	68	309	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	189 810	196 854	211 404	214 504	220 814	220 814	220 814	218 983	224 052	232 372
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	(618)	(172)	1 350	25 276	25 276	25 276	-	-	-
Other Gains	2	(4)	26	585	4 420	209	209	209	209	209	209
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution		**415 921**	**434 774**	**459 233**	**554 413**	**482 685**	**482 685**	**482 685**	**268 863**	**260 707**	**270 153**
Expenditure											
Employee related costs	2	280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Remuneration of councillors	2	12 306	11 983	13 953	15 251	15 617	15 617	15 617	16 398	17 218	18 079
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Debt impairment	2,3	6 577	3 874	17 488	-	4 000	4 000	4 000	4 000	4 000	4 000
Depreciation, amortisation and impairment	2	5 766	6 435	7 565	11 095	8 191	8 191	8 191	8 064	8 064	8 064
Interest, Dividends and Rent on Land	2	148	4 664	435	136	420	420	420	420	420	420
Contracted services	2	32 200	24 036	28 206	47 207	52 425	52 425	52 425	39 909	27 290	27 585
Transfers and subsidies	2	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953
Irrecoverable debts written off	2	-	-	1 614	1 650	3 000	3 000	3 000	3 000	3 000	3 000
Operational costs	2	38 407	49 467	47 210	100 401	69 052	69 052	69 052	36 445	37 390	38 376
Disposal of Fixed and Intangible Assets	2	136	402	-	1 025	172	172	172	172	172	172
Other Losses	2	53	(209)	4 267	30	2 915	2 915	2 915	2 915	2 915	2 915
Total Expenditure		**431 824**	**466 537**	**490 160**	**552 991**	**482 311**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit)		**(15 903)**	**(31 763)**	**(30 927)**	**1 423**	**374**	**374**	**374**	**(42 256)**	**(49 878)**	**(55 695)**
Transfers and subsidies - capital (monetary allocations)	6	3 765	13 072	2 563	3 000	5 084	5 084	5 084	2 500	-	-
Transfers and subsidies - capital (in-kind)	6	3 284	13	2 493	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		108	108	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**(8 747)**	**(18 571)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

A5: Capital Expenditure

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		–	–	48	150	174	174	174	150	150	150
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		–	4	24	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	(4)	303	200	200	200	200	–	–	–
Vote 7 - Community Services		(2 970)	(7 753)	885	2 500	4 584	4 584	4 584	–	–	–
Vote 8 - Community Services (cont)		–	690	47 524	106 071	67 622	67 622	67 622	–	–	–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		2 970	2 960	–	–	–	–	–	–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**(4 103)**	**48 783**	**108 921**	**72 580**	**72 580**	**72 580**	**150**	**150**	**150**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Office of the Municipal Manager		(1 136)	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	18	–	–	–	–	–	–	–
Vote 3 - Financial Services		20	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		5	–	14	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	–	22	–	–	–	–	–	–	–
Vote 7 - Community Services		1 019	1 030	(375)	–	–	–	–	1 500	–	–
Vote 8 - Community Services (cont)		–	3 073	–	–	–	–	–	64 933	–	–
Vote 9 - Planning and Economic Development		29	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		62	–	88	–	–	–	–	–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	12 344	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**(0)**	**4 103**	**12 111**	**–**	**–**	**–**	**–**	**66 433**	**–**	**–**
Total Capital Expenditure - Vote		**(0)**	**–**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**66 583**	**150**	**150**
Capital Expenditure - Functional											
Governance and administration		**(1 161)**	**257**	**10 260**	**350**	**374**	**374**	**374**	**–**	**–**	**–**
Executive and council		(1 636)	(481)	91	–	–	–	–	–	–	–
Finance and administration		474	738	10 170	350	374	374	374	–	–	–
Internal audit											
Community and public safety		**1 056**	**(257)**	**4 817**	**3 000**	**5 084**	**5 084**	**5 084**	**–**	**–**	**–**
Community and social services		994	–	941	2 500	4 584	4 584	4 584	–	–	–
Sport and recreation		(74)	563	6	–	–	–	–	–	–	–
Public safety		136	(820)	1 928	500	500	500	500	–	–	–
Housing											
Health		–	–	1 943	–	–	–	–	–	–	–
Economic and environmental services		**105**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development		105	–	–	–	–	–	–	–	–	–
Road transport											
Environmental protection											
Trading services		**–**	**–**	**45 817**	**105 571**	**67 122**	**67 122**	**67 122**	**–**	**–**	**–**
Energy sources											
Water management											
Waste water management											
Waste management		–	–	45 817	105 571	67 122	67 122	67 122	–	–	–
Other											
Total Capital Expenditure - Functional	3	**–**	**(0)**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**–**	**–**	**–**
Funded by:											
National Government		2 970	–	–	–	–	–	–	–	–	–
Provincial Government		179	8 046	2 934	3 000	5 084	5 084	5 084	2 500	–	–
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	**3 149**	**8 046**	**2 934**	**3 000**	**5 084**	**5 084**	**5 084**	**2 500**	**–**	**–**
Borrowing	6	–	(13)	45 817	105 571	67 122	67 122	67 122	63 933	–	–
Internally generated funds		(3 149)	(8 033)	12 143	350	374	374	374	150	150	150
Total Capital Funding	7	**–**	**(0)**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**66 583**	**150**	**150**

DC4 Garden Route - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current assets											
Cash and cash equivalents	1	136 403	156 816	155 011	56 898	171 670	171 670	171 670	153 806	113 325	66 754
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	(20 977)	103 943	121 689	111 675	121 555	121 555	121 555	58 175	67 743	77 585
Receivables from non-exchange transactions	3	46	46	46	46	4 652	4 652	4 652	–	–	–
Current portion of non-current receivables	4	4 293	4 293	4 293	4 293	4 293	4 293	4 293	–	–	–
Inventory	5	3 483	2 662	3 217	3 049	3 396	3 396	3 396	3 574	3 753	3 932
VAT Receivable	6	7 105	10 678	11 615	10 678	11 615	11 615	11 615	11 615	11 615	11 615
Other current assets	7	71 871	(1 256)	722	2 700	722	722	722	4 432	4 432	4 432
Total current assets		**202 225**	**277 181**	**296 593**	**189 340**	**317 904**	**317 904**	**317 904**	**231 603**	**200 869**	**164 318**
Non current assets											
Investments	8	28	16	16	16	16	16	16	16	16	16
Investment property	9	65 948	65 839	65 730	65 619	65 602	65 602	65 602	65 474	65 346	65 218
Property, plant and equipment	10	188 446	228 788	273 555	314 384	288 711	288 711	288 711	297 998	290 468	282 938
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	1 413	1 317	1 192	(2 376)	935	935	935	679	423	167
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	60 088	59 935	(629)	59 935	(5 235)	(5 235)	(5 235)	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**315 923**	**355 895**	**339 864**	**437 579**	**350 029**	**350 029**	**350 029**	**364 167**	**356 252**	**348 338**
TOTAL ASSETS		**518 149**	**633 076**	**636 457**	**626 919**	**667 933**	**667 933**	**667 933**	**595 770**	**557 121**	**512 656**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	663	3 503	6 373	13 255	25 161	25 161	25 161	43 950	43 950	43 950
Consumer deposits	19	637	660	1 336	660	1 336	1 336	1 336	1 336	1 336	1 336
Trade and other payables from exchange transactions	20	47 184	40 193	38 987	40 193	39 836	39 836	39 836	40 684	41 533	42 382
Trade and other payables from non-exchange transaction	21	2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
Provision	22	31 059	31 684	32 980	31 684	32 980	32 980	32 980	32 980	32 980	32 980
VAT Payable	23	963	9 194	8 022	9 194	8 022	8 022	8 022	8 022	8 022	8 022
Other current liabilities	24	–	–	–	–	–	–	–	–	–	–
Total current liabilities		**83 156**	**85 875**	**88 995**	**95 627**	**108 632**	**108 632**	**108 632**	**128 270**	**129 118**	**129 967**
Non current liabilities											
Financial liabilities	25	583	114 063	166 490	92 316	166 490	166 490	166 490	166 490	166 490	166 490
Provision	26	4	4	123	4	123	123	123	123	123	123
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	141 047	148 312	98 309	148 312	100 345	100 345	100 345	100 345	102 382	104 418
Total non current liabilities		**141 634**	**262 380**	**264 922**	**240 633**	**266 958**	**266 958**	**266 958**	**266 958**	**268 995**	**271 031**
TOTAL LIABILITIES		**224 790**	**348 254**	**353 917**	**336 259**	**375 591**	**375 591**	**375 591**	**395 228**	**398 113**	**400 999**
NET ASSETS		**293 359**	**284 822**	**282 540**	**290 660**	**292 342**	**292 342**	**292 342**	**200 542**	**159 008**	**111 658**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	211 918	200 327	148 149	212 598	161 951	161 951	161 951	130 539	89 005	41 655
Reserves and funds	30	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**254 809**	**238 113**	**216 115**	**250 383**	**229 917**	**229 917**	**229 917**	**198 505**	**156 972**	**109 621**

DC4 Garden Route - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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									–	–	–
Service charges		–	–	–	49 662	14 349	14 349	14 349	14 349	–	–
Other revenue		(204 085)	38 473	122 283	52 598	35 607	35 607	35 607	19 096	19 710	20 325
Transfers and Subsidies - Operational	1	339 196	196 075	213 186	428 679	410 789	410 789	410 789	219 155	224 224	232 544
Transfers and Subsidies - Capital	1	6 339	8 264	5 979	3 000	5 084	5 084	5 084	2 500	–	–
Interest		–	–	–	12 679	8 588	8 588	8 588	7 931	8 168	8 406
Dividends									–	–	–
Payments											
Suppliers and employees		(125 983)	(133 552)	(305 488)	(538 018)	(461 289)	(461 289)	(461 289)	(290 746)	(290 203)	(305 453)
Finance charges		–	–	–	(136)	(88)	(88)	(88)	(88)	(88)	(88)
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**15 467**	**109 259**	**35 960**	**8 464**	**13 040**	**13 040**	**13 040**	**(27 802)**	**(38 188)**	**(44 267)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments		–	13	–	–	–	–	16	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(28 287)	(46 318)	(43 397)	(108 921)	(72 580)	(72 580)	(72 580)	(66 583)	(150)	(150)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(28 287)**	**(46 306)**	**(43 397)**	**(108 921)**	**(72 580)**	**(72 580)**	**(72 564)**	**(66 583)**	**(150)**	**(150)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	116 912	63 000	118 555	118 555	118 555	118 555	118 555	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		–	–	–	(12 037)	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**116 912**	**63 000**	**106 519**	**118 555**	**118 555**	**118 555**	**118 555**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(12 819)**	**179 865**	**55 563**	**6 062**	**59 016**	**59 016**	**59 032**	**24 170**	**(38 338)**	**(44 417)**
Cash/cash equivalents at the year begin:	2	**136 403**	**156 816**	**156 816**	**52 614**	**115 111**	**115 111**	**115 111**	**131 769**	**155 939**	**117 601**
Cash/cash equivalents at the year end:	2	**123 584**	**336 681**	**212 379**	**58 676**	**174 126**	**174 126**	**174 142**	**155 939**	**117 601**	**73 185**

DC4 Garden Route - 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		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	123 584	336 681	212 379	58 676	174 126	174 126	174 142	155 939	117 601	73 185
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	28	16	16	16	16	16	16	16	16	16
Cash and investments available:		**123 612**	**336 696**	**212 394**	**58 692**	**174 142**	**174 142**	**174 158**	**155 955**	**117 617**	**73 200**
Application of cash and investments											
Unspent conditional transfers		2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
Unspent borrowing											
Statutory requirements	2	73 598	(38 070)	(37 856)	(117 809)	(37 856)	(37 856)	(37 856)	(37 856)	(37 856)	(37 856)
Other working capital requirements	3	83 812	34 622	25 466	27 304	33 892	33 892	33 892	(22 558)	(37 277)	(47 890)
Other provisions		22 791	31 226	32 980	24 793	32 980	32 980	32 980	32 980	32 980	32 980
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966
Total Application of cash and investments:		**225 741**	**66 204**	**89 853**	**(27 286)**	**98 279**	**98 279**	**98 279**	**41 830**	**27 110**	**16 497**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Ben		**(102 129)**	**270 492**	**122 541**	**85 978**	**75 863**	**75 863**	**75 879**	**114 125**	**90 507**	**56 703**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Bene		**(102 129)**	**270 492**	**122 541**	**85 978**	**75 863**	**75 863**	**75 879**	**114 125**	**90 507**	**56 703**

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	(62)	418	50 284	108 921	72 580	72 580	66 583	150	150
Solid Waste Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Infrastructure		–	*(220)*	*45 817*	*105 571*	*67 122*	*67 122*	*63 933*	–	–
Community Facilities		–	–	–	–	1 000	1 000	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	*1 000*	*1 000*	–	–	–
Operational Buildings		–	–	653	–	–	–	–	–	–
Other Assets		–	–	*653*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	62	(418)	8 669	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		62	(1 152)	8 399	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*62*	*(1 152)*	*8 399*	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	220	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*220*	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	514	270	–	–	–	–	–	–
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	–	–	1 941	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	1 941	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	*1 941*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	–	(0)	60 895	108 921	72 580	72 580	66 583	150	150
Solid Waste Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	*(220)*	*45 817*	*105 571*	*67 122*	*67 122*	*63 933*	–	–
Community Facilities		62	(1 152)	8 399	–	1 000	1 000	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*62*	*(1 152)*	*8 399*	–	*1 000*	*1 000*	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	220	2 595	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*220*	*2 595*	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	514	270	–	–	–	–	–	–
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		–	(0)	60 895	108 921	72 580	72 580	66 583	150	150
ASSET REGISTER SUMMARY - PPE (WDV)	5	232 381	250 210	256 738	239 248	254 005	254 005	248 591	240 677	232 763
Roads Infrastructure		44	33	30	25	26	26	23	19	15
Sanitation Infrastructure		(1 122)	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	(5 438)	–	–	–	–	–
Infrastructure		*(1 078)*	*33*	*30*	*(5 413)*	*26*	*26*	*23*	*19*	*15*
Community Assets		33 118	–	8 465	(1 130)	3 850	3 850	(761)	(5 371)	(9 982)
Heritage Assets										
Investment properties		**65 948**	**65 839**	**65 730**	**65 619**	**65 602**	**65 602**	**65 474**	**65 346**	**65 218**
Other Assets		2 806	51 050	51 422	40 834	(1 178)	(1 178)	(1 178)	(1 178)	(1 178)
Biological or Cultivated Assets										
Intangible Assets		1 413	1 317	1 192	(2 376)	935	935	679	423	167
Computer Equipment		**15 361**	**8 129**	**7 002**	**8 858**	**5 560**	**5 560**	**3 956**	**2 352**	**748**
Furniture and Office Equipment		**4 391**	**7 225**	**6 529**	**6 972**	**5 140**	**5 140**	**3 828**	**2 516**	**1 204**
Machinery and Equipment		**3 880**	**5 185**	**4 414**	**5 376**	**4 605**	**4 605**	**4 605**	**4 605**	**4 605**
Transport Assets		**6 741**	**11 632**	**12 109**	**19 639**	**16 502**	**16 502**	**18 002**	**18 002**	**18 002**
Land		**99 801**	**99 801**	**99 846**	**100 868**	**152 962**	**152 962**	**153 962**	**153 962**	**153 962**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**232 381**	**250 210**	**256 738**	**239 248**	**254 005**	**254 005**	**248 591**	**240 677**	**232 763**
EXPENDITURE OTHER ITEMS		**8 326**	**9 187**	**18 578**	**21 440**	**19 293**	**19 293**	**19 351**	**19 850**	**20 381**
Depreciation	7	5 766	6 435	7 135	11 095	8 191	8 191	8 064	8 064	8 064
Repairs and Maintenance by Asset Class	3	**2 559**	**2 752**	**11 443**	**10 345**	**11 102**	**11 102**	**11 287**	**11 786**	**12 317**
Roads Infrastructure		–	–	348	1 987	255	255	–	–	–
Water Supply Infrastructure		312	126	13	6	4	4	4	4	4
Sanitation Infrastructure		412	579	2	1	–	–	–	–	–
Infrastructure		*724*	*705*	*363*	*1 994*	*259*	*259*	*4*	*4*	*4*
Community Facilities		47	43	45	30	30	30	30	30	30
Sport and Recreation Facilities		476	164	9 802	6 534	8 452	8 452	8 892	9 391	9 922
Community Assets		*523*	*208*	*9 847*	*6 564*	*8 481*	*8 481*	*8 922*	*9 420*	*9 951*
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		661	893	594	405	1 020	1 020	1 020	1 020	1 020
Housing		–	–	–	–	–	–	–	–	–
Other Assets		*661*	*893*	*594*	*405*	*1 020*	*1 020*	*1 020*	*1 020*	*1 020*
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		**37**	**390**	**25**	**12**	**12**	**12**	**12**	**12**	**12**
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		**87**	**149**	**107**	**416**	**376**	**376**	**376**	**376**	**376**
Transport Assets		**528**	**408**	**506**	**954**	**954**	**954**	**954**	**954**	**954**
Land		–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		**8 326**	**9 187**	**18 578**	**21 440**	**19 293**	**19 293**	**19 351**	**19 850**	**20 381**
Renewal and upgrading of Existing Assets as % of total capex		*0,0%*	*41797200,0%*	*17,4%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*
Renewal and upgrading of Existing Assets as % of deprecn		*1,1%*	*-6,5%*	*148,7%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*	*0,0%*
R&M as a % of PPE & Investment Property		*1,1%*	*1,1%*	*4,5%*	*4,3%*	*4,4%*	*4,4%*	*4,6%*	*4,9%*	*5,3%*
Renewal and upgrading and R&M as a % of PPE and Investment Propert		*1,1%*	*0,9%*	*8,6%*	*4,3%*	*4,4%*	*4,4%*	*4,6%*	*4,9%*	*5,3%*

DC4 Garden Route - 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	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
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)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
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)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**		–	–	–	–	–	–	–	–	–
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	6									
Other										
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

PART 2 – SUPPORTING DOCUMENTATION

Section 5 - Budget assumptions

The municipality implemented the following in the compilation of the annual budget in collaboration with circular 132, issued by National Treasury:

1. The salary related budget was increased by an increment of 6,25% for the 2026/27 MTREF period and increased by 6.75% for the outer financial years.
2. The percentage increases used for 2026/27 and the outer years for other expenditure items were between 0-4% – refer to above section of report where adjustments are explained in detail.

Refer to section 3 and 4 for detail of budget assumptions for operating revenue, operating expenditure and capital budget.

Section 6 – Budget Funding

The draft budget reflects an unfunded budget. The municipality will have a special budget workshop to address the current draft unfunded budget before the final budget is tabled.

Section 7 – Expenditure on allocations and grant programmes

All grant allocations as promulgated in the Division of Revenue Bill, 2026 as well as the Provincial gazette for the 2026/27 MTREF period (outer years) were included in the budget for the MTREF period 2026/27 - 2028/29.

Section 8 – Grants made by the municipality

The municipality (due to its financial position) made no grants.

Section 9 – Councillor Allowances and employee benefits

The remuneration of councillors was done in accordance with the gazetted limits and provisions which have been set out in the Remuneration of Public Office Bearers, Act 20 of 1998. The councillors are remunerated on a Grade 5 municipality. Refer to previous section in report on employee related costs.

Section 10 – Service delivery and budget implementation plan

The draft service delivery plan is drawn up and will be submitted to council by the performance management unit.

Section 11 – Capital expenditure

Capital projects as per capital list in previous section.

Section 12 – Municipal Manager’s Quality Certificate

54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	*R Boshoff*
Reference:	*6/18/7/2026-2027*
Date:	*18 March 2026*

QUALITY CERTIFICATE

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **Draft Annual Budget 2026/2027 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name MONDE STRATU

Acting Accounting Officer of **GARDEN ROUTE DISTICT MUNICIPALITY (DC4).**

Signature

Date 18/03/2026

Section 13 – Service Delivery Standards

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
Standard	
Solid Waste Removal	
Premise based removal (Residential Frequency)	This function resides with B - Municipalities. Refuse is removed at least once a week. The Garden Route District Municipality is mainly responsible for bulk services delivery. To this extent, the municipality is steadily moving towards the completion of the construction phase of a regional landfill site. Construction of this site is expected to be completed during the 2027/2028 financial year.
Premise based removal (Business Frequency)	
Bulk Removal (Frequency)	
Removal Bags provided (Yes/No)	
Garden refuse removal Included (Yes/No)	
Street Cleaning Frequency in CBD	
Street Cleaning Frequency in areas excluding CBD	
How soon are public areas cleaned after events (24hours/ 48hours/ longer)	
Clearing of illegal dumping (24hours/ 48hours/ longer)	
Recycling or environmentally friendly practices (Yes/No)	
Licenced landfill site (Yes/No)	
Water Service	This function resides with B - Municipalities.
Water Quality rating (Blue/ Green/ Brown/ No drop)	
Is free water available to all? (All/ only to the indigent consumers)	
Frequency of meter reading? (per month, per year)	
Are estimated consumption calculated on actual consumption over (two months/ three months/ longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
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?	This function resides mainly with B-municipalities.
Does your municipality have a ripple control in place that is operational? (Yes/No)	
How much do you estimate is the cost saving in utilizing the ripple control system?	
What is the frequency of meters being read? (per month, per year)	
Are estimated consumption calculated at consumption over (two months/ three months/ longer period)	
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
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) 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 meters? (days) Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No) How effective is the action plan in curbing line losses? (Good/Bad) How soon does the municipality provide a quotation to a customer upon a written request? (days) How long does the municipality take to provide electricity service where existing infrastructure can be used? (working days)	
How long does the municipality take to provide electricity service for low voltage users where network extension is not required? (working days) How long does the municipality take to provide electricity service for high voltage users where network extension is not required? (working days)	
Sewerage Service	
Are your purification system effective enough to put water back into the system after purification? To what extend do you subsidize your indigent consumers? ***How long does it take to restore sewerage breakages on average*** Severe overflow? (hours)	This function resides mainly with B-municipalities. Garden Route DM is responsible for the delivery of services on a bulk scale.

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
Sewer blocked pipes: Large pipes? (Hours) Sewer blocked pipes: Small pipes? (Hours) Spillage clean-up? (Hours) Replacement of manhole covers? (Hours)	
Road Infrastructure Services	The function resides with the Department of Infrastructure.
Time taken to repair a single pothole on a major road? (Hours)	
Time taken to repair a single pothole on a minor road? (Hours)	
Time taken to repair a road following an open trench service crossing? (Hours)	
Time taken to repair walkways? (Hours)	
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/ three months or longer) Do you have any special rating properties? (Yes/No)	This function resides with B-municipalities.
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	Partially. Reduction Plan for Use of Consultants are in place.
Are there Council adopted business process structuring the flow and management of documentation feeding to Trial Balance?	Yes.

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
How long does it take for a Tax/Invoice to be paid from the date it has been received?	14-30 days once received by creditor section and all supporting documentation has been provided to the creditor section
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, every HOD must submit the procurement plans for the operating and capital projects before the start of the new financial year to SCM
Administration	
Reaction time on enquiries and requests?	2 working days
Time to respond to a verbal customer enquiry or request? (working days)	2 working days
Time to respond to a written customer enquiry or request? (working days)	20 working days
Time to resolve a customer enquiry or request? (working days)	20 working days
What percentage of calls are not answered? (5%,10% or more)	All service calls are answered, emergency calls drop rate approximately 5%
How long does it take to respond to voice mails? (hours)	N/a
Does the municipality have control over locked enquiries? (Yes/No)	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)	1 day
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?	Ad hoc meetings scheduled as soon as any issues arise
Community safety and licensing services	The Fire Services reaction time to respond to calls from the time of receipt of a call at the station is required to be under 4 minutes. The travel time to
How long does it take to register a vehicle? (minutes)	

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
How long does it take to renew a vehicle license? (minutes) How long does it take to issue a duplicate registration certificate vehicle? (minutes) How long does it take to de-register a vehicle? (minutes) How long does it take to renew a drivers license? (minutes) What is the average reaction time of the fire service to an incident? (minutes) 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)	a call is determined by the distance from the responding station and the type of vehicle that is used to respond to the call. The travel time can range from under 10 minutes in the urban area of George, Ladismith and Riversdale and from 10 minutes to 2 hours in the rural areas.
What is the average reaction time of the fire service to an incident in the urban/rural area? (minutes)	45 minutes for areas within a 50 km radius from stations in Ladismith, Riversdale and George. All other areas response times between 60 minutes and 120 minutes.
Economic development	

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
How many economic development projects does the municipality drive?	Garden Route DM co-ordinates and facilitates the process of district-wide economic development for the Garden Route District in continuous collaboration with local municipalities. Of the key initiatives include: • Growth and Development Strategy is one of the key focus areas. • Hosting of key economic sector workshops to execute Garden Route Investment Conference resolutions. • Partnering with the Garden Route Film Office as member and funder to ensure the holistic development of the regional creative (Film and Media) industry. • Tourism Marketing and Development for the Garden Route and Klein Karoo as the preferred tourist destination. District Tourism Strategy was approved in March 2019. • Export Development programme as well as logistic support programme (incubation) for small businesses. Have an MOU with SEDA in place to address the shortcomings of businesses as per feedback in the Export Development Report. • South Cape Economic Partnership contribution • Financial contributions towards marketing material, platforms and events for a regional tourism presence.
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	Garden Route DM is the co-ordinator and facilitator of economic development for the district.
What percentage of the projects have created sustainable job security?	Garden Route DM is the co-ordinator and facilitator of economic development for the district.

Western Cape: Garden Route District Municipality (DC4) - Draft Schedule of Service Delivery Standards	
Description	**Service Level**
Does the municipality have any incentive plans in place to create a conducive environment for economic development? (Yes/No)	During the build-up towards the Garden Route Investment Conference, local municipalities were encouraged and guided in terms of gearing themselves to become investment ready and investment friendly concerning incentives, municipal business processes, etc. This exercise included a readiness checklist as a tool for municipalities to assess themselves and improve where required. It further advised municipalities to put Standard Operating Procedures in place in terms of investment application process. Also have an MOU with Dept of Agriculture in place for the establishment of black emerging farmers on vacant Agriculture land. Other strategic game change initiatives i.e. SEZ regional establishment process; ACSA MOU with regards to the development of the George Airport as an economic catalyst.
Other Service delivery and communication	
Is an information package handed to the new customer? (Yes/No)	Garden Route DM is not directly responsible for basic services delivery.
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes. The community services department implemented various community education programmes in terms of municipal health.
Are customers treated in a professional and humanly manner? (Yes/No)	Yes. The municipal values and Batho Pele principles form the basis of day-to-day staff operations.

ANNEXURE A

Municipal annual budgets and MTREF & supporting tables

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Municipality Name

DC4 Garden Route

Budget Year

2026/27

PHOENIX ERP SOLUTIONS

Date Created:	2026/03/23 10:46
mSCOA Version:	7.1
Template version:	1.0.0
Rules version:	1.0.1
Program version:	1.0.12.0

DC4 Garden Route - Contact Information

A. GENERAL INFORMATION

Municipality	**DC4 Garden Route**
Grade	Catergirt C (Distruct)
Province	**WC WESTERN CAPE**
Web Address	**www.gardenroute.gov.za**
e-mail Address	

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

B. CONTACT INFORMATION

Postal address:	
P.O. Box	PO Box 12
City / Town	George
Postal Code	6530
Street address	
Building	Garden Route District Municipality
Street No. & Name	54 York Street
City / Town	George
Postal Code	6530
General Contacts	
Telephone number	044 803 1300
Fax number	044 874 0175

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Georlene Wolmarans	Name	Bayronicia Booysen
Telephone number	044 803 1311	Telephone number	044 803 1342
Cell number		Cell number	
Fax number		Fax number	
E-mail address	gwolmarans@gardenroute.gov.za	E-mail address	bayronicia@edendm.co.za

Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Marais Kruger	Name	Alison Esau
Telephone number	044 803 1305	Telephone number	044 803 1301
Cell number		Cell number	
Fax number		Fax number	
E-mail address	mayor@grdm.gov.za	E-mail address	pa.mayor@gardenroute.co.za

Deputy Mayor/Executive Mayor:		**Secretary/PA to the Deputy Mayor/Executive Mayor:**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Vlancio Donson	Name	Beryl Flanagan
Telephone number	044 803 1306	Telephone number	044 803 1423
Cell number		Cell number	
Fax number		Fax number	
E-mail address	vdonson@edendm.co.za	E-mail address	pa.deputymayor@gardenroute.co.za

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Monde Stratu	Name	Andisiwe Kelem
Telephone number	044 803 1304	Telephone number	044 803 1445
Cell number		Cell number	
Fax number		Fax number	
E-mail address	mm@gardenroute.gov.za	E-mail address	pa.mm@gardenroute.gov.za

Chief Financial Officer		Secretary/PA to the Chief Financial Officer	
ID Number		ID Number	
Title	Mr	Title	Mrs
Name	Rian Boshoff	Name	Mary-An Nyoka
Telephone number	044 803 1332	Telephone number	044 803 1449
Cell number		Cell number	
Fax number		Fax number	
E-mail address	RianB@gardenroute.gov.za	E-mail address	pa.cfo@gardenroute.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	
ID Number	
Title	
Name	
Telephone number	
Cell number	
Fax number	
E-mail address	

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

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

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

DC4 Garden Route - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	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
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	8 389	47 855	–	–	–	–	–	–
Investment revenue	10 253	12 400	16 541	14 385	8 588	8 588	8 588	7 931	8 168	8 406
Transfer and subsidies - Operational	189 810	196 854	211 404	214 504	220 814	220 814	220 814	218 983	224 052	232 372
Other own revenue	215 857	225 520	222 899	277 670	253 283	253 283	253 283	41 948	28 487	29 376
Total Revenue (excluding capital transfers and contributions)	415 921	434 774	459 233	554 413	482 685	482 685	482 685	268 863	260 707	270 153
Employee costs	280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Remuneration of councillors	12 306	11 983	13 953	15 251	15 617	15 617	15 617	16 398	17 218	18 079
Depreciation, amortisation and impairment	5 766	6 435	7 565	11 095	8 191	8 191	8 191	8 064	8 064	8 064
Interest, Dividends and Rent on Land	148	4 664	435	136	420	420	420	420	420	420
Inventory consumed and bulk purchases	51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Transfers and subsidies	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953
Other expenditure	77 373	77 570	98 786	150 313	131 565	131 565	131 565	86 442	74 767	76 048
Total Expenditure	431 824	466 537	490 160	552 991	482 311	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit)	(15 903)	(31 763)	(30 927)	1 423	374	374	374	(42 256)	(49 878)	(55 695)
Transfers and subsidies - capital (monetary allocations)	3 765	13 072	2 563	3 000	5 084	5 084	5 084	2 500	–	–
Transfers and subsidies - capital (in-kind)	3 284	13	2 493	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Capital expenditure & funds sources										
Capital expenditure	–	(0)	60 895	108 921	72 580	72 580	72 580	–	–	–
Transfers recognised - capital	3 149	8 046	2 934	3 000	5 084	5 084	5 084	2 500	–	–
Borrowing	–	(13)	45 817	105 571	67 122	67 122	67 122	63 933	–	–
Internally generated funds	(3 149)	(8 033)	12 143	350	374	374	374	150	150	150
Total sources of capital funds	–	(0)	60 895	108 921	72 580	72 580	72 580	66 583	150	150
Financial position										
Total current assets	202 225	277 181	296 593	189 340	317 904	317 904	317 904	231 603	200 869	164 318
Total non current assets	315 923	355 895	339 864	437 579	350 029	350 029	350 029	364 167	356 252	348 338
Total current liabilities	83 156	85 875	88 995	95 627	108 632	108 632	108 632	128 270	129 118	129 967
Total non current liabilities	141 634	262 380	264 922	240 633	266 958	266 958	266 958	266 958	268 995	271 031
Community wealth/Equity	254 809	238 113	216 115	250 383	229 917	229 917	229 917	198 505	156 972	109 621
Cash flows										
Net cash from (used) operating	15 467	109 259	35 960	8 464	13 040	13 040	13 040	(27 802)	(38 188)	(44 267)
Net cash from (used) investing	(28 287)	(46 306)	(43 397)	(108 921)	(72 580)	(72 580)	(72 564)	(66 583)	(150)	(150)
Net cash from (used) financing	–	116 912	63 000	106 519	118 555	118 555	118 555	118 555	–	–
Cash/cash equivalents at the year end	123 584	336 681	212 379	58 676	174 126	174 126	174 142	155 939	117 601	73 185
Cash backing/surplus reconciliation										
Cash and investments available	123 612	336 696	212 394	58 692	174 142	174 142	174 158	155 955	117 617	73 200
Application of cash and investments	225 741	66 204	89 853	(27 286)	98 279	98 279	98 279	41 830	27 110	16 497
Balance - surplus (shortfall)	(102 129)	270 492	122 541	85 978	75 863	75 863	75 879	114 125	90 507	56 703
Asset management										
Asset register summary (WDV)	232 381	250 210	256 738	239 248	254 005	254 005		248 591	240 677	232 763
Depreciation	5 766	6 435	7 135	11 095	8 191	8 191		8 064	8 064	8 064
Renewal and Upgrading of Existing Assets	62	(418)	10 611	–	–	–		–	–	–
Repairs and Maintenance	2 559	2 752	11 443	10 345	11 102	11 102		11 287	11 786	12 317
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–		–	–	–
Revenue cost of free services provided	–	–	–	–	–	–		–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–		–	–	–
Sanitation/sewerage:	–	–	–	–	–	–		–	–	–
Energy:	–	–	–	–	–	–		–	–	–
Refuse:	–	–	–	–	–	–		–	–	–

DC4 Garden Route - 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		
R thousand	1	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		**240 643**	**246 905**	**243 829**	**177 732**	**157 503**	**157 503**	**230 524**	**237 926**	**246 594**
Executive and council		238 879	240 008	223 262	74 390	71 136	71 136	194 435	200 807	208 320
Finance and administration		1 763	6 898	20 567	103 343	86 367	86 367	36 089	37 119	38 274
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**9 762**	**11 907**	**17 730**	**90 130**	**92 338**	**92 338**	**17 272**	**15 085**	**15 630**
Community and social services		–	–	2 571	13 200	15 484	15 484	2 930	1 302	1 406
Sport and recreation		9 382	8 866	8 154	8 347	7 983	7 983	8 279	8 552	8 826
Public safety		–	2 567	5 582	27 547	33 518	33 518	4 426	3 539	3 652
Housing		–	–	–	–	–	–	–	–	–
Health		380	474	1 423	41 036	35 352	35 352	1 638	1 692	1 746
Economic and environmental services		**172 672**	**189 154**	**191 773**	**236 494**	**219 234**	**219 234**	**8 467**	**6 946**	**7 179**
Planning and development		–	4 856	12 605	19 549	50 613	50 613	4 248	2 556	2 638
Road transport		172 594	184 199	178 754	216 780	168 352	168 352	3 940	4 102	4 244
Environmental protection		78	99	414	165	269	269	279	288	297
Trading services		**–**	**–**	**10 849**	**51 482**	**17 119**	**17 119**	**15 099**	**750**	**750**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		–	–	10 849	51 482	17 119	17 119	15 099	750	750
Other	4	**–**	**–**	**108**	**1 575**	**1 575**	**1 575**	**–**	**–**	**–**
Total Revenue - Functional	2	**423 077**	**447 966**	**464 289**	**557 413**	**487 769**	**487 769**	**271 363**	**260 707**	**270 153**
Expenditure - Functional										
Governance and administration		**145 428**	**170 437**	**186 728**	**170 929**	**177 851**	**177 851**	**172 215**	**179 809**	**187 935**
Executive and council		50 753	63 937	79 474	62 663	62 443	62 443	69 189	71 661	74 253
Finance and administration		91 829	103 404	103 398	104 250	111 346	111 346	98 714	103 547	108 776
Internal audit		2 846	3 096	3 856	4 017	4 062	4 062	4 313	4 600	4 906
Community and public safety		**81 518**	**83 666**	**85 981**	**86 267**	**91 644**	**91 644**	**91 600**	**96 300**	**101 553**
Community and social services		6 644	8 591	10 640	10 837	10 456	10 456	11 072	11 385	11 959
Sport and recreation		11 458	11 424	10 868	8 212	10 313	10 313	10 753	11 252	11 783
Public safety		27 355	26 904	27 020	27 018	31 579	31 579	28 225	29 534	30 931
Housing		–	–	–	–	–	–	–	–	–
Health		36 061	36 746	37 453	40 200	39 295	39 295	41 550	44 129	46 880
Economic and environmental services		**202 343**	**208 909**	**204 683**	**244 558**	**193 787**	**193 787**	**28 204**	**27 916**	**29 471**
Planning and development		20 500	16 324	24 985	23 442	21 307	21 307	19 903	19 189	20 319
Road transport		178 357	188 663	175 491	216 780	168 352	168 352	3 940	4 102	4 244
Environmental protection		3 486	3 922	4 207	4 337	4 129	4 129	4 361	4 626	4 908
Trading services		**2 057**	**3 300**	**11 718**	**50 733**	**17 396**	**17 396**	**17 386**	**4 754**	**4 984**
Energy sources		–	–	–	–	–	–	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		2 057	3 300	11 718	50 733	17 396	17 396	17 386	4 754	4 984
Other	4	**2 639**	**1 827**	**1 587**	**1 575**	**1 633**	**1 633**	**1 714**	**1 806**	**1 904**
Total Expenditure - Functional	3	**433 984**	**468 139**	**490 697**	**554 063**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit) for the year		**(10 908)**	**(20 173)**	**(26 408)**	**3 350**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - 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		
R thousand	1	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										
Municipal governance and administration		**240 643**	**246 905**	**243 829**	**177 732**	**157 503**	**157 503**	**230 524**	**237 926**	**246 594**
Executive and council		238 879	240 008	223 262	74 390	71 136	71 136	194 435	200 807	208 320
Mayor and Council		238 879	239 780	223 057	47 731	45 267	45 267	734	742	750
Municipal Manager, Town Secretary and Chief Executive		–	228	205	26 658	25 870	25 870	193 700	200 065	207 570
Finance and administration		1 763	6 898	20 567	103 343	86 367	86 367	36 089	37 119	38 274
Administrative and Corporate Support		379	786	334	35 551	32 299	32 299	706	729	753
Asset Management		–	2 831	3 155	–	–	–	–	–	–
Finance		(4)	1 555	2 284	49 644	29 455	29 455	16 193	16 781	17 469
Fleet Management										
Human Resources		1 385	1 733	14 732	18 148	24 612	24 612	19 190	19 609	20 052
Information Technology										
Legal Services										
Marketing, Customer Relations, Publicity and Media Co-ordination										
Property Services		4	5	42	–	–	–	–	–	–
Risk Management										
Security Services										
Supply Chain Management		–	(14)	20	–	–	–	–	–	–
Valuation Service										
Internal audit		–	–	–	–	–	–	–	–	–
Governance Function										
Community and public safety		**9 762**	**11 907**	**17 730**	**90 130**	**92 338**	**92 338**	**17 272**	**15 085**	**15 630**
Community and social services		**–**	**–**	**2 571**	**13 200**	**15 484**	**15 484**	**2 930**	**1 302**	**1 406**
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums										
Child Care Facilities										
Community Halls and Facilities										
Consumer Protection										
Cultural Matters										
Disaster Management		–	–	2 571	13 200	15 484	15 484	2 930	1 302	1 406
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives										
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development										
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		**9 382**	**8 866**	**8 154**	**8 347**	**7 983**	**7 983**	**8 279**	**8 552**	**8 826**
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										
Recreational Facilities		9 382	8 866	8 154	8 347	7 983	7 983	8 279	8 552	8 826
Sports Grounds and Stadiums										
Public safety		**–**	**2 567**	**5 582**	**27 547**	**33 518**	**33 518**	**4 426**	**3 539**	**3 652**
Civil Defence										
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection		–	2 567	5 582	27 547	33 518	33 518	4 426	3 539	3 652
Licensing and Control of Animals										
Police Forces, Traffic and Street Parking Control										
Pounds										
Housing		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing										
Informal Settlements										
Health		**380**	**474**	**1 423**	**41 036**	**35 352**	**35 352**	**1 638**	**1 692**	**1 746**
Ambulance										
Health Services		380	474	1 423	41 036	35 352	35 352	1 638	1 692	1 746
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases										
Vector Control										
Chemical Safety										

DC4 Garden Route - 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		
R thousand	1	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
Economic and environmental services		172 672	189 154	191 773	236 494	219 234	219 234	8 467	6 946	7 179
Planning and development		–	4 856	12 605	19 549	50 613	50 613	4 248	2 556	2 638
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)		–	318	1 244	4 482	4 482	4 482	–	–	–
Central City Improvement District										
Development Facilitation		–	–	4 772	1 500	1 500	1 500	–	–	–
Economic Development/Planning		–	–	1 545	13 567	37 270	37 270	4 248	2 556	2 638
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City										
Project Management Unit		–	4 538	5 044	–	7 361	7 361	–	–	–
Provincial Planning										
Support to Local Municipalities										
Road transport		172 594	184 199	178 754	216 780	168 352	168 352	3 940	4 102	4 244
Public Transport		–	182 533	177 034	3 825	3 825	3 825	3 940	4 102	4 244
Road and Traffic Regulation										
Roads		172 594	1 666	1 720	212 955	164 527	164 527	–	–	–
Taxi Ranks										
Environmental protection		78	99	414	165	269	269	279	288	297
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control		78	99	414	165	269	269	279	288	297
Soil Conservation										
Trading services		–	–	10 849	51 482	17 119	17 119	15 099	750	750
Energy sources		–	–	–	–	–	–	–	–	–
Electricity										
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		–	–	–	–	–	–	–	–	–
Water Treatment										
Water Distribution										
Water Storage										
Waste water management		–	–	–	–	–	–	–	–	–
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management		–	–	10 849	51 482	17 119	17 119	15 099	750	750
Recycling										
Solid Waste Disposal (Landfill Sites)		–	–	10 849	49 662	15 299	15 299	15 099	750	750
Solid Waste Removal		–	–	–	1 820	1 820	1 820	–	–	–
Street Cleaning										
Other		–	–	108	1 575	1 575	1 575	–	–	–
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism		–	–	108	1 575	1 575	1 575	–	–	–
Total Revenue - Functional	2	423 077	447 966	464 289	557 413	487 769	487 769	271 363	260 707	270 153

DC4 Garden Route - 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		
R thousand	1	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
Expenditure - Functional										
Municipal governance and administration		**145 428**	**170 437**	**186 728**	**170 929**	**177 851**	**177 851**	**172 215**	**179 809**	**187 935**
Executive and council		50 753	63 937	79 474	62 663	62 443	62 443	69 189	71 661	74 253
Mayor and Council		43 698	53 429	73 491	56 145	56 337	56 337	62 728	64 795	66 954
Municipal Manager, Town Secretary and Chief Executive		7 055	10 508	5 983	6 518	6 105	6 105	6 461	6 866	7 299
Finance and administration		91 829	103 404	103 398	104 250	111 346	111 346	98 714	103 547	108 776
Administrative and Corporate Support		22 366	21 645	17 698	16 172	17 757	17 757	17 260	18 194	19 188
Asset Management										
Finance		17 701	20 666	20 215	22 829	19 820	19 820	21 025	22 273	23 697
Fleet Management										
Human Resources		15 301	20 791	32 233	31 116	36 054	36 054	27 085	28 006	28 990
Information Technology		13 038	16 440	17 124	18 091	17 668	17 668	17 940	18 749	19 594
Legal Services		3 826	7 968	5 663	5 698	5 684	5 684	5 455	5 746	6 056
Marketing, Customer Relations, Publicity and Media Co-ordination		2 440	2 745	2 771	2 743	2 772	2 772	2 928	3 107	3 297
Property Services		10 375	6 105	140	37	–	–	–	–	–
Risk Management		978	1 043	1 044	1 116	1 132	1 132	1 199	1 274	1 355
Security Services										
Supply Chain Management		5 803	6 000	6 510	6 448	10 458	10 458	5 823	6 198	6 598
Valuation Service										
Internal audit		2 846	3 096	3 856	4 017	4 062	4 062	4 313	4 600	4 906
Governance Function		2 846	3 096	3 856	4 017	4 062	4 062	4 313	4 600	4 906
Community and public safety		**81 518**	**83 666**	**85 981**	**86 267**	**91 644**	**91 644**	**91 600**	**96 300**	**101 553**
Community and social services		**6 644**	**8 591**	**10 640**	**10 837**	**10 456**	**10 456**	**11 072**	**11 385**	**11 959**
Aged Care										
Agricultural										
Animal Care and Diseases										
Cemeteries, Funeral Parlours and Crematoriums										
Child Care Facilities										
Community Halls and Facilities										
Consumer Protection										
Cultural Matters										
Disaster Management		6 649	8 572	10 620	10 837	10 436	10 436	11 051	11 364	11 939
Education										
Indigenous and Customary Law										
Industrial Promotion										
Language Policy										
Libraries and Archives										
Literacy Programmes										
Media Services										
Museums and Art Galleries										
Population Development		(5)	19	19	–	21	21	21	21	21
Provincial Cultural Matters										
Theatres										
Zoo's										
Sport and recreation		**11 458**	**11 424**	**10 868**	**8 212**	**10 313**	**10 313**	**10 753**	**11 252**	**11 783**
Beaches and Jetties										
Casinos, Racing, Gambling, Wagering										
Community Parks (including Nurseries)										
Recreational Facilities		11 458	11 424	10 868	8 212	10 313	10 313	10 753	11 252	11 783
Sports Grounds and Stadiums										
Public safety		**27 355**	**26 904**	**27 020**	**27 018**	**31 579**	**31 579**	**28 225**	**29 534**	**30 931**
Civil Defence		–	1 352	953	1 352	1 130	1 130	1 130	1 130	1 130
Cleansing										
Control of Public Nuisances										
Fencing and Fences										
Fire Fighting and Protection		27 355	25 552	26 068	25 666	30 449	30 449	27 095	28 404	29 801
Licensing and Control of Animals										
Police Forces, Traffic and Street Parking Control										
Pounds										
Housing		–	–	–	–	–	–	–	–	–
Housing										
Informal Settlements										
Health		**36 061**	**36 746**	**37 453**	**40 200**	**39 295**	**39 295**	**41 550**	**44 129**	**46 880**
Ambulance										
Health Services		36 061	36 746	37 453	40 200	39 295	39 295	41 550	44 129	46 880
Laboratory Services										
Food Control										
Health Surveillance and Prevention of Communicable Diseases										
Vector Control										
Chemical Safety										

DC4 Garden Route - 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		
R thousand	1	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
Economic and environmental services		202 343	208 909	204 683	244 558	193 787	193 787	28 204	27 916	29 471
Planning and development		20 500	16 324	24 985	23 442	21 307	21 307	19 903	19 189	20 319
Billboards										
Corporate Wide Strategic Planning (IDPs, LEDs)		8 408	5 065	5 519	4 482	3 971	3 971	4 187	4 435	4 699
Central City Improvement District										
Development Facilitation		5 053	4 352	4 772	1 500	1 500	1 500	–	–	–
Economic Development/Planning		5 683	6 579	14 650	17 390	15 808	15 808	15 687	14 724	15 590
Regional Planning and Development										
Town Planning, Building Regulations and Enforcement, and City										
Project Management Unit		1 356	327	45	69	28	28	29	29	30
Provincial Planning										
Support to Local Municipalities										
Road transport		178 357	188 663	175 491	216 780	168 352	168 352	3 940	4 102	4 244
Public Transport		4 039	3 041	3 404	3 825	3 825	3 825	3 940	4 102	4 244
Road and Traffic Regulation										
Roads		174 318	185 622	172 087	212 955	164 527	164 527	–	–	–
Taxi Ranks										
Environmental protection		3 486	3 922	4 207	4 337	4 129	4 129	4 361	4 626	4 908
Biodiversity and Landscape										
Coastal Protection										
Indigenous Forests										
Nature Conservation										
Pollution Control		3 486	3 922	4 207	4 337	4 129	4 129	4 361	4 626	4 908
Soil Conservation										
Trading services		2 057	3 300	11 718	50 733	17 396	17 396	17 386	4 754	4 984
Energy sources		–	–	–	–	–	–	–	–	–
Electricity										
Street Lighting and Signal Systems										
Nonelectric Energy										
Water management		–	–	–	–	–	–	–	–	–
Water Treatment										
Water Distribution										
Water Storage										
Waste water management		–	–	–	–	–	–	–	–	–
Public Toilets										
Sewerage										
Storm Water Management										
Waste Water Treatment										
Waste management		2 057	3 300	11 718	50 733	17 396	17 396	17 386	4 754	4 984
Recycling										
Solid Waste Disposal (Landfill Sites)		–	604	10 034	48 912	15 542	15 542	15 420	2 659	2 752
Solid Waste Removal		2 057	2 697	1 685	1 820	1 854	1 854	1 966	2 095	2 232
Street Cleaning										
Other		2 639	1 827	1 587	1 575	1 633	1 633	1 714	1 806	1 904
Abattoirs										
Air Transport										
Forestry										
Licensing and Regulation										
Markets										
Tourism		2 639	1 827	1 587	1 575	1 633	1 633	1 714	1 806	1 904
Total Expenditure - Functional	3	433 984	468 139	490 697	554 063	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit) for the year		(10 908)	(20 173)	(26 408)	3 350	5 458	5 458	(39 756)	(49 878)	(55 695)

DC4 Garden Route - 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		
R thousand		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 - Office of the Municipal Manager		238 879	240 008	223 262	74 390	71 136	71 136	194 435	200 807	208 320
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		(4)	4 386	5 439	49 644	29 455	29 455	16 193	16 781	17 469
Vote 4 - Financial Services (cont)		–	(14)	20	–	–	–	–	–	–
Vote 5 - Corporate Services		1 764	1 590	1 882	39 949	37 601	37 601	9 793	9 843	9 894
Vote 6 - Corporate Services (cont)		–	929	13 184	9 644	15 205	15 205	10 104	10 495	10 911
Vote 7 - Community Services		380	474	3 038	57 341	53 941	53 941	3 338	1 692	1 746
Vote 8 - Community Services (cont)		78	2 666	17 801	80 194	51 906	51 906	21 033	5 879	6 105
Vote 9 - Planning and Economic Development		4	5	4 922	3 075	3 075	3 075	–	–	–
Vote 10 - Planning and Economic Development (cont)		5 701	10 182	11 686	10 258	16 729	16 729	4 464	2 778	2 867
Vote 11 - Planning and Economic Development(cont2)		3 681	3 540	4 301	16 138	40 367	40 367	8 064	8 330	8 596
Vote 12 - Roads		172 594	184 199	178 754	216 780	168 352	168 352	3 940	4 102	4 244
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**423 077**	**447 966**	**464 289**	**557 413**	**487 769**	**487 769**	**271 363**	**260 707**	**270 153**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Office of the Municipal Manager		58 788	73 105	86 242	69 692	69 375	69 375	75 970	78 822	81 819
Vote 2 - Office of the Municipal Manager (cont)		6 265	6 884	7 670	7 875	7 966	7 966	8 439	8 981	9 559
Vote 3 - Financial Services		17 787	20 669	20 222	22 829	19 836	19 836	21 041	22 289	23 713
Vote 4 - Financial Services (cont)		5 803	6 000	6 510	6 448	10 442	10 442	5 807	6 182	6 582
Vote 5 - Corporate Services		19 658	24 086	19 569	21 405	23 440	23 440	22 432	23 182	23 980
Vote 6 - Corporate Services (cont)		23 395	27 761	43 219	39 691	41 785	41 785	33 305	34 886	36 554
Vote 7 - Community Services		46 997	48 499	49 089	54 078	53 657	53 657	56 585	59 733	63 303
Vote 8 - Community Services (cont)		31 715	32 891	43 502	81 999	52 806	52 806	49 831	38 763	40 689
Vote 9 - Planning and Economic Development		18 107	16 175	8 102	3 113	4 532	4 532	3 113	3 205	3 303
Vote 10 - Planning and Economic Development (cont)		23 685	21 007	20 024	16 417	17 530	17 530	17 422	16 470	17 345
Vote 11 - Planning and Economic Development(cont2)		3 221	2 389	11 058	13 736	12 589	12 589	13 234	13 971	14 757
Vote 12 - Roads		114 056	112 647	108 914	134 114	97 330	97 330	3 940	4 102	4 244
Vote 13 - Roads (cont)		64 508	76 016	66 577	82 666	71 022	71 022	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**433 984**	**468 129**	**490 697**	**554 063**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit) for the year	2	**(10 908)**	**(20 163)**	**(26 408)**	**3 350**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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 - Office of the Municipal Manager		**238 879**	**240 008**	**223 262**	**74 390**	**71 136**	**71 136**	**194 435**	**200 807**	**208 320**
1.1 - Municipal Manager		–	220	240	26 658	25 870	25 870	193 700	200 065	207 570
1.2 - Office: of the Executive Mayor		–	–	–	5 405	5 405	5 405	–	–	–
1.3 - Office: of the Deputy Executive Mayor		–	–	–	1 281	1 281	1 281	–	–	–
1.4 - Office : of the speaker		–	–	–	1 142	1 142	1 142	–	–	–
1.5 - Mayor and Council		238 879	239 780	223 057	39 903	37 438	37 438	734	742	750
1.6 - Strategic Manager		–	8	(35)	–	–	–	–	–	–
1.7 - Legal Services										
1.8 - Legal Services										
1.9 - Legal services										
1.10 - Performance Management										
Vote 2 - Office of the Municipal Manager (cont)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Risk Management unit										
2.2 -										
2.3 - Internal audit										
2.4 - Marketing publicity& media cor										
Vote 3 - Financial Services		**(4)**	**4 386**	**5 439**	**49 644**	**29 455**	**29 455**	**16 193**	**16 781**	**17 469**
3.1 - Manager: Finance (CFO)		(4)	1 555	1 333	48 644	28 455	28 455	14 993	15 481	15 969
3.2 - Expenditure										
3.3 - BTO & AFS										
3.4 - FMG Interns		–	–	952	1 000	1 000	1 000	1 200	1 300	1 500
3.5 - Stores										
3.6 - Income										
3.7 - Assets										
3.8 - Data										
3.9 - Assets Management		–	2 831	3 155	–	–	–	–	–	–
3.10 - Remuneration		–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)		**–**	**(14)**	**20**	**–**	**–**	**–**	**–**	**–**	**–**
4.1 - SCM		–	(14)	20	–	–	–	–	–	–
Vote 5 - Corporate Services		**1 764**	**1 590**	**1 882**	**39 949**	**37 601**	**37 601**	**9 793**	**9 843**	**9 894**
5.1 - Executive Manager: Corporate Services		–	476	(2)	31 060	27 513	27 513	–	–	–
5.2 - Support Services:committee										
5.3 - Support servives: registry										
5.4 - Task unit		379	311	335	386	681	681	706	729	753
5.5 - Training & Development		1 385	804	1 548	8 503	9 407	9 407	9 087	9 114	9 141
5.6 - Labour Relations										
5.7 - Recruitment & Selection										
5.8 - Basic Conditions of Service										
5.9 - OHS										
5.10 - EAP										
Vote 6 - Corporate Services (cont)		**–**	**929**	**13 184**	**9 644**	**15 205**	**15 205**	**10 104**	**10 495**	**10 911**
6.1 - Section 79/80 committees										
6.2 - IT Section										
6.3 - HR Manager		–	929	1 002	1 042	1 042	1 042	1 080	1 116	1 152
6.4 - It section										
6.5 - National Skills Fund (NSF)		–	–	12 182	8 603	14 163	14 163	9 024	9 379	9 759
6.6 - Individual Performance and Policy Research										
Vote 7 - Community Services		**380**	**474**	**3 038**	**57 341**	**53 941**	**53 941**	**3 338**	**1 692**	**1 746**
7.1 - Disaster Management		–	–	1 614	12 200	14 484	14 484	1 700	–	–
7.2 - Executive Manager: Community Services		–	–	–	4 105	4 105	4 105	–	–	–
7.3 - Municipal Health Services: Administration		380	184	584	33 773	33 773	33 773	–	–	–
7.4 - Municipal Health Services: George		–	–	–	3 929	714	714	740	765	789
7.5 - Municipal Health Services: Klein Karoo		–	72	213	765	176	176	183	189	195
7.6 - Municipal Health Services: Langeberg		–	101	318	1 665	442	442	459	474	489
7.7 - Municipal Health Services: Lakes Areas		–	116	308	905	247	247	256	265	273
7.8 - Disaster Management										
7.9 - Disaster Management										
7.10 - Enviromental Management										

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Vote 8 - Community Services (cont)		**78**	**2 666**	**17 801**	**80 194**	**51 906**	**51 906**	**21 033**	**5 879**	**6 105**
8.1 - Fire fighting		–	2 567	5 582	22 679	28 650	28 650	4 426	3 539	3 652
8.2 - Fire services: Riversdal		–	–	–	2 184	2 184	2 184	–	–	–
8.3 - Fire services: Kannaland		–	31	33	2 684	2 788	2 788	108	111	115
8.4 - Community Safety (WOSA)		–	–	957	1 000	1 000	1 000	1 230	1 302	1 406
8.5 - Fire Fighting										
8.6 - Bulk infrastructure		–	–	–	1 820	1 820	1 820	–	–	–
8.7 - Refuse										
8.8 - Bulk infr.: water										
8.9 - Air quality control		78	68	382	165	165	165	171	177	182
8.10 - Landfill Sites		–	–	10 849	49 662	15 299	15 299	15 099	750	750
Vote 9 - Planning and Economic Development		**4**	**5**	**4 922**	**3 075**	**3 075**	**3 075**	**–**	**–**	**–**
9.1 - Property Development										
9.2 - Executive Manager: Planning and Economic Developm										
9.3 - Regional planning		4	5	42	–	–	–	–	–	–
9.4 - Tourism		–	–	108	1 575	1 575	1 575	–	–	–
9.5 - Human Settlement		–	–	4 772	1 500	1 500	1 500	–	–	–
9.6 - EPWP Manager										
9.7 - EPWP Projects										
9.8 - Population Development										
9.9 - Tourism										
Vote 10 - Planning and Economic Development (cont)		**5 701**	**10 182**	**11 686**	**10 258**	**16 729**	**16 729**	**4 464**	**2 778**	**2 867**
10.1 - PMU		–	4 538	5 044	–	7 361	7 361	–	–	–
10.2 - Led		–	318	1 244	2 283	2 283	2 283	–	–	–
10.3 - Idp		–	–	–	2 199	2 199	2 199	–	–	–
10.4 - EPWP Manager										
10.5 - EPWP Projects		–	–	1 545	2 293	2 293	2 293	1 774	–	–
10.6 - EPWP Own Funding										
10.7 - Resorts: Calitzdorp Spa Kiosk										
10.8 - Resorts: Calitzdorp Spa Resort		3 013	3 000	777	–	–	–	–	–	–
10.9 - Resorts: De Hoek Mountain Resort		2 688	2 326	3 076	3 483	2 594	2 594	2 690	2 778	2 867
10.10 - Resorts: De Hoek Mountain Shop										
Vote 11 - Planning and Economic Development(cont2)		**3 681**	**3 540**	**4 301**	**16 138**	**40 367**	**40 367**	**8 064**	**8 330**	**8 596**
11.1 - Executive Manager: Planning and Economic Develop		–	–	–	7 315	7 315	7 315	–	–	–
11.2 - Regional planning		–	–	–	3 959	27 662	27 662	2 474	2 556	2 638
11.3 - Resorts: Swartvlei		1 644	1 782	2 016	2 647	3 261	3 261	3 381	3 493	3 605
11.4 - Resorts: Victoriabaai		2 038	1 758	2 285	2 217	2 129	2 129	2 208	2 281	2 354
11.5 - Resorts: Kleinkrantz										
11.6 - Led										
Vote 12 - Roads		**172 594**	**184 199**	**178 754**	**216 780**	**168 352**	**168 352**	**3 940**	**4 102**	**4 244**
12.1 - Public transport		–	182 533	177 034	3 825	3 825	3 825	3 940	4 102	4 244
12.2 - Road Transport - Roads General		–	–	–	212 955	164 527	164 527	–	–	–
12.3 - ROADS OPERATIONAL COST 1		172 594	1 666	1 720	–	–	–	–	–	–
12.4 - ROADS WORKSHOP OPERATIONAL COST 1										
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 - PREVENTATIVE CONDI										
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1										
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 - PREVENTATIVE CONDI										
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1										
12.9 - ROADS - GRADER GEORGE - PROJECT 1										
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION										
Vote 13 - Roads (cont)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
13.1 - Roads										
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 - PREVENTATIVE CONDITION										
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE ROADS										
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROADS										
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CORRECTIVE MAINT - SLANGRIVIER										
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMALL IN/OUTLET STRUCTURES										
13.7 - ROADS - CAUSEWAY - SLANGRIVIER										
13.8 - ROADS - GEELHOUTBOOM										
13.9 - ROADS - FLOOD DAMAGE										
Vote 14 - Community Services (cont 2)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
14.1 - Solid Waste Removal										
Vote 15 -		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue by Vote	2	**423 077**	**447 966**	**464 289**	**557 413**	**487 769**	**487 769**	**271 363**	**260 707**	**270 153**

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Expenditure by Vote	1									
Vote 1 - Office of the Municipal Manager		**58 788**	**73 105**	**86 242**	**69 692**	**69 375**	**69 375**	**75 970**	**78 822**	**81 819**
1.1 - Municipal Manager		6 981	10 467	5 917	6 469	6 056	6 056	6 410	6 815	7 247
1.2 - Office: of the Executive Mayor		5 696	4 679	2 576	5 405	3 818	3 818	3 956	4 106	4 264
1.3 - Office: of the Deputy Executive Mayor		767	752	417	1 281	2 063	2 063	2 180	2 311	2 450
1.4 - Office : of the speaker		1 111	1 170	1 210	1 142	1 187	1 187	1 244	1 304	1 367
1.5 - Mayor and Council		35 917	46 826	69 289	48 316	49 269	49 269	55 349	57 074	58 873
1.6 - Strategic Manager		74	40	65	50	50	50	50	51	52
1.7 - Legal Services		–	9	11	9	7	7	7	7	7
1.8 - Legal Services										
1.9 - Legal services		6 753	7 959	5 652	5 689	5 677	5 677	5 448	5 739	6 049
1.10 - Performance Management		1 487	1 203	1 105	1 331	1 248	1 248	1 326	1 415	1 510
Vote 2 - Office of the Municipal Manager (cont)		**6 265**	**6 884**	**7 670**	**7 875**	**7 966**	**7 966**	**8 439**	**8 981**	**9 559**
2.1 - Risk Management unit		978	1 043	1 044	1 116	1 132	1 132	1 199	1 274	1 355
2.2 -										
2.3 - Internal audit		2 846	3 096	3 856	4 017	4 062	4 062	4 313	4 600	4 906
2.4 - Marketing publicity& media cor		2 440	2 745	2 771	2 743	2 772	2 772	2 928	3 107	3 297
Vote 3 - Financial Services		**17 787**	**20 669**	**20 222**	**22 829**	**19 836**	**19 836**	**21 041**	**22 289**	**23 713**
3.1 - Manager: Finance (CFO)		3 666	2 677	2 805	3 354	3 453	3 453	3 653	3 881	4 124
3.2 - Expenditure		7 055	9 164	8 388	9 358	7 110	7 110	7 534	8 021	8 540
3.3 - BTO & AFS		5 884	7 691	7 940	8 943	8 105	8 105	8 484	8 917	9 378
3.4 - FMG Interns		1 013	944	903	1 005	1 003	1 003	1 203	1 303	1 503
3.5 - Stores		–	9	7	–	16	16	16	16	16
3.6 - Income		125	135	133	85	83	83	83	83	83
3.7 - Assets		34	45	42	80	62	62	63	64	64
3.8 - Data		10	4	3	4	4	4	4	4	4
3.9 - Assets Management										
3.10 - Remuneration										
Vote 4 - Financial Services (cont)		**5 803**	**6 000**	**6 510**	**6 448**	**10 442**	**10 442**	**5 807**	**6 182**	**6 582**
4.1 - SCM		5 803	6 000	6 510	6 448	10 442	10 442	5 807	6 182	6 582
Vote 5 - Corporate Services		**19 658**	**24 086**	**19 569**	**21 405**	**23 440**	**23 440**	**22 432**	**23 182**	**23 980**
5.1 - Executive Manager: Corporate Services		4 653	3 998	3 498	969	1 029	1 029	1 067	1 111	1 158
5.2 - Support Services:committee		2 786	2 986	2 716	3 000	2 649	2 649	2 812	3 000	3 199
5.3 - Support servives: registry		6 598	7 252	6 844	7 505	7 103	7 103	6 075	6 404	6 753
5.4 - Task unit		371	386	380	416	721	721	758	798	840
5.5 - Training & Development		4 707	8 787	5 741	9 175	11 597	11 597	11 379	11 528	11 688
5.6 - Labour Relations		26	48	10	30	30	30	30	30	30
5.7 - Recruitment & Selection		126	114	49	104	65	65	66	66	66
5.8 - Basic Conditions of Service		51	148	41	25	25	25	25	25	25
5.9 - OHS		262	192	185	121	160	160	160	160	160
5.10 - EAP		77	176	104	60	60	60	60	60	60
Vote 6 - Corporate Services (cont)		**23 395**	**27 761**	**43 219**	**39 691**	**41 785**	**41 785**	**33 305**	**34 886**	**36 554**
6.1 - Section 79/80 committees		304	3	–	–	–	–	–	–	–
6.2 - IT Section		–	59	153	149	285	285	285	285	285
6.3 - HR Manager		10 052	11 317	10 690	11 463	8 821	8 821	6 411	6 829	7 275
6.4 - It section		13 038	16 382	16 971	17 942	17 384	17 384	17 655	18 465	19 310
6.5 - National Skills Fund (NSF)		–	–	13 943	8 603	14 163	14 163	8 933	9 286	9 662
6.6 - Individual Performance and Policy Research		–	–	1 462	1 535	1 132	1 132	21	22	22
Vote 7 - Community Services		**46 997**	**48 499**	**49 089**	**54 078**	**53 657**	**53 657**	**56 585**	**59 733**	**63 303**
7.1 - Disaster Management		6 649	7 886	7 627	9 380	7 922	7 922	8 306	8 545	9 014
7.2 - Executive Manager: Community Services		3 104	1 949	1 572	2 952	3 628	3 628	3 843	4 088	4 349
7.3 - Municipal Health Services: Administration		2 649	3 631	2 559	2 964	3 084	3 084	3 213	3 357	3 511
7.4 - Municipal Health Services: George		9 150	8 716	9 662	10 074	9 706	9 706	10 281	10 938	11 640
7.5 - Municipal Health Services: Klein Karoo		7 558	7 406	7 490	7 745	8 380	8 380	8 875	9 442	10 047
7.6 - Municipal Health Services: Langeberg		9 086	8 952	9 243	10 264	8 850	8 850	9 368	9 961	10 594
7.7 - Municipal Health Services: Lakes Areas		7 619	8 040	8 498	9 154	9 275	9 275	9 814	10 431	11 089
7.8 - Disaster Management		–	685	1 182	–	1 489	1 489	1 489	1 489	1 489
7.9 - Disaster Management										
7.10 - Enviromental Management		1 183	1 233	1 255	1 546	1 323	1 323	1 397	1 481	1 570
Vote 8 - Community Services (cont)		**31 715**	**32 891**	**43 502**	**81 999**	**52 806**	**52 806**	**49 831**	**38 763**	**40 689**
8.1 - Fire fighting		22 150	20 159	21 084	20 832	25 289	25 289	21 664	22 663	23 729
8.2 - Fire services: Riversdal		2 232	2 243	2 365	2 150	2 467	2 467	2 596	2 744	2 901
8.3 - Fire services: Kannaland		2 972	3 147	2 618	2 684	2 693	2 693	2 835	2 997	3 171
8.4 - Community Safety (WOSA)		–	–	1 811	1 457	1 025	1 025	1 256	1 330	1 436
8.5 - Fire Fighting		–	1 352	953	1 352	1 130	1 130	1 130	1 130	1 130
8.6 - Bulk infrastructure		2 057	2 697	1 685	1 820	1 854	1 854	1 966	2 095	2 232
8.7 - Refuse		–	1	1	1	1	1	1	1	1
8.8 - Bulk infr.: water										
8.9 - Air quality control		2 303	2 689	2 952	2 791	2 806	2 806	2 964	3 145	3 338
8.10 - Landfill Sites		–	603	10 033	48 912	15 541	15 541	15 419	2 658	2 751

DC4 Garden Route - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Vote 9 - Planning and Economic Development		**18 107**	**16 175**	**8 102**	**3 113**	**4 532**	**4 532**	**3 113**	**3 205**	**3 303**
9.1 - Property Development										
9.2 - Executive Manager: Planning and Economic Developm		3 515	3 871	1 583	–	1 378	1 378	1 378	1 378	1 378
9.3 - Regional planning		6 905	6 105	140	37	–	–	–	–	–
9.4 - Tourism		2 639	1 827	1 587	1 575	1 633	1 633	1 714	1 806	1 904
9.5 - Human Settlement		5 053	4 352	4 772	1 500	1 500	1 500	–	–	–
9.6 - EPWP Manager		–	–	–	–	–	–	–	–	–
9.7 - EPWP Projects		(5)	19	19	–	21	21	21	21	21
9.8 - Population Development										
9.9 - Tourism										
Vote 10 - Planning and Economic Development (cont)		**23 685**	**21 007**	**20 024**	**16 417**	**17 530**	**17 530**	**17 422**	**16 470**	**17 345**
10.1 - PMU		1 356	327	45	69	28	28	29	29	30
10.2 - Led		6 227	2 853	3 554	2 283	2 250	2 250	2 363	2 493	2 631
10.3 - Idp		2 181	2 212	1 965	2 199	1 721	1 721	1 824	1 942	2 068
10.4 - EPWP Manager		2 256	2 134	2 162	2 246	2 168	2 168	1 966	2 092	2 226
10.5 - EPWP Projects		3 427	2 180	1 545	2 293	2 293	2 293	1 774	–	–
10.6 - EPWP Own Funding		–	2 265	2 548	2 000	1 963	1 963	2 071	2 194	2 325
10.7 - Resorts: Calitzdorp Spa Kiosk		–	4	–	–	–	–	–	–	–
10.8 - Resorts: Calitzdorp Spa Resort		5 180	5 818	5 086	2 232	3 353	3 353	3 471	3 603	3 743
10.9 - Resorts: De Hoek Mountain Resort		3 058	3 213	3 118	3 095	3 755	3 755	3 925	4 117	4 322
10.10 - Resorts: De Hoek Mountain Shop										
Vote 11 - Planning and Economic Development(cont2)		**3 221**	**2 389**	**11 058**	**13 736**	**12 589**	**12 589**	**13 234**	**13 971**	**14 757**
11.1 - Executive Manager: Planning and Economic Develop		–	–	3 042	4 163	3 245	3 245	3 440	3 662	3 899
11.2 - Regional planning		–	–	5 352	6 688	6 140	6 140	6 437	6 777	7 140
11.3 - Resorts: Swartvlei		1 582	1 293	1 339	1 402	1 416	1 416	1 482	1 557	1 637
11.4 - Resorts: Victoriabaai		1 639	1 095	1 325	1 484	1 789	1 789	1 876	1 975	2 082
11.5 - Resorts: Kleinkrantz										
11.6 - Led										
Vote 12 - Roads		**114 056**	**112 647**	**108 914**	**134 114**	**97 330**	**97 330**	**3 940**	**4 102**	**4 244**
12.1 - Public transport		4 039	3 041	3 404	3 825	3 825	3 825	3 940	4 102	4 244
12.2 - Road Transport - Roads General		14 577	4 542	1 748	–	1 110	1 110	–	–	–
12.3 - ROADS OPERATIONAL COST 1		36 095	40 716	37 026	63 843	41 545	41 545	–	–	–
12.4 - ROADS WORKSHOP OPERATIONAL COST 1		11 002	13 587	15 031	16 483	11 835	11 835	–	–	–
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJE		17 604	19 675	19 806	16 611	13 083	13 083	–	–	–
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1		6 767	7 536	7 514	7 894	6 145	6 145	–	–	–
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJEC		12 261	12 586	13 485	14 572	11 030	11 030	–	–	–
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1		4 794	5 717	5 333	4 993	4 001	4 001	–	–	–
12.9 - ROADS - GRADER GEORGE - PROJECT 1		4 940	5 247	5 567	5 894	4 755	4 755	–	–	–
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SEC		1 978	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		**64 508**	**76 016**	**66 577**	**82 666**	**71 022**	**71 022**	**–**	**–**	**–**
13.1 - Roads										
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 -		14 476	13 738	14 134	16 326	12 831	12 831	–	–	–
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANC		16 109	15 835	17 151	31 772	17 174	17 174	–	–	–
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE		12 641	21 424	16 049	20 812	16 165	16 165	–	–	–
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - COF		13 916	(946)	–	–	–	–	–	–	–
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMA		2 472	(324)	–	–	–	–	–	–	–
13.7 - ROADS - CAUSEWAY - SLANGRIVIER		4 896	26 290	8 785	13 755	24 824	24 824	–	–	–
13.8 - ROADS - GEELHOUTBOOM										
13.9 - ROADS - FLOOD DAMAGE		–	–	10 459	–	28	28	–	–	–
Vote 14 - Community Services (cont 2)		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
14.1 - Solid Waste Removal										
Vote 15 -		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Expenditure by Vote	2	433 984	468 129	490 697	554 063	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit) for the year	2	(10 908)	(20 163)	(26 408)	3 350	5 458	5 458	(39 756)	(49 878)	(55 695)

DC4 Garden Route - 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		
R thousand	1	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	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	8 389	47 855	-	-	-	-	-	-
Sale of Goods and Rendering of Services	2	15 181	11 727	13 544	21 280	35 230	35 230	35 230	28 720	14 845	15 320
Agency services	2	188 140	18 489	18 860	22 763	14 881	14 881	14 881	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	4 189	5 222	5 379	6 711	7 747	7 747	7 747	8 033	8 299	8 564
Interest earned from Current and Non Current Assets	2	10 253	12 400	16 541	14 385	8 588	8 588	8 588	7 931	8 168	8 406
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	573	495	481	593	710	710	710	736	760	784
Rental from Fixed Assets	2	1 315	1 586	2 000	3 199	2 126	2 126	2 126	2 204	2 277	2 350
Licence and permits	2	-	-	-	165	165	165	165	171	177	182
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	6 385	188 526	179 345	217 188	166 940	166 940	166 940	1 875	1 921	1 966
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	-	-	2 568	-	-	-	-	-	-	-
Licences or permits	2	78	68	309	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	189 810	196 854	211 404	214 504	220 814	220 814	220 814	218 983	224 052	232 372
Interest	2	-	-	-	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	(618)	(172)	1 350	25 276	25 276	25 276	-	-	-
Other Gains	2	(4)	26	585	4 420	209	209	209	209	209	209
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**415 921**	**434 774**	**459 233**	**554 413**	**482 685**	**482 685**	**482 685**	**268 863**	**260 707**	**270 153**
Expenditure											
Employee related costs	2	280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Remuneration of councillors	2	12 306	11 983	13 953	15 251	15 617	15 617	15 617	16 398	17 218	18 079
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	2,8	51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Debt impairment	2,3	6 577	3 874	17 488	-	4 000	4 000	4 000	4 000	4 000	4 000
Depreciation, amortisation and impairment	2	5 766	6 435	7 565	11 095	8 191	8 191	8 191	8 064	8 064	8 064
Interest, Dividends and Rent on Land	2	148	4 664	435	136	420	420	420	420	420	420
Contracted services	2	32 200	24 036	28 206	47 207	52 425	52 425	52 425	39 909	27 290	27 585
Transfers and subsidies	2	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953
Irrecoverable debts written off	2	-	-	1 614	1 650	3 000	3 000	3 000	3 000	3 000	3 000
Operational costs	2	38 407	49 467	47 210	100 401	69 052	69 052	69 052	36 445	37 390	38 376
Disposal of Fixed and Intangible Assets	2	136	402	-	1 025	172	172	172	172	172	172
Other Losses	2	53	(209)	4 267	30	2 915	2 915	2 915	2 915	2 915	2 915
Total Expenditure		**431 824**	**466 537**	**490 160**	**552 991**	**482 311**	**482 311**	**482 311**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit)		**(15 903)**	**(31 763)**	**(30 927)**	**1 423**	**374**	**374**	**374**	**(42 256)**	**(49 878)**	**(55 695)**
Transfers and subsidies - capital (monetary allocations)	6	3 765	13 072	2 563	3 000	5 084	5 084	5 084	2 500	-	-
Transfers and subsidies - capital (in-kind)	6	3 284	13	2 493	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**(8 855)**	**(18 678)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		108	108	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**(8 747)**	**(18 571)**	**(25 871)**	**4 423**	**5 458**	**5 458**	**5 458**	**(39 756)**	**(49 878)**	**(55 695)**

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		–	–	48	150	174	174	174	150	150	150
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		–	4	24	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	(4)	303	200	200	200	200	–	–	–
Vote 7 - Community Services		(2 970)	(7 753)	885	2 500	4 584	4 584	4 584	–	–	–
Vote 8 - Community Services (cont)		–	690	47 524	106 071	67 622	67 622	67 622	–	–	–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		2 970	2 960	–	–	–	–	–	–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**(4 103)**	**48 783**	**108 921**	**72 580**	**72 580**	**72 580**	**150**	**150**	**150**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Office of the Municipal Manager		(1 136)	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	18	–	–	–	–	–	–	–
Vote 3 - Financial Services		20	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		5	–	14	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	–	22	–	–	–	–	–	–	–
Vote 7 - Community Services		1 019	1 030	(375)	–	–	–	–	1 500	–	–
Vote 8 - Community Services (cont)		–	3 073	–	–	–	–	–	64 933	–	–
Vote 9 - Planning and Economic Development		29	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		62	–	88	–	–	–	–	–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	12 344	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**(0)**	**4 103**	**12 111**	**–**	**–**	**–**	**–**	**66 433**	**–**	**–**
Total Capital Expenditure - Vote		**(0)**	**–**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**66 583**	**150**	**150**
Capital Expenditure - Functional											
Governance and administration		**(1 161)**	**257**	**10 260**	**350**	**374**	**374**	**374**	**–**	**–**	**–**
Executive and council		(1 636)	(481)	91	–	–	–	–	–	–	–
Finance and administration		474	738	10 170	350	374	374	374	–	–	–
Internal audit											
Community and public safety		**1 056**	**(257)**	**4 817**	**3 000**	**5 084**	**5 084**	**5 084**	**–**	**–**	**–**
Community and social services		994	–	941	2 500	4 584	4 584	4 584	–	–	–
Sport and recreation		(74)	563	6	–	–	–	–	–	–	–
Public safety		136	(820)	1 928	500	500	500	500	–	–	–
Housing											
Health		–	–	1 943	–	–	–	–	–	–	–
Economic and environmental services		**105**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development		105	–	–	–	–	–	–	–	–	–
Road transport											
Environmental protection											
Trading services		**–**	**–**	**45 817**	**105 571**	**67 122**	**67 122**	**67 122**	**–**	**–**	**–**
Energy sources											
Water management											
Waste water management											
Waste management		–	–	45 817	105 571	67 122	67 122	67 122	–	–	–
Other											
Total Capital Expenditure - Functional	3	**–**	**(0)**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**–**	**–**	**–**
Funded by:											
National Government		2 970	–	–	–	–	–	–	–	–	–
Provincial Government		179	8 046	2 934	3 000	5 084	5 084	5 084	2 500	–	–
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	**3 149**	**8 046**	**2 934**	**3 000**	**5 084**	**5 084**	**5 084**	**2 500**	**–**	**–**
Borrowing	6	–	(13)	45 817	105 571	67 122	67 122	67 122	63 933	–	–
Internally generated funds		(3 149)	(8 033)	12 143	350	374	374	374	150	150	150
Total Capital Funding	7	**–**	**(0)**	**60 895**	**108 921**	**72 580**	**72 580**	**72 580**	**66 583**	**150**	**150**

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–
1.1 - Municipal Manager									–	–	–
1.2 - Office: of the Executive Mayor									–	–	–
1.3 - Office: of the Deputy Executive Mayor									–	–	–
1.4 - Office : of the speaker									–	–	–
1.5 - Mayor and Council									–	–	–
1.6 - Strategic Manager									–	–	–
1.7 - Legal Services									–	–	–
1.8 - Legal Services									–	–	–
1.9 - Legal services									–	–	–
1.10 - Performance Management									–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–
2.1 - Risk Management unit									–	–	–
2.2 -									–	–	–
2.3 - Internal audit									–	–	–
2.4 - Marketing publicity& media cor									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 3 - Financial Services		–	–	48	150	174	174	174	150	150	150
3.1 - Manager: Finance (CFO)		–	–	–	–	24	24	24	–	–	–
3.2 - Expenditure									–	–	–
3.3 - BTO & AFS									–	–	–
3.4 - FMG Interns									–	–	–
3.5 - Stores									–	–	–
3.6 - Income									–	–	–
3.7 - Assets		–	–	48	150	150	150	150	150	150	150
3.8 - Data									–	–	–
3.9 - Assets Management									–	–	–
3.10 - Remuneration									–	–	–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
4.1 - SCM									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 5 - Corporate Services		–	4	24	–	–	–	–	–	–	–
5.1 - Executive Manager: Corporate Services									–	–	–
5.2 - Support Services:committee									–	–	–
5.3 - Support servives: registry									–	–	–
5.4 - Task unit									–	–	–
5.5 - Training & Development									–	–	–
5.6 - Labour Relations									–	–	–
5.7 - Recruitment & Selection									–	–	–
5.8 - Basic Conditions of Service									–	–	–
5.9 - OHS		–	4	24	–	–	–	–	–	–	–
5.10 - EAP									–	–	–
Vote 6 - Corporate Services (cont)		–	(4)	303	200	200	200	200	–	–	–
6.1 - Section 79/80 committees									–	–	–
6.2 - IT Section		–	(4)	303	200	200	200	200	–	–	–
6.3 - HR Manager									–	–	–
6.4 - It section									–	–	–
6.5 - National Skills Fund (NSF)									–	–	–
6.6 - Individual Performance and Policy Research									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 7 - Community Services		(2 970)	(7 753)	885	2 500	4 584	4 584	4 584	–	–	–
7.1 - Disaster Management		–	(22)	885	2 500	4 584	4 584	4 584	–	–	–
7.2 - Executive Manager: Community Services		(2 970)	(7 732)	–	–	–	–	–	–	–	–
7.3 - Municipal Health Services: Administration									–	–	–
7.4 - Municipal Health Services: George									–	–	–
7.5 - Municipal Health Services: Klein Karoo									–	–	–
7.6 - Municipal Health Services: Langeberg									–	–	–
7.7 - Municipal Health Services: Lakes Areas									–	–	–
7.8 - Disaster Management									–	–	–
7.9 - Disaster Management									–	–	–
7.10 - Enviromental Management									–	–	–

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Vote 8 - Community Services (cont)		–	690	47 524	106 071	67 622	67 622	67 622	–	–	–
8.1 - Fire fighting		–	1 152	1 773	500	500	500	500	–	–	–
8.2 - Fire services: Riversdal									–	–	–
8.3 - Fire services: Kannaland									–	–	–
8.4 - Community Safety (WOSA)									–	–	–
8.5 - Fire Fighting		–	(448)	(66)	–	–	–	–	–	–	–
8.6 - Bulk infrastructure									–	–	–
8.7 - Refuse									–	–	–
8.8 - Bulk infr.: water									–	–	–
8.9 - Air quality control									–	–	–
8.10 - Landfill Sites		–	(13)	45 817	105 571	67 122	67 122	67 122	–	–	–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
9.1 - Property Development									–	–	–
9.2 - Executive Manager: Planning and Economic Developm									–	–	–
9.3 - Regional planning									–	–	–
9.4 - Tourism									–	–	–
9.5 - Human Settlement									–	–	–
9.6 - EPWP Manager									–	–	–
9.7 - EPWP Projects									–	–	–
9.8 - Population Development									–	–	–
9.9 - Tourism									–	–	–
									–	–	–
Vote 10 - Planning and Economic Development (cont)		2 970	2 960	–	–	–	–	–	–	–	–
10.1 - PMU		2 970	2 960	–	–	–	–	–	–	–	–
10.2 - Led									–	–	–
10.3 - Idp									–	–	–
10.4 - EPWP Manager									–	–	–
10.5 - EPWP Projects									–	–	–
10.6 - EPWP Own Funding									–	–	–
10.7 Resorts: Calitzdorp Spa Kiosk									–	–	–
10.8 - Resorts: Calitzdorp Spa Resort									–	–	–
10.9 - Resorts: De Hoek Mountain Resort									–	–	–
10.10 - Resorts: De Hoek Mountain Shop									–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
11.1 - Executive Manager: Planning and Economic Developm									–	–	–
11.2 - Regional planning									–	–	–
11.3 - Resorts: Swartvlei									–	–	–
11.4 - Resorts: Victoriabaai									–	–	–
11.5 - Resorts: Kleinkrantz									–	–	–
11.6 - Led									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
12.1 - Public transport									–	–	–
12.2 - Road Transport - Roads General									–	–	–
12.3 - ROADS OPERATIONAL COST 1									–	–	–
12.4 - ROADS WORKSHOP OPERATIONAL COST 1									–	–	–
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 - PREVENTATIVE CONDI									–	–	–
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1									–	–	–
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 - PREVENTATIVE CONDI									–	–	–
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1									–	–	–
12.9 - ROADS - GRADER GEORGE - PROJECT 1									–	–	–
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION									–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
13.1 - Roads									–	–	–
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 - PREVENTATIVE CONDITION									–	–	–
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE ROADS									–	–	–
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROADS									–	–	–
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CORRECTIVE MAINT - SLANGRIVIER									–	–	–
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMALL IN/OUTLET STRUCTURES									–	–	–
13.7 - ROADS - CAUSEWAY - SLANGRIVIER									–	–	–
13.8 - ROADS - GEELHOUTBOOM									–	–	–
13.9 - ROADS - FLOOD DAMAGE									–	–	–
									–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
14.1 - Solid Waste Removal									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
									–	–	–
Capital multi-year expenditure sub-total		–	(4 103)	48 783	108 921	72 580	72 580	72 580	150	150	150

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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 - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - Office of the Municipal Manager		(1 136)	–	–	–	–	–	–	–	–	–
1.1 - Municipal Manager		(1 136)	–	–	–	–	–	–	–	–	–
1.2 - Office: of the Executive Mayor											
1.3 - Office: of the Deputy Executive Mayor											
1.4 - Office : of the speaker											
1.5 - Mayor and Council		–	–	–	–	–	–	–	–	–	–
1.6 - Strategic Manager											
1.7 - Legal Services											
1.8 - Legal Services											
1.9 - Legal services											
1.10 - Performance Management											
Vote 2 - Office of the Municipal Manager (cont)		–	–	18	–	–	–	–	–	–	–
2.1 - Risk Management unit											
2.2 -											
2.3 - Internal audit											
2.4 - Marketing publicity& media cor		–	–	18	–	–	–	–	–	–	–
Vote 3 - Financial Services		20	–	–	–	–	–	–	–	–	–
3.1 - Manager: Finance (CFO)											
3.2 - Expenditure											
3.3 - BTO & AFS		20	–	–	–	–	–	–	–	–	–
3.4 - FMG Interns											
3.5 - Stores											
3.6 - Income											
3.7 - Assets		–	–	–	–	–	–	–	–	–	–
3.8 - Data											
3.9 - Assets Management											
3.10 - Remuneration											
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–
4.1 - SCM											
Vote 5 - Corporate Services		5	–	14	–	–	–	–	–	–	–
5.1 - Executive Manager: Corporate Services		5	–	–	–	–	–	–	–	–	–
5.2 - Support Services:committee		–	–	–	–	–	–	–	–	–	–
5.3 - Support servives: registry											
5.4 - Task unit		–	–	14	–	–	–	–	–	–	–
5.5 - Training & Development											
5.6 - Labour Relations											
5.7 - Recruitment & Selection											
5.8 - Basic Conditions of Service											
5.9 - OHS											
5.10 - EAP											
Vote 6 - Corporate Services (cont)		–	–	22	–	–	–	–	–	–	–
6.1 - Section 79/80 committees											
6.2 - IT Section											
6.3 - HR Manager		–	–	22	–	–	–	–	–	–	–
6.4 - It section											
6.5 - National Skills Fund (NSF)											
6.6 - Individual Performance and Policy Research											
Vote 7 - Community Services		1 019	1 030	(375)	–	–	–	–	1 500	–	–
7.1 - Disaster Management		994	22	(376)	–	–	–	–	1 500	–	–
7.2 - Executive Manager: Community Services		25	1 008	–	–	–	–	–	–	–	–
7.3 - Municipal Health Services: Administration											
7.4 - Municipal Health Services: George											
7.5 - Municipal Health Services: Klein Karoo		–	–	2	–	–	–	–	–	–	–
7.6 - Municipal Health Services: Langeberg											
7.7 - Municipal Health Services: Lakes Areas											
7.8 - Disaster Management											
7.9 - Disaster Management											
7.10 - Enviromental Management											
Vote 8 - Community Services (cont)		–	3 073	–	–	–	–	–	64 933	–	–
8.1 - Fire fighting		–	2 612	–	–	–	–	–	1 000	–	–
8.2 - Fire services: Riversdal											
8.3 - Fire services: Kannaland											
8.4 - Community Safety (WOSA)											
8.5 - Fire Fighting		–	448	–	–	–	–	–	–	–	–
8.6 - Bulk infrastructure											
8.7 - Refuse											
8.8 - Bulk infr.: water											
8.9 - Air quality control											
8.10 - Landfill Sites		–	13	–	–	–	–	–	63 933	–	–

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Vote 9 - Planning and Economic Development		29	–	–	–	–	–	–	–	–	–
9.1 - Property Development											
9.2 - Executive Manager: Planning and Economic Develop		29	–	–	–	–	–	–	–	–	–
9.3 - Regional planning											
9.4 - Tourism											
9.5 - Human Settlement		–	–	–	–	–	–	–	–	–	–
9.6 - EPWP Manager											
9.7 - EPWP Projects											
9.8 - Population Development											
9.9 - Tourism											
Vote 10 - Planning and Economic Development (cont)		62	–	88	–	–	–	–	–	–	–
10.1 - PMU		–	–	–	–	–	–	–	–	–	–
10.2 - Led											
10.3 - Idp											
10.4 - EPWP Manager											
10.5 - EPWP Projects											
10.6 - EPWP Own Funding											
10.7 - Resorts: Calitzdorp Spa Kiosk											
10.8 - Resorts: Calitzdorp Spa Resort		–	–	88	–	–	–	–	–	–	–
10.9 - Resorts: De Hoek Mountain Resort		62	–	–	–	–	–	–	–	–	–
10.10 - Resorts: De Hoek Mountain Shop											
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–
11.1 - Executive Manager: Planning and Economic Develo		–	–	–	–	–	–	–	–	–	–
11.2 - Regional planning											
11.3 - Resorts: Swartvlei											
11.4 - Resorts: Victoriabaai											
11.5 - Resorts: Kleinkrantz											
11.6 - Led											
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–
12.1 - Public transport											
12.2 - Road Transport - Roads General											
12.3 - ROADS OPERATIONAL COST 1											
12.4 - ROADS WORKSHOP OPERATIONAL COST 1											
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJECT 1 - PREVENTATIVE CONDI											
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1											
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJECT 1 - PREVENTATIVE CONDI											
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1											
12.9 - ROADS - GRADER GEORGE - PROJECT 1											
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SECTION											
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–
13.1 - Roads											
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 - PREVENTATIVE CONDITION											
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENANCE ROADS											
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE ROADS											
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CORRECTIVE MAINT - SLANGRIVIER											
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMALL IN/OUTLET STRUCTURES											
13.7 - ROADS - CAUSEWAY - SLANGRIVIER											
13.8 - ROADS - GEELHOUTBOOM											
13.9 - ROADS - FLOOD DAMAGE											
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–
14.1 - Solid Waste Removal											
Vote 15 -		–	–	12 344	–	–	–	–	–	–	–
		–	–	12 344	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		(0)	4 103	12 111	–	–	–	–	66 433	–	–
Total Capital Expenditure		(0)	–	60 895	108 921	72 580	72 580	72 580	66 583	150	150

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	Multi-year appropriation for Budget Year 2026/27 in the 2025/26 Annual Budget				Multi-year appropriation for 2027/28 in the 2025/26 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Municipal Vote												
Multi-year expenditure appropriation	2											
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
1.1 - Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
1.2 - Office: of the Executive Mayor		–	–	–	–	–	–	–	–	–	–	–
1.3 - Office: of the Deputy Executive Mayor		–	–	–	–	–	–	–	–	–	–	–
1.4 - Office : of the speaker		–	–	–	–	–	–	–	–	–	–	–
1.5 - Mayor and Council		–	–	–	–	–	–	–	–	–	–	–
1.6 - Strategic Manager		–	–	–	–	–	–	–	–	–	–	–
1.7 - Legal Services		–	–	–	–	–	–	–	–	–	–	–
1.8 Legal Services					–	–	–	–	–	–	–	–
1.9 - Legal services		–	–	–	–	–	–	–	–	–	–	–
1.10 - Performance Management		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–	–
2.1 - Risk Management unit		–	–	–	–	–	–	–	–	–	–	–
2.2 -		–	–	–	–	–	–	–	–	–	–	–
2.3 - Internal audit		–	–	–	–	–	–	–	–	–	–	–
2.4 - Marketing publicity& media cor		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		–	–	–	–	–	–	–	–	150	150	150
3.1 - Manager: Finance (CFO)		–	–	–	–	–	–	–	–	–	–	–
3.2 - Expenditure		–	–	–	–	–	–	–	–	–	–	–
3.3 - BTO & AFS		–	–	–	–	–	–	–	–	–	–	–
3.4 - FMG Interns		–	–	–	–	–	–	–	–	–	–	–
3.5 Stores					–	–	–	–	–	–	–	–
3.6 - Income		–	–	–	–	–	–	–	–	–	–	–
3.7 - Assets		–	–	–	–	–	–	–	–	150	150	150
3.8 - Data		–	–	–	–	–	–	–	–	–	–	–
3.9 - Assets Management		–	–	–	–	–	–	–	–	–	–	–
3.10 - Remuneration		–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–	–
4.1 - SCM		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–
5.1 - Executive Manager: Corporate Services		–	–	–	–	–	–	–	–	–	–	–
5.2 - Support Services:committee		–	–	–	–	–	–	–	–	–	–	–
5.3 - Support servives: registry		–	–	–	–	–	–	–	–	–	–	–
5.4 - Task unit		–	–	–	–	–	–	–	–	–	–	–
5.5 - Training & Development		–	–	–	–	–	–	–	–	–	–	–
5.6 - Labour Relations		–	–	–	–	–	–	–	–	–	–	–
5.7 - Recruitment & Selection		–	–	–	–	–	–	–	–	–	–	–
5.8 - Basic Conditions of Service		–	–	–	–	–	–	–	–	–	–	–
5.9 - OHS		–	–	–	–	–	–	–	–	–	–	–
5.10 - EAP		–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Corporate Services (cont)		–	–	–	–	–	–	–	–	–	–	–
6.1 - Section 79/80 committees		–	–	–	–	–	–	–	–	–	–	–
6.2 - IT Section		–	–	–	–	–	–	–	–	–	–	–
6.3 - HR Manager		–	–	–	–	–	–	–	–	–	–	–
6.4 - It section		–	–	–	–	–	–	–	–	–	–	–
6.5 - National Skills Fund (NSF)		–	–	–	–	–	–	–	–	–	–	–
6.6 - Individual Performance and Policy Research		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	Multi-year appropriation for Budget Year 2026/27 in the 2025/26 Annual Budget				Multi-year appropriation for 2027/28 in the 2025/26 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–
7.1 - Disaster Management		–	–	–	–	–	–	–	–	–	–	–
7.2 - Executive Manager: Community Services		–	–	–	–	–	–	–	–	–	–	–
7.3 - Municipal Health Services: Administration		–	–	–	–	–	–	–	–	–	–	–
7.4 - Municipal Health Services: George		–	–	–	–	–	–	–	–	–	–	–
7.5 - Municipal Health Services: Klein Karoo		–	–	–	–	–	–	–	–	–	–	–
7.6 - Municipal Health Services: Langeberg		–	–	–	–	–	–	–	–	–	–	–
7.7 - Municipal Health Services: Lakes Areas		–	–	–	–	–	–	–	–	–	–	–
7.8 - Disaster Management		–	–	–	–	–	–	–	–	–	–	–
7.9 - Disaster Management		–	–	–	–	–	–	–	–	–	–	–
7.10 - Enviromental Management		–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Community Services (cont)		–	–	–	–	–	–	–	–	–	–	–
8.1 - Fire fighting		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
8.3 - Fire services: Kannaland		–	–	–	–	–	–	–	–	–	–	–
8.4 - Community Safety (WOSA)		–	–	–	–	–	–	–	–	–	–	–
8.5 - Fire Fighting		–	–	–	–	–	–	–	–	–	–	–
8.6 - Bulk infrastructure		–	–	–	–	–	–	–	–	–	–	–
8.7 - Refuse		–	–	–	–	–	–	–	–	–	–	–
8.8 - Bulk infr.: water		–	–	–	–	–	–	–	–	–	–	–
8.9 - Air quality control		–	–	–	–	–	–	–	–	–	–	–
8.10 - Landfill Sites		–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–
9.1 - Property Development		–	–	–	–	–	–	–	–	–	–	–
9.2 - Executive Manager: Planning and Economic Developn		–	–	–	–	–	–	–	–	–	–	–
9.3 - Regional planning		–	–	–	–	–	–	–	–	–	–	–
9.4 - Tourism		–	–	–	–	–	–	–	–	–	–	–
9.5 - Human Settlement		–	–	–	–	–	–	–	–	–	–	–
9.6 - EPWP Manager		–	–	–	–	–	–	–	–	–	–	–
9.7 - EPWP Projects		–	–	–	–	–	–	–	–	–	–	–
9.8 - Population Development		–	–	–	–	–	–	–	–	–	–	–
9.9 - Tourism		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–	–	–	–	–
10.1 - PMU		–	–	–	–	–	–	–	–	–	–	–
10.2 - Led		–	–	–	–	–	–	–	–	–	–	–
10.3 - Idp		–	–	–	–	–	–	–	–	–	–	–
10.4 - EPWP Manager		–	–	–	–	–	–	–	–	–	–	–
10.5 - EPWP Projects		–	–	–	–	–	–	–	–	–	–	–
10.6 - EPWP Own Funding		–	–	–	–	–	–	–	–	–	–	–
10.7 - Resorts: Calitzdorp Spa Kiosk		–	–	–	–	–	–	–	–	–	–	–
10.8 - Resorts: Calitzdorp Spa Resort		–	–	–	–	–	–	–	–	–	–	–
10.9 - Resorts: De Hoek Mountain Resort		–	–	–	–	–	–	–	–	–	–	–
10.10 - Resorts: De Hoek Mountain Shop		–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–	–
11.1 - Executive Manager: Planning and Economic Develop		–	–	–	–	–	–	–	–	–	–	–
11.2 - Regional planning		–	–	–	–	–	–	–	–	–	–	–
11.3 - Resorts: Swartvlei		–	–	–	–	–	–	–	–	–	–	–
11.4 - Resorts: Victoriabaai		–	–	–	–	–	–	–	–	–	–	–
11.5 - Resorts: Kleinkrantz		–	–	–	–	–	–	–	–	–	–	–
11.6 - Led		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–

DC4 Garden Route - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	Multi-year appropriation for Budget Year 2026/27 in the 2025/26 Annual Budget				Multi-year appropriation for 2027/28 in the 2025/26 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 12 - Roads		–	–	–	–	–	–	–	–	–	–	–
12.1 - Public transport		–	–	–	–	–	–	–	–	–	–	–
12.2 - Road Transport - Roads General		–	–	–	–	–	–	–	–	–	–	–
12.3 - ROADS OPERATIONAL COST 1		–	–	–	–	–	–	–	–	–	–	–
12.4 - ROADS WORKSHOP OPERATIONAL COST 1		–	–	–	–	–	–	–	–	–	–	–
12.5 - ROADS - MAINTENANCE OUDTSHOORN - PROJE		–	–	–	–	–	–	–	–	–	–	–
12.6 - ROADS - GRADER OUDTSHOORN - PROJECT 1		–	–	–	–	–	–	–	–	–	–	–
12.7 - ROADS - MAINTENANCE RIVERSDALE - PROJEC		–	–	–	–	–	–	–	–	–	–	–
12.8 - ROADS - GRADER RIVERSDALE - PROJECT 1		–	–	–	–	–	–	–	–	–	–	–
12.9 - ROADS - GRADER GEORGE - PROJECT 1		–	–	–	–	–	–	–	–	–	–	–
12.10 - ROADS - REGRAVEL - PROJECT 2 - SHORT SEC		–	–	–	–	–	–	–	–	–	–	–
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–	–
13.1 - Roads		–	–	–	–	–	–	–	–	–	–	–
13.2 - ROADS - MAINTENANCE GEORGE - PROJECT 1 -		–	–	–	–	–	–	–	–	–	–	–
13.3 - ROADS - REGRAVEL - PROJECT 1 - MAINTENAN		–	–	–	–	–	–	–	–	–	–	–
13.4 - ROADS - RESEAL - PROJECT 1 - MAINTENANCE		–	–	–	–	–	–	–	–	–	–	–
13.5 - ROADS - CONSTR (UPGRADE)- PROJECT 1 - CO		–	–	–	–	–	–	–	–	–	–	–
13.6 - ROADS - CONSTR - CORRECTIVE MAINTEN SMA		–	–	–	–	–	–	–	–	–	–	–
13.7 - ROADS - CAUSEWAY - SLANGRIVIER		–	–	–	–	–	–	–	–	–	–	–
13.8 - ROADS - GEELHOUTBOOM		–	–	–	–	–	–	–	–	–	–	–
13.9 - ROADS - FLOOD DAMAGE		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Vote 14 - Community Services (cont 2)		–	–	–	–	–	–	–	–	–	–	–
14.1 - Solid Waste Removal		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		–	–	–	–	–	–	–	–	150	150	150

DC4 Garden Route - Table A6 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current assets											
Cash and cash equivalents	1	136 403	156 816	155 011	56 898	171 670	171 670	171 670	153 806	113 325	66 754
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	(20 977)	103 943	121 689	111 675	121 555	121 555	121 555	58 175	67 743	77 585
Receivables from non-exchange transactions	3	46	46	46	46	4 652	4 652	4 652	–	–	–
Current portion of non-current receivables	4	4 293	4 293	4 293	4 293	4 293	4 293	4 293	–	–	–
Inventory	5	3 483	2 662	3 217	3 049	3 396	3 396	3 396	3 574	3 753	3 932
VAT Receivable	6	7 105	10 678	11 615	10 678	11 615	11 615	11 615	11 615	11 615	11 615
Other current assets	7	71 871	(1 256)	722	2 700	722	722	722	4 432	4 432	4 432
Total current assets		**202 225**	**277 181**	**296 593**	**189 340**	**317 904**	**317 904**	**317 904**	**231 603**	**200 869**	**164 318**
Non current assets											
Investments	8	28	16	16	16	16	16	16	16	16	16
Investment property	9	65 948	65 839	65 730	65 619	65 602	65 602	65 602	65 474	65 346	65 218
Property, plant and equipment	10	188 446	228 788	273 555	314 384	288 711	288 711	288 711	297 998	290 468	282 938
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	1 413	1 317	1 192	(2 376)	935	935	935	679	423	167
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	60 088	59 935	(629)	59 935	(5 235)	(5 235)	(5 235)	–	–	–
Other non-current assets	16	–	–	–	–	–	–	–	–	–	–
Total non current assets		**315 923**	**355 895**	**339 864**	**437 579**	**350 029**	**350 029**	**350 029**	**364 167**	**356 252**	**348 338**
TOTAL ASSETS		**518 149**	**633 076**	**636 457**	**626 919**	**667 933**	**667 933**	**667 933**	**595 770**	**557 121**	**512 656**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	663	3 503	6 373	13 255	25 161	25 161	25 161	43 950	43 950	43 950
Consumer deposits	19	637	660	1 336	660	1 336	1 336	1 336	1 336	1 336	1 336
Trade and other payables from exchange transactions	20	47 184	40 193	38 987	40 193	39 836	39 836	39 836	40 684	41 533	42 382
Trade and other payables from non-exchange transactions	21	2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
Provision	22	31 059	31 684	32 980	31 684	32 980	32 980	32 980	32 980	32 980	32 980
VAT Payable	23	963	9 194	8 022	9 194	8 022	8 022	8 022	8 022	8 022	8 022
Other current liabilities	24	–	–	–	–	–	–	–	–	–	–
Total current liabilities		**83 156**	**85 875**	**88 995**	**95 627**	**108 632**	**108 632**	**108 632**	**128 270**	**129 118**	**129 967**
Non current liabilities											
Financial liabilities	25	583	114 063	166 490	92 316	166 490	166 490	166 490	166 490	166 490	166 490
Provision	26	4	4	123	4	123	123	123	123	123	123
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	141 047	148 312	98 309	148 312	100 345	100 345	100 345	100 345	102 382	104 418
Total non current liabilities		**141 634**	**262 380**	**264 922**	**240 633**	**266 958**	**266 958**	**266 958**	**266 958**	**268 995**	**271 031**
TOTAL LIABILITIES		**224 790**	**348 254**	**353 917**	**336 259**	**375 591**	**375 591**	**375 591**	**395 228**	**398 113**	**400 999**
NET ASSETS		**293 359**	**284 822**	**282 540**	**290 660**	**292 342**	**292 342**	**292 342**	**200 542**	**159 008**	**111 658**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	211 918	200 327	148 149	212 598	161 951	161 951	161 951	130 539	89 005	41 655
Reserves and funds	30	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**254 809**	**238 113**	**216 115**	**250 383**	**229 917**	**229 917**	**229 917**	**198 505**	**156 972**	**109 621**

DC4 Garden Route - Table A7 Budgeted Cash Flows

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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									–	–	–
Service charges		–	–	–	49 662	14 349	14 349	14 349	14 349	–	–
Other revenue		(204 085)	38 473	122 283	52 598	35 607	35 607	35 607	19 096	19 710	20 325
Transfers and Subsidies - Operational	1	339 196	196 075	213 186	428 679	410 789	410 789	410 789	219 155	224 224	232 544
Transfers and Subsidies - Capital	1	6 339	8 264	5 979	3 000	5 084	5 084	5 084	2 500	–	–
Interest		–	–	–	12 679	8 588	8 588	8 588	7 931	8 168	8 406
Dividends									–	–	–
Payments											
Suppliers and employees		(125 983)	(133 552)	(305 488)	(538 018)	(461 289)	(461 289)	(461 289)	(290 746)	(290 203)	(305 453)
Finance charges		–	–	–	(136)	(88)	(88)	(88)	(88)	(88)	(88)
Transfers and Subsidies	1								–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**15 467**	**109 259**	**35 960**	**8 464**	**13 040**	**13 040**	**13 040**	**(27 802)**	**(38 188)**	**(44 267)**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (increase) in non-current receivables									–	–	–
Decrease (increase) in non-current investments		–	13	–	–	–	–	16	–	–	–
Insurance Refund - Capital									–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments									–	–	–
Payments											
Capital assets		(28 287)	(46 318)	(43 397)	(108 921)	(72 580)	(72 580)	(72 580)	(66 583)	(150)	(150)
Retention (Capital)									–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(28 287)**	**(46 306)**	**(43 397)**	**(108 921)**	**(72 580)**	**(72 580)**	**(72 564)**	**(66 583)**	**(150)**	**(150)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing		–	116 912	63 000	118 555	118 555	118 555	118 555	118 555	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		–	–	–	(12 037)	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**116 912**	**63 000**	**106 519**	**118 555**	**118 555**	**118 555**	**118 555**	**–**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**(12 819)**	**179 865**	**55 563**	**6 062**	**59 016**	**59 016**	**59 032**	**24 170**	**(38 338)**	**(44 417)**
Cash/cash equivalents at the year begin:	2	**136 403**	**156 816**	**156 816**	**52 614**	**115 111**	**115 111**	**115 111**	**131 769**	**155 939**	**117 601**
Cash/cash equivalents at the year end:	2	**123 584**	**336 681**	**212 379**	**58 676**	**174 126**	**174 126**	**174 142**	**155 939**	**117 601**	**73 185**

DC4 Garden Route - 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		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	123 584	336 681	212 379	58 676	174 126	174 126	174 142	155 939	117 601	73 185
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	28	16	16	16	16	16	16	16	16	16
Cash and investments available:		**123 612**	**336 696**	**212 394**	**58 692**	**174 142**	**174 142**	**174 158**	**155 955**	**117 617**	**73 200**
Application of cash and investments											
Unspent conditional transfers		2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
Unspent borrowing											
Statutory requirements	2	73 598	(38 070)	(37 856)	(117 809)	(37 856)	(37 856)	(37 856)	(37 856)	(37 856)	(37 856)
Other working capital requirements	3	83 812	34 622	25 466	27 304	33 892	33 892	33 892	(22 558)	(37 277)	(47 890)
Other provisions		22 791	31 226	32 980	24 793	32 980	32 980	32 980	32 980	32 980	32 980
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966
Total Application of cash and investments:		**225 741**	**66 204**	**89 853**	**(27 286)**	**98 279**	**98 279**	**98 279**	**41 830**	**27 110**	**16 497**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**(102 129)**	**270 492**	**122 541**	**85 978**	**75 863**	**75 863**	**75 879**	**114 125**	**90 507**	**56 703**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**(102 129)**	**270 492**	**122 541**	**85 978**	**75 863**	**75 863**	**75 879**	**114 125**	**90 507**	**56 703**

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	(36 628)	5 571	13 521	12 889	5 944	5 944	5 944	63 242	78 810	90 272
Creditors due	47 184	40 193	38 987	40 193	39 836	39 836	39 836	40 684	41 533	42 382
Total	(83 812)	(34 622)	(25 466)	(27 304)	(33 892)	(33 892)	(33 892)	22 558	37 277	47 890
Debtors collection assumptions										
Balance outstanding - debtors	43 450	168 218	125 399	175 950	125 266	125 266	125 266	58 175	67 743	77 585
Estimate of debtors collection rate	-84.3%	3.3%	10.8%	7.3%	4.7%	4.7%	4.7%	108.7%	116.3%	116.4%
Long term investments committed										
(Insert description; eg sinking fund)										
	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	4 129	2 602	9 213	2 602	9 213	9 213	9 213	9 213	9 213	9 213
Self-insurance	–	–	–	–	–	–	–	–	–	–
Compensation for Occupational Injuries and Diseases	–	–	–	–	–	–	–	–	–	–
Employee Benefit reserve	38 763	35 183	58 753	35 183	58 753	58 753	58 753	58 753	58 753	58 753
Non-current Provisions reserve	–	–	–	–	–	–	–	–	–	–
Valuation reserve	–	–	–	–	–	–	–	–	–	–
Investment in associate account	–	–	–	–	–	–	–	–	–	–
Capitalisation	–	–	–	–	–	–	–	–	–	–
6	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	(62)	418	50 284	108 921	72 580	72 580	66 583	150	150
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	*(220)*	*45 817*	*105 571*	*67 122*	*67 122*	*63 933*	–	–
Community Facilities		–	–	–	–	1 000	1 000	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	*1 000*	*1 000*	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	653	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	*653*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	62	(418)	8 669	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		62	(1 152)	8 399	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*62*	*(1 152)*	*8 399*	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	220	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*220*	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	514	270	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Total Upgrading of Existing Assets	6	–	–	1 941	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	1 941	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	–	*1 941*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
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	–	(0)	60 895	108 921	72 580	72 580	66 583	150	150
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		–	*(220)*	*45 817*	*105 571*	*67 122*	*67 122*	*63 933*	–	–
Community Facilities		62	(1 152)	8 399	–	1 000	1 000	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Community Assets		*62*	*(1 152)*	*8 399*	–	*1 000*	*1 000*	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Operational Buildings		–	220	2 595	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Other Assets		–	*220*	*2 595*	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Computer Equipment		–	514	270	–	–	–	–	–	–
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		–	(0)	60 895	108 921	72 580	72 580	66 583	150	150

DC4 Garden Route - Table A9 Asset Management

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSET REGISTER SUMMARY - PPE (WDV)	5	232 381	250 210	256 738	239 248	254 005	254 005	248 591	240 677	232 763
Roads Infrastructure		44	33	30	25	26	26	23	19	15
Storm water Infrastructure										
Electrical Infrastructure										
Water Supply Infrastructure										
Sanitation Infrastructure		(1 122)	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	(5 438)	–	–	–	–	–
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		***(1 078)***	***33***	***30***	***(5 413)***	***26***	***26***	***23***	***19***	***15***
Community Assets		33 118	–	8 465	(1 130)	3 850	3 850	(761)	(5 371)	(9 982)
Heritage Assets										
Investment properties		**65 948**	**65 839**	**65 730**	**65 619**	**65 602**	**65 602**	**65 474**	**65 346**	**65 218**
Other Assets		2 806	51 050	51 422	40 834	(1 178)	(1 178)	(1 178)	(1 178)	(1 178)
Biological or Cultivated Assets										
Intangible Assets		1 413	1 317	1 192	(2 376)	935	935	679	423	167
Computer Equipment		**15 361**	**8 129**	**7 002**	**8 858**	**5 560**	**5 560**	**3 956**	**2 352**	**748**
Furniture and Office Equipment		**4 391**	**7 225**	**6 529**	**6 972**	**5 140**	**5 140**	**3 828**	**2 516**	**1 204**
Machinery and Equipment		**3 880**	**5 185**	**4 414**	**5 376**	**4 605**	**4 605**	**4 605**	**4 605**	**4 605**
Transport Assets		**6 741**	**11 632**	**12 109**	**19 639**	**16 502**	**16 502**	**18 002**	**18 002**	**18 002**
Land		**99 801**	**99 801**	**99 846**	**100 868**	**152 962**	**152 962**	**153 962**	**153 962**	**153 962**
Zoo's, Marine and Non-biological Animals										
Living Resources										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**232 381**	**250 210**	**256 738**	**239 248**	**254 005**	**254 005**	**248 591**	**240 677**	**232 763**
EXPENDITURE OTHER ITEMS		**8 326**	**9 187**	**18 578**	**21 440**	**19 293**	**19 293**	**19 351**	**19 850**	**20 381**
Depreciation	7	5 766	6 435	7 135	11 095	8 191	8 191	8 064	8 064	8 064
Repairs and Maintenance by Asset Class	3	**2 559**	**2 752**	**11 443**	**10 345**	**11 102**	**11 102**	**11 287**	**11 786**	**12 317**
Roads Infrastructure		–	–	348	1 987	255	255	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		312	126	13	6	4	4	4	4	4
Sanitation Infrastructure		412	579	2	1	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***724***	***705***	***363***	***1 994***	***259***	***259***	***4***	***4***	***4***
Community Facilities		47	43	45	30	30	30	30	30	30
Sport and Recreation Facilities		476	164	9 802	6 534	8 452	8 452	8 892	9 391	9 922
Community Assets		***523***	***208***	***9 847***	***6 564***	***8 481***	***8 481***	***8 922***	***9 420***	***9 951***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		661	893	594	405	1 020	1 020	1 020	1 020	1 020
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***661***	***893***	***594***	***405***	***1 020***	***1 020***	***1 020***	***1 020***	***1 020***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**37**	**390**	**25**	**12**	**12**	**12**	**12**	**12**	**12**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**87**	**149**	**107**	**416**	**376**	**376**	**376**	**376**	**376**
Transport Assets		**528**	**408**	**506**	**954**	**954**	**954**	**954**	**954**	**954**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-					
TOTAL EXPENDITURE OTHER ITEMS		**8 326**	**9 187**	**18 578**	**21 440**	**19 293**	**19 293**	**19 351**	**19 850**	**20 381**
Renewal and upgrading of Existing Assets as % of total capex		*0.0%*	*41797200.0%*	*17.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal and upgrading of Existing Assets as % of deprecn		*1.1%*	*-6.5%*	*148.7%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as a % of PPE & Investment Property		*1.1%*	*1.1%*	*4.5%*	*4.3%*	*4.4%*	*4.4%*	*4.6%*	*4.9%*	*5.3%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*1.1%*	*0.9%*	*8.6%*	*4.3%*	*4.4%*	*4.4%*	*4.6%*	*4.9%*	*5.3%*

DC4 Garden Route - 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	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
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)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total		–	–	–	–	–	–	–	–	–
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)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to **indigent households**)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per **indigent** household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week **for indigent households**)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		–	–	–	–	–	–	–	–	–
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (**tariff adjustment**) (**impermissable values per section 17 of MPRA**)										
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA**)		–	–	–	–	–	–	–	–	–
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	6									
Other										
Total revenue cost of subsidised services provided		–	–	–	–	–	–	–	–	–

DC4 Garden Route - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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 ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Appliance Maintenance											
Availability Charges											
Connection/Reconnection											
Electricity Distribution Revenue for Services											
Electricity Sales											
Joint Pole Usage											
Meter Compliance Testing											
Meter Reading Fees											
Notice Revenues											
Temporary Service Plant											
Total Service charges - Electricity		-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-
Service charges - Water	6										
Agricultural and Rural Water Service											
Availability Charges											
Connection/Disconnection											
Industrial Water											
Meter Reading Fees											
Sale											
Urban Higher Level Service											
Total Service charges - Water		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)											
Net Service charges - Water		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	6										
Agricultural and Rural											
Availability Charges											
Connection/Reconnection											
Higher Level Service											
Industrial Effluent											
Industrial Waste Water											
Pump/Removal of Waste Water											
Sanitation Charges											
Treatment of Effluent											
Total Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of free sanitation service to indigent households)											
Less Cost of Free Basis Services (free sanitation service to indigent households)											
Net Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	6										
Availability Charges											
Carrier Bags											
Disposal Facilities		-	-	8 389	47 855	-	-	-	-	-	-
Refuse Bags											
Refuse Removal											
Skip											
Waste Bins											
Total refuse removal revenue		-	-	8 389	47 855	-	-	-	-	-	-
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)											
Net Service charges - Waste Management		-	-	8 389	47 855	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Sales of Goods and Rendering of Services											
Academic Services											
Advertisements											
Amendment Fees											
Application Fees for Land Usage											
Building Plan Approval											
Building Plan Clause Levy											
Buyers Card											
Camping Fees		8 659	8 280	7 226	7 290	7 337	7 337	7 337	7 609	7 860	8 111
Cemetery and Burial											
Cleaning and Removal											
Clearance Certificates											
Computer Services											
Day Care Fees											
Demolition Application Fees											
Development Charges											
Domestic Services											
Drainage Fees											
Encroachment Fees											
Entrance Fees		200	271	216	165	165	165	165	172	177	183
Escort Fees											
Exempted Parking											
Fire Services		5 531	2 562	4 264	4 127	10 127	10 127	10 127	3 426	3 539	3 652
Health Services		406	474	1 423	7 264	1 580	1 580	1 580	1 638	1 692	1 746
Housing (Boarding Services)											
Immunisation Fees											
Laboratory Services											
Legal Fees											
Library Fees											
Management Fees		(19)	-	-	1 057	14 349	14 349	14 349	14 349	-	-
Meal and Refreshment											
Membership Fees											
Objections and Appeals											
Occupation Certificates											
Parking Fees											
Photo copies, Faxes and Telephone charges											
Removal of Restrictions											
Sale of Carbon Credits											
Sale of Goods		404	140	414	136	136	136	136	141	145	150
Scrap, Waste & Other Goods											
Shared Services		-	-	-	1 042	1 337	1 337	1 337	1 386	1 432	1 478
Squatter Re-allocation											
Stone and Gravel											
Streets/Street Markets (Informal Traders)											
Town Planning and Servitudes											
Traffic Control											
Transport Fees		-	-	-	200	200	200	200	-	-	-
Valuation Services											
Water Meter Protectors											
Weighbridge Fees											
Total Sales of Goods and Rendering of Services		**15 181**	**11 727**	**13 544**	**21 280**	**35 230**	**35 230**	**35 230**	**28 720**	**14 845**	**15 320**
Agency Services											
District Municipalities											
Eastern Cape											
Free State											
Gauteng											
KwazuluNatal											
Limpopo											
Mpumalanga											
Northern Cape											
Northwest											
Western Cape											
Total District Municipalities		-	-	-	-	-	-	-	-	-	-
National											
AARTO											
Department of Environmental Affairs											
Total National		-	-	-	-	-	-	-	-	-	-
Provincial											
Eastern Cape											
Free State											
Gauteng											
KwazuluNatal											
Limpopo											
Mpumalanga											
Northern Cape											
Northwest											
Western Cape		188 140	18 489	18 860	22 763	14 881	14 881	14 881	-	-	-
Total Provincial		**188 140**	**18 489**	**18 860**	**22 763**	**14 881**	**14 881**	**14 881**	**-**	**-**	**-**
Total Agency Services		**188 140**	**18 489**	**18 860**	**22 763**	**14 881**	**14 881**	**14 881**	**-**	**-**	**-**

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Interest - Deemed Interest											
Interest earned from Receivables											
Affiliates/Related Parties/Associated Companies											
Electricity											
Housing											
Housing Land Sales											
Housing Selling Schemes											
Merchandising, Jobbing and Contracts		-	352	335	386	386	386	386	400	413	427
Property Rental Debtors		-	332	-	1 027	-	-	-	-	-	-
SARS											
Service Charges		4 189	4 538	5 044	5 299	7 361	7 361	7 361	7 633	7 885	8 138
Sporting and Other Bodies											
Staff											
Waste Management											
Waste Water Management											
Water											
Shared Services											
Total Interest earned from Receivables		4 189	5 222	5 379	6 711	7 747	7 747	7 747	8 033	8 299	8 564
Interest earned from Current and Non Current Assets											
Bank Accounts		2 618	5 796	10 379	7 105	7 205	7 205	7 205	6 497	6 687	6 877
Financial Assets		6 253	5 737	6 161	6 325	1 383	1 383	1 383	1 434	1 481	1 529
Short Term Investments and Call Accounts		1 382	867	-	956	-	-	-	-	-	-
Total Interest earned from Current and Non Current Assets		10 253	12 400	16 541	14 385	8 588	8 588	8 588	7 931	8 168	8 406
Dividends											
External Investment											
Municipal Entities											
Total Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land											
Land		573	495	481	593	710	710	710	736	760	784
Prospecting, Mining, Royalties											
Servitudes											
Total Rent on Land		573	495	481	593	710	710	710	736	760	784
Rental from Fixed Assets											
Market Related											
Biological Assets											
Heritage Assets											
Investment Property											
Property Plant and Equipment		1 315	1 586	2 000	3 199	2 126	2 126	2 126	2 204	2 277	2 350
Total Market Related		1 315	1 586	2 000	3 199	2 126	2 126	2 126	2 204	2 277	2 350
Non-market Related											
Biological Assets											
Heritage Assets											
Investment Property											
Property Plant and Equipment											
Total Non-market Related		-	-	-	-	-	-	-	-	-	-
Total Rental from Fixed Assets		1 315	1 586	2 000	3 199	2 126	2 126	2 126	2 204	2 277	2 350
Licences or Permits											
Angling/Fishing											
Atmospheric Emissions											
Boat											
Dog											
Fauna and Flora											
Filming Fees											
Game											
Health Certificates		-	-	-	165	165	165	165	171	177	182
Hiking Trails											
Hoarding (Collecting/Storing)											
Market Porters											
Road and Transport											
Threatened and Protected Species											
Trading											
Total Licences or Permits		-	-	-	165	165	165	165	171	177	182
Special Rating Levies											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sport Clubs and Fields											
Vacant Land											
Total Special Rating Levies		-	-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA1 Supportinging 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	Orginal Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Construction Contract Revenue											
Development Charges											
Operational Revenue											
Administrative Handling Fees		3 002	2 841	3 168	3 204	8	8	8	9	9	9
Arbor City Awards Competition											
Bad Debts Recovered											
Bontle Ke Botho Cleaning and Greening Award											
Breakages and Losses Recovered											
Bursary Repayment											
Collection Charges											
Commission		-	100	106	90	111	111	111	115	119	122
Discounts and Early Settlements											
Incidental Cash Surpluses		1	0	1	-	-	-	-	-	-	-
Inspection Fees											
Insurance Refund		8	201	326	361	1 087	1 087	1 087	500	500	500
Merchandising, Jobbing and Contracts		-	182 779	173 705	213 226	164 873	164 873	164 873	359	371	383
Recovery Maintenance											
Registration Fees											
Request for Information		-	-	3	-	-	-	-	-	-	-
Sale of Property		-	-	-	-	-	-	-	-	-	-
Skills Development Levy Refund		1 267	715	276	246	800	800	800	830	857	884
Staff and Councillors Recoveries		2 106	1 890	1 761	61	61	61	61	63	65	67
Total Operational Revenue		6 385	188 526	179 345	217 188	166 940	166 940	166 940	1 875	1 921	1 966
Non-Exchange revenue											
Property Rates											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sport Clubs and Fields											
Vacant Land											
Total Property Rates		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)											
Net Property Rates		-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes											
Surcharges											
Taxes											
Total Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits											
Fincs											
Forfeits		-	-	2 568	-	-	-	-	-	-	-
Penalties											
Total Fines, Penalties and Forfeits		-	-	2 568	-	-	-	-	-	-	-
Licences or Permits											
Angling/Fishing											
Atmospheric Emission											
Boat											
Dog											
Fauna and Flora											
Filming Fees											
Game											
Health Certificates		78	68	309	-	-	-	-	-	-	-
Hiking Trails											
Hoarding (Collecting/Storing)											
Market Porters											
Road and Transport											
Threatened and Protected Species											
Trading											
Total Licences or Permits		78	68	309	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA1 Supportinging 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
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		-	-	-	-	200	200	200	-	-	-
Parent Municipality											
Private Enterprises											
Provincial Government		100	-	-	-	-	-	-	-	-	-
Public Corporations											
Total Allocations In-kind		100	-	-	-	200	200	200	-	-	-
Monetary Allocations											
Departmental Agencies and Accounts		117	5 242	15 891	16 860	22 420	22 420	22 420	17 190	17 543	17 920
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
National Governments		7 934	6 481	5 218	6 136	6 136	6 136	6 136	5 932	4 376	4 672
National Revenue Fund		172 721	178 333	182 224	188 026	188 026	188 026	188 026	193 449	199 805	207 302
Non-Profit Institutions											
Parent Municipality											
Private Enterprises											
Provincial Government		8 938	6 793	8 071	3 482	4 032	4 032	4 032	2 412	2 328	2 478
Public Corporations		-	5	-	-	-	-	-	-	-	-
Total Monetary Allocations		189 710	196 854	211 404	214 504	220 614	220 614	220 614	218 983	224 052	232 372
Total Transfer and subsidies - Operational		189 810	196 854	211 404	214 504	220 814	220 814	220 814	218 983	224 052	232 372
Interest Receivables											
Property Rates											
Service Charges											
Electricity											
Waste Management											
Waste Water Management											
Water											
Total Service Charges		-	-	-	-	-	-	-	-	-	-
Total Interest Receivables		-	-	-	-	-	-	-	-	-	-
Fuel Levy (RSC Replacement Grant)											
Operational Revenue - Service Charges											
Electricity - Availability Charges											
Waste Management - Availability Charges											
Waste Water Management - Availability Charges											
Water - Availability Charges											
Total Operational Revenue - Service Charges		-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets											
Biological Assets											
Heritage Assets											
Intangible Assets											
Investment Property		-	-	-	1 350	25 276	25 276	25 276	-	-	-
Living resources											
Property, Plant and Equipment		-	(618)	(172)	-	-	-	-	-	-	-
Total Disposal of Fixed and Intangible Assets		-	(618)	(172)	1 350	25 276	25 276	25 276	-	-	-
Other Gains											
Debt waived											
Discontinued Operations and Disposals of Non-current Assets											
Inventory											
Fair value assessment - Water stock											
Increase to net-realisable Value		(4)	26	2	209	209	209	209	209	209	209
Total Inventory		(4)	26	2	209	209	209	209	209	209	209
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity											
Long Service Awards											
Medical		-	-	584	4 212	-	-	-	-	-	-
Pension Funds											
Total Actuarial Assessments		-	-	584	4 212	-	-	-	-	-	-
Biological Assets											
Heritage Assets											
Interest rate Swaps											
Investment Property		-	-	-	-	-	-	-	-	-	-
Investments											
Living resources											
Total Fair Value Adjustment		-	-	584	4 212	-	-	-	-	-	-
Foreign Exchange											
Contributions to Provisions for landfill sites											
Total Other Gains		(4)	26	585	4 420	209	209	209	209	209	209
Discontinued Operations											
Total Revenue		415 921	434 774	459 233	554 413	482 685	482 685	482 685	268 863	260 707	270 153

DC4 Garden Route - Supporting Table SA1 Supportinging 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
EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	174 453	184 956	193 719	196 266	173 653	173 653	173 653	112 460	117 968	125 942
Bonuses		19 960	18 695	16 972	15 194	16 871	16 871	16 871	11 027	11 771	12 564
Allowance											
Accommodation, Travel and Incidental											
Cellular and Telephone		301	272	280	271	379	379	379	368	393	420
Housing Benefits		2 752	2 834	2 965	2 899	2 420	2 420	2 420	1 507	1 609	1 718
Non-pensionable											
Travel or Motor Vehicle		11 895	12 987	15 041	17 036	15 650	15 650	15 650	13 650	14 572	15 555
Voluntary Work											
Total Allowance		14 948	16 094	18 286	20 205	18 450	18 450	18 450	15 526	16 574	17 692
Service Related Benefits											
Acting		1 452	1 247	549	461	579	579	579	537	537	537
Bonus		2 730	810	521	794	109	109	109	100	107	114
Danger Allowance											
Entertainment											
Fire Brigade											
In-kind Benefits											
Leave Pay		(4 583)	3 192	3 821	5 949	5 503	5 503	5 503	3 613	3 857	4 118
Lifeguard/Duty Squads											
Long Service Award		5 027	7 360	5 333	2 919	3 915	3 915	3 915	745	745	745
Overtime		-	-	-	-	-	-	-	2 738	2 740	2 741
Scarcity											
Standby Allowance		3 380	2 859	1 896	1 417	1 395	1 395	1 395	1 370	1 370	1 370
Tools Allowance											
Uniform-Special-Protective Clothing											
Leave gratuity											
Long Term Service Award											
Total Service Related Benefits		8 005	15 469	12 120	11 540	11 501	11 501	11 501	9 104	9 356	9 625
Total Salaries and Allowances		217 366	235 214	241 097	243 205	220 475	220 475	220 475	148 116	155 668	165 824
Social Contributions											
Bargaining Council		78	80	84	90	83	83	83	40	43	46
Group Life Insurance		3 521	3 999	3 793	3 850	3 974	3 974	3 974	2 931	3 125	3 335
Medical		36 856	36 817	37 788	37 002	25 003	25 003	25 003	17 849	19 054	20 340
Pension		28 180	29 015	29 571	32 822	27 802	27 802	27 802	19 450	20 763	22 165
Unemployment Insurance		1 284	2 079	1 454	1 338	1 196	1 196	1 196	645	687	733
Total Social Contributions		69 918	71 989	72 690	75 102	58 059	58 059	58 059	40 916	43 671	46 619
Post-retirement Benefit											
Medical		(7 121)	1 251	251	-	-	-	-	6 762	6 762	6 762
Other Benefits											
Pension											
Total Post-retirement Benefit	4	(7 121)	1 251	251	-	-	-	-	6 762	6 762	6 762
Sub-Total		280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Less: Employees costs capitalised to PPE											
Total Employee Related Cost	1,5	280 163	308 454	314 037	318 307	278 534	278 534	278 534	195 794	206 102	219 205
Remuneration of Councillors											
Allowances and Service Related Benefits											
Basic Salary		7 666	7 451	9 568	10 724	11 258	11 258	11 258	11 821	12 412	13 032
Cell phone Allowance		1 040	1 144	1 102	995	995	995	995	1 045	1 097	1 152
Housing Allowance		766	721	-	41	-	-	-	-	-	-
In-kind Benefits											
Market Related Non-pensionable Allowance											
Motor Vehicle Allowance		2 042	1 957	2 530	2 001	1 005	1 005	1 005	1 055	1 108	1 163
Office-bearer Allowance											
Out of pocket Expenses											
Travelling Allowance		136	134	65	825	1 659	1 659	1 659	1 742	1 830	1 921
Use of Personal Facilities											
Total Allowances and Service Related Benefits		11 651	11 407	13 265	14 587	14 918	14 918	14 918	15 664	16 447	17 269
Social Contributions											
Medial Aid Benefits		261	158	129	130	139	139	139	146	154	161
Pension Fund Contributions		395	418	559	534	560	560	560	588	617	648
Total Social Contributions		655	577	688	664	699	699	699	734	771	810
Total Remuneration of Councillors	1,5	12 306	11 983	13 953	15 251	15 617	15 617	15 617	16 398	17 218	18 079

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Bulk Purchases - Electricity											
ESKOM											
Independent Power Producers											
Green Electricity											
Green Charges											
Green Rights and Certificates											
Total Green Electricity		-	-	-	-	-	-	-	-	-	-
Renewable, Cogen, etc											
Total Independent Power Producers		-	-	-	-	-	-	-	-	-	-
Self Generation											
Capitalisation Electricity Costs (Credit Account)											
Total Bulk Purchases - Electricity	1	-	-	-	-	-	-	-	-	-	-
Inventory Consumed											
Agricultural											
Consumables		30 056	27 459	25 023	22 251	13 703	13 703	13 703	2 246	2 249	2 255
Finished Goods											
Housing Stock											
Land											
Materials and Supplies		21 370	24 166	21 457	34 621	32 826	32 826	32 826	824	824	824
Water											
Sub-total		51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Less: Capitalisation of inventory consumed											
Total Inventory Consumed	1	51 426	51 625	46 480	56 872	46 529	46 529	46 529	3 069	3 073	3 079
Debt Impairment											
Trade and Other Receivables from Exchange Transactions											
Electricity											
Shared Services											
Waste Management											
Waste Water Management											
Water											
Non Specific Accounts		6 577	3 874	17 488	-	4 000	4 000	4 000	4 000	4 000	4 000
Total Trade and Other Receivables from Exchange Transactions		6 577	3 874	17 488	-	4 000	4 000	4 000	4 000	4 000	4 000
Other Receivables from Non-exchange Revenue											
Property Rates											
Property Rates General											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sport Clubs and Fields											
Vacant Land											
Total Property Rates		-	-	-	-	-	-	-	-	-	-
Service Charges											
Service Charges General											
Electricity											
Waste Management											
Waste Water Management											
Water											
Total Service Charges		-	-	-	-	-	-	-	-	-	-
Non Specific Accounts											
Total Other Receivables from Non-exchange Revenue		-	-	-	-	-	-	-	-	-	-
Total Debt Impairment	1	6 577	3 874	17 488	-	4 000	4 000	4 000	4 000	4 000	4 000
Depreciation, Amortisation and Impairment											
Amortisation											
Intangible Assets		1 331	647	71	1 331	256	256	256	256	256	256
Total Amortisation		1 331	647	71	1 331	256	256	256	256	256	256
Depreciation											
Biological or Cultivated Assets											
Coastal Infrastructure											
Community Assets		988	-	-	-	-	-	-	-	-	-
Computer Equipment		-	1 781	1 251	1 437	1 630	1 630	1 630	1 604	1 604	1 604
Electrical Infrastructure											
Furniture and Office Equipment		2 546	960	1 913	973	1 562	1 562	1 562	1 462	1 462	1 462
Heritage Assets											
Information and Communication Infrastructure											
Investment Property		-	110	109	110	128	128	128	128	128	128
Land											
Libraries											
Living resources											
Machinery and Equipment		902	792	949	872	1 000	1 000	1 000	1 000	1 000	1 000
Other Assets		-	1 481	1 567	1 481	1 884	1 884	1 884	1 884	1 884	1 884
Rail Infrastructure											
Roads Infrastructure		-	4	3	4	4	4	4	4	4	4
Sanitation Infrastructure											
Solid Waste Infrastructure		-	-	-	3 625	-	-	-	-	-	-
Storm water Infrastructure											
Transport Assets		-	660	1 272	1 263	1 726	1 726	1 726	1 726	1 726	1 726
Water Supply Infrastructure											
Zoo, Marine and Non-biological Animals											
Total Depreciation		4 435	5 788	7 064	9 764	7 934	7 934	7 934	7 808	7 808	7 808

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Capital Impairment Losses and Reversals											
Biological or Cultivated Assets											
Construction Work-in-progress											
Heritage Assets											
Intangible Assets											
Investment Property											
Living resources											
Contributions to Provisions for landfill sites											
Property, Plant and Equipment:											
Coastal Infrastructure											
Community Assets											
Computer Equipment											
Electrical Infrastructure											
Furniture and Office Equipment											
Housing											
Information and Communication Infrastructure											
Land		-	-	430	-	-	-	-	-	-	-
Machinery and Equipment											
Operational Buildings											
Other Assets											
Rails Infrastructure											
Roads Infrastructure											
Sanitation Infrastructure											
Solid Waste Infrastructure											
Storm water Infrastructure											
Transport Assets											
Water Supply Infrastructure											
Zoo, Marine and Non-biological Assets											
Total Property, Plant and Equipment		-	-	430	-	-	-	-	-	-	-
Total Capital Impairment Losses and Reversals		-	-	430	-	-	-	-	-	-	-
Total Depreciation, Amortisation and Impairment	1	5 766	6 435	7 565	11 095	8 191	8 191	8 191	8 064	8 064	8 064
Interest, Dividends and Rent on Land											
Dividends Paid											
Interest Paid		148	4 664	435	136	420	420	420	420	420	420
Rent on Land											
Total Interest, Dividends and Rent on Land	1	148	4 664	435	136	420	420	420	420	420	420
Contracted Services											
Consultants and Professional Services		11 457	8 142	13 255	17 278	32 708	32 708	32 708	30 671	18 029	18 299
Contractors		15 780	12 699	11 556	13 353	17 044	17 044	17 044	6 789	6 789	6 789
Outsourced Services		4 963	3 195	3 395	16 576	2 673	2 673	2 673	2 449	2 472	2 498
Total Contracted Services	1	32 200	24 036	28 206	47 207	52 425	52 425	52 425	39 909	27 290	27 585
Transfers and Subsidies											
Capital											
Allocations In-kind		-	500	605							
Monetary Allocations		-	-	1 463	-	-	-	-	-	-	-
Total Capital		-	500	2 068	-	-	-	-	-	-	-
Operational											
Allocations In-kind		568	348	80	-	650	650	650	100	100	100
Monetary Allocations		4 075	4 958	6 756	1 017	807	807	807	833	841	853
Total Operational		4 642	5 305	6 836	1 017	1 457	1 457	1 457	933	941	953
Total Transfers and Subsidies	1	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953
Irrecoverable Debts Written Off											
Bad debt written off											
Exchange											
Electricity											
Non Specific Accounts		-	-	-	1 650	3 000	3 000	3 000	3 000	3 000	3 000
Waste Management											
Waste Water Management											
Water											
Total Exchange		-	-	-	1 650	3 000	3 000	3 000	3 000	3 000	3 000
Non-exchange											
Non Specific Accounts											
Property Rates											
Service Charges		-	-	1 614	-	-	-	-	-	-	-
Total Non-exchange		-	-	1 614	-	-	-	-	-	-	-
Total Irrecoverable Debts Written Off	1	-	-	1 614	1 650	3 000	3 000	3 000	3 000	3 000	3 000

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Operational Cost and Other Cost											
Operational Cost											
Achievements and Awards		-	-	-	2	3	3	3	3	3	3
Advertising, Publicity and Marketing		1 637	1 592	557	624	494	494	494	481	482	483
Assets less than the Capitalisation Threshold		88	1	(2)	1 491	638	638	638	-	-	-
Atmospheric Emission Licence											
Bank Charges, Facility and Card Fees		111	194	211	212	186	186	186	142	142	142
Bargaining Council											
Bond Issue Amortisation Costs											
Brokers Fees											
Bursaries (Employees)		877	599	491	340	340	340	340	340	340	340
Cash Discount											
Cleaning Services		53	7	2	2	2	2	2	2	2	2
Commission											
Communication		3 272	2 792	2 842	4 316	4 449	4 449	4 449	4 196	4 331	4 466
Contribution to Provisions		-	-	-	29 945	-	-	-	-	-	-
Copy Right Fees											
Cost relating to the Sale of Houses											
Courier and Delivery Services		6	2	4	2	2	2	2	2	2	2
Deeds		3	8	2	4	3	3	3	3	3	3
Drivers Licences and Permits		0	21	31	37	29	29	29	6	7	7
Dumping Fees (District Council)											
Electricity Compliance Certificate											
Entertainment		627	86	12	21	18	18	18	9	9	9
Entrance Fees											
Environmental Levy											
Eskom Connection Fees											
External Audit Fees		2 134	4 311	4 775	6 044	5 044	5 044	5 044	2 721	2 811	2 901
External Computer Service		4 623	7 693	7 929	7 706	7 900	7 900	7 900	8 124	8 390	8 657
Fines and Penalties		-	0	-	-	-	-	-	-	-	-
Firearm Handling Fees											
Freight Services		-	-	12	-	-	-	-	-	-	-
Full Time Union Representative		60	147	65	88	88	88	88	91	94	97
Hire Charges		348	6 662	1 882	339	5 970	5 970	5 970	188	188	188
Honoraria (Voluntarily Workers)											
Indigent Relief											
Insurance Underwriting		13	1 555	1 925	1 168	2 289	2 289	2 289	2 296	2 371	2 447
Capitalisation of Wet Fuel Costs (Credit Account)											
Land Alienation Costs											
Learnerships and Internships		188	426	179	660	-	-	-	-	-	-
Levies Paid - Water Resource Management Charges											
Licences		113	130	102	232	229	229	229	200	206	213
Management Fee		-	-	114	23 775	17 756	17 756	17 756	958	958	958
Municipal Services		6 002	7 319	7 924	7 009	7 880	7 880	7 880	6 979	7 209	7 440
Office Decorations											
Parking Fees											
Permits		-	-	-	10	10	10	10	-	-	-
Personnel Agency Fees [Personnel Recruitment Costs]											
Printing, Publications and Books		172	99	80	152	115	115	115	93	93	93
Professional Bodies, Membership and Subscription		3 318	951	3 329	3 281	3 337	3 337	3 337	2 093	2 162	2 231
Registration Fees		554	4 282	3 936	219	220	220	220	162	129	133
Remuneration to Section 79 Committee Members											
Repayment of Forfeited Deposits		-	(1)	(64)	-	-	-	-	-	-	-
Resettlement Cost		-	-	-	-	-	-	-	-	-	-
Rewards Incentives		34	50	-	-	-	-	-	-	-	-
Road Worthy Test		29	54	41	144	109	109	109	1	1	1
Samples and Specimens		500	6	14	971	981	981	981	981	981	981
Search Fees											
Seating Allowance for Traditional Leaders											
Servitudes and Land Surveys											
Signage											
Skills Development Fund Levy		1 414	1 491	1 500	1 561	1 527	1 527	1 527	1 530	1 578	1 629
Small Differences Tolerances		1	-	-	-	-	-	-	-	-	-
Storage of Assets and Goods											
Storage of Files (Archiving)											
Supplier Development Programme											
System Access and Information Fees											
Taking over Contractual Obligations											
Toll Gate Fees											
Transport Provided as Part of Departmental Activities											
Travel Agency and Visas		-	-	49	81	48	48	48	34	34	34
Travel and Subsistence		6 739	6 250	5 860	5 299	5 724	5 724	5 724	2 669	2 670	2 671
Uniform and Protective Clothing		1 966	961	1 714	1 676	750	750	750	417	418	420
Vehicle Tracking		-	-	-	-	10	10	10	10	10	10
Ward Committees											
Warrantees and Guarantees											
Wet Fuel		541	-	18	191	177	177	177	177	177	177
Witness Fees											
Workmens Compensation Fund		2 101	1 508	1 592	2 503	2 540	2 540	2 540	1 393	1 439	1 485
Total Operational Cost		37 526	49 197	47 122	100 106	68 868	68 868	68 868	36 301	37 240	38 222

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Operating Leases											
Biological Assets											
Community Assets											
Computer Equipment											
Furniture and Office Equipment		117	97	14	156	120	120	120	124	128	133
Heritage Assets											
Infrastructure											
Intangible Assets											
Investment Properties											
Land		-	-	4	20	20	20	20	20	21	22
Libraries											
Machinery and Equipment											
Other Assets		764	173	70	120	45	45	45	-	-	-
Transport Assets											
Zoo, Marine and Non-biological Animals											
Total Operational Leases		881	270	88	295	184	184	184	145	149	154
Discontinued Operations											
Statutory Payments other than Income Taxes											
Total Operational Cost and Other Cost	1	38 407	49 467	47 210	100 401	69 052	69 052	69 052	36 445	37 390	38 376
Disposal of Fixed and Intangible Assets											
Biological Assets											
Heritage Assets											
Intangible Assets											
Investment Property											
Living resources											
Property, Plant and Equipment		136	402		1 025	172	172	172	172	172	172
Total Disposal of Fixed and Intangible Assets	1	136	402	-	1 025	172	172	172	172	172	172
Other Losses											
Inventory											
Decrease in net-realisable Value		53	(209)	(201)	30	30	30	30	30	30	30
Total Inventory		53	(209)	(201)	30	30	30	30	30	30	30
Water Losses											
Apparent Losses											
Customer Meter Inaccuracies											
Unauthoried Consumption											
Total Apparent Losses		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Real Losses											
Leakage and Overflows at Storage Tanks/Reservoirs											
Leakage on Service Connections up to the point of Customer Meter											
Leakage on Transmission and Distribution Mains											
Total Real Losses		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses											
Total Water Losses		-	-	-	-	-	-	-	-	-	-
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity											
Long Service Awards		-	-	849	-	849	849	849	849	849	849
Medical		-	-	3 026	-	2 026	2 026	2 026	2 026	2 026	2 026
Pension Funds		-	-	595	-	11	11	11	11	11	11
Total Actuarial Assessments		-	-	4 469	-	2 885	2 885	2 885	2 885	2 885	2 885
Biological Assets											
Heritage Assets											
Interest rate Swaps											
Investment Property											
Investments											
Living resources											
Total Fair Value Adjustment		-	-	4 469	-	2 885	2 885	2 885	2 885	2 885	2 885
Foreign Exchange											
Discontinued Operations and Disposals of Non-current Assets											
Contributions to Provisions for landfill sites											
Total Other Losses	1	53	(209)	4 267	30	2 915	2 915	2 915	2 915	2 915	2 915
Total Expenditure		431 824	466 537	490 160	552 991	482 311	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit)		(15 903)	(31 763)	(30 927)	1 423	374	374	374	(42 256)	(49 878)	(55 695)
Transfers and subsidies - capital (monetary allocations)											
Departmental Agencies and Accounts											
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
National Government		3 765	3 404	-	-	-	-	-	-	-	-
Non-Profit Institutions											
Parent Municipality											
Private Enterprises											
Provincial Governments		-	9 668	2 563	3 000	5 084	5 084	5 084	2 500	-	-
Public Corporations											
Total Transfers and subsidies - capital (monetary allocations)		3 765	13 072	2 563	3 000	5 084	5 084	5 084	2 500	-	-

DC4 Garden Route - Supporting Table SA1 Supportinging 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
Transfers and subsidies - capital (in-kind)											
Departmental Agencies and Accounts											
District Municipalities											
Foreign Government and International Organisations											
Higher Educational Institutions											
Households											
Local Municipalities											
National Government											
Non Profit Institutions											
Parent Municipality											
Private Enterprises		3 284	-	-	-	-	-	-	-	-	-
Provincial Governments		-	13	2 493	-	-	-	-	-	-	-
Public Corporations											
Total Transfers and subsidies - capital (in-kind)		3 284	13	2 493	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers and contributions		(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Income Tax											
Continuing Operations											
Discontinued Operations											
Total Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality		(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent-subsidiary Transactions		108	108	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(8 747)	(18 571)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		-	-	7 669	6 937	7 150	7 150	7 150	7 307	7 779	8 284
Inventory Consumed (Project Maintenance)		-	55	596	439	486	486	486	486	486	486
Contracted Services		2 559	2 323	1 956	1 917	2 640	2 640	2 640	2 640	2 640	2 640
Operational Costs		-	375	1 216	1 051	826	826	826	854	880	907
Total Repairs and Maintenance Expenditure	9	2 559	2 752	11 437	10 345	11 102	11 102	11 102	11 287	11 786	12 317

DC4 Garden Route - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Ref 1	Vote 1 - Office of the Municipal Manager	Vote 2 - Office of the Municipal Manager (cont)	Vote 3 - Financial Services	Vote 4 - Financial Services (cont)	Vote 5 - Corporate Services	Vote 6 - Corporate Services (cont)	Vote 7 - Community Services	Vote 8 - Community Services (cont)	Vote 9 - Planning and Economic Development	Vote 10 - Planning and Economic Development (cont)	Vote 11 - Planning and Economic Development(cont2)	Vote 12 - Roads	Vote 13 - Roads (cont)	Vote 14 - Community Services (cont 2)	Vote 15 -
Revenue																
Exchange Revenue																
Service charges - Electricity																
Service charges - Water																
Service charges - Waste Water Management																
Service charges - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		117	–	–	–	306	1 080	1 638	17 775	–	2 222	5 582	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest																
Interest earned from Receivables		–	–	7 633	–	400	–	–	–	–	–	–	–	–	–	–
Interest earned from Current and Non Current Assets		–	–	7 091	–	–	90	–	750	–	–	–	–	–	–	–
Dividends																
Rent on Land		–	–	–	–	–	–	–	–	–	–	736	–	–	–	–
Rental from Fixed Assets		–	–	–	–	–	–	–	–	–	466	1 739	–	–	–	–
Licence and permits		–	–	–	–	–	–	–	171	–	–	–	–	–	–	–
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		869	–	60	–	830	–	–	108	–	2	7	–	–	–	–
Non-Exchange Revenue																
Property rates																
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		193 449	–	1 200	–	8 257	8 933	200	1 230	–	1 774	–	3 940	–	–	–
Interest																
Fuel Levy																
Operational Revenue																
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	209	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations																
Total Revenue (excluding capital transfers and contributio		**194 435**	**–**	**16 193**	**–**	**9 793**	**10 104**	**1 838**	**20 033**	**–**	**4 464**	**8 064**	**3 940**	**–**	**–**	**–**
Expenditure																
Employee related costs		30 309	8 016	17 421	5 569	10 427	19 083	50 092	27 784	1 357	13 695	11 115	923	–	–	–
Remuneration of councillors		16 398	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity																
Inventory consumed		361	9	140	9	220	226	275	867	–	485	452	22	–	–	–
Debt impairment		4 000	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Depreciation, amortisation and impairment		319	103	127	134	224	1 200	2 071	1 228	1 405	1 178	74	–	–	–	–
Interest, Dividends and Rent on Land		46	–	–	–	9	30	26	301	–	–	7	–	–	–	–
Contracted services		1 276	52	2 730	–	9 137	3 045	441	18 244	36	955	1 089	2 904	–	–	–
Transfers and subsidies		515	–	–	–	179	–	100	139	–	–	–	–	–	–	–
Irrecoverable debts written off		3 000	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational costs		16 600	259	591	96	2 234	9 720	3 580	1 268	314	1 108	496	90	–	–	–
Disposal of Fixed and Intangible Assets		172	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		2 885	–	30	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		**75 970**	**8 439**	**21 041**	**5 807**	**22 432**	**33 305**	**56 585**	**49 831**	**3 113**	**17 422**	**13 234**	**3 940**	**–**	**–**	**–**
Surplus/(Deficit)		**118 465**	**(8 439)**	**(4 848)**	**(5 807)**	**(12 639)**	**(23 201)**	**(54 747)**	**(29 798)**	**(3 113)**	**(12 958)**	**(5 170)**	**(0)**	**–**	**–**	**–**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–	1 500	1 000	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**118 465**	**(8 439)**	**(4 848)**	**(5 807)**	**(12 639)**	**(23 201)**	**(53 247)**	**(28 798)**	**(3 113)**	**(12 958)**	**(5 170)**	**(0)**	**–**	**–**	**–**

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		–	4 343	4 711	4 343	4 711	4 711	4 711	4 711	4 711	4 711
Cash at Bank		136 374	152 443	150 270	52 526	166 929	166 929	166 929	149 065	108 584	62 013
Cash on Hand		30	30	30	30	30	30	30	30	30	30
Total Cash and Cash Equivalents		**136 403**	**156 816**	**155 011**	**56 898**	**171 670**	**171 670**	**171 670**	**153 806**	**113 325**	**66 754**
Short term Investments											
Deposit Taking Institutions											
Trade and other receivables from exchange transactions											
Electricity											
Waste Management		1 062	49	14 933	49	14 933	14 933	14 933	14 933	14 933	14 933
Waste Water Management											
Water											
Other trade receivables from exchange transactions		(22 039)	103 894	106 756	111 626	106 622	106 622	106 622	101 667	107 235	113 077
VAT Receivable Input Tax Accrual											
Gross: Trade and other receivables from exchange transactions		**(20 977)**	**103 943**	**121 689**	**111 675**	**121 555**	**121 555**	**121 555**	**116 600**	**122 168**	**128 010**
Less: Impairment for debt											
Impairment for Electricity											
Impairment for Waste Management											
Impairment for Waste Water Management											
Impairment for Water											
Impairment for other trade receivalbes from exchange transactions		(46 818)	(47 168)	(66 425)	(47 168)	(62 425)	(62 425)	(62 425)	(58 425)	(54 425)	(50 425)
Total Less: Impairment for debt									**(58 425)**	**(54 425)**	**(50 425)**
Total net Trade and other receivables from Exchange Transactions		**(20 977)**	**103 943**	**121 689**	**111 675**	**121 555**	**121 555**	**121 555**	**58 175**	**67 743**	**77 585**
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties											
Business and Commercial Properties											
Industrial Properties											
Mining Properties											
Public Benefit Organisations											
Public Service Infrastructure Properties											
Public Service Purposes Properties											
Residential Properties											
Residential Sectional Title Garages											
Sports Clubs and Fields											
Vacant Land											
Property Rates General											
Gross: Property rates		-	-	-	-	-	-	-	-	-	-
Less: Impairment of Property rates											
Net Property rates		-	-	-	-	-	-	-	-	-	-
Other receivables from non-exchange transactions		46	46	46	46	46	46	46	-	-	-
Less:Impairment for other receivables from non-exchange transactions		-	-	-	-	4 606	4 606	4 606	-	-	-
Net other receivables from non-exchange transactions		**46**	**46**	**46**	**46**	**4 652**	**4 652**	**4 652**	**-**	**-**	**-**
Total net Receivables from non-exchange transactions		**46**	**46**	**46**	**46**	**4 652**	**4 652**	**4 652**	**-**	**-**	**-**
Current Portion of Non-current Receivables											
Associates											
Bursary Obligations											
Car											
Computer and Electronic Equipment											
Employee Benefits		4 293	4 293	4 293	4 293	4 293	4 293	4 293	-	-	-
Finance Lease Receivable											
Housing											
Housing Land Sales											
Housing Selling Schemes											
Intercompany/Parent-subsidiary Transactions											
Joint Ventures											
Operating Lease											
Public Organisation											
Sporting and Other Bodies											
Staff Loans/Recoveries											
Subsidiaries											
Total Current Portion of Non-current Receivables		**4 293**	**4 293**	**4 293**	**4 293**	**4 293**	**4 293**	**4 293**	**-**	**-**	**-**
Inventory											
Agricultural											
Consumables		3 483	2 666	3 217	3 054	3 396	3 396	3 396	3 574	3 753	3 932
Finished Goods											
Housing Stock											
Land											
Materials and Supplies		-	(5)	-	(5)	-	-	-	-	-	-
Water											
Work-in-progress											
Total Inventory		**3 483**	**2 662**	**3 217**	**3 049**	**3 396**	**3 396**	**3 396**	**3 574**	**3 753**	**3 932**

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
VAT Receivable											
Input Tax Capital		487	927	715	927	715	715	715	715	715	715
Input Tax General		947	955	826	955	826	826	826	826	826	826
VAT Control (Receivable)		5 671	8 797	10 075	8 797	10 075	10 075	10 075	10 075	10 075	10 075
Total VAT Receivable		7 105	10 678	11 615	10 678	11 615	11 615	11 615	11 615	11 615	11 615
Other current assets											
Construction Contracts and Receivables											
Control, Clearing and Interface Accounts		71 815	(1 281)	573	2 675	573	573	573	4 283	4 283	4 283
Deposits		-	-	84	-	84	84	84	84	84	84
Fair Value Adjustments											
Income Tax Receivable											
Operating Lease - Straight Lining		56	25	66	25	66	66	66	66	66	66
Intercompany/Parent-subsidiary Transactions											
Total Other current assets		71 871	(1 256)	722	2 700	722	722	722	4 432	4 432	4 432
Total Current Assets		202 225	277 181	296 593	189 340	317 904	317 904	317 904	231 603	200 869	164 318
Non-current Assets											
Investments											
Bank Repurchase Agreements											
Bankers Acceptance Certificate											
Deposit Taking Institutions											
Derivative Financial Assets											
Guaranteed Endowment Policies (Sinking)											
Interest Rate Swaps											
Listed/Unlisted Bonds and Stocks		28	16	16	16	16	16	16	16	16	16
Municipal Bonds											
National Government Securities											
Negotiable Certificate of Deposits											
Unamortised Debt Expense											
Unamortised Preference Share Expense											
Total Investments		28	16	16	16	16	16	16	16	16	16
Investment Property											
Investment Property at Cost / Fair Value		240 211	240 211	240 211	240 211	240 211	240 211	240 211	240 211	240 211	240 211
Less: Accumulated Depreciation		(3 171)	(3 280)	(3 389)	(3 500)	(3 517)	(3 517)	(3 517)	(3 645)	(3 773)	(3 901)
Less: Accumulated Impairment		(171 092)	(171 092)	(171 092)	(171 092)	(171 092)	(171 092)	(171 092)	(171 092)	(171 092)	(171 092)
Total Investment Property		65 948	65 839	65 730	65 619	65 602	65 602	65 602	65 474	65 346	65 218
Property, Plant and Equipment											
Property, Plant and Equipment at Cost / Revaluation		307 484	328 525	342 501	310 765	327 642	327 642	327 642	330 292	330 442	330 592
Leases recognised as Property, Plant and Equipment	3	2 806	1 821	629	2 262	653	653	653	653	653	653
Less: Accumulated Depreciation		(59 019)	(61 447)	(65 965)	(49 829)	(53 478)	(53 478)	(53 478)	(61 158)	(68 838)	(76 518)
Less: Accumulated Impairment		(86 252)	(85 845)	(87 349)	(87 194)	(87 349)	(87 349)	(87 349)	(87 349)	(87 349)	(87 349)
Total Property, Plant and Equipment	2	165 020	183 054	189 816	176 004	187 468	187 468	187 468	182 438	174 908	167 378
Construction Work-in-progress											
Acquisitions		-	-	46 470	105 571	67 122	67 122	67 122	63 933	-	-
Opening Balance		23 426	45 733	37 268	32 809	34 121	34 121	34 121	51 626	115 560	115 560
Prior period corrections											
Transfer to Heritage asset											
Transfer to Intangible Assets											
Transfer to Investment property											
Transfer to PPE											
Less: Accumulated Impairment											
Total Construction Work-in-progress	2	23 426	45 733	83 738	138 380	101 244	101 244	101 244	115 560	115 560	115 560
Biological Assets											
Biological Assets at Cost / Fair Value											
Less: Accumulated Depreciation											
Less: Accumulated Impairment											
Total Biological Assets		-	-	-	-	-	-	-	-	-	-
Living resources											
Living resources at Cost / Revaluation											
Less: Accumulated Depreciation											
Less: Accumulated Impairment											
Total Living resources		-	-	-	-	-	-	-	-	-	-
Heritage Assets											
Heritage Assets at Cost / Revaluation											
Less: Accumulated Impairment											
Total Heritage Assets		-	-	-	-	-	-	-	-	-	-
Intangible Assets											
Heritage Assets at Cost / Revaluation		5 453	2 345	2 342	2 345	2 342	2 342	2 342	2 342	2 342	2 342
Less: Accumulated Amortisation		(4 040)	(1 028)	(1 151)	(4 721)	(1 407)	(1 407)	(1 407)	(1 663)	(1 920)	(2 176)
Less: Accumulated Impairment											
Total Intangible Assets		1 413	1 317	1 192	(2 376)	935	935	935	679	423	167
Trade and other receivables from exchange transactions											
Electricity											
Property Rental Debtors											
Service Charges											
Waste Management											
Waste Water Management											
Water											
Total Trade and other Receivables from Exchange Transactions		-	-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Non-current Receivables from Non-exchange Transactions											
Associates											
Bursary Obligations											
Car											
Computer and Electronic Equipment											
Employee Benefits		60 088	59 935	(629)	59 935	(5 235)	(5 235)	(5 235)	-	-	-
Finance Lease Receivable											
Housing Land Sales											
Housing Loans											
Housing Selling Schemes											
Intercompany/Parent-subsidiary Transactions											
Joint Ventures											
Operating Lease											
Property Rates											
Public Organisation											
Sporting and Other Bodies											
Staff Loans/Recoveries											
Subsidiaries											
Total Non-current Receivables from Non-exchange Transactions		60 088	59 935	(629)	59 935	(5 235)	(5 235)	(5 235)	-	-	-
Other non-current assets											
Deferred Tax Assets											
Defined Benefit Asset											
Intercompany/Parent-subsidiary Transactions											
Investment in Associate											
Investment in Joint Venture											
Investment in Subsidiary											
Operating Lease Receivable											
Deposits											
Total Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total Non Current Assets		315 923	355 895	339 864	437 579	350 029	350 029	350 029	364 167	356 252	348 338
TOTAL ASSETS		518 149	633 076	636 457	626 919	667 933	667 933	667 933	595 770	557 121	512 656
Liabilities											
Current Liabilities											
Bank Overdraft											
ABSA											
First National Bank											
Nedbank											
Rand Merchant Bank											
Standard Bank											
Unspecified											
Total Bank Overdraft		-	-	-	-	-	-	-	-	-	-
Financial Liabilities											
Concessionary Loan											
Short-term Borrowings		-	-	-	29 789	18 789	18 789	18 789	37 578	37 578	37 578
Current portion of Finance Lease Liabilities		663	503	373	503	373	373	373	373	373	373
Current portion of Non-current Borrowings		-	3 000	6 000	(17 037)	6 000	6 000	6 000	6 000	6 000	6 000
Current portion of Operating Lease Liabilities											
Unamortised Premium on Long-term Debts											
Total Financial Liabilities		663	3 503	6 373	13 255	25 161	25 161	25 161	43 950	43 950	43 950
Consumer Deposits											
Building Plans											
Buying Card											
Electricity											
Hiring of Decorative Items											
Library Books											
Posters											
Refuse											
Rental Properties		637	683	1 336	683	1 336	1 336	1 336	1 336	1 336	1 336
Sewer											
Street Closure		-	(23)	-	(23)	-	-	-	-	-	-
Valuation Appeal											
Water											
Wayleave											
Total Consumer Deposits		637	660	1 336	660	1 336	1 336	1 336	1 336	1 336	1 336

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Trade and Other Payable Exchange Transactions											
Accrued Interest		-	1 108	1 370	1 108	1 370	1 370	1 370	1 370	1 370	1 370
Advance Payments		1 840	744	576	744	576	576	576	576	576	576
Affiliates, Related Parties and Associated Companies		71	114	151	114	151	151	151	151	151	151
Agency Fees Payable											
Auditor-General of South Africa		-	-	142	-	142	142	142	142	142	142
Bonus		-	-	-	(30 213)	(15 396)	(15 396)	(15 396)	(25 112)	(35 483)	(46 552)
Compensation Commission (COID)		125	(337)	(337)	(337)	(337)	(337)	(337)	(337)	(337)	(337)
Control, Clearing and Interface Accounts		(1 450)	(506)	2 004	33 184	18 795	18 795	18 795	30 626	43 112	56 297
Deferred Revenue											
Dividends Declared											
Electricity Bulk Purchase											
Fair Value Adjustment											
Intercompany/Parent-subsidiary Transactions		18	(2)	(108)	(2)	(108)	(108)	(108)	(108)	(108)	(108)
Leave Accrual		-	-	-	-	-	-	-	-	-	-
Long Service Award		3 620	4 078	3 573	(23 217)	(7 638)	(7 638)	(7 638)	(18 262)	(29 609)	(41 730)
Municipal Debt Relief											
Overtime		-	-	-	26 758	12 059	12 059	12 059	22 786	34 238	46 462
Payables and Accruals		32 968	24 598	15 790	24 598	15 790	15 790	15 790	15 790	15 790	15 790
PAYE Deductions		-	-	-	-	-	-	-	-	-	-
Pension and Retirement Contributions		7 701	7 701	7 701	7 701	7 701	7 701	7 701	7 701	7 701	7 701
Retentions		2 087	2 717	5 918	2 717	5 918	5 918	5 918	5 918	5 918	5 918
Standby		-	-	-	(2 939)	(1 395)	(1 395)	(1 395)	(2 765)	(4 136)	(5 506)
Tender documentation											
Unallocated Deposits		203	189	94	189	94	94	94	94	94	94
Water Inventory Bulk Purchases											
VAT Payables Output Tax Accrual		-	(210)	2 112	(210)	2 112	2 112	2 112	2 112	2 112	2 112
VAT Payables Output Tax Provision for Doubtful Debt Impairment											
Total Trade and Other Payable Exchange Transactions	2, 5	47 184	40 193	38 987	40 193	39 836	39 836	39 836	40 684	41 533	42 382
Trade and Other Payable Non-exchange Transactions											
Transfers and Subsidies Payable											
Capital		-	-	-	-	-	-	-	-	-	-
Operational		-	-	-	-	-	-	-	-	-	-
Total Transfers and Subsidies Payable		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies Unspent											
Capital		2 037	150	2 084	150	2 084	2 084	2 084	2 084	2 084	2 084
Operational		612	491	(786)	491	(786)	(786)	(786)	(786)	(786)	(786)
Total Transfers and Subsidies Unspent		2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
VAT Payables Output Tax Accrual											
VAT Payables Output Tax Provision for Doubtful Debt Impairment											
Total Trade and Other Payable Non-exchange Transactions	2	2 649	640	1 298	640	1 298	1 298	1 298	1 298	1 298	1 298
Provision											
Alien Vegetation											
Bonus		8 790	8 813	9 047	8 813	9 047	9 047	9 047	9 047	9 047	9 047
Decommissioning, Restoration and Similar Liabilities											
Ex-gratia Pension		268	275	-	275	-	-	-	-	-	-
Insurance Claims											
Leave		21 673	22 268	23 604	22 268	23 604	23 604	23 604	23 604	23 604	23 604
Litigation											
Pension Fund Investment Return Shortfall											
Staff Parity		329	329	329	329	329	329	329	329	329	329
Impairment											
Total Provision		31 059	31 684	32 980	31 684	32 980	32 980	32 980	32 980	32 980	32 980
VAT Payable											
VAT Payable: Output Tax		(2 229)	6 002	4 832	6 002	4 832	4 832	4 832	4 832	4 832	4 832
VAT Payable: VAT Control		3 192	3 192	3 190	3 192	3 190	3 190	3 190	3 190	3 190	3 190
Total VAT Payable		963	9 194	8 022	9 194	8 022	8 022	8 022	8 022	8 022	8 022
Other current liabilities											
Employee Benefits											
Post-employment Benefits											
Other Long-Term Benefits											
Termination Benefits											
Total Employee Benefits		-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities											
Income Tax Payable											
Intercompany/Parent-subsidiary Transactions											
Total Other current liabilities		-	-	-	-	-	-	-	-	-	-
Total Current Liabilities		83 156	85 875	88 995	95 627	108 632	108 632	108 632	128 270	129 118	129 967
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		-	113 912	123 912	169 088	123 912	123 912	123 912	123 912	123 912	123 912
Bankers Acceptance Certificate		583	151	42 000	(76 772)	42 000	42 000	42 000	42 000	42 000	42 000
Concessionary Loan											
Derivative Financial Liability											
Finance Lease Liability		-	-	578	-	578	578	578	578	578	578
Government Loans											
Intercompany/Parent-subsidiary Transactions											
Local Registered Stock											
Marketable Bonds											
Non-annuity Loans											
Non-marketable Bonds											
PPP Liabilities											
Securities											
Interest Rate Swaps											

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Total Borrowings	4	583	114 063	166 490	92 316	166 490	166 490	166 490	166 490	166 490	166 490
Operating Lease Liability											
Total Financial Liabilities		583	114 063	166 490	92 316	166 490	166 490	166 490	166 490	166 490	166 490

DC4 Garden Route - Supporting Table SA3 Supportinging detail to 'Budgeted Financial Position'

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Provisions											
Alien Vegetation											
Bonus											
Decommissioning, Restoration and Similar Liabilities		4	4	-	4	-	-	-	-	-	-
Ex-gratia Pension		-	-	123	-	123	123	123	123	123	123
Impairment											
Insurance Claims											
Leave											
Litigation											
Pension Fund Investment Return Shortfall											
Staff Parity											
Total Provisions		4	4	123	4	123	123	123	123	123	123
Long term Trade and other Payables											
Bulk Water											
Electricity Bulk Purchase											
Municipal Debt Relief											
Payables and Accruals											
Total Long term Trade and other Payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities											
Employee Benefits											
Post-employment Benefits		128 966	135 268	89 571	135 268	91 607	91 607	91 607	91 607	93 644	95 680
Other Long-Term Benefits		12 081	13 044	8 738	13 044	8 738	8 738	8 738	8 738	8 738	8 738
Termination Benefits											
Total Employee Benefits		141 047	148 312	98 309	148 312	100 345	100 345	100 345	100 345	102 382	104 418
Deferred Tax Liabilities											
Intercompany/Parent-subsidiary Transactions											
Total Other non-current liabilities		141 047	148 312	98 309	148 312	100 345	100 345	100 345	100 345	102 382	104 418
Total non current liabilities		141 634	262 380	264 922	240 633	266 958	266 958	266 958	266 958	268 995	271 031
TOTAL LIABILITIES		224 790	348 254	353 917	336 259	375 591	375 591	375 591	395 228	398 113	400 999
CHANGES IN NET ASSETS		293 359	284 822	282 540	290 660	292 342	292 342	292 342	200 542	159 008	111 658
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Changes in Accounting Policy											
Correction of Prior Period Error		-	-	4 395	-	-	-	-	-	-	-
Depreciation Offsets											
Opening Balance		212 179	200 327	200 327	207 198	148 149	148 149	148 149	161 951	130 539	89 005
Transfers to/from operating revenue and expenditure		(261)	-	(26 398)	5 400	13 802	13 802	13 802	(31 412)	(41 534)	(47 350)
Transfers to/from Reserves		-	-	(30 176)	-	-	-	-	-	-	-
Total Accumulated Surplus/(Deficit)	1	211 918	200 327	148 149	212 598	161 951	161 951	161 951	130 539	89 005	41 655
Reserves and Funds											
Capital Replacement Reserve		4 129	2 602	9 213	2 602	9 213	9 213	9 213	9 213	9 213	9 213
Capitalisation Reserve											
Compensation for Occupational Injuries and Diseases											
Employee Benefit Reserve		38 763	35 183	58 753	35 183	58 753	58 753	58 753	58 753	58 753	58 753
Housing Development Fund											
Investment in associate account											
Non-current Provisions Reserve											
Revaluation Reserve											
Self Insurance Reserve											
Valuation Reserve											
Total Reserves and Funds	2	42 891	37 786	67 966	37 786	67 966	67 966	67 966	67 966	67 966	67 966
Other											
Equity											
Capital Contributed by Other Government Units											
Ordinary Shares											
Preference Shares											
Share Premium											
Total Equity		-	-	-	-	-	-	-	-	-	-
Non-controlling Interest											
Opening Balance											
Movement during the year											
Total Non-controlling Interest		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions											
Total Other	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	254 809	238 113	216 115	250 383	229 917	229 917	229 917	198 505	156 972	109 621

DC4 Garden Route - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				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
				–	–	–	–	–	–	262 191	255 567	264 692
	Good Governance & Public Participation	MKPA5		–	–	–	–	–	–	1 940	2 064	2 289
	Infrastructure Development & Basic Service Delivery	MKPA2		–	–	–	–	–	–	2 958	3 076	3 172
	Local Economic Development	MKPA3		–	–	–	–	–	–	1 774	–	–
Responsive, accountable, effective and efficient local government				413 618	432 354	440 009	484 534	430 701	430 701	–	–	–
Sustainable human settlements and improved quality of household life				1 879	385	3 086	55 137	41 103	41 103	–	–	–
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**415 497**	**432 739**	**443 095**	**539 671**	**471 804**	**471 804**	**268 863**	**260 707**	**270 153**

DC4 Garden Route - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				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
				–	–	–	–	–	–	190 171	185 422	194 307
	Good Governance & Public Participation	MKPA5		–	–	–	–	–	–	31 087	32 421	33 866
	Infrastructure Development & Basic Service Delivery	MKPA2		–	–	–	–	–	–	71 307	75 358	79 648
	Local Economic Development	MKPA3		–	–	–	–	–	–	6 124	4 599	4 864
	Municipal Transformation & Organisational Development	MKPA1		–	–	–	–	–	–	12 430	12 784	13 162
Sustainable human settlements and improved quality of household life				161 240	179 840	193 926	217 775	187 143	187 143	–	–	–

Allocations to other priorities												
Total Expenditure			1	161 240	179 840	193 926	217 775	187 143	187 143	311 119	310 585	325 847

DC4 Garden Route - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				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
	Good Governance & Public Participation	MKPA 5		–	–	–	–	–	–	150	150	150
	Infrastructure Development & Basic Service Delivery	MKPA 2		–	–	–	–	–	–	66 433	–	–
An efficient, effective and development-oriented public service	Good Governance & Public Participation	MKPA 5		–	–	148	350	374	374	–	–	–
Allocations to other priorities			3									
Total Capital Expenditure			1	–	–	148	350	374	374	66 583	150	150

DC4 Garden Route - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	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
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

DC4 Garden Route - Entities measureable performance objectives

Description	Unit of measurement	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
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										

DC4 Garden Route - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	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
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	1.0%	0.1%	2.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	1.1%	0.1%	2.2%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	-1455.3%	518.8%	33873.0%	31721.5%	31721.5%	31721.5%	79037.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.4	3.2	3.3	2.0	2.9	2.9	2.9	1.8	1.6	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.4	3.2	3.3	2.0	2.9	2.9	2.9	1.8	1.6	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.4	3.0	3.1	1.8	2.7	2.7	2.7	1.7	1.4	1.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	0.0%	0.0%	0.0%	71.8%	40.7%	40.7%	40.7%	50.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	71.8%	40.7%	40.7%	40.7%	50.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	18.4%	18.2%	17.6%	14.3%	17.7%	17.7%	17.7%	30.0%	31.0%	29.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))										
Creditors to Cash and Investments		38.2%	11.9%	18.4%	68.5%	22.9%	22.9%	22.9%	26.1%	35.3%	57.9%
Other Indicators											
	Total Volume Losses (kW) technical										
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Bulk Purchase										
Water Volumes :System input	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	67.4%	70.9%	68.4%	57.4%	57.7%	57.7%	57.7%	72.8%	79.1%	81.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	70.6%	70.4%	67.4%	56.4%	55.7%	55.7%	39.0%	70.1%	76.0%	78.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.6%	0.6%	2.5%	1.9%	2.3%	2.3%	2.3%	4.2%	4.5%	4.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	1.4%	2.6%	1.7%	2.0%	1.8%	1.8%	1.8%	3.2%	3.3%	3.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	–	18.6	64.4	53.3	53.3	57.7	32.9	31.0	32.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	5.2%	44.3%	36.5%	15.0%	39.2%	39.2%	39.2%	52.9%	103.5%	101.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	4.0	10.3	6.2	1.6	5.3	5.3	5.3	6.9	5.2	3.1

DC4 Garden Route - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population												
Females aged 5 - 14												
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
Monthly household income (no. of households)	1, 12											
No income												
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area												
Number of poor people in municipal area												
Number of households in municipal area												
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics	3											
Formal												
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	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 (000)									
		Water:									
		Piped water inside dwelling	–	–	–	–	–	–	–	–	–
		Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
	8	Using public tap (at least min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	–	–	–	–	–	–	–	–	–
		Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
		Chemical toilet	–	–	–	–	–	–	–	–	–
		Pit toilet (ventilated)	–	–	–	–	–	–	–	–	–
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet	–	–	–	–	–	–	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		Energy:									
		Electricity (at least min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
		Refuse:									
		Removed at least once a week	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
		Using communal refuse dump	–	–	–	–	–	–	–	–	–
		Using own refuse dump	–	–	–	–	–	–	–	–	–
		Other rubbish disposal	–	–	–	–	–	–	–	–	–
		No rubbish disposal	–	–	–	–	–	–	–	–	–
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–

Municipal in-house services	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 (000)									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
		Energy:									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
		Refuse:									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-

Municipal entity services	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 (000)									
Name of municipal entity		***Water:***									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Municipal entity services	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 (000)									
Name of municipal entity		***Water:***									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Name of municipal entity		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Services provided by 'external mechanisms'	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
Names of service providers		Household service targets (000)									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-
Names of service providers		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	-	-	-	-	-	-	-	-	-

Detail of Free Basic Services (FBS) provided			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
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (50 kwh per indigent household per month Rands)**									
		Number of HH receiving this type of FBS									
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**									
		Number of HH receiving this type of FBS									
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (free sanitation service to indigent households)**									
		Number of HH receiving this type of FBS									
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Sanitation for informal settlements	–	–	–	–	–	–	–	–	–
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**Formal settlements - (removed once a week to indigent households)**									
		Number of HH receiving this type of FBS									
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									

DC4 Garden Route Supporting Table SA10 Funding measurement

Description	MFMA section	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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	123 584	336 681	212 379	58 676	174 126	174 126	174 142	155 939	117 601	73 185
Cash + investments at the yr end less applications - R'000	18(1)b	2	(102 129)	270 492	122 541	85 978	75 863	75 863	75 879	114 125	90 507	56 703
Cash year end/monthly employee/supplier payments	18(1)b	3	4.0	10.3	6.2	1.6	5.3	5.3	5.3	6.9	5.2	3.1
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(8 855)	(18 678)	(25 871)	4 423	5 458	5 458	5 458	(39 756)	(49 878)	(55 695)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	464.5%	(106.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	(84.3%)	3.3%	10.8%	7.3%	4.7%	4.7%	4.7%	108.7%	116.3%	116.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	208.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	(1453.0%)	108.7%	111.9%	175.6%	175.6%	175.6%	(4742.2%)	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(750.8%)	16.4%	(7.9%)	12.5%	0.0%	0.0%	(55.4%)	16.4%	14.5%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(0.3%)	(101.0%)	(9627.5%)	(108.7%)	0.0%	0.0%	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	1.1%	4.5%	4.3%	4.4%	4.4%	4.6%	4.9%	5.3%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	41797200.0%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
References												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Deduct cash and investment applications (defined) from cash balances												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billed revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Province allocations included in budget												
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection												
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection												
Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a		0.0%	0.0%	0.0%	470.5%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Property Tax	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Electricity	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Water	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Water Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Management	18(1)a		0.0%	0.0%	0.0%	470.5%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		–	–	8 389	47 855	–	–	–	–	–	–
Service charges			–	–	8 389	47 855	–	–	–	–	–	–
Property rates			–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue			–	–	–	–	–	–	–	–	–	–
Service charges - water revenue			–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue			–	–	–	–	–	–	–	–	–	–
Service charges - refuse removal			–	–	8 389	47 855	–	–	–	–	–	–
Agency services			188 140	18 489	18 860	22 763	14 881	14 881	14 881	–	–	–
Capital expenditure excluding capital grant funding			(3 149)	(8 046)	57 960	105 921	67 496	67 496	67 496	(2 500)	–	–
Cash receipts from ratepayers	18(1)a		(204 085)	38 473	122 283	102 260	49 956	49 956	49 956	33 445	19 710	20 325
Ratepayer & Other revenue	18(1)a		242 099	1 161 776	1 134 126	1 396 015	1 052 742	1 052 742	1 052 742	30 766	16 942	17 468
Change in consumer debtors (current and non-current)			N/A	124 767	(42 819)	50 551	(50 684)	–	–	(67 090)	9 568	9 842
Operating and Capital Grant Revenue	18(1)a		193 575	209 926	213 967	217 504	225 898	225 898	225 898	221 483	224 052	232 372
Capital expenditure - total	20(1)(vi)		–	(0)	60 895	108 921	72 580	72 580	72 580	–	–	–
Capital expenditure - renewal	20(1)(vi)		62	(418)	8 669	–	–	–		–	–	–
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												

DC4 Garden Route Supporting Table SA10 Funding measurement

Description	MFMA section	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
DoRA operating												
List operating grants												
										–	–	–
DoRA capital												
List operating grants												
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			N/A	124 767	(42 819)	50 551	(50 684)	–	–	(67 090)	9 568	9 842
Total Operating Revenue			415 921	434 774	459 233	554 413	482 685	482 685	482 685	268 863	260 707	270 153
Total Operating Expenditure			431 824	466 537	490 160	552 991	482 311	482 311	482 311	311 119	310 585	325 847
Operating Performance Surplus/(Deficit)			(15 903)	(31 763)	(30 927)	1 423	374	374	374	(42 256)	(49 878)	(55 695)
Cash and Cash Equivalents (30 June 2012)										155 939		
Revenue												
% Increase in Total Operating Revenue				4.5%	5.6%	20.7%	(12.9%)	0.0%	0.0%	(44.3%)	(3.0%)	3.6%
% Increase in Property Rates Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				0.0%	0.0%	470.5%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%
Expenditure												
% Increase in Total Operating Expenditure			0.0%	8.0%	5.1%	12.8%	(12.8%)	0.0%	0.0%	(35.5%)	(0.2%)	4.9%
% Increase in Employee Costs			0.0%	10.1%	1.8%	1.4%	(12.5%)	0.0%	0.0%	(29.7%)	5.3%	6.4%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)			0	0	0	0	0	0	0	0	0	0
Average Cost Per Councillor (Remuneration)			0	0	0	0	0	0	0	0	0	0
R&M % of PPE			1.1%	1.1%	4.5%	4.3%	4.4%	4.4%	4.6%	4.6%	4.9%	5.3%
Asset Renewal and R&M as a % of PPE			1.1%	0.9%	8.6%	4.3%	4.4%	4.4%	4.6%	4.6%	4.9%	5.3%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	208.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue												
Internally Funded & Other (R'000)			(3 149)	(8 033)	12 143	350	374	374	374	150	150	150
Borrowing (R'000)			–	(13)	45 817	105 571	67 122	67 122	67 122	63 933	–	–
Grant Funding and Other (R'000)			3 149	8 046	2 934	3 000	5 084	5 084	5 084	2 500	–	–
Internally Generated funds % of Non Grant Funding			100.0%	99.8%	21.0%	0.3%	0.6%	0.6%	0.6%	0.2%	100.0%	100.0%
Borrowing % of Non Grant Funding			0.0%	0.2%	79.0%	99.7%	99.4%	99.4%	99.4%	99.8%	0.0%	0.0%
Grant Funding % of Total Funding			0.0%	##########	4.8%	2.8%	7.0%	7.0%	7.0%	3.8%	0.0%	0.0%
Capital Expenditure												
Total Capital Programme (R'000)			–	(0)	60 895	108 921	72 580	72 580	72 580	–	–	–
Asset Renewal			62	(418)	10 611	–	–	–	–	–	–	–
Asset Renewal % of Total Capital Expenditure			0.0%	41797200.0%	17.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			(84.3%)	3.3%	10.8%	7.3%	4.7%	4.7%	4.7%	108.7%	116.3%	116.4%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Most recent Credit Rating										0		
Capital Charges to Operating			0.0%	1.0%	0.1%	2.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Borrowing Receipts % of Capital Expenditure			0.0%	(1453.0%)	108.7%	111.9%	175.6%	175.6%	175.6%	(4742.2%)	0.0%	0.0%
Reserves												
Uncommitted reserves after application of cash and investments			(102 129)	270 492	122 541	85 978	75 863	75 863	75 879	114 125	90 507	56 703
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
High Level Outcome of Funding Compliance												
Total Operating Revenue			415 921	434 774	459 233	554 413	482 685	482 685	482 685	268 863	260 707	270 153
Total Operating Expenditure			431 824	466 537	490 160	552 991	482 311	482 311	482 311	311 119	310 585	325 847
Surplus/(Deficit) Budgeted Operating Statement			(15 903)	(31 763)	(30 927)	1 423	374	374	374	(42 256)	(49 878)	(55 695)
Surplus/(Deficit) Considering Reserves and Cash Backing			(102 129)	270 492	122 541	85 978	75 863	75 863	75 879	114 125	90 507	56 703
MTREF Funded (1) / Unfunded (0)		15	0	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ×		15	×	✓	✓	✓	✓	✓	✓	✓	✓	✓

DC4 Garden Route - Supporting Table SA11 Property rates summary

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
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R '000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Current Year 2025/26												
Valuation:												
No. of properties												
No. of sectional title property values												
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation **(select)**												
Frequency of valuation **(select)**												
Method of valuation used **(select)**												
Base of valuation **(select)**												
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
Total valuation reductions:												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3											
Rate revenue budget (R '000)												
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/discounts (R'000)												
Total rebates,exemptns,reductns,discs (R'000)												

DC4 Garden Route - Supporting Table SA13b Service Tariffs by category - explanatory									
Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Exemptions, reductions and rebates *(Rands)*									
[Insert lines as applicable]									
Water tariffs									
[Insert blocks as applicable]		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							
Waste water tariffs									
[Insert blocks as applicable]		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)							
Electricity tariffs									
[Insert blocks as applicable]		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)							

DC4 Garden Route - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2026/27												
Valuation:												
No. of properties												
No. of sectional title property values												
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations												
Supplementary valuation (Rm)												
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation (select)												
Frequency of valuation (select)												
Method of valuation used (select)												
Base of valuation (select)												
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)												
Flat rate used? (Y/N)												
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
Total valuation reductions:												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3											
Rate revenue budget (R '000)												
Rate revenue expected to collect (R'000)												
Expected cash collection rate (%)	4											
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/discounts (R'000)												
Total rebates,exemptns,reductns,discs (R'000)												

DC4 Garden Route - Supporting Table SA14 Household bills

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease		-	-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-	-	-	-	-
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/-decrease			-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates *(rate in the Rand)*	1								
Residential properties									
Residential properties - vacant land									
Formal/informal settlements									
Small holdings									
Farm properties - used									
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property									
Communal land - business and commercial									
Communal land - other									
State-owned properties									
Municipal properties									
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Restitution and redistribution properties									
Protected areas									
National monuments properties									
Property rates by usage									
Business and commercial properties									
Industrial properties									
Mining properties									
Residential properties									
Agricultural properties									
Public benefit organisations									
Public service purpose properties									
Public service infrastructure properties									
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold rebate									
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Water usage - flat rate tariff *(c/kl)*									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/kl)		(fill in thresholds)							
Water usage - Block 2 (c/kl)		(fill in thresholds)							
Water usage - Block 3 (c/kl)		(fill in thresholds)							
Water usage - Block 4 (c/kl)		(fill in thresholds)							
Water usage - Block 5 (c/kl)		(fill in thresholds)							
Water usage - Block 6 (c/kl)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
Waste water - flat rate tariff *(c/kl)*									
Volumetric charge - Block 1 (c/kl)		(fill in structure)							
Volumetric charge - Block 2 (c/kl)		(fill in structure)							
Volumetric charge - Block 3 (c/kl)		(fill in structure)							
Volumetric charge - Block 4 (c/kl)		(fill in structure)							
Other	2								

DC4 Garden Route - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*									
Service point - vacant land *(Rands/month)*									
FBE		(how is this targeted?)							
Life-line tariff - meter		(describe structure)							
Life-line tariff - prepaid		(describe structure)							
Flat rate tariff - meter *(c/kwh)*									
Flat rate tariff - prepaid*(c/kwh)*									
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)							
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)							
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixed fee									
80l bin - once a week									
250l bin - once a week									

DC4 Garden Route - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Investments										
Bank Repurchase Agreements										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Bank Repurchase Agreements		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Bankers Acceptance Certificate		-	-	-	-	-	-	-	-	-
Deposit Taking Institutions										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Deposit Taking Institutions		-	-	-	-	-	-	-	-	-
Derivative Financial Assets										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Derivative Financial Assets		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (Sinking)										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Guaranteed Endowment Policies (Sinking)		-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA15 Investment particulars by type

Investment type	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
Interest Rate Swaps										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Interest Rate Swaps		-	-	-	-	-	-	-	-	-
Listed/Unlisted Bonds and Stocks										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Listed/Unlisted Bonds and Stocks		-	-	-	-	-	-	-	-	-
Municipal Bonds										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Municipal Bonds		-	-	-	-	-	-	-	-	-
National Government Securities										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total National Government Securities		-	-	-	-	-	-	-	-	-
Negotiable Certificate of Deposits										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Negotiable Certificate of Deposits		-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA15 Investment particulars by type

Investment type	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
Unamortised Debt Expense										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Unamortised Debt Expense		-	-	-	-	-	-	-	-	-
Unamortised Preference Share Expense										
Specify 1										
Specify 2										
Specify 3										
Specify 4										
Specify 5										
Specify 6										
Specify 7										
Specify 8										
Specify 9										
Specify 10										
Specify 11										
Total Unamortised Preference Share Expense		-	-	-	-	-	-	-	-	-
Total Investments		-	-	-	-	-	-	-	-	-

C4 Garden Route - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
rent municipality														
														-
														-
														-
														-
														-
														-
														-
														-
														-
nicipality sub-total										-		-	-	-
tities														
														-
														-
														-
														-
														-
														-
														-
tities sub-total										-		-	-	-
TAL INVESTMENTS AND INTEREST	1									-		-	-	-

DC4 Garden Route - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Borrowings										
Annuity and Bullet Loans										
Banks		–	113 912	123 912	169 088	123 912	123 912	123 912	123 912	123 912
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	113 912	123 912	169 088	123 912	123 912	123 912	123 912	123 912
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Annuity and Bullet Loans		-	227 824	247 824	338 176	247 824	247 824	247 824	247 824	247 824
Bankers Acceptance Certificate										
Banks		583	151	42 000	(76 772)	42 000	42 000	42 000	42 000	42 000
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Bankers Acceptance Certificate		583	151	42 000	(76 772)	42 000	42 000	42 000	42 000	42 000
Concessionary Loan		–	–	–	–	–	–	–	–	–
Derivative Financial Liability										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Derivative Financial Liability		-	-	-	-	-	-	-	-	-
Finance Lease Liability										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	578	-	578	578	578	578	578
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Finance Lease Liability		-	-	578	-	578	578	578	578	578
Government Loans		-	-	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions		-	-	-	-	-	-	-	-	-
Local Registered Stock										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Registered Stock		-	-	-	-	-	-	-	-	-

DC4 Garden Route - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Marketable Bonds										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-annuity Loans										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Non-annuity Loans		-	-	-	-	-	-	-	-	-
Non-marketable Bonds										
Banks		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Total Non-marketable Bonds		-	-	-	-	-	-	-	-	-
PPP Liabilities										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total PPP Liabilities		-	-	-	-	-	-	-	-	-
Securities										
Banks		-	-	-	-	-	-	-	-	-
Development Bank of South Africa		-	-	-	-	-	-	-	-	-
Foreign Government and International Organisations		-	-	-	-	-	-	-	-	-
General Public		-	-	-	-	-	-	-	-	-
Infrastructure Finance Corporation		-	-	-	-	-	-	-	-	-
Insurance Companies and Private Pension Funds		-	-	-	-	-	-	-	-	-
Municipal Pension Funds		-	-	-	-	-	-	-	-	-
Other Public Pension Funds		-	-	-	-	-	-	-	-	-
Private Enterprises		-	-	-	-	-	-	-	-	-
Public Corporations		-	-	-	-	-	-	-	-	-
Public Investments Commissioners		-	-	-	-	-	-	-	-	-
Total Securities		-	-	-	-	-	-	-	-	-
Interest Rate Swaps										
Total Borrowings	1	583	227 975	290 402	261 404	290 402	290 402	290 402	290 402	290 402

DC4 Garden Route - 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		
R thousand		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										
Local Government Equitable Share		172 721	178 333	182 224	188 026	188 026	188 026	193 449	199 805	207 302
Municipal disaster recovery grant										
Municipal disaster relief grant										
Energy efficiency and demand side management grant		1 000	329	–	–	–	–	–	–	–
Local government financial management grant		1 000	1 000	952	1 000	1 000	1 000	1 200	1 300	1 500
Integrated city development grant										
Integrated national electrification programme grant										
Infrastructure skills development grant										
Integrated urban development grant										
Municipal demarcation transition grant										
Municipal emergency housing grant										
Municipal infrastructure grant										
Informal settlements upgrading partnership grant										
Municipal rehabilitation grant										
Municipal systems improvement grant		–	–	–	–	–	–	–	–	–
Neighbourhood development partnership grant										
Programme and project preparation support grant										
Public transport network grant		900	218	–	–	–	–	–	–	–
Expanded public works programme integrated grant		2 440	2 180	1 545	2 293	2 293	2 293	1 774	–	–
Regional bulk infrastructure grant										
Rural roads assets management systems grant		2 594	2 754	2 721	2 843	2 843	2 843	2 958	3 076	3 172
Urban settlements development grant										
Urban Development Financing Grant										
Water services infrastructure grant										
Total Monetary Allocations		180 655	184 814	187 442	194 162	194 162	194 162	199 381	204 181	211 974
Total Operating/National Government		180 655	184 814	187 442	194 162	194 162	194 162	199 381	204 181	211 974
Provincial Government										
Monetary Allocations										
Infrastructure										
Capacity Building		2 185	1 905	957	1 000	1 000	1 000	1 230	1 302	1 406
Total Monetary Allocations		2 185	1 905	957	1 000	1 000	1 000	1 230	1 302	1 406
Allocations In-kind										
Infrastructure										
Capacity Building		100	–	–	–	–	–	–	–	–
Total Allocations In-kind		100	-	-	-	-	-	-	-	-
Total Operating/Provincial Government		2 285	1 905	957	1 000	1 000	1 000	1 230	1 302	1 406
District Municipalities										
Monetary Allocations										
Infrastructure										
Capacity Building										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Infrastructure										
Capacity Building										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other Grant Providers		6 870	10 135	23 006	19 342	25 452	25 452	18 372	18 569	18 992
Total Monetary Allocations		6 870	10 135	23 006	19 342	25 452	25 452	18 372 150	18 568 928	18 991 519
Allocations In-kind										
Other Grant Providers		–	–	–	–	200	200	–	–	–
Total Allocations In-kind		-	-	-	-	200 000	200 000	-	-	-
Total Operating/Other Grant Providers		6 870	10 135	23 006	19 342	25 652	25 652	18 372	18 569	18 992
Total Operating	5	189 810	196 854	211 404	214 504	220 814	220 814	218 983	224 052	232 372

DC4 Garden Route - 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		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital										
National Government										
Monetary Allocations										
Municipal Disaster Recovery Grant										
Municipal Disaster Relief Grant										
Energy Efficiency and Demand Side Management Grant		3 765	3 404	–	–	–	–	–	–	–
Local Government Financial Management Grant										
Integrated City Development Grant										
Integrated National Electrification Programme Grant										
Infrastructure Skills Development Grant										
Integrated Urban Development Grant										
Municipal Emergency Housing Grant										
Municipal Infrastructure Grant										
Metro Informal Settlements Partnership Grant										
Neighbourhood Development Partnership Grant										
Public Transport Network Grant										
Regional Bulk Infrastructure Grant										
Rural Road Asset Management Systems Grant										
Urban Development Financing Grant										
Urban Settlements Development Grant										
Water Services Infrastructure Grant										
Total Monetary Allocations		3 765	3 404	-	-	-	-	-	-	-
Total Capital/National Government		3 765	3 404	-	-	-	-	-	-	-
Provincial Government										
Monetary Allocations										
Infrastructure		–	4 416	–	–	–	–	–	–	–
Capacity Building		–	5 252	2 563	3 000	5 084	5 084	2 500	–	–
Total Monetary Allocations		-	9 668	2 563	3 000	5 084	5 084	2 500 000	-	-
Allocations In-kind										
Infrastructure		–	13	2 493	–	–	–	–	–	–
Capacity Building										
Total Allocations In-kind		-	13	2 493	-	-	-	-	-	-
Total Capital/Provincial Government		-	9 681	5 057	3 000	5 084	5 084	2 500	-	-
District Municipalities										
Monetary Allocations										
Infrastructure										
Capacity Building										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Infrastructure										
Capacity Building										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other Grant Providers										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other Grant Providers										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total Capital	5	3 765	13 085	5 057	3 000	5 084	5 084	2 500	-	-
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		193 575	209 939	216 461	217 504	225 898	225 898	221 483	224 052	232 372

DC4 Garden Route - 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		
R thousand		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
EXPENDITURE	1									
Operating										
National Government										
Monetary Allocations										
Local Government Equitable Share		165 907	177 271	185 519	216 215	211 533	211 533	202 850	214 532	226 950
Municipal Disaster Recovery Grant										
Municipal Disaster Relief Grant										
Energy Efficiency and Demand Side Management Grant		1 170	314	(1)	–	–	–	–	–	–
Local Government Financial Management Grant		1 013	940	900	1 000	1 000	1 000	1 200	1 300	1 500
Integrated City Development Grant										
Integrated National Electrification Programme Grant										
Infrastructure Skills Development Grant										
Integrated Urban Development Grant										
Municipal Demarcation Transition Grant										
Municipal Emergency Housing Grant										
Municipal Infrastructure Grant										
Metro Informal Settlements Partnership Grant										
Municipal Rehabilitation Grant										
Municipal Systems Improvement Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant										
Programme and Project Preparation Support Grant										
Public Transport Network Grant		1 005	205	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		3 070	2 179	1 545	2 293	2 293	2 293	1 774	–	–
Regional Bulk Infrastructure Grant										
Rural Road Asset Management Systems Grant		3 034	2 746	2 588	2 843	2 843	2 843	2 958	3 076	3 172
Urban Settlement Development Grant										
Urban Development Financing Grant										
Water Services Infrastructure Grant										
Total Monetary Allocations		175 199	183 655	190 551	222 351	217 669	217 669	208 782	218 908	231 622
Total National Government		175 199	183 655	190 551	222 351	217 669	217 669	208 782	218 908	231 622
Provincial Government										
Monetary Allocations										
Infrastructure		174 099	185 103	171 786	212 955	163 687	163 687	–	–	–
Capacity Building		8 869	6 325	6 963	3 482	4 032	4 032	2 412	2 328	2 478
Total Monetary Allocations		182 968	191 428	178 749	216 437	167 719	167 719	2 412	2 328	2 478
Allocations In-kind										
Infrastructure										
Capacity Building		–	–	–	–	–	–	–	–	–
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Provincial Government		182 968	191 428	178 749	216 437	167 719	167 719	2 412	2 328	2 478
District Municipalities										
Monetary Allocations										
Infrastructure										
Capacity Building										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Infrastructure										
Capacity Building										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Operating/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other Grant Providers		2 830	6 222	18 574	16 860	21 309	21 309	17 190	17 543	17 920
Total Monetary Allocations		2 830	6 222	18 574	16 860	21 309	21 309	17 190 150	17 542 928	17 919 519
Allocations In-kind										
Other Grant Providers		–	–	–	–	1 311	1 311	–	–	–
Total Allocations In-kind		-	-	-	-	1 311 055	1 311 055	-	-	-
Total Operating/Other Grant Providers		2 830	6 222	18 574	16 860	22 620	22 620	17 190	17 543	17 920
Total operating expenditure of Transfers and Grants		360 997	381 304	387 875	455 648	408 009	408 009	228 384	238 779	252 020

DC4 Garden Route - 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		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital										
National Government										
Monetary Allocations										
Municipal Disaster Recovery Grant										
Municipal Disaster Relief Grant										
Energy Efficiency and Demand Side Management Grant		2 970	–	–	–	–	–	–	–	–
Local Government Financial Management Grant										
Integrated City Development Grant										
Integrated National Electrification Programme Grant										
Infrastructure Skills Development Grant										
Integrated Urban Development Grant										
Municipal Emergency Housing Grant										
Municipal Infrastructure Grant										
Metro Informal Settlements Partnership Grant										
Neighbourhood Development Partnership Grant										
Public Transport Network Grant										
Regional Bulk Infrastructure Grant										
Rural Road Asset Management Systems Grant										
Urban Development Financing Grant										
Urban Settlement Development Grant										
Water Services Infrastructure Grant		2 970	-	-	-	-	-	-	-	-
Total National Government		2 970	-	-	-	-	-	-	-	-
Provincial Government										
Monetary Allocations										
Infrastructure										
Capacity Building										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Infrastructure										
Capacity Building										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Provincial Government		-	-	-	-	-	-	-	-	-
District Municipalities										
Monetary Allocations										
Infrastructure										
Capacity Building										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Infrastructure										
Capacity Building										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities		-	-	-	-	-	-	-	-	-
Other Grant Providers										
Monetary Allocations										
Other Grant Providers										
Total Monetary Allocations		-	-	-	-	-	-	-	-	-
Allocations In-kind										
Other Grant Providers										
Total Allocations In-kind		-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		2 970	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		363 967	381 304	387 875	455 648	408 009	408 009	228 384	238 779	252 020

DC4 Garden Route - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		–	231	231	231	48	48	48	48	48
Current year receipts		–	–	5 266	6 136	6 136	6 136	5 932	4 376	4 672
Repayment of grants										
Conditions met - transferred to revenue		**–**	**231**	**5 497**	**6 367**	**6 184**	**6 184**	**5 980**	**4 424**	**4 720**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		612	260	260	260	(835)	(835)	(835)	(835)	(835)
Current year receipts		–	–	7 096	3 482	4 032	4 032	2 412	2 328	2 478
Conditions met - transferred to revenue		**612**	**260**	**7 356**	**3 742**	**3 197**	**3 197**	**1 577**	**1 493**	**1 643**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts		–	–	–	16 860	22 420	22 420	17 190	17 543	17 920
Conditions met - transferred to revenue		**–**	**–**	**–**	**16 860**	**22 420**	**22 420**	**17 190**	**17 543**	**17 920**
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		**612**	**491**	**12 852**	**26 968**	**31 802**	**31 802**	**24 748**	**23 461**	**24 283**
Total operating transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capital transfers and grants:	1,3									
Monetary Allocations										
Balance unspent at beginning of the year		235	36	36	36	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**235**	**36**	**36**	**36**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		1 802	113	113	113	2 084	2 084	2 084	2 084	2 084
Current year receipts		–	–	4 534	3 000	5 084	5 084	2 500	–	–
Conditions met - transferred to revenue		**1 802**	**113**	**4 647**	**3 113**	**7 168**	**7 168**	**4 584**	**2 084**	**2 084**
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		**2 037**	**150**	**4 683**	**3 150**	**7 168**	**7 168**	**4 584**	**2 084**	**2 084**
Total capital transfers and grants - CTBM	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
TOTAL TRANSFERS AND GRANTS REVENUE		**2 649**	**640**	**17 536**	**30 118**	**38 970**	**38 970**	**29 332**	**25 545**	**26 367**
TOTAL TRANSFERS AND GRANTS - CTBM		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

DC4 Garden Route - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		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
Monetary Transfers to other municipalities											
District Municipalities Capital (Monetary)	1	–	–	–	–	–	–	–	–	–	–
District Municipalities Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Entities/Other External Mechanisms											
Municipal Entities Capital (Monetary)	2	–	–	–	–	–	–	–	–	–	–
Municipal Entities Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Total Monetary Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to other Organs of State											
Departmental Agencies and Accounts Capital (Monetary)	3				–	–	–	–	–	–	–
Departmental Agencies and Accounts Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Provincial Government Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Provincial Government Operational (Monetary)		–	1 008	–	113	113	113	113	139	147	159
Total Monetary Transfers To Other Organs Of State:		–	1 008	–	113	113	113	113	139	147	159
Monetary Transfers to Organisations											
Foreign Government and International Organisations Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Higher Educational Institutions Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Higher Educational Institutions Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Non-Profit Institutions Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Non-Profit Institutions Operational (Monetary)		2 580	1 014	412	625	515	515	515	515	515	515
Private Enterprises Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Private Enterprises Operational (Monetary)		–	–	–	–	–	–	–	–	–	–
Public Corporations Capital (Monetary)		–	–	1 463	–	–	–	–	–	–	–
Public Corporations Operational (Monetary)		1 282	892	–	–	–	–	–	–	–	–
Total Monetary Transfers To Organisations		3 862	1 906	1 875	625	515	515	515	515	515	515
Monetary Transfers to Groups of Individuals											
Households Capital (Monetary)		–	–	–	–	–	–	–	–	–	–
Households Operational (Monetary)		213	2 043	6 344	279	179	179	179	179	179	179
Total Monetary Transfers To Groups Of Individuals:		213	2 043	6 344	279	179	179	179	179	179	179
TOTAL Monetary TRANSFERS AND GRANTS	6	4 075	4 958	8 219	1 017	807	807	807	833	841	853
In-Kind Transfers to other municipalities											
District Municipalities Capital (In-kind)	1	–	–	–	–	–	–	–	–	–	–
District Municipalities Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Total In-Kind Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to Entities/Other External Mechanisms											
Municipal Entities Capital (In-kind)	2	–	–	–	–	–	–	–	–	–	–
Municipal Entities Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Total In-Kind Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other Organs of State											
Departmental Agencies and Accounts Capital (In-kind)	3	–	–	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Provincial Government Capital (In-kind)		–	–	–	–	–	–	–	–	–	–
Provincial Government Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Total In-Kind Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
In-Kind Grants to Organisations											
Foreign Government and International Organisations Capital (In-kind)	4	–	–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Higher Educational Institutions Capital (In-kind)		–	–	–	–	–	–	–	–	–	–
Higher Educational Institutions Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Non-Profit Institutions Capital (In-kind)		–	–	–	–	–	–	–	–	–	–
Non-Profit Institutions Operational (In-kind)		–	–	–	–	200	200	200	–	–	–
Private Enterprises Capital (In-kind)		–	–	–	–	–	–	–	–	–	–
Private Enterprises Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Public Corporations Capital (In-kind)		–	–	–	–	–	–	–	–	–	–
Public Corporations Operational (In-kind)		–	–	–	–	–	–	–	–	–	–
Total In-Kind Grants To Organisations		–	–	–	–	200	200	200	–	–	–
Groups of Individuals											
Households Capital (In-kind)	5	–	500	605	–	–	–	–	–	–	–
Households Operational (In-kind)		568	348	80	–	450	450	450	100	100	100
Total In-Kind Grants To Groups Of Individuals:		568	847	685	–	450	450	450	100	100	100
TOTAL In-Kind TRANSFERS AND GRANTS		568	847	685	–	650	650	650	100	100	100
TOTAL TRANSFERS AND GRANTS	6	4 642	5 805	8 904	1 017	1 457	1 457	1 457	933	941	953

DC4 Garden Route - 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		
R thousand		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
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		395	418	559	534	560	560	588	617	648
Cell phone Allowance		261	158	129	130	139	139	146	154	161
Housing Allowance		2 042	1 957	2 530	2 001	1 005	1 005	1 055	1 108	1 163
In-kind Benefits		1 040	1 144	1 102	995	995	995	1 045	1 097	1 152
Market Related Non-pensionable Allowance		766	721	–	41	–	–	–	–	–
Motor Vehicle Allowance		136	134	65	825	1 659	1 659	1 742	1 830	1 921
Office-bearer Allowance										
Out of pocket Expenses										
Travelling Allowance										
Use of Personal Facilities										
Total Allowances and Service Related Benefits		4 640	4 533	4 385	4 527	4 359	4 359	4 577	4 806	5 046
Social Contributions										
Medial Aid Benefits		269	227	265	300	262	262	261	279	297
Pension Fund Contributions										
Total Social Contributions		269	227	265	300	262	262	261	279	297
Total Councillors		4 910	4 760	4 650	4 827	4 621	4 621	4 838	5 085	5 344
% increase	4		(3.0%)	(2.3%)	3.8%	(4.3%)	–	4.7%	5.1%	5.1%
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		–	176	–	188	–	–	–	–	–
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3	(383)	(2)	89	–	114	114	114	114	114
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		(383)	(2)	89	-	114	114	114	114	114
Service Related Benefits										
Acting	3	169 138	178 052	188 027	191 209	165 782	165 782	106 571	111 683	119 232
Bonus	3	28 714	29 647	30 263	33 631	28 520	28 520	19 634	20 958	22 373
Danger Allowance	3	36 587	36 590	37 523	36 702	24 741	24 741	17 588	18 776	20 043
Entertainment	3	5 409	7 186	5 244	2 731	3 801	3 801	2 738	2 740	2 741
Fire Brigade		19 449	18 116	16 385	14 138	15 288	15 288	9 616	10 264	10 956
In-kind Benefits	3	13 004	12 226	13 597	14 020	12 059	12 059	10 727	11 451	12 224
Leave Pay	3	130	135	142	124	122	122	95	101	108
Lifeguard/Duty Squads		2 427	2 607	2 785	2 707	2 320	2 320	1 401	1 496	1 597
Long Service Award		9 696	7 731	6 269	6 124	5 444	5 444	4 320	4 515	4 727
Overtime		(4 583)	3 192	3 821	5 949	5 503	5 503	3 613	3 857	4 118
Scarcity	3									
Standby Allowance	3	7 677	4 472	251	–	–	–	6 762	6 762	6 762
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity		1 452	1 247	549	461	579	579	424	424	424
Long Term Service Award										
Total Service Related Benefits		289 099	301 200	304 857	307 797	264 160	264 160	183 490	193 025	205 303
Total Salaries and Allowances		288 717	301 375	304 946	307 985	264 274	264 274	183 603	193 139	205 417
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Municipality		288 717	301 375	304 946	307 985	264 274	264 274	183 603	193 139	205 417
% increase	4		4.4%	1.2%	1.0%	(14.2%)	–	(30.5%)	5.2%	6.4%

DC4 Garden Route - 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		
R thousand		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
Other Municipal Staff										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Other Municipal Staff		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Total Parent Municipality		293 626	306 135	309 596	312 812	268 895	268 895	188 441	198 223	210 761
Board Members of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-

DC4 Garden Route - 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		
R thousand		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
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Salaries and Allowances										
Basic Salary										
Bonuses										
Allowance										
Accommodation, Travel and Incidental										
Cellular and Telephone	3									
Housing Benefits	3									
Non-pensionable										
Travel or Motor Vehicle	3									
Voluntary Work										
Total Allowance		-	-	-	-	-	-	-	-	-

DC4 Garden Route - 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		
R thousand		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
Service Related Benefits										
Acting	3									
Bonus	3									
Danger Allowance	3									
Entertainment	3									
Fire Brigade										
In-kind Benefits	3									
Leave Pay	3									
Lifeguard/Duty Squads										
Long Service Award										
Overtime										
Scarcity	3									
Standby Allowance	3									
Tools Allowance	3									
Uniform/Special/Protective Clothing	3									
Leave gratuity										
Long Term Service Award										
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council										
Group Life Insurance										
Medical										
Pension										
Unemployment Insurance										
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical										
Other Benefits										
Pension										
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		293 626	306 135	309 596	312 812	268 895	268 895	188 441	198 223	210 761
% increase	4		4.3%	1.1%	1.0%	(14.0%)	–	(29.9%)	5.2%	6.3%
TOTAL MANAGERS AND STAFF	5,7	288 717	301 375	304 946	307 985	264 274	264 274	183 603	193 139	205 417

DC4 Garden Route - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		937 972	–	250 475	–		1 188 447
Chief Whip								–
Executive Mayor			1 072 706	640 573	47 504	–		1 760 783
Deputy Executive Mayor			516 386	–	181 991	–		698 377
Executive Committee			3 935 812	–	175 292	–		4 111 104
Total for all other councillors			5 357 871	93 700	3 187 542	–		8 639 113
Total Councillors	8	–	**11 820 747**	**734 273**	**3 842 804**			**16 397 824**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			2 203 051	114 922	496 613	407 138		3 221 724
Chief Finance Officer			1 537 262	365 379	502 563	334 783		2 739 987
List each offical with packages >= senior manager								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	**3 740 313**	**480 301**	**999 176**	**741 921**		**5 961 711**
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	**15 561 060**	**1 214 574**	**4 841 980**	**741 921**		**22 359 535**

DC4 Garden Route - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2024/25			Current Year 2025/26			Budget Year 2026/27		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employ
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3									
Other Managers	7									
Professionals		–	–	–	–	–	–	–	–	
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		–	–	–	–	–	–	–	–	
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	–	–	–	–	–	–	–	–	
% increase					–	–	–	–	–	
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

DC4 Garden Route - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity																
Service charges - Water																
Service charges - Waste Water Management																
Service charges - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		2 044	2 204	2 335	2 285	2 497	3 010	2 480	2 346	2 508	2 403	2 132	2 474	28 720	14 845	15 320
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest																
Interest earned from Receivables		636	636	636	636	636	636	636	636	636	636	1 036	636	8 033	8 299	8 564
Interest earned from Current and Non Current Assets		661	661	661	661	661	661	661	661	661	661	661	661	7 931	8 168	8 406
Dividends																
Rent on Land		61	61	61	61	61	61	61	61	61	61	61	61	736	760	784
Rental from Fixed Assets		166	208	243	194	165	172	160	199	189	155	164	190	2 204	2 277	2 350
Licence and permits		20	2	–	7	119	–	–	–	–	6	9	8	171	177	182
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		240	84	157	192	96	14	23	301	418	42	274	35	1 875	1 921	1 966
Non-Exchange Revenue																
Property rates																
Surcharges and Taxes																
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	218 983	224 052	232 372
Interest																
Fuel Levy																
Operational Revenue																
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		17	17	17	17	17	17	17	17	17	17	17	17	209	209	209
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**22 095**	**22 121**	**22 360**	**22 302**	**22 502**	**22 820**	**22 287**	**22 470**	**22 739**	**22 230**	**22 604**	**22 332**	**268 863**	**260 707**	**270 153**
Expenditure																
Employee related costs		13 752	13 185	16 326	14 293	21 899	16 483	15 363	15 929	18 110	17 450	16 454	16 549	195 794	206 102	219 205
Remuneration of councillors		1 167	1 284	1 222	1 445	1 303	1 290	1 170	1 447	1 428	1 622	1 529	1 492	16 398	17 218	18 079
Bulk purchases - electricity																
Inventory consumed		89	285	104	283	292	240	374	157	243	232	480	289	3 069	3 073	3 079
Debt impairment		333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 000	4 000
Depreciation, amortisation and impairment		672	672	672	672	672	672	672	672	672	672	672	672	8 064	8 064	8 064
Interest, Dividends and Rent on Land		35	35	35	35	35	35	35	35	35	35	35	35	420	420	420
Contracted services		403	1 541	2 645	932	3 922	751	2 108	1 399	3 458	2 645	5 218	14 888	39 909	27 290	27 585
Transfers and subsidies		28	37	44	49	51	28	62	56	107	156	60	255	933	941	953
Irrecoverable debts written off		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 000	3 000
Operational costs		2 739	1 670	2 311	4 074	4 837	2 137	2 632	1 981	3 784	2 031	4 867	3 382	36 445	37 390	38 376
Disposal of Fixed and Intangible Assets		14	14	14	14	14	14	14	14	14	14	14	14	172	172	172
Other Losses		243	243	243	243	243	243	243	243	243	243	243	243	2 915	2 915	2 915
Total Expenditure		**19 726**	**19 549**	**24 199**	**22 623**	**33 851**	**22 476**	**23 258**	**22 516**	**28 677**	**25 684**	**30 157**	**38 402**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit)		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**(46)**	**(5 938)**	**(3 454)**	**(7 554)**	**(16 071)**	**(42 256)**	**(49 878)**	**(55 695)**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–	–	452	–	1 547	–	500	2 500	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Income Tax																
Surplus/(Deficit) after income tax		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue																
Exchange Revenue																
Service charges - Electricity																
Service charges - Water																
Service charges - Waste Water Management																
Service charges - Waste Management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		2 044	2 204	2 335	2 285	2 497	3 010	2 480	2 346	2 508	2 403	2 132	2 474	28 720	14 845	15 320
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest																
Interest earned from Receivables		636	636	636	636	636	636	636	636	636	636	1 036	636	8 033	8 299	8 564
Interest earned from Current and Non Current Assets		661	661	661	661	661	661	661	661	661	661	661	661	7 931	8 168	8 406
Dividends																
Rent on Land		61	61	61	61	61	61	61	61	61	61	61	61	736	760	784
Rental from Fixed Assets		166	208	243	194	165	172	160	199	189	155	164	190	2 204	2 277	2 350
Licence and permits		20	2	–	7	119	–	–	–	–	6	9	8	171	177	182
Special rating levies																
Construction Contract Revenue																
Development Charges																
Operational Revenue		240	84	157	192	96	14	23	301	418	42	274	35	1 875	1 921	1 966
Non-Exchange Revenue																
Property rates																
Surcharges and Taxes																
Fines, penalties and forfeits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	18 249	218 983	224 052	232 372
Interest																
Fuel Levy																
Operational Revenue																
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		17	17	17	17	17	17	17	17	17	17	17	17	209	209	209
Discontinued Operations																
Total Revenue (excluding capital transfers and contributions)		**22 095**	**22 121**	**22 360**	**22 302**	**22 502**	**22 820**	**22 287**	**22 470**	**22 739**	**22 230**	**22 604**	**22 332**	**268 863**	**260 707**	**270 153**
Expenditure																
Employee related costs		13 752	13 185	16 326	14 293	21 899	16 483	15 363	15 929	18 110	17 450	16 454	16 549	195 794	206 102	219 205
Remuneration of councillors		1 167	1 284	1 222	1 445	1 303	1 290	1 170	1 447	1 428	1 622	1 529	1 492	16 398	17 218	18 079
Bulk purchases - electricity																
Inventory consumed		89	285	104	283	292	240	374	157	243	232	480	289	3 069	3 073	3 079
Debt impairment		333	333	333	333	333	333	333	333	333	333	333	333	4 000	4 000	4 000
Depreciation, amortisation and impairment		672	672	672	672	672	672	672	672	672	672	672	672	8 064	8 064	8 064
Interest, Dividends and Rent on Land		35	35	35	35	35	35	35	35	35	35	35	35	420	420	420
Contracted services		403	1 541	2 645	932	3 922	751	2 108	1 399	3 458	2 645	5 218	14 888	39 909	27 290	27 585
Transfers and subsidies		28	37	44	49	51	28	62	56	107	156	60	255	933	941	953
Irrecoverable debts written off		250	250	250	250	250	250	250	250	250	250	250	250	3 000	3 000	3 000
Operational costs		2 739	1 670	2 311	4 074	4 837	2 137	2 832	1 981	3 784	2 031	4 867	3 382	36 445	37 390	38 376
Disposal of Fixed and Intangible Assets		14	14	14	14	14	14	14	14	14	14	14	14	172	172	172
Other Losses		243	243	243	243	243	243	243	243	243	243	243	243	2 915	2 915	2 915
Total Expenditure		**19 726**	**19 549**	**24 199**	**22 623**	**33 851**	**22 476**	**23 358**	**22 516**	**28 677**	**25 684**	**30 157**	**38 402**	**311 119**	**310 585**	**325 847**
Surplus/(Deficit)		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**(46)**	**(5 938)**	**(3 454)**	**(7 554)**	**(16 071)**	**(42 256)**	**(49 878)**	**(55 695)**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–	–	452	–	1 547	–	500	2 500	–	–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Income Tax																
Surplus/(Deficit) after income tax		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Joint Venture																
Share of Surplus/Deficit attributable to Minorities																
Surplus/(Deficit) attributable to municipality		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**
Share of Surplus/Deficit attributable to Associate																
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	**(55 695)**

DC4 Garden Route - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expen Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budg +2 2
Revenue by Vote																
Vote 1 - Office of the Municipal Manager		16 138	16 205	16 273	16 152	16 138	16 129	16 149	16 411	16 139	16 168	16 391	16 141	194 435	200 807	
Vote 2 - Office of the Municipal Manager (cont)																
Vote 3 - Financial Services		1 354	1 348	1 349	1 348	1 348	1 348	1 348	1 348	1 355	1 348	1 348	1 348	16 193	16 781	
Vote 4 - Financial Services (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 5 - Corporate Services		925	714	714	858	790	714	714	714	1 111	714	1 114	714	9 793	9 843	
Vote 6 - Corporate Services (cont)		842	842	842	842	842	842	842	842	842	842	842	842	10 104	10 495	
Vote 7 - Community Services		134	133	135	143	307	148	126	144	153	1 638	133	144	3 338	1 692	
Vote 8 - Community Services (cont)		1 675	1 651	1 654	1 672	1 772	1 653	1 646	2 113	1 646	1 713	1 664	2 175	21 033	5 879	
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 10 - Planning and Economic Development (cont)		184	340	483	367	351	663	402	294	341	369	255	414	4 464	2 778	
Vote 11 - Planning and Economic Development(cont2)		515	560	581	591	625	995	732	729	824	657	529	726	8 064	8 330	
Vote 12 - Roads		328	328	328	328	328	328	328	328	328	328	328	328	3 940	4 102	
Vote 13 - Roads (cont)																
Vote 14 - Community Services (cont 2)																
Vote 15 -																
Total Revenue by Vote		**22 095**	**22 121**	**22 360**	**22 302**	**22 502**	**22 820**	**22 287**	**22 923**	**22 739**	**23 777**	**22 604**	**22 832**	**271 363**	**260 707**	
Expenditure by Vote to be appropriated																
Vote 1 - Office of the Municipal Manager		4 837	5 655	5 316	7 686	7 404	5 600	6 006	6 433	5 805	6 190	8 588	6 450	75 970	78 822	
Vote 2 - Office of the Municipal Manager (cont)		609	638	772	667	1 094	647	646	642	714	663	657	689	8 439	8 981	
Vote 3 - Financial Services		1 413	1 465	1 591	1 592	2 400	1 523	1 608	1 615	1 735	1 471	1 543	3 084	21 041	22 289	
Vote 4 - Financial Services (cont)		403	412	449	553	825	580	384	384	394	394	558	472	5 807	6 182	
Vote 5 - Corporate Services		1 113	1 231	2 583	1 305	2 885	1 447	1 248	1 783	2 955	2 509	1 076	2 298	22 432	23 182	
Vote 6 - Corporate Services (cont)		3 233	1 256	2 220	1 572	5 775	2 741	3 032	1 902	3 528	2 485	3 089	2 473	33 305	34 886	
Vote 7 - Community Services		3 954	4 011	4 469	4 130	6 595	4 997	4 666	4 784	4 747	4 577	4 475	5 179	56 585	59 733	
Vote 8 - Community Services (cont)		2 400	2 873	2 822	2 665	3 910	2 351	2 966	2 564	3 585	3 809	6 951	12 936	49 831	38 763	
Vote 9 - Planning and Economic Development		229	234	246	322	316	269	240	278	252	241	240	246	3 113	3 205	
Vote 10 - Planning and Economic Development (cont)		1 181	1 168	1 375	1 448	1 681	1 480	1 731	1 462	1 456	1 422	1 574	1 444	17 422	16 470	
Vote 11 - Planning and Economic Development(cont2)		256	276	2 222	597	632	728	648	587	3 424	1 721	932	1 210	13 234	13 971	
Vote 12 - Roads		99	330	135	87	334	113	83	81	82	203	473	1 920	3 940	4 102	
Vote 13 - Roads (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 14 - Community Services (cont 2)																
Vote 15 -																
Total Expenditure by Vote		**19 726**	**19 549**	**24 199**	**22 623**	**33 851**	**22 476**	**23 258**	**22 516**	**28 677**	**25 684**	**30 157**	**38 402**	**311 119**	**310 585**	
Surplus/(Deficit) before assoc.		**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	
Income Tax																
Share of Surplus/Deficit attributable to Minorities																
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	**2 369**	**2 572**	**(1 839)**	**(321)**	**(11 349)**	**344**	**(971)**	**407**	**(5 938)**	**(1 907)**	**(7 554)**	**(15 570)**	**(39 756)**	**(49 878)**	

DC4 Garden Route - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expenditu Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Y +2 2028
Revenue - Functional																
Governance and administration		19 259	19 109	19 177	19 201	19 119	19 033	19 052	19 314	19 447	19 072	19 695	19 045	230 524	237 926	246
Executive and council		16 138	16 205	16 273	16 152	16 138	16 129	16 149	16 411	16 139	16 168	16 391	16 141	194 435	200 807	208
Finance and administration		3 121	2 904	2 904	3 048	2 981	2 904	2 904	2 904	3 307	2 904	3 304	2 904	36 089	37 119	38
Internal audit																
Community and public safety		866	1 067	1 233	1 135	1 317	1 840	1 294	1 653	1 352	2 745	951	1 819	17 272	15 085	15
Community and social services		119	119	119	119	119	119	119	119	119	1 619	119	119	2 930	1 302	1
Sport and recreation		344	546	711	605	622	1 304	780	669	811	672	429	786	8 279	8 552	8
Public safety		285	285	285	285	285	285	285	738	285	333	285	786	4 426	3 539	3
Housing																
Health		117	116	118	126	290	132	109	127	137	121	117	128	1 638	1 692	1
Economic and environmental services		711	687	691	708	808	689	682	697	682	702	700	711	8 467	6 946	7
Planning and development		354	354	354	354	354	354	354	354	354	354	354	354	4 248	2 556	2
Road transport		328	328	328	328	328	328	328	328	328	328	328	328	3 940	4 102	4
Environmental protection		29	5	8	25	125	6	–	15	–	19	17	28	279	288	
Trading services		1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	15 099	750	
Energy sources																
Water management																
Waste water management																
Waste management		1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	1 258	15 099	750	
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total Revenue - Functional		22 095	22 121	22 360	22 302	22 502	22 820	22 287	22 923	22 739	23 777	22 604	22 832	271 363	260 707	270
Expenditure - Functional																
Governance and administration		11 817	10 869	13 150	13 589	20 966	13 074	13 332	13 505	15 884	14 102	15 904	16 024	172 215	179 809	187
Executive and council		4 430	5 070	4 795	7 232	6 617	5 045	5 564	5 789	5 209	5 517	8 064	5 858	69 189	71 661	74
Finance and administration		7 083	5 479	7 964	6 008	13 791	7 700	7 447	7 395	10 286	8 247	7 512	9 802	98 714	103 547	108
Internal audit		304	321	391	349	558	329	321	321	389	338	329	364	4 313	4 600	4
Community and public safety		6 564	7 028	7 441	7 091	10 395	7 453	8 084	7 077	8 143	7 350	6 987	7 987	91 600	96 300	101
Community and social services		817	853	875	812	1 004	934	818	839	782	882	787	1 669	11 072	11 385	11
Sport and recreation		775	785	827	877	1 065	1 013	1 264	875	940	854	720	758	10 753	11 252	11
Public safety		1 971	2 378	2 336	2 230	3 330	1 908	2 534	2 111	3 116	2 249	2 112	1 949	28 225	29 534	30
Housing																
Health		3 001	3 012	3 403	3 172	4 996	3 599	3 469	3 251	3 304	3 365	3 367	3 611	41 550	44 129	46
Economic and environmental services		1 065	1 370	3 313	1 573	2 125	1 624	1 554	1 608	4 352	2 828	2 629	4 163	28 204	27 916	29
Planning and development		662	658	2 769	1 168	1 249	1 196	1 116	1 175	3 940	2 289	1 786	1 896	19 903	19 189	20
Road transport		99	330	135	87	334	113	83	81	82	203	473	1 920	3 940	4 102	4
Environmental protection		304	382	409	318	542	315	354	353	330	337	370	347	4 361	4 626	4
Trading services		169	165	166	165	165	173	165	165	164	1 279	4 513	10 099	17 386	4 754	4
Energy sources																
Water management																
Waste water management																
Waste management		169	165	166	165	165	173	165	165	164	1 279	4 513	10 099	17 386	4 754	4
Other		112	117	129	206	199	153	123	161	136	125	124	130	1 714	1 806	1
Total Expenditure - Functional		19 726	19 549	24 199	22 623	33 851	22 476	23 258	22 516	28 677	25 684	30 157	38 402	311 119	310 585	325
Surplus/(Deficit) before assoc.		2 369	2 572	(1 839)	(321)	(11 349)	344	(971)	407	(5 938)	(1 907)	(7 554)	(15 570)	(39 756)	(49 878)	(55
Intercompany/Parent subsidiary transactions																
Surplus/(Deficit)	1	2 369	2 572	(1 839)	(321)	(11 349)	344	(971)	407	(5 938)	(1 907)	(7 554)	(15 570)	(39 756)	(49 878)	(55

DC4 Garden Route - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expen Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budg +2 2
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Office of the Municipal Manager		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 2 - Office of the Municipal Manager (cont)																
Vote 3 - Financial Services		14	–	14	14	14	14	14	14	14	14	14	14	150	150	
Vote 4 - Financial Services (cont)																
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 6 - Corporate Services (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 7 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 8 - Community Services (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 9 - Planning and Economic Development																
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 11 - Planning and Economic Development(cont2)																
Vote 12 - Roads																
Vote 13 - Roads (cont)																
Vote 14 - Community Services (cont 2)																
Vote 15 -																
Capital multi-year expenditure sub-total	2	**14**	**–**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**14**	**150**	**150**	
Single-year expenditure *to be appropriated*																
Vote 1 - Office of the Municipal Manager																
Vote 2 - Office of the Municipal Manager (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 3 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 4 - Financial Services (cont)																
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 6 - Corporate Services (cont)																
Vote 7 - Community Services		–	136	136	136	136	136	136	136	136	136	136	136	1 500	–	
Vote 8 - Community Services (cont)		619	2 818	7 110	6 225	16 846	–	5 864	15 113	2 297	8 042	–	–	64 933	–	
Vote 9 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 10 - Planning and Economic Development (cont)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 11 - Planning and Economic Development(cont2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Vote 12 - Roads																
Vote 13 - Roads (cont)																
Vote 14 - Community Services (cont 2)																
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Capital single-year expenditure sub-total	2	**619**	**2 955**	**7 246**	**6 361**	**16 982**	**136**	**6 000**	**15 249**	**2 433**	**8 178**	**136**	**136**	**66 433**	**–**	
Total Capital Expenditure	2	**633**	**2 955**	**7 260**	**6 375**	**16 996**	**150**	**6 014**	**15 263**	**2 447**	**8 192**	**150**	**150**	**66 583**	**150**	

DC4 Garden Route - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2026/27												Medium Term Revenue and Expen Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budg +2 2
Capital Expenditure - Functional	1															
Governance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Finance and administration		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Internal audit																
Community and public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Community and social services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Housing																
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Economic and environmental services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Planning and development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Road transport																
Environmental protection																
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Energy sources																
Water management																
Waste water management																
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Other																
Total Capital Expenditure - Functional	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Funded by:																
National Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Provincial Government		–	136	136	136	136	136	136	136	136	1 136	136	136	2 500	–	
District Municipality																
allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)																
Transfers recognised - capital		–	136	136	136	136	136	136	136	136	1 136	136	136	2 500	–	
Borrowing		619	2 818	7 110	6 225	16 846	–	5 864	15 113	2 297	7 042	–	–	63 933	–	
Internally generated funds		14	–	14	14	14	14	14	14	14	14	14	14	150	150	
Total Capital Funding		633	2 955	7 260	6 375	16 996	150	6 014	15 263	2 447	8 192	150	150	66 583	150	

DC4 Garden Route - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source															
Property rates															
Service charges - electricity revenue															
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	1 196	14 349	–	–
Rental of facilities and equipment	387	428	464	415	385	393	380	419	409	375	384	411	4 848	5 008	5 169
Interest earned - external investments	661	661	661	661	661	661	661	661	661	661	661	661	7 931	8 168	8 406
Interest earned - outstanding debtors															
Dividends received															
Fines, penalties and forfeits															
Licences and permits	56	54	57	64	229	70	48	65	75	59	55	66	898	927	957
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Operational	18 263	18 263	18 263	18 263	18263	18 263	18 263	18 263	18 263	18 263	18 263	18 263	219 155	224 224	232 544
Other revenue	839	825	1 025	1 009	1074	1 544	1 046	1 172	1 442	981	1 350	1 042	13 350	13 774	14 199
Cash Receipts by Source	**21 401**	**21 427**	**21 665**	**21 608**	**21 808**	**22 126**	**21 593**	**21 776**	**22 045**	**21 535**	**21 909**	**21 638**	**260 532**	**252 102**	**261 274**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	452	–	1 547	–	500	2 500	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)															
Proceeds on Disposal of Fixed and Intangible Assets															
Short term loans															
Borrowing long term/refinancing	118 555	–	–	–	–	–	–	–	–	–	–	–	118 555	–	–
Increase (decrease) in consumer deposits															
Vat Control (receipts)															
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non current investments															
Insurance Refund - Capital															
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments															
Total Cash Receipts by Source	**139 956**	**21 427**	**21 665**	**21 608**	**21 808**	**22 126**	**21 593**	**22 229**	**22 045**	**23 083**	**21 909**	**22 138**	**381 587**	**252 102**	**261 274**
Cash Payments by Type															
Employee related costs	13 681	13 114	16 255	14 222	21 828	16 412	15 293	15 858	18 039	17 379	16 384	16 479	194 945	205 253	218 356
Remuneration of councillors	1 167	1 284	1 222	1 445	1 303	1 290	1 170	1 447	1 428	1 622	1 529	1 492	16 398	17 218	18 079
Finance charges	7	7	7	7	7	7	7	7	7	7	7	7	88	88	88
Bulk purchases - Electricity															
Acquisition inventory - water and other inventory	89	285	104	283	292	240	374	157	243	232	480	289	3 069	3 073	3 079
Contracted services	403	1 541	2 645	932	3 922	751	2 108	1 398	3 458	2 645	5 218	14 888	39 909	27 290	27 585
Transfers and subsidies - other municipalities															
Transfers and subsidies - other															
Other expenditure	2 739	1 670	2 311	4 074	4 837	2 136	2 632	1 961	3 784	2 031	4 867	3 383	36 425	37 369	38 354
Cash Payments by Type	**18 087**	**17 901**	**22 544**	**20 963**	**32 189**	**20 838**	**21 585**	**20 828**	**26 959**	**23 917**	**28 486**	**36 538**	**290 834**	**290 291**	**305 541**
Other Cash Flows/Payments by Type															
Capital assets	633	2 955	7 260	6 375	16 996	150	6 014	15 263	2 447	8 192	150	150	66 583	150	150
Retention (Capital)															
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**18 720**	**20 856**	**29 804**	**27 338**	**49 185**	**20 988**	**27 598**	**36 091**	**29 406**	**32 109**	**28 636**	**36 688**	**357 417**	**290 441**	**305 691**
NET INCREASE/(DECREASE) IN CASH HELD	**121 237**	**571**	**(8 138)**	**(5 730)**	**(27 377)**	**1 139**	**(6 006)**	**(13 863)**	**(7 361)**	**(9 026)**	**(6 726)**	**(14 550)**	**24 170**	**(38 338)**	**(44 417)**
Cash/cash equivalents at the month/year begin:	131 769	253 006	253 577	245 439	239 709	212 332	213 471	207 465	193 602	186 241	177 216	170 489	131 769	155 939	117 601
Cash/cash equivalents at the month/year end:	253 006	253 577	245 439	239 709	212 332	213 471	207 465	193 602	186 241	177 216	170 489	155 939	155 939	117 601	73 185

DC4 Garden Route - NOT REQUIRED - municipality does not have entities

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R million		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
Financial Performance										
Property rates										
Service charges										
Investment revenue										
Transfer and subsidies - Operational										
Other own revenue										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)										
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs										
Remuneration of Board Members										
Depreciation and amortisation										
Interest										
Inventory consumed and bulk purchases										
Transfers and subsidies										
Other expenditure										
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources										
Capital expenditure										
Transfers recognised - capital										
Borrowing										
Internally generated funds										
Total sources		–	–	–	–	–	–	–	–	–
Financial position										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Community wealth/Equity										
Cash flows										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

DC4 Garden Route - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

DC4 Garden Route - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														
														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														
														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

DC4 Garden Route - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

DC4 Garden Route - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Landfill Sites		–	(220)	45 817	105 571	67 122	67 122	63 933	–	–
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

DC4 Garden Route - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Community Assets		–	–	–	–	1 000	1 000	–	–	–
Community Facilities		–	–	–	–	1 000	1 000	–	–	–
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		–	–	–	–	1 000	1 000	–	–	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	653	–	–	–	–	–	–
Operational Buildings		–	–	653	–	–	–	–	–	–
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores		–	–	653	–	–	–	–	–	–
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										

DC4 Garden Route - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Furniture and Office Equipment		(62)	(514)	1 524	350	374	374	150	150	150
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Machinery and Equipment		–	–	779	500	834	834	1 000	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Transport Assets		–	1 152	1 510	2 500	3 250	3 250	1 500	–	–
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on new assets	1	**(62)**	**418**	**50 284**	**108 921**	**72 580**	**72 580**	**66 583**	**150**	**150**

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Community Assets		62	(1 152)	8 399	–	–	–	–	–	–
Community Facilities		62	(1 152)	8 399	–	–	–	–	–	–
Halls										
Centres		2 832	7 314	(66)	–	–	–	–	–	–
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		(2 770)	(8 465)	8 465	–	–	–	–	–	–
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	220	–	–	–	–	–	–	–
Operational Buildings		–	220	–	–	–	–	–	–	–
Municipal Offices		–	220	–	–	–	–	–	–	–
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										

DC4 Garden Route - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Computer Equipment		–	514	270	–	–	–	–	–	–
Computer Equipment		–	514	270	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets										
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on renewal of existing assets	1	62	(418)	8 669	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex		*0.0%*	*41797200.0%*	*14.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Renewal of Existing Assets as % of deprecn"		*1.1%*	*-6.5%*	*121.5%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		724	705	363	1 994	259	259	4	4	4
Roads Infrastructure		–	–	348	1 987	255	255	–	–	–
Roads		–	–	348	1 987	255	255	–	–	–
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		312	126	13	6	4	4	4	4	4
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares		312	126	13	6	4	4	4	4	4
Sanitation Infrastructure		412	579	2	1	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares		412	579	2	1	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Community Assets		**523**	**208**	**9 847**	**6 564**	**8 481**	**8 481**	**8 922**	**9 420**	**9 951**
Community Facilities		47	43	45	30	30	30	30	30	30
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations		47	43	45	30	30	30	30	30	30
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		476	164	9 802	6 534	8 452	8 452	8 892	9 391	9 922
Indoor Facilities										
Outdoor Facilities		303	53	9 528	6 534	8 452	8 452	8 892	9 391	9 922
Capital Spares		173	111	275	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		**661**	**893**	**594**	**405**	**1 020**	**1 020**	**1 020**	**1 020**	**1 020**
Operational Buildings		661	893	594	405	1 020	1 020	1 020	1 020	1 020
Municipal Offices		627	880	576	388	1 003	1 003	1 003	1 003	1 003
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories		34	13	18	17	17	17	17	17	17
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										

DC4 Garden Route - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Computer Equipment		37	390	25	12	12	12	12	12	12
Computer Equipment		37	390	25	12	12	12	12	12	12
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		87	149	107	416	376	376	376	376	376
Machinery and Equipment		87	149	107	416	376	376	376	376	376
Transport Assets		528	408	506	954	954	954	954	954	954
Transport Assets		528	408	506	954	954	954	954	954	954
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Repairs and Maintenance Expenditure	1	**2 559**	**2 752**	**11 443**	**10 345**	**11 102**	**11 102**	**11 287**	**11 786**	**12 317**
R&M as a % of PPE & Investment Property		*1.1%*	*1.1%*	*4.5%*	*4.3%*	*4.4%*	*4.4%*	*4.6%*	*4.9%*	*5.3%*
R&M as % Operating Expenditure		*0.6%*	*0.6%*	*2.3%*	*1.9%*	*2.3%*	*2.3%*	*2.3%*	*3.8%*	*4.0%*

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Depreciation by Asset Class/Sub-class										
Infrastructure		**–**	**4**	**3**	**3 629**	**4**	**4**	**4**	**4**	**4**
Roads Infrastructure		–	4	3	4	4	4	4	4	4
Roads										
Road Structures		–	4	3	4	4	4	4	4	4
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	3 625	–	–	–	–	–
Landfill Sites		–	–	–	3 625	–	–	–	–	–
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Community Assets		988	–	–	–	–	–	–	–	–
Community Facilities		988	–	–	–	–	–	–	–	–
Halls		988	–	–	–	–	–	–	–	–
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	110	109	110	128	128	128	128	128
Revenue Generating		–	110	109	110	128	128	128	128	128
Improved Property		–	110	109	110	128	128	128	128	128
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	1 481	1 567	1 481	1 884	1 884	1 884	1 884	1 884
Operational Buildings		–	1 481	1 567	1 481	1 884	1 884	1 884	1 884	1 884
Municipal Offices		–	1 481	1 567	1 481	1 884	1 884	1 884	1 884	1 884
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		1 331	647	71	1 331	256	256	256	256	256
Servitudes										
Licences and Rights		1 331	647	71	1 331	256	256	256	256	256
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications		1 331	647	71	1 331	256	256	256	256	256
Load Settlement Software Applications										
Unspecified										

DC4 Garden Route - Supporting Table SA34d Depreciation by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Computer Equipment		–	1 781	1 251	1 437	1 630	1 630	1 604	1 604	1 604
Computer Equipment		–	1 781	1 251	1 437	1 630	1 630	1 604	1 604	1 604
Furniture and Office Equipment		2 546	960	1 913	973	1 562	1 562	1 462	1 462	1 462
Furniture and Office Equipment		2 546	960	1 913	973	1 562	1 562	1 462	1 462	1 462
Machinery and Equipment		902	792	949	872	1 000	1 000	1 000	1 000	1 000
Machinery and Equipment		902	792	949	872	1 000	1 000	1 000	1 000	1 000
Transport Assets		–	660	1 272	1 263	1 726	1 726	1 726	1 726	1 726
Transport Assets		–	660	1 272	1 263	1 726	1 726	1 726	1 726	1 726
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Depreciation	1	**5 766**	**6 435**	**7 135**	**11 095**	**8 191**	**8 191**	**8 064**	**8 064**	**8 064**

DC4 Garden Route - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										

DC4 Garden Route - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property										
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property										
Unimproved Property										
Other assets		–	–	1 941	–	–	–	–	–	–
Operational Buildings		–	–	1 941	–	–	–	–	–	–
Municipal Offices		–	–	1 941	–	–	–	–	–	–
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		–	–	–	–	–	–	–	–	–
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets										
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes										
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										

DC4 Garden Route - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment										
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment										
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment										
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land										
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals										
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection										
Zoological plants and animals										
Total Capital Expenditure on upgrading of existing assets	1	–	–	1 941	–	–	–	–	–	–
Upgrading of Existing Assets as % of total capex		*0.0%*	*0.0%*	*3.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Upgrading of Existing Assets as % of deprecn"		*0.0%*	*0.0%*	*27.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

DC4 Garden Route - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	1							
Vote 1 - Office of the Municipal Manager		–	–	–				
Vote 2 - Office of the Municipal Manager (cont)		–	–	–				
Vote 3 - Financial Services		150	150	150				
Vote 4 - Financial Services (cont)		–	–	–				
Vote 5 - Corporate Services		–	–	–				
Vote 6 - Corporate Services (cont)		–	–	–				
Vote 7 - Community Services		1 500	–	–				
Vote 8 - Community Services (cont)		64 933	–	–				
Vote 9 - Planning and Economic Development		–	–	–				
Vote 10 - Planning and Economic Development (cont)		–	–	–				
Vote 11 - Planning and Economic Development(cont2)		–	–	–				
Vote 12 - Roads		–	–	–				
Vote 13 - Roads (cont)		–	–	–				
Vote 14 - Community Services (cont 2)		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**66 583**	**150**	**150**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Office of the Municipal Manager								
Vote 2 - Office of the Municipal Manager (cont)								
Vote 3 - Financial Services								
Vote 4 - Financial Services (cont)								
Vote 5 - Corporate Services								
Vote 6 - Corporate Services (cont)								
Vote 7 - Community Services								
Vote 8 - Community Services (cont)								
Vote 9 - Planning and Economic Development								
Vote 10 - Planning and Economic Development (cont)								
Vote 11 - Planning and Economic Development(cont2)								
Vote 12 - Roads								
Vote 13 - Roads (cont)								
Vote 14 - Community Services (cont 2)								
Vote 15 -								
List entity summary if applicable								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**66 583**	**150**	**150**	**–**	**–**	**–**	**–**

DC4 Garden Route - Supporting Table SA36 Detailed capital budget

R thousand												2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTDP Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Y +2 2028/
Parent municipality:																				
List all capital projects grouped by Function																				
Disaster Management	ital Non-Infrastructure New Transport As	PC002003010_1537	New		Growth		*Transport Assets*		Whole of the District	0	*0*	*0*	*0*	1500000	*0*	–				
Fire Fighting and Protection	lon-Infrastructure New Machinery and Eq	PC002003009_1536	New		Growth		*Machinery and Equipment*		Administrative or Head Office	0	*0*	*0*	*0*	1000000	*0*	–				
Municipal Manager, Town Secretary and	Capital Project	PC002003005_1349	New		Growth		*Furniture and Office Equipment*		inistrative or Head Office,Whole of the Di	0	*0*	*0*	*0*	150000	150000	150				
Municipal Manager, Town Secretary and	Capital Project	PC002003005_1349	New	ent, effective and development-oriented public	Growth		*Furniture and Office Equipment*		inistrative or Head Office,Whole of the Di	0	*0*	148092	373739	*0*	*0*	–				
Solid Waste Disposal (Landfill Sites)	tructure New Solid Waste Infrastructure	C001002002001_147	New		Growth		*Solid Waste Infrastructure*	*Landfill Sites*	Whole of the District	0	*0*	*0*	*0*	6393388	*0*	–				
Parent Capital expenditure																150		–	–	
Entities:																				
List all capital projects grouped by Entity																				
~~Entity A~~																				
Water project A																				
Entity B																				
Electricity project B																				
Entity Capital expenditure																–		–	–	
Total Capital expenditure																150		–	–	

DC4 Garden Route - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand													Current Year 2025/26		2026/27 Medium Term Revenue & Expend Framework		
Function	Project name	Project number	Type	MTDP Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Original Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Y +2 2028
Parent municipality:																	
List all capital projects grouped by Function																	
Entities:																	
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

DC4 Garden Route - Supporting Table SA38 Consolidated detailed operational projects

R thousand												2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenu Expenditure Framework		
Function	Project Description	Project Number	Type	MTDP Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Bud +2
Parent municipality:																				
List all operational projects grouped by Function																				
Administrative and Corporate Support	Infrastructure Corrective Maintenance Planned Other Assets Operational Buildin	02002001003001010	Non-infrastructure		Governance		Corrective Maintenance	Planned	hole of the Distr	0	0	0	0	691825	691825	692				
Administrative and Corporate Support	Operational Typical Work Streams Performance Management	P0003034_1509	Performance Management		Inclusion and access				hole of the Distr	0	0	0	0	1325966	1414840	1 510				
Corporate Wide Strategic Planning (IDPs	Operational Typical Work Streams Community Development Compilation of Plar	P0003023001_1529	Local Economic Development		Spatial integration		Compilation of Plan		hole of the Distr	0	0	0	0	20100	20100	20				
Corporate Wide Strategic Planning (IDPs	Operational Typical Work Streams Local Economic Development Project Implementa	P0003023002_1507	Local Economic Development		Spatial integration		Project Implementation		hole of the Distr	0	0	0	0	313083	313083	313				
Corporate Wide Strategic Planning (IDPs	Work Streams Strategic Management and Governance Inter Governmental Relati	P0003044010_1515	gic Management and Governance		Inclusion and access		Inter Governmental Relations (IGR) Prog		hole of the Distr	0	0	0	0	13215	13215	13				
Disaster Management	aintenance Non-infrastructure Corrective Maintenance Emergency Machinery an	00100200202009_1-	Non-infrastructure		Governance		Corrective Maintenance	Emergency	hole of the Distr	0	0	0	0	343027	343027	343				
Economic DevelopmentPlanning	cture Corrective Maintenance Emergency Other Assets Operational Buildings	02002002003001010	Non-infrastructure		Governance		Corrective Maintenance	Emergency	Head Office,Wh	0	0	0	0	310746	310746	311				
Economic DevelopmentPlanning	Operational Typical Works Streams Expanded Public Works Programme Projec	P0003016001_1469	anded Public Works Programme		Inclusion and access		Project		hole of the Distr	0	0	0	0	5810638	4285598	4 551				
Finance	erational Typical Work Streams Financial Management Grant Interns Compensat	P0003005006_1523	Financial Management Grant		Governance		Interns Compensation		hole of the Distr	0	0	0	0	521000	552260	608				
Fire Fighting and Protection	ture Preventative Maintenance Interval Based Community Assets Community F	02001001002001005	Non-infrastructure		Inclusion and access		Preventative Maintenance	Interval Based	hole of the Distr	0	0	0	0	29564	29564	30				
Fire Fighting and Protection	Maintenance Non-infrastructure Preventative Maintenance Interval Based Trans	00100200101010_1-	Non-infrastructure		Governance		Preventative Maintenance	Interval Based	hole of the Distr	0	0	0	0	97050	97050	97				
Fire Fighting and Protection	aintenance Non-infrastructure Preventative Maintenance Condition Based Tran	00100200101002010_1-	Non-infrastructure		Governance		Preventative Maintenance	Condition Based	hole of the Distr	0	0	0	0	173154	173154	173				
Fire Fighting and Protection	al Maintenance Non-infrastructure Corrective Maintenance Emergency Transpo	00100200202010_1-	Non-infrastructure		Governance		Corrective Maintenance	Emergency	hole of the Distr	0	0	0	0	683792	683792	684				
Fire Fighting and Protection	Operational Typical Work Streams Public Protection and Safety	P0003038_1527	Public Protection and Safety		Inclusion and access				Head Office,Wh	0	0	0	0	26194227	27503749	28 900				
Health Services	Operational Typical Work Streams Health and Welfare Food Sample Testing	P0003019004_1502	Health and Welfare		Inclusion and access		Municipal Health Service		ffice.WC044 Geo	0	0	0	0	40923318	43502542	46 254				
Health Services	Operational Typical Work Streams Health and Welfare Food Sample Testing	P0003019005_1503	Health and Welfare		Inclusion and access		Food Sample Testing		hole of the Distr	0	0	0	0	45109	45109	45				
Human Resources	ntenance Non-infrastructure Preventative Maintenance Interval Based Machinery	00100200101001009_1-	Non-infrastructure		Governance		Preventative Maintenance	Interval Based	hole of the Distr	0	0	0	0	32708	32708	33				
Human Resources	ams Capacity Building Training and Development Capacity Building Local Muni	P0003004003_1487	Building Training and Development		Governance		Capacity Building Local Municipalities (District		Head Office,Wh	0	0	0	0	5442078	5677248	5 928				
Human Resources	Streams Capacity Building Training and Development Workshops, Seminars an	P0003004010_1488	Building Training and Development		Governance		Workshops, Seminars and Subject Matter		Head Office,Wh	0	0	0	0	4331172	4450066	4 577				
Human Resources	Work Streams Capacity Building Training and Development Municipal Minimum	P0003004011_1489	Building Training and Development		Governance		Municipal Minimum Competency Le		hole of the Distr	0	0	0	0	1272333	1272333	1 272				
Human Resources	nal Typical Work Streams Community Development Community Development I	P0003007003_1491	Community Development		Inclusion and access		Community Development Initiative		hole of the Distr	0	0	0	0	7500	7500	8				
Human Resources	erational Typical Work Streams Community Development Education and Traini	P0003007005_1528	Community Development		Inclusion and access		Education and Training		Head Office,Wh	0	0	0	0	185960	185960	186				
Human Resources	ational Typical Work Streams Human Resources Employee Assistance Progra	P0003020002_1505	Human Resources		Governance		Employee Assistance Programme		hole of the Distr	0	0	0	0	60192	60192	60				
Human Resources	erational Typical Work Streams Human Resources Human Resource Manageme	P0003020003_1506	Human Resources		Governance		Human Resource Management		ffice.WC044 Geo	0	0	0	0	14147959	14609220	15 100				
Human Resources	Operational Typical Work Streams Occupational Health and Safety	P0003032_1508	ccupational Health and Safety		Inclusion and access				hole of the Distr	0	0	0	0	127036	127217	127				
Information Technology	aintenance Non-infrastructure Preventative Maintenance Interval Based Compu	00100200101001004_1-	Non-infrastructure		Governance		Preventative Maintenance	Interval Based	hole of the Distr	0	0	0	0	12283	12283	12				
Marketing, Customer Relations, Publicity	ypical Work Streams Strategic Management and Governance Communication an	P0003044002_1511	gic Management and Governance		Inclusion and access		Communication and Development		hole of the Distr	0	0	0	0	2899182	3077850	3 268				
Mayor and Council	Default Project	PO002_0			Governance				Head Office,Wh	0	0	0	0	1936063776	1783349915	187 220				
Mayor and Council	Default Project	PO002_0		an settlements and improved quality o	Governance				Head Office,Wh	0	0	171753875	180058119	0	0	–				
Mayor and Council	perational Typical Work Streams Functions and Events Events and Organisatio	P0003017003_1498	Functions andEvents		Inclusion and access		Events and Organisations		Head Office,Wh	0	0	0	0	526450	526450	526				
Pollution Control	structure Corrective Maintenance Emergency Other Assets Operational Building	02002002003001007	Non-infrastructure		Governance		Corrective Maintenance	Emergency	hole of the Distr	0	0	0	0	17277	17277	17				
Pollution Control	Operational Typical Work Streams Environmental Air Quality Management	P0003015001_1494	Environmental		Spatial integration		Air Quality Management		hole of the Distr	0	0	0	0	135279	135279	135				
Pollution Control	Operational Typical Work Streams Environmental Environmental Health	P0003015004_1496	Environmental		Spatial integration		Environmental Health		hole of the Distr	0	0	0	0	27661	27661	28				
Public Transport	perational Infrastructure Projects Existing Upgrading Roads Infrastructure Road	04040010020020001_1	Existing		Inclusion and access		Upgrading	oads Infrastructu	hole of the Distr	0	0	0	0	3940003	4102006	4 244				
Recreational Facilities	nance Infrastructure Corrective Maintenance Emergency Water Supply Infrastruc	01001002002007010_	Infrastructure		Inclusion and access		Corrective Maintenance	Emergency	hole of the Distr	0	0	0	0	3815	3815	4				
Recreational Facilities	cture Preventative Maintenance Condition Based Community Assets Sport and	02001002002002002	Non-infrastructure		Inclusion and access		Preventative Maintenance	Condition Based	hole of the Distr	0	0	0	0	8849581	9348408	9 879				
Recreational Facilities	cture Corrective Maintenance Emergency Community Assets Sport and Recrea	02002002002002020	Non-infrastructure		Inclusion and access		Corrective Maintenance	Emergency	hole of the Distr	0	0	0	0	42358	42358	42				
Risk Management	onal: Typical Work Streams: Strategic Management and Governance: Risk Mana	P0003044015_1464	gic Management and Governance		Inclusion and access		Risk Management		hole of the Distr	0	0	0	0	1129987	1205814	1 287				
Solid Waste Removal	ational: Typical Work Streams: Emergency and Disaster Management: Disaster	P0003014003_1467	rgency and Disastr Management		Governance		Disaster Relief		hole of the Distr	0	0	0	0	13251	13251	13				
Tourism	Work Streams Strategic Management and Governance Strategic Planning Promo	O0003044016005_15	gic Management and Governance		Governance		Strategic Planning	ational and Mark	hole of the Distr	0	0	0	0	200944	200944	201				
Tourism	Operational Typical Work Streams Tourism Skills Development	P0003046006_1521	Tourism		Growth		Tourism Skills Development		hole of the Distr	0	0	0	0	47000	47000	47				
Parent Operational expenditure																318 760		–	–	
Entities:																				
List all Operational projects grouped by Entity																				
Entity A																				
Water project A																				
Entity B																				
Electricity project B																				
Entity Operational expenditure																–		–	–	
Total Operational expenditure																318 760		–	–	

ANNEXURE B

DRAFT TARIFFS

AIR QUALITY

AIR QUALITY	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
TARRIF LIST/ STRUCTURE					
Registration of Controlled Emitters: Registration fees will be charged in line with GRDM Air Quality by-Laws and tariff structure.					
R5000 per application					
REVIEW OF ATMOSPHERIC EMISSION LICENCE: As per regulations governing Processing fees for Atmospheric Emssions Licences.					
			TARRIF LIST/ STRUCTURE		
SPOT FINES IN TERMS OF GRDM AIR QUALITY BY-LAW- see attached					
DISPERSION MODELLING	5245	5 559,70	5 765,41	5 955,67	6 146,25
SMOKE CHECK OF VEHICLES					
R515.00.00 per test (excl. VAT) 4.9% increase	607,00	643,42	667,23	689,25	711,30
ASSISTANCE WITH NAEIS REPORTING (per report)		5 000,00	5 185,00	5 356,11	5 527,50
IN STACK EMISSION MONITORING (TESTO 350)			0,00	0,00	0,00
Combustion Efficiency	607,00	643,42	667,23	689,25	711,30
CO	681,26	722,14	748,85	773,57	798,32
CO2	681,26	722,14	748,85	773,57	798,32
NOX	681,26	722,14	748,85	773,57	798,32
SO2	681,26	722,14	748,85	773,57	798,32
H2S	681,26	722,14	748,85	773,57	798,32
Flow rate	681,26	722,14	748,85	773,57	798,32
CO2	681,26	722,14	748,85	773,57	798,32
NOX	681,26	722,14	748,85	773,57	798,32
SO2	681,26	722,14	748,85	773,57	798,32
H2S	681,26	722,14	748,85	773,57	798,32
Flow rate	607,00	643,42	667,23	689,25	711,30
			0,00	0,00	0,00
PASSIVE SAMPLING (per single sample taken)			0,00	0,00	0,00
H2S; AMMONIA	1 061,96	1 125,68	1 167,33	1 205,85	1 244,44
SO2/NO2	937,02	993,24	1 029,99	1 063,98	1 098,03
HCL	999,49	1 059,46	1 098,66	1 134,92	1 171,23
BTEX AND OTHER	999,49	1 059,46	1 098,66	1 134,92	1 171,23
Passive sampling equipment (per sample)	1450	1 537,00	1 593,87	1 646,47	1 699,15
DUST SAMPLING: Minivol Air Sampler			0,00	0,00	0,00
Per single sampling run	1667,91	1 767,98	1 833,40	1 893,90	1 954,51
			0,00	0,00	0,00
MOBILE ANALYZER			0,00	0,00	0,00
Per single sample run 5 parameters per 1 month of sampling	5559,7	10 000,00	10 370,00	10 712,21	11 055,00
			0,00	0,00	0,00
WEATHER DATA			0,00	0,00	0,00
Single record all weather parameters/ per record	1111,94	1 178,66	1 222,27	1 262,60	1 303,00

Processing fees for Atmospheric Emission Licence (AEL) applications will be charged in terms of Annexure A, contained in the Regulations prescribing the atmospheric emission licence processing fee, 2016 as per Government Notice 250 published 11 March 2016.

Annexure A:

Application for new AEL	Application for AEL renewal	Application for AEL transfer
R10 000 per listed activity	R5 000 per listed activity	R 2 000,00

ADMINISTRATIVE FINES

Administratative fines in terms of Section 22A of the National Environmental Management, Air Quality Act, 2004, (Act 39 of 2004).

Administrative fines will be charges in terms of Annexure 1 of The Regulations for the Procedure and Criteria to be followed in the Determination of an Administrative Fine in terms of section 22A of the Act, 2016 as per Government Notice 332 of 18 March 2016.

Annexure 1

Minimum fine	Amount
For operating illegally	R200 000
Aggrevating factors/ criteria	**Additional amount to the minimum fine (if yes)**
Each year in which the facility has operated without a licence.	R200 000 per year, i.e. each 12 month cycle.
The facility for which the application is submitted is in a declared Priority Area in terms of section 18 of the Act	R1000 000

Maximum fine may not exceed R5 million in terms of Section 22A.

FIRE SERVICES TARIFFS

			GARDEN ROUTE DISTRICT MUNICIPALITY								
			Fire Services Charges								
			VAT Inclusive								
	2025/26		2024/25			2025/26			2026/27	2027/28	2027/28
			Tariff			Tariff			Tariff	Tariff	Tariff
1. SPECIALIZED FIRE FIGHTING SERVICES:											
1.1	This will include all Fire vehicles, all manpower, water supplies and pump attendance during actual rendering of a specialized fire fighting services (Per hour or part thereof) (Excluding travelling times)		R 6 642,25			R 6 947,79			R 7 536, 28	R 7 852, 54	R 8 103, 82
1.2	Humanitarian Assistance										
1.3	Contracted services		*3rd party invoice amount plus 10% handling fee*			*3rd party invoice amount plus 10% handling fee*			*3rd party invoice amount plus 10% handling fee*	*3rd party invoice amount plus 10% handling fee*	
1.4	Additional Consumables:		*3rd party invoice amount plus 10% handling fee*			*3rd party invoice amount plus 10% handling fee*			*3rd party invoice amount plus 10% handling fee*	*3rd party invoice amount plus 10% handling fee*	
1.5	**Core working hours & Allowance Rates**	(Per hour or part thereof) (Excluding travelling time)	**Rate p/hour**			Standby					
		Rate p/hour	26/27	27/28	28/29	26/27	27/28	28/29			
	Junior Firefighter	T - 06	98, 80	102, 94	107, 57	115, 95	120, 81	126, 25			
	Firefighter	T - 08	135, 51	141, 20	146, 52	157, 82	164, 44	171, 83			
	SeniorFirefighter	T - 10	167, 65	174, 68	182, 54	200, 74	209, 16	218, 56			
	Platoon Commader	T - 11	198, 18	206, 49	215, 79	236, 21	246, 12	257, 19			
	Station Officer	T - 12	205, 59	214, 21	223, 85	278, 93	290, 63	303, 70			
	Deputy Fire Chief	T - 13	269, 43	280, 73	293, 36	314, 00	327, 17	341, 89			
	Chief Fire Officer	T - 16	413, 25	430, 59	449, 96	458, 90	477, 15	499, 66			
1.5	**Core working hours & Allowance Rates**	(Per hour or part thereof) (Excluding travelling time)	NIGHT SHIFT @ 18%			OVERTIME P/H @ 1,5			OVERTIME P/H @ 2		
		Rate p/hour	26/27	27/28	28/29	25/26	26/27	27/28	26/27	27/28	28/29
	Junior Firefighter	T - 06	20, 57	21,43	22, 39	178, 84	186, 34	194, 72	178,84	186, 34	194, 72
	Firefighter	T - 08	28, 21	29, 39	30, 72	243, 43	253, 64	265, 04	243, 43	253, 64	265, 04
	SeniorFirefighter	T - 10	35, 38	36, 85	38, 51	308, 60	321, 54	336, 00	308, 60	321, 54	336, 00
	Platoon Commader	T - 11	41, 26	42, 99	44, 92	364, 31	379, 60	396, 68	364, 31	379, 60	396, 68
	Station Officer	T - 12				430, 09	488, 13	468, 30	860, 19	896, 28	936, 60
	Deputy Fire Chief	T - 13				484, 23	504, 55	527, 25	968, 47	1009, 11	1060, 71
	Chief Fire Officer	T - 16				743, 87	775, 08	809, 94	1487, 74	1550, 17	1619, 90
			2024/25			2025/26			2026/27	2027/28	2028/29
	Air Support Services		*Purchase price plus 10% handling fee*			*Purchase price plus 10% handling fee*			*Purchase price plus 10% handling fee*	*Purchase price plus 10% handling fee*	*Purchase price plus 10% handling fee*
1.6	Assistance requested outside GRDM boundary:	Unit Cost	& per vehicle (km) cost								
1.7	Rate per km	10 Seater or Minibus	9,72			10,17			11, 02	11, 48	12, 01
		Sedan Vehicle	6,95			7,27			7,88	8,21	8,58
		Light Delivery Vehicle	8,34			8,72			9,45	9,85	10, 29
		Medium Tanker	13,80			14,43			15, 65	16, 31	17, 04
		Major Tanker	18,06			18,89			20, 49	21, 35	22, 31
	Fire Safety//Fire Prevention Inspection:	**Per kilometer tariff**								-	-
1.8		LDV:	8,34			8,72			9,45	9,85	10, 29
		Sedan Type:	6,95			7,27			7,88	8,21	8, 58
		Per inspection: (all inclusive tariff)	900,20			941,61			1021, 36	1064, 22	1112, 10
	Fire safety re-inspection fee		578,65			605,27			656, 53	684, 08	714, 86
	Fire Permit	**Per kilometer tariff**								-	-
1.9		LDV:	8,34			8,72			9,45	9,85	10, 29
		Sedan Type:	6,95			7,27			7,88	8,21	8,58
		Per inspection: (all inclusive tariff)	900,20			941,61			1021, 36	1064, 22	1112, 10
1.10	Certified copy of incident report	Per Copy	150,65			157,58			170, 92	178, 09	186, 11
										-	-
1.11	Fire hazard clearance fee		578,65			605,27			656, 53	684, 08	714, 86
										-	-
1.12	Clearing of Fire hazard	Inspection of premises selling/storing fireworks	384,00			401,66			423, 84	453, 97	474, 38
		inspection of a site for fireworks display	384,00			401,66			435, 68	453, 97	747, 38
		Investaigation of flammable liquid/gas	900,20			941,61			1021, 36	1064, 22	1112, 10
1.12.1	**Forensic Fire Investigation Report**					50% of service provider invoiced cost					
1.13	Water Delivery Add: Price of Water as per supplier invoice plus 10% handling fee	**Per kilometer tariff**	R 20,84			R 21,80			R 22,80	23,85	24,95
2. TRAINING AND EDUCATION (ACCREDITED)			2024/25			2025/26			2026/27	2027/28	2028/29
2.1	Occupational Firefighter	Incl. Hazmat Awareness and Operation	17 558,54			18 366,23			19921, 88	20 757, 91	21 691, 76
		RPL (Recognition of Prior Learning) p/cand p/d	1 503,64			1 572,81			1706, 03	1 777, 61	1 857, 58
		Course challenges: p/ candidate p/ day	1 503,64			1 572,81			1706, 03	1777, 61	1 857, 58
2.2	Basic Workplace Firefighting	Rate per hour per facilitator per group of 10	Platoon Commander			191,11			207, 29	216, 00	215, 78
		Rate per hour per facilitator per group of 10	Station Officer			198,26			215, 04	224, 06	224, 06
2.3	Basic Wildland Firefighting	Rate per hour per facilitator per group of 10	Platoon Commander			191,11			207, 29	216, 00	215, 79
		Rate per hour per facilitator per group of 10	Station Officer			198,26			215, 04	224, 06	224, 06
3. SPECIAL SERVICES:			2024/25			2025/26			2026/27	2027/28	2028/29
	First Aid or Army Safety Assistance	Per event per official	750,17			784,68			824, 47	886, 86	926, 75
3.1	Travelling or Equipment use	**Per kilometer tariff**									
3.2		10 Seater or Minibus	9,72			10,17			11, 02	11, 48	12, 01
		Sedan Vehicle	6,95			7,27			7,88	8,21	8,58
		Light Delivery Vehicle	8,34			8,72			9,45	9, 85	10, 29
		Medium Tanker	13,80			14,43			15, 65	16, 31	17, 04
		Major Tanker	18,06			18,89			20, 49	21, 35	22, 31
		Consumables actual cost							per unit usage	per unit usage	per unit usage

MUNICIPAL HEALTH TARIFFS

GARDEN DISTRICT MUNICIPALITY TARIFF LIST MUNICIPAL HEALTH	2025/2026 BUDGET (VAT INCL)	2026/2027 BUDGET (VAT INCL)	2027/2028 BUDGET (VAT INCL)	2028/2029 BUDGET (VAT INCL
1. Issuing of a Health Certificate	R760.00	R789.00	R815.00	R841.00
2. Issuing of Health Reports excluding ECD's	R760.00	R789.00	R815.00	R841.00
3. a) Early Childhood Development centres (NGO in the process and/or registered with the Department of Social Services)	R280.00	R290.00	R299.00	R308.00
b.) Early Childhood Development centres (Private ECD's)	R760.00	R789.00	R815.00	R841.00
4. Certificate of Competence (COC) terms of R363	R760.00	R789.00	R815.00	R841.00
5. Certificate of Acceptability (COA) for food premises in terms of R638:	R760.00	R789.00	R815.00	R841.00
6. Follow up non-compliance inspections (Second and continuous inspections) for COA, Health certificate and COC holders	R280.00	R290.00	R299.00	R308.00
7. Certificate of Acceptability (COA) for a Milking Shed in terms of R961	R760.00	R789.00	R815.00	R841.00
8. Health monitoring at the exhumation and reburial of human remains. Verified indigent cases - free of charge.	R860.00	R892.00	R921.00	R922.00
Water Quality Monitoring (individual or private entity):				
9. Water samples (except for a water service authority): R1120.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM. Inclusive of admin fee	R1120.00	R1161.00	R1199.00	R1237.00
10. All subsequent routine bacteriological and/or chemical sampling on premises in possession of a COA.	FREE	FREE	FREE	FREE
Sampling of food, milk and milk products				
11. Sampling of milk and milk products on request of purveyors, individual/private entity.	R1120.00	R1161.00	R1199.00	R1237.00
12. All bacteriological and chemical sampling on request. R1120.00 per sampling session plus laboratory costs of	R1120.00	R1161.00	R1199.00	R1237.00

laboratory contracted by Garden Route DM. Inclusive of admin fee.				
13. Follow up samples taken after non-compliance in cases where samples did not comply with the condition of the Foodstuffs, Cosmetics & Disinfectant Act, 1972 (Act 54 of 1972) R1120.00 per sampling session plus laboratory costs of laboratory contracted by Garden Route DM.	R2880.00 R3000.00	R2986.00 R3111.00	R3085.00 R3214.00	R3184.00 R3317.00
14. Issuing of Export certificates	R280.00	R290.00	R299.00	R308.00
15. An inspection carried out in terms of Section 4.5 of R638 with reference to an application for the lifting of a prohibition on the use of a premises or facility.	R760.00	R789.00	R815.00	R841.00
16. Re-issuing of a COA, COC or health certificate when lost or destroyed.	R920.00	R954.00	R985.00	R1016.00
17. Health inspections at premises excluding food premises, for the issuing of a health report in respect of an application for trading licenses in terms of the Businesses Act. Health inspection request at premises.	R2000.00	R2074.00	R2142.00	R2211.00
18. For the destruction /condemnation of foodstuffs derived from a food premises which are unfit for human consumption in the case of food premises or on an accident scene.	R1000.00	R1037.00	R1071.00	R1105.00
20. Application for an event; approved by the respective B-municipalities – Administration fee (excluding schools, churches, and registered sports organisation)				
21. GRDM requested training – tariff per training session per person. Minimum R1000 per session. Every person more than 10 pay an additional R150 per person.	R2000.00	R2074.00	R2142.00	R2211.00
a) An individual training tariff of R130				
22.Application fee for Dog friendly restaurants				

SWARTVLEI TARIFFS

SWARTVLEI				
2025/2026 + 2026/2027 + 2027/2028 + 2028/2029				
Detail	Rate 2025/2026	Rate 2026/2027	Rate 2027/2028	Rate 2028/2029
IN SEASON				
WESTERN CAPE SCHOOL HOLIDAYS				
SITES WITHOUT ELECTRICITY	R 589	R 633	R 693	R 735
SITES WITH ELECTRICITY	R 690	R 768	R 814	R 863
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH			R110 PER PERSON EXTRA PER NIGHT	
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				
OUT OF SEASON				
WESTERN CAPE SCHOOL HOLIDAYS				
SITES WITHOUT ELECTRICITY	R 330	R 367	R 389	R 412
SITES WITH ELECTRICITY	R 401	R 446	R 473	R 501
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSON WILL PAY EACH			R110 PER PERSON EXTRA PER NIGHT	
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				
DAY VISITORS				
Per person	R 35	R 43	R 45	R 50

VICTORIA BAY TARIFFS

VICTORIA BAY

2025/2026 + 2026/2027 + 2027/2028 + 2028/2029

Detail	Rate 2025/2026	Rate 2026/2027	Rate 2027/2028	Rate 2028/2029
SITES WITH COMMUNAL ABLUTION FACILITIES				
IN SEASON				
WESTERN CAPE SCHOOL HOLIDAYS				
SEA BREEZE	R 725	R 807	R 844	R 883
RAILWAY TERRACE	R 796	R 886	R 927	R 969
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSOI		R110 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				
OUT OF SEASON				
WESTERN CAPE SCHOOL HOLIDAYS				
SEA BREEZE	R 418	R 465	R 486	R 509
RAILWAY TERRACE	R 418	R 465	R 486	R 509
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSOI		R110 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				
SITES WITH INDIVIDUAL ABLUTION FACILITIES				
IN SEASON				
WESTERN CAPE SCHOOL HOLIDAYS				
WESTERN TERRACE	R 837	R 932	R 975	R 1 020
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSOI		R110 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				
OUT OF SEASON				
WESTERN TERRACE	R 530	R 590	R 617	R 646
TARIFF IS FOR 4 PEOPLE, THE 5TH AND 6TH PERSOI		R110 PER PERSON EXTRA PER NIGHT		
CHILDREN 2 YEARS AND YOUNGER IS FREE OF CHARGE				
MAXIMUM OF 6 PERSONS PER SITE				

DE HOEK RESORT TARIFFS

DE HOEK MOUNTAIN RESORT

2025/2026 + 2026/2027 + 2027/2028 + 2028/2029

Facility		Financial Year	OUT OF SEASON	IN SEASON
4-sleeper Chalet	Per unit	2025/2026	R 724	R 1 026
		2026/2027	R 751	R 1 064
		2027/2028	R 776	R 1 099
		2028/2029	R 800	1 134
6-sleeper Chalet	Per unit	2025/2026	R 906	R 1 207
		2026/2027	R 940	R 1 252
		2027/2028	R 971	R 1 293
		2028/2029	R 1 002	R 1 334
Dormitories	Per person	2025/2026	R 91	R 91
		2026/2027	R 94	R 94
		2027/2028	R 97	R 97
		2028/2029	R 101	R 101
Caravan Site With Electricity	Refer to notes	2025/2026	R 398	R 455
		2026/2027	R 413	R 472
		2027/2028	R 426	R 487
		2028/2029	R 440	R 503
Tent Site Without Electricity	Refer to notes	2025/2026	R 240	R 362
		2026/2027	R 249	R 375
		2027/2028	R 257	R 388
		2028/2029	R 266	R 400
Day Visitors	Per person	2025/2026	R40,00 Per Person	
		2026/2027		
		2027/2028		
		2028/2029		
Conferences	Per day	2025/2026	R 787	
		2026/2027	R 816	
		2027/2028	R 843	
		2028/2029	R 870	
TARIFF IS FOR 4 PEOPLE PER CAMP SITE, THE 5TH AND 6TH PERSON WILL PAY EACH				R110 PER PERSON EXTRA PER NIGHT
MAXIMUM OF 6 PERSONS PER CAMP SITE				

DISASTER MANAGEMENT TARIFFS

GARDEN ROUTE DISTRICT MUNICIPALITY											
Disaster Management Charges											
VAT Inclusive											
2026/2027				Tariff		2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
1. DISASTER MANAGEMENT:											
1,1	Humanitarian Assistance			---Free---							
1.2	Water delivery cost per hour or part thereof					848,00	898,00	931,23	961,96	992,74	
2. RENT						2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
2,1	Rent Income of Tents	**Per Day**									
		5x5 Army Tent	R 400,00	**R 460,00**	R 27,60	R 516,86	R 542,18	R 562,24	R 580,80	R 599,38	
		10x20 Marque Tent	R 7 500,00	**R 8 625,00**	R 517,50	R 9 691,05	R 10 165,91	R 10 542,05	R 10 889,94	R 11 238,42	
2,2	Rent Income of Generators	**Per Day**									
		100 KVA	R 2 500,00	**R 2 875,00**	375		R 2 875,00	R 2 981,38	R 3 079,76	R 3 178,31	
		70 KVA	R 1 800,00	**R 2 070,00**	270	R 890,10	R 2 171,43	R 2 251,77	R 2 326,08	R 2 400,52	
		40 KVA	R 1 200,00	**R 1 380,00**	180	R 861,82	R 1 447,62	R 1 501,18	R 1 550,72	R 1 600,34	
		6 KVA	R 200,00	**R 230,00**	30	R 277,84	R 291,46	R 302,24	R 312,22	R 322,21	
	Humanitarian Assistance / Official municipal use					---Free---	---Free---	---Free---	---Free---	---Free---	
3. HOURLY RATE						2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
	Incident commander:					645,05	676,66	701,70	R 724,85	R 748,05	
	Disaster Management Officers:					384,72	403,57	418,50	R 432,31	R 446,15	
	Logistical Support Staff:					248,43	260,60	270,24	R 279,16	R 288,09	
	Humanitarian Assistance					---Free---	---Free---	---Free---	---Free---	---Free---	
4. FORWARD COMMAND VEHICLE (Per kilometer tariff)						2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
	LDV:					8,34	8,74	9,07	R 9,37	R 9,67	
	Sedan Type:					6,95	7,29	7,56	R 7,81	R 8,06	
	10 Seater or Minibus					9,72	10,20	10,58	R 10,93	R 11,28	
	Humanitarian Assistance					---Free---	---Free---	---Free---	---Free---	---Free---	
5. LOGISTICAL SUPPORT VEHICLE (Per kilometer tariff)						2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
	LDV:					8,34	8,74	9,07	R 9,37	R 9,67	
	Sedan Type:					6,95	7,29	7,56	R 7,81	R 8,06	
	10 Seater or Minibus					9,72	10,20	10,58	R 10,93	R 11,28	
	Humanitarian Assistance					---Free---	---Free---	---Free---	---Free---	---Free---	
6. TRAINING (Per Person Tariff)						2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	
	First Aid:					R 650,00	R 681,85	R 707,08	R 730,41	R 753,79	
	First Aid for registered Disaster Management Vollunteers					---Free---	---Free---	---Free---	---Free---	---Free---	

COMMUNICATION TARIFFS

GARDEN ROUTE DISTRICT MUNICIPALITY
PROPOSED TARIFFS 2026/2027
GIS OFFICE

ITEM	Tariff 2025/2026	Tariff 2026/2027	Tariff 2027/2028	Tariff 2028/2029
PHOTOCOPIES				
A0	R 42,17	R 43,73	R 45,17	R 46,62
A1	R 23,12	R 23,97	R 24,76	R 25,55
A2	R 11,69	R 12,12	R 12,52	R 12,92
A3	R 1,14	R 1,19	R 1,23	R 1,26
A4	R 0,89	R 0,92	R 0,95	R 0,98
NORMAL PLOT				
A0	R 232,69	R 241,30	R 249,26	R 257,23
A1	R 116,34	R 120,65	R 124,63	R 128,62
A2	R 68,97	R 71,52	R 73,88	R 76,24
A3	R 39,88	R 41,36	R 42,72	R 44,09
A4	R 29,08	R 30,16	R 31,15	R 32,15
FLOOD PLOT				
A0	R 461,69	R 478,77	R 494,57	R 510,40
A1	R 232,69	R 241,30	R 249,26	R 257,23
A2	R 116,34	R 120,65	R 124,63	R 128,62
A3	R 68,97	R 71,52	R 73,88	R 76,24
A4	R 47,38	R 49,13	R 50,75	R 52,37
OTHER				
AKTEX / enquiry	R 23,62	R 24,50	R 25,31	R 26,12
CD	R 33,66	R 34,90	R 36,06	R 37,21
LABELS & CARDBOARD / sheet (INK excl.)	R 2,67	R 2,77	R 2,86	R 2,95
DATA / Block	R 101,61	R 105,37	R 108,85	R 112,33
A4 LAZER PRINT BLACK (INT)	R 3,43	R 3,56	R 3,67	R 3,79
A4 LAZER PRINT COLOUR (INT)				
A4 LAZER PRINT BLACK	R 4,32	R 4,48	R 4,63	R 4,77
A4 LAZER PRINT COLOUR (INT)	R 9,02	R 9,35	R 9,66	R 9,97
A0 PHOTO PAPER	R 152,99	R 158,65	R 163,88	R 169,13
A1 PHOTO PAPER	R 79,76	R 82,71	R 85,44	R 88,18
A2 PHOTO PAPER	R 51,00	R 52,88	R 54,63	R 56,38
A3 PHOTO PAPER	R 33,91	R 35,17	R 36,33	R 37,49
LAMINATING				
ID CARD INTERNAL	R 13,34	R 13,83	R 14,29	R 14,74
RENTAL OF CAR PORTS	2025/2026	2026/2027	2027/2028	2028/2029
Carports 1	R 30,00	R 30,00	R 30,00	R 30,00
Carports 2	R 20,00	R 20,00	R 20,00	R 20,00
Op Oudtshoorn is tandem carports indien die gebruik voortgaan met die verhuring	R 25,00	R 25,00	R 25,00	R 25,00
	2025/2026	2026/2027	2027/2028	2027/2028
Issuing of a duplicate account (per account)	R 6,73	R 6,98	R 7,21	R 7,44
Tracking fees: Plan/documentation (p/property)	R 64,20	R 66,58	R 68,78	R 70,98
GISc Services fees (p/hour)	R 401,27	R 416,11	R 429,84	R 443,60
Tracking fees: GIS(p/property)	R 126,50	R 131,18	R 135,51	R 139,84

SUPPLY CHAIN MANAGEMENT TARIFFS

PROPOSED TARIFFS 2026/27

	2025/2026	2026/2027	2027/2028	2028/2029
Tender Documents	R 400,00	R 450,00	R 477,00	R 505,00

TARIFFS: PROPERTIES

PROPOSED TARIFFS 2026/27

	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Property Application Tariffs	R 2 517,60	R 2 705,00	R 2 805,09	R 2 897,65	R 2 990,38

Debt Collection Agency Costs and Legal costs

Collection costs payable to collection agencies will be recovered from defaulting clients plus 15%.
Legal costs payable to Law firms for legal processes will be recovered from defaulting clients plus 15%.

Credit Control costs

GRDM Credit Control costs will be charged as follows:

Finance Department Letter of Demand	R 55.00
Legal Department Letter of Demand	R 124.00
Debt Repayment agreement	R 172.00
Telephonic calls for debt collection	R 5.70
E-mails submitted for debt collection	R 2.70
Other debt collection costs	actual cost incurred by the municipality

Note: The above listed tariffs are for GRDM internal debt collection processes followed.

Remuneration:

Interim advances payment request – per request item	-	R100
Additional deductions request per requested item	-	R100

Creditors

Interim Creditors payment request – per requested item	-	R100
Payment request within 1 week of invoice date	-	Discount of 5% of invoiced amount
Payment request after 1 week to 3 weeks of invoice date	-	Discount of 2.5% of invoiced amount

Waste Management Tariffs 2026/27

TARIFF LIST WASTE MANAGEMENT/	2025/2026 BUDGET (VAT INCL)	2026/2027 BUDGET (VAT INCL)	2027/2028 BUDGET (VAT INCL)	2028/2029 BUDGET (VAT INCL)
Issuing of Waste Registration Certificates in terms of the Waste Management Bylaw.	280	290	300	310

ANNEXURE C
TARIFF POLICY



TARIFF POLICY

Date Approved: **DD MM YYYY** Council Resolution (DC No): DC

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1. INTRODUCTION

A tariff policy must be compiled, adopted and implemented in terms of current legislation. This Policy will focus on the levying of fees and for municipal services provided by the Municipality itself or by way of service delivery agreements. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and also of the impact its own tariffs may have on local economic development.

2. LEGISLATION

For the purposes of this Policy, the Municipal Finance Act No. 53 of 2003 and the Local Government Municipal Systems Amendment Act No. 44 of 2003 has been used as a reference.

3. OBJECTIVES

The objectives of the tariff policy are to ensure the following:

3.1. The tariffs of the Municipality conform to acceptable policy principles;

3.2. Municipal services are financially sustainable;

3.3. That there is certainty in the Council, of how the tariffs will be determined;

3.4. Tariffs of the Municipality comply with the applicable legislation.

4. POLICY PRINCIPLES

The Municipality's tariff policy will reflect the following principles:

4.1 Although users of municipal services should be treated equitably in the application of tariffs, tariffs may differentiate between different categories of consumers, municipal services and service standards as long as such differentiation does not amount to unfair discrimination.

4.2 The amount individual users pay for services should generally be in proportion of their use of that service;

4.3 Tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned. A service is financially sustainable when it is provided in a manner that would ensure it's financing from internal and external sources is sufficient to cover the costs of the initial capital expenditure required, operating the service, maintaining, repairing and replacing the physical assets used in its provision and to cover the cost of rehabilitation where a statutory obligation to do restoration exist.

4.4 Provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users.

5. NEED FOR A TARIFF POLICY

5.1 Revenue Adequacy and Certainty

The Municipality must have access to adequate sources of revenue to enable it to carry out its functions. The Municipality must:

(a) Fully utilize the available sources of revenue to meet its development objectives; and

(b) Be reasonably certain of its revenue to allow for realistic planning.

5.2 Sustainability

Financial sustainability requires that the Municipality must ensure that:

(a) Services are provided at affordable levels; and

(b) It is able to recover the costs of service delivery.

5.3 Effective and Efficient usage of Resources.

Resources are scarce and must be used in the best possible way to reap the maximum benefit for the community.

5.4 Accountability, Transparency and Good Governance.

The Municipality must be accountable to the community for the use of its resources, Councillors must be able to:

(a) Justify their expenditure decisions; and

(b) Explain why and how the revenue necessary to sustain expenditure is raised.

5.5 Budgeting and the financial affairs

Must be open to public scrutiny, in accordance with Section 22 of the Municipal Finance Management Act No 53 of 2003. The community should be part of the decision-making process about how revenue is raised and spent.

5.6 Equity and Redistribution

The Municipality must treat members of the community equitably with regard to the provision of services.

6. IMPLEMENTATION OF POLICY

6.1 Affordable Tariffs

The Council is aware of the financial situation of most residents within the municipal area and need to keep tariffs at affordable levels. In order to ensure that tariffs remain affordable, the Council will ensure that:

(a) Services are delivered at an appropriate level; and

(b) Efficiency improvements are actively pursued across the Municipalities' operations;

6.2 Tariff Equality for Services

The Council believes that all residents and other receivers of services must pay the same tariff for the same level and quality of service.

The Municipality, like any other business enterprise is subject to continuous price increases in the goods, materials and other resources that it uses to perform its functions. Consequently it is the policy of the Council:

(a) That tariffs for service and property rates will be reviewed at least once during every financial year;

(b) That the tariff increases must be in line with increases in the price of goods, material and other resources acquired and used by the Municipality to perform its functions; and

(c) Further the tariff for a particular service must be calculated in such a way that all relevant costs are covered. This means that a tariff for a service must include at least the capital expenditure required and interest thereon, the cost of managing and operating the service and the cost of maintaining, repairing and replacing the physical assets used in its provision and to cover the cost of rehabilitation where a statutory obligation to do restoration exist.

6.3 Payment for services rendered

Consumers of services must pay for the amount of services that they use.

6.4 Local Economic Development and Competitiveness

The Council will take care that the service charges presented to consumers are fair. To ensure fairness toward consumers, the Council will, when it determines tariffs, take into account the desire:

(a) To promote local economic competitiveness, and

(b) To promote local economic development and growth.

The Municipality must ensure that the services that it provides must be sustainable. Financial sustainability of an enterprise will be achieved when it is financed in a manner that ensures that its financing is sufficient.

6.5 **Tariff Determination**

Tariffs represent the charges levied by Council on consumers for the utilization of services provided by the Municipality. Tariffs may be calculated in various different ways, dependent upon the nature of the service being provided. Tariffs may be set in such a manner so as to recover the full cost of the service being provided or recover a portion of those costs, or to bring about a surplus that can be utilized to subsidize other non-economical services or to result in a cash surplus which must be transferred to a reserve established for a particular service .Tariffs could also include administrative fees to be charge to recover cost as an additional cover charge to deliver a service on behalf of an other party. Proposed tariffs will be presented to the community and municipalities utilizing services, during the Council's consultations about the budget.

7. SOURCES OF REVENUE

The Municipality may impose:

7.1 If authorised by National legislation, other taxes, levies and duties appropriate to Local Government, but it may not impose income tax, value-added tax or customs duty.

7.2 May not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and may be regulated by national legislation.

The Council may finance the affairs of the Municipality by:

(a) Charging fees for services; and

(b) The revenue of the Municipality consists of the taxes, fees, charges, fines and other sums imposed or recoverable by or payable to the Council under any law;

(c) The Council may charge interest on any other amount due to it that may not have been paid within thirty days from the date on which such amounts became due. The interest rate charged is one percent higher than the rate payable by the Council to its bank in respect of an overdraft for the period during which such amounts remain unpaid after the expiry of the period of thirty days. Interest may not be charged on: Fines imposed by a court and due to the Council; and

Monies due to the Council in terms of a law and in respect of which that law provides that a penalty on interest must be levied if such monies are not paid on the date when due or payable.

(d) The interest rates referred to above must be amended on the first day of the month following on the month in which the Council's bank has amended the interest rate payable by the Council to its bank in respect of an overdraft; and

(e) Any fine imposed or money treated as bail in respect of any offence under the ordinance or a bylaw made by the Council, must be paid to the Municipality.

8. TARIFF STRATEGY

The Council's strategy is to recover the full financial cost of rendering the services required by the community from the community, including the cost of capital:

8.1 The starting point to recover cost is the determination of service levels. These shall be based on basic human needs;

8.2 The second point will be to ensure a sustainable service delivery based on the set service level; and

8.3 The third point will be the upgrade of services to higher levels in accordance with the affordability of the community and the ability to render the upgraded services in a sustainable manner.

9. CATEGORIES OF USERS

The tariff structure of the Garden Route District Municipality will make provision for the following categories of users.

- Domestic;
- Commercial;
- Industrial
- Agricultural
- Rural
- Municipal Services; and
- Special agreements for users not falling in any of the above-mentioned categories.

10. TARIFF CHARGES

All tariffs will be charged as set out in the tariff list as approved within the budget of each year.

11. RESPONSIBILITY / ACCOUNTABILITY

The Council or designates of the Council have the overall responsibility of laying down the Tariff Policy. The Municipal Finance Management Act defines the responsibility of the Municipal Manager as ensuring that the Tariff Policy be in place and that it is effectively implemented.

ANNEXURE D

LONG TERM FINANCIAL PLAN POLICY

LONG TERM FINACIAL PLAN POLICY

Date Approved:	Council Resolution (DC No):

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1. ABBREVIATIONS DEFINITIONS

Basic municipal service: *A municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;*

BSC: *Budget Steering Committee, a committee established to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the MFMA;*

Budget-related policy: *A policy of a municipality affecting or affected by the annual budget of the municipality, including—*

(a) the tariffs policy which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the credit control and debt collection policy which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

IDP: *Integrated Development Plan;*

LTFP: *Long Term Financial Plan;*

Long-term debt: *Debt repayable over a period exceeding one year;*

MBRR: *Municipal Budget and Reporting Regulations;*

MFMA: *Municipal Finance Management Act No 56 of 2003;*

MTREF: *Medium Term Revenue and Expenditure Framework, as prescribed by the*

MFMA. It sets out indicative revenue and projected expenditure for the budget year, plus two outer financial years;

Municipal tariff: *A tariff for services which a municipality may set for the provision of a service;*

National Treasury: *National Treasury established by section 5 of the Public Finance Management Act;*

Short Term: *Refers to a period up to 1 (one) year;*

Medium Term: *Refers to a period between 2 (two) and 3 (three) years;*

Long Term: *Refers to any period longer than 3 (three) years.*

2. INTRODUCTION

2.1 *The Local Government: Municipal Finance Management Act No 56 of 2003 (MFMA) has instituted various financial reform measures. Sound financial management practices have been identified as essential to the long-term sustainability of municipalities. In this regard the MFMA necessitates that municipality's must have a policy related to a Long Term Financial Plan (LTFP).*

2.2 *A municipality's financial plan integrates the financial relationships of various revenue and expenditure streams to give effect to the Integrated Development Plan (IDP). It provides guidance for the development of current budgets and assesses financial impacts on outer years' budgets by incorporating capital expenditure outcomes, operating expenditure trends, optimal asset management plans and the consequential impact on tariffs and other service charges.*

2.3 *A municipality's long term financial model aims to determine the appropriate mix of parameters and assumptions within which the municipality should operate to facilitate budgets which are affordable and sustainable at least 5 years into the future. In addition, it identifies theconsequential financial impact of planned capital projects on the municipality's operational budget.*

3 PURPOSE

The policy aims to ensure that all long-term financial planning is based on a structured and consistent methodology thereby ensuring long-term financial affordability and sustainability.

4. GUIDING PRINCIPLES

(a) Future financial sustainability;

(b) Optimal collection of revenue, taking into consideration the socio economic environment;

(c) Optimal utilisation of grant funding;

(d) Continuous improvement and expansion in the service delivery framework, and

(e) Prudent financial strategies.

5. ROLE PLAYERS AND STAKEHOLDERS

The following role players will ensure that the LTFP is implemented in accordance with the prescribed legislative requirements and Council processes.

5.1 Chief Financial Officer

(a) Responsible for the preparation and the compilation of the LTFP;

(b) Responsible for overall oversight;

(c) Present long term financial plan outcome to the Budget Steering Committee;

(d) Review Policy and Strategy, in consultation with relevant stakeholders, to ensure maximum compliance in terms of legislation.

5.2 Departments

(a) Responsible for providing reasons on past performance outcomes;

(b) Responsible for providing information to Chief Financial Officer to update the financial plan;

(c) Required to identify revenue and expenditure plans for both operating and capital

budgets for at least 3 years;

(d) Required to make recommendations on future service delivery matters.

5.3 Budget Steering Committee

(a) Responsible for providing strategic guidance on matters relevant to the long term financial plan;

(b) Responsible for endorsing the projected MTREF assumptions and parameters contemplated by the LTFP.

6. REGULATORY CONTEXT

6.1 Section 17 (3) of the MFMA states that "when an annual budget is tabled it must be accompanied by, amongst others, "any proposed amendments to the budget-related policies of the municipality".

6.2 Section 21 of the MFMA states that the mayor of a municipality must at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for, amongst others:

(i) the annual review of—

(aa) the integrated development plan in terms of section 34 of the Municipal Systems Act;

(bb) the budget-related policies;

(ii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and

(iii) any consultative processes forming part of the processes referred to in subparagraphs(i and (ii).

6.3 Section 7 (1) of the Local Government: Municipal Finance Management Act, 2003, Municipal Budget and Reporting Regulations, 2009 (MBRR) states that:

"the Municipal Manager of a municipality must prepare, or take all reasonable steps to ensure the preparation of budget-related policies of the municipality, or any necessary amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21 (1)(b) of the MFMA".

6.4 *Section 7 (1) reference (1) of the MBRR, further states that "as defined in section 1 of the MFMA. Policies that affect or are affected by the annual budget of a municipality include .. "(g) a policy related to the long term financial plan".*

6.5 *Section 4 (1) of the MBRR states "that the mayor of a municipality must establish a budget steering committee to provide technical*

assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA".

6.6 *Section 26 (h) of the Local Government: Municipal Systems Act 32 of 2000 (MSA) states that "An Integrated Development Plan must reflect a financial plan, which must include a budget projection for at least the next three years".*

7. POLICY DIRECTIVE DETAILS

7.1 *Financial strategies.*

An intrinsic feature of the LTFP is to give effect to the municipality's financial strategies. These strategies include:

(a) *Increasing funding for asset maintenance and renewal;*

(b) *Continuous improvement to the financial position;*

(c) *Ensuring affordable debt levels to fund the capital budget;*

(d) *Maintaining fair, equitable and affordable tariff increase;*

(e) *Maintaining or improving basic municipal services;*

(f) *Achieving and maintaining a breakeven/surplus Operating budget; and*

(g) *Ensuring full cost recovery for the provision of internal services.*

7.2 *Non – financial strategies*

The LTFP is a key component for achieving the goals listed in the IDP of the Municipality. The LTFP must consider the following non – financial strategic strategies:

(a) *The Municipality's Strategic Focus Areas;*

(b) *Infrastructure growth strategies; and*

(c) *The Municipality's Spatial Development Framework.*

7.3 *Preparation of the LTFP*

7.3.1 *The LTFP process should commence by latest June of each year.*

7.3.2 *The LTFP should consider the fiscal overview by reviewing past financial*

performance, projection of long-term financial outlook and financing and funding arrangements. The following matters should be considered annually:

(a) *Revising the long-term financial plan for events that may have impacted during the recent past;*

(b) *Assessing the outcomes and achievements of the past few years' financial performance as per the audited financial statements;*

(c) *Reviewing the financial objective and assumptions;*

(d) *Reviewing the past and summarise long term financial outlook;*

(e) *Assess the current overall financial position and liquidity situation;*

(f) *Identify any financial challenges and constraints;*

(g) *Identifying strategies to deal with the challenges, and to maintain financial viability and capacity to sustain services;*

(h) *Identify overall funding mix and implications for own revenue and external funding; and*

(i) Assess compliance with the MFMA and other relevant legislation.

7.3.3 *The LTFP is prepared in an uncertain environment. It is therefore required to make certain assumptions. Assumptions on the following internal and external factors must be made:*

(a) *Reviewing the external factors (e.g. population migration, employment, health, roads, development of businesses and the Garden Route region);*

(b) *General inflation outlook and its impact on the municipal activities;*

(c) *Credit rating outlook;*

(d) *Interest rates for borrowing and investment of funds;*

(e) *Tariffs and charges, and timing of revenue collection;*

(f) *Collection rates for each revenue source;*

(g) *Price movements on specifics e.g. fuel etc.*

(h) *Average salary increases;*

(i) *Industrial relations climate, reorganisation and capacity building;*

(j) *Trends in population and households (growth, decline, stable);*

(k) *Changing demand characteristics (demand for services);*

(l) *Impact of national, provincial and local policies;*

(m) *Ability of the municipality to spend and deliver on programmes; and*

(n) *Implications of restructuring and other major events into the future.*

7.3.4 *Intergovernmental fiscal transfers/allocations from National and Provincial government play a pivotal role in the finances of the Municipality. The following unconditional transfers/allocations must be considered, as a minimum, when projecting the budget:*

(a) *Local Government Equitable Share; and*

(b) *Grants related to the provision of Provincial government functions.*

7.4 *The Municipality's LTFP model and scenario planning:*

7.4.1 *The Municipality's financial model gives effect to the LTFP. It enables the forecasting of the operating and capital budgets for at least 5 years into the future. The model embodies National Treasury's budget preparation guidelines, drawing on assumptions and parameters to forecast the operating budget.*

7.4.2 *Strategic initiatives should be prioritised and quantified to be included in the financial model.*

7.4.3 *The financial forecasting model must be updated using the fiscal overview, assumption and intergovernmental fiscal transfers/allocations information to identify immediate opportunities and/or risks.*

7.4.4 *The medium and long-term financial viability should be evaluated.*

7.4.5 *Re-iterative scenario planning should be executed to ensure optimum use of resources to cater for strategic initiatives.*

7.4.6 *To identify the optimum balance between revenue collection and municipal spending the following should be taken into account:*

(a) *The impact each scenario has on the financial sustainability and affordability of the Municipality;*

(b) *Whether scenarios are realistic in terms of revenue projections;*

(c) *Potential revenue enhancement strategies which may have a long- term impact on the revenue base of the Municipality;*

(d) *Potential cost saving mechanisms related to strategic initiatives; and*

(e) *The impact of infrastructure investments and maintenance programs on future revenue streams.*

7.4.7 *Presentations on scenarios should be presented to the BSC as may be requested.*

7.4.8 *BSC should endorse the final MTREF scenario inclusive of assumptions and parameters annually by latest January.*

7.5 *The annual updated LTFP should identify the following:*

7.5.1 *Assumptions and parameters to be used to compile the Operating and Capital budgets over the next MTREF;*

7.5.2 *Future operating revenue and expenditure projections based on assumptions and parameters;*

7.5.3 *Future affordability of projected Capital Plans;*

7.5.4 *The level of infrastructure development required to achieve the Municipal priorities, within the funding restrictions; and*

7.5.5 *External funding requirements in respect of long term debt.*

7.6 *Implementation of the LTFP*

7.6.1 *The annual updated LTFP should provide the parameters and assumptions for the compilation of the operating and capital budgets for the next MTREF.*

7.6.2 *This information should be provided to the departments by latest January of each year.*

8. EVALUATION AND REVIEW

8.1 *This policy shall be implemented once approved by Council.*

8.2 *This policy must be reviewed on an annual basis.*

8.3 *Changes in financial strategy, non – financial strategic strategies and legislation must be taken into account for future amendments to this policy.*

8.4 *Any amendments must be tabled to Council for approval as part of the budget process.*

ANNEXURE E

BUDGET POLICY



BUDGET POLICY

Date Approved: Council Resolution

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1. DEFINITIONS

"Accounting Officer"

(a) means the Municipal Manager;

"**Allocation**", means

(a) a municipality's share of the local government's equitable share referred to in section 214(I) (a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"**Annual Division of Revenue Act"** means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget

(a) approved by a municipal council in terms of section 24 of the MFMA, or

(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"**Basic Municipal Service**" means a municipal service that is necessary to ensure an acceptable and Reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"**Budget-related Policy**" means a policy of a municipality affecting or affected by the annual budget of the municipality, including

(a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
(b) the rates policy which the municipality must adopt in terms of section 3 of the municipal property rates Act; (not applicable to district municipalities)
(c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
(d) the cash management and investment policy which the municipality must adopt in terms of section 13(2) of the Act;
(e) a borrowing policy which must comply with Chapter 6 of the Act;
(f) a funding and reserves policy;
(g) a policy related to the long-term financial plan;
(h) the supply chain management policy which the municipality is required o adopt in terms of section 111 of the Act;
(i) any policies dealing with the management and disposal of assets;

(j) any policies dealing with infrastructure investment and capital projects, including –
  (i) the policy governing the planning and approval of capital projects; and
  (ii) the policy on developer contributions for property developments;

(k) the indigents policy of the municipality; (not applicable to a district municipality)
(l) any policies related to the provision of free basic services; (not applicable to a district municipality)
(m) any policies related to budget implementation and monitoring including –
  (i) a policy dealing with the shifting of funds within votes;
  (ii) a policy dealing with unforeseen and unavoidable expenditure; and
  (iii) policies dealing with management and oversight;
(n) any policies related to the managing electricity and water including - (not applicable to a district municipality)
  (i) a policy related to the management of losses; and
  (ii) a policy to promote conservation and efficiency;
(o) any polices related to personnel including polices on overtime, vacancies and temporary staff;
(p) any policies dealing with municipal entities, including – (GRDM do not have any municipal entities at this stage)
  (i) the service delivery agreement; and
  (ii) the dividend preference of the municipality; and
(q) any other budget-related or financial management policies of the municipality.

"**Budget transfer**" means transfer of funding within a function / vote.

"**Budget Year**" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"**chief financial officer**" means a person designated in terms of section 80(2) (a) of the MFMA;

"**councillor**" means a member of a municipal council;

"creditor", means a person to whom money is owed by the municipality;

"**current year**" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"**financial recovery plan**" means a plan prepared in terms of section 141 of the MFMA

"**financial statements**", means statements consisting of at least

(a) a statement of financial position;
(b) a statement of financial performance;
(c) Statement of change in net assets
(d) a cash-flow statement;

(e) Statements of comparison of budget and actual amounts

(f) any other statements that may be prescribed; and

(g) any notes to these statements;

"**financial year"** means a twelve months period commencing on 1 July and ending on 30 June each year

"**financing agreement**" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"**fruitless and wasteful expenditure**" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"**irregular expenditure**", means

(a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in Accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;

(b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;

(c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or

(d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means

(a) the placing on deposit of funds of a municipality with a financial institution; or
(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person who provides debt finance to a municipality;

"**local community**" has the meaning assigned to it in section 1 of the Municipal Systems Act;

“”mSCOA” Municipal Chart of Accounts

"**Municipal Structures Act"** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"**long-term debt"** means debt repayable over a period exceeding one year;

"**executive mayor**" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"**municipal council**" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"**municipal entity**" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"**municipality**"

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"accounting officer" means a person appointed in terms of section 82(I) (a) or (b) of the Municipal Structures Act;

"**municipal service**" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"**municipal tariff**" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means

(a) an employee of a municipality or municipal entity;
(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"**overspending"**

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"**past financial year**" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;
(b) 1 October to 31 December;
(c) 1 January to 31 March; or
(d) 1 April to 30 June;

"**service delivery and budget implementation plan**" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(I)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate
(a) projections for each month of(
(i) revenue to be collected, by source; and
(ii) operational and capital expenditure, by vote;
(b) service delivery targets and performance indicators for each quarter; and
(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(I) (c) of the MFMA;

"short-term debt" means debt repayable over a period not exceeding one year;

"**standards of generally recognised accounting practice**", (GRAP) means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board (ASB)

"**unauthorised expenditure",** means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes
(a) overspending of the total amount appropriated in the municipality's approved budget;
(b) overspending of the total amount appropriated for a vote in the approved budget;
(c) expenditure from a vote unrelated to the department or functional area covered by the vote;
(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or
(f) a grant by the municipality otherwise than in accordance with the MFMA;

"**virement"** means transfer of funds between functions / votes

"vote" means

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned,
in order to comply with subsection (1), the executive mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

3. OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, (MTREF)
- The responsibilities of the executive mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to Garden Route District Municipality's IDP review and budget processes.

4. BUDGETING PRINCIPLES

- The municipality shall not budget for a cash deficit
- The municipality should ensure that revenue projections in the budget are realistic taking into account actual collection levels but taking into account any changes in the environment which can influence the collection rates.
- Expenditure may only be incurred in terms of the approved annual budget (or adjustment budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- Garden Route District Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) and that will be reviewed annually and approved by Council.
- The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan (IDP).

5. BUDGET PREPARATION PROCESS

5.1 Budget Steering Committee

A Budget Steering Committee must be established by the Executive Mayor in terms of regulation 4 of the Municipal Budget and Reporting Regulations, to provide technical assistance to the Mayor in discharging the budget process and related matters set out in section 53 of the Act.

5.2 Quality Certification

Whenever an annual budget and supporting documentation, an adjustment budget and supporting documentation or an in-year report of a municipality is submitted to the mayor, tabled in the municipal council, made public or submitted to another organ of state, it must be accompanied by a quality certificate complying with Schedule A, B or C of the regulations, as the case may be, and signed by the municipal manager. (Regulation 5).

5.3. Formulation of the budget

(a) The Accounting Officer with the assistance of the Chief Financial Officer and the IDP Manager shall draft the IDP process plan as well as the budget timetable for the municipality including municipal entities for the ensuing financial year.
(b) The executive mayor shall table the IDP process plan as well as the budget timetable to Council not later than 31 August of each year for approval (10 months before the start of the next budget year).
(c) IDP process plan as well as the budget timetable shall indicate the key deadlines for the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal
Finance Management Act (MFMA), Municipal Budget and reporting regulations as well as the guidelines set by National Treasury or any other legislation that may be applicable.
(d) The Executive Mayor shall table the draft IDP and MTREF budget to council by 31 March of each year (90 days before the start of the new budget year) together with the draft resolutions and budget related policies.
(e) The Chief Financial Officer and Executive Management team (MANCOM) undertake the technical assumptions and changes to be made to the budget and which inputs will be included in the budget.
(f) The Manager: BTO will provide assistance where needed to the senior management to forecast the projections of the tariffs, revenue, and expenditure to be included in the MTREF as per MANCOM directives set.
(g) The Manager: BTO will oversee the budget process and staff of the BTO office will compile the budget in the prescribed formats with the inputs receive from the Accounting Officer, CFO and the executive managers. The Manager BTO and CFO will review the schedules and budget report before submission for the council agenda.

(h) The budget must be in the prescribed format by National Treasury, and must be divided into capital and operating budget.
(i) The budget must reflect the realistically expected revenues by major source for the budget year concerned that is estimated to be collected. (Section 18(2 (a)&(b)):

- (a) projected revenue for the current year based on collection levels to date; and
- (b) actual revenue collected in previous financial years

(j) According to Section 18 of the MFMA, an annual budget ay only be funded from:

- Realistically anticipated revenues to be collected;
- Cash-backed accumulated funds from previous years' surpluses not committed for other purpose; and
- Borrowed funds, but only for the capital budget referred to in section 17 (2).

(j) The expenditure reflected in the budget must be divided into the different line items and per vote.

(k) The budget must contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated revenues and expenditure for the current year and the two prior year actual revenue and expenditure.

5.4. Public participation process

Immediately after the draft annual budget has been tabled, the municipality invites the public, stakeholder organisations, to make representation at the council hearings and to submit comments in response to the draft budget.
Section 22 of the MFMA states:

Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must:

(a) In accordance with Chapter 4 of the Municipal Structures Act –
  (i) Make public the annual budget and the documents referred in section 17 (3); and
  (ii) Invite the local community to submit representation in connection with the budget; and
(b) Submit the annual budget –
(c) (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
  (iii) In either format to any prescribed national or provincial organ of state and to other municipalities affected by the budget.

Section 23 of the MFMA states: (consultations on tabled budget)

(1) When the annual budget has been tabled the municipal council must consider any views of –
(a) The local community; and
(b) The National Treasury, the relevant provincial treasury ad any provincial or national organs of state or municipalities which made submissions on the budget.

(2) After considering all budget submissions, the council must give the mayor an opportunity –
  (a) To respond to the submissions; and
  (b) If necessary, to revise the budget and table amendments for consideration by the council..

(3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guideline on the formation of a committee of the council to consider the budget and to hold public hearings.
(4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

5.5. Approval of the annual original budget

(a) Council shall consider the next medium term expenditure framework budget for approval not later than 31 May (30 days before the start of the budget year).
(b) The council resolution, must contain the budget related policies and performance measures to be adopted, the budget (MTREF) (operating and capital budget), tariffs and any other information required by legislation.
(c) Should the municipality fail to approve the budget before the start of the budget year, the executive mayor must inform the MEC for Finance that the budget has not been approved.
(d) The budget tabled to Council for approval shall include the following supporting documents:
i. draft resolutions approving the budget;
ii. other taxes and tariffs for the financial year concerned;
iii. measurable performance objectives for each budget vote, taking into account the municipality's IDP;
iv. the projected cash flows for the financial year by revenue sources and expenditure votes;
v. any proposed amendments to the IDP;
vi. any proposed amendments to the budget-related policies;
vii. the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the accounting officer, the chief financial officer, and other senior managers;
viii. particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;
ix. particulars of the municipality's investments; and
x. various information in regard to municipal entities under the shared or sole control of the municipality

5.6. Publication of the budget

(a) Within 14 days after the draft annual budget has been tabled, the municipality must publish the budget and other budget-related documentation on the municipal website to be accessible to the public.
(b) The Chief Financial Officer must within 14 days after the draft annual budget is tabled:
(i) submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as publish it on the municipal website.
(ii) ensure that a newspaper advertisement is placed that the draft budget is available at the Municipal offices and available for comments.

5.7. Service Delivery and Budget Implementation Plan (SDBIP)

(a) The Executive mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
(b) The SDBIP shall include the following components:
(i) Monthly projections of revenue to be collected for each source
(ii) Monthly projections of expenditure (operating and capital) and revenue for each vote
(iii) Quarterly projections of service delivery targets and performance indicators for each vote
(iv) Ward information for expenditure and service delivery
(v) Detailed capital works plan broken down by ward over three years
(vi) Any other information that may be required by legislation.

6. CAPITAL BUDGET

(a) Expenditure of a project shall be included in the capital budget if it meets the asset definition i.e. if it results in an asset being acquired or created and has a useful life in excess of one year and inflow of economic benefits are expected.
(b) The capital budget shall distinguish between replacement and new assets.
(c) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
(d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes. Refer to above section with regards to the funding of the budget.
(e) Before approving a capital project, the Council must consider:
(i) the projected cost of the project over all the ensuing financial years until the project becomes operational,
ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
(f) Before approving the capital budget, the council shall consider:
(i) the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
(ii) depreciation of fixed assets,
(iii) maintenance of fixed assets, and
(iv) any other ordinary operational expenses associated with any item on such capital budget.
(g) Council shall approve the annual or adjustment capital budget only if it has been properly cash funded.
(h) The capital expenditure shall be funded from the following sources:

(i) Revenue or Surplus

- If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.
- If the project is to be financed from surplus there must be sufficient cash available at time of execution of the project.

(ii) External loans

- External loans can be raised only if it is linked to the financing of an asset;
- A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if can be reasonably assumed as being secured;

- The loan redemption period should not exceed the estimated life span of the asset. If this happens the interest payable on the excess redemption period shall be declared as fruitless expenditure;
- Interest payable on external loans shall be included as a cost in the operating budget;
- Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.
- Section 46 of the MFMA with regards to taking up of a loan must be adhered to.

Capital Replacement Reserve (CRR)

- Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. Such reserve can be funded from:

    - inappropriate cash-backed surpluses to the extent that such surpluses are not required for operational purposes;
    - interest on the investments of the CRR, appropriated in terms of the investments policy;
    - additional amounts appropriated as contributions in each annual or adjustments budget; and
    - interact on investments of unutilised grants;
    - only VAT claimed back on grants and subsidies; and
    - Sale of land and profit or loss on the sale of assets.

- Before any asset can be financed from the CRR the financing must be available within the reserve and available as cash as this fund must be cash backed;

- If there is insufficient cash available to fund the CRR this reserve fund must then be adjusted to equal the available cash;

- Transfers to the CRR must be budgeted for in the cash budget

Grant Funding

- Non capital expenditure funded from grants
    - must be budgeted for as part of the revenue budget;
    - Expenditure must be reimbursed from the funding creditor and transferred to the operating and must be budgeted for as such.
    - Capital expenditure must be budgeted for in the capital budget;

- All unutilized grants received must be ring fenced and cash backed by means of an investment.

7. OPERATING BUDGET

(a) The municipality shall budget in each annual and adjustments budget for the contribution to:

(i) provision for accrued leave entitlements .

(ii) entitlement of officials as at 30 June of each financial year,
(iii) provision for the impairment of debtors taking into account prior year, current year improvements and future improvement in debt collection percentages.
(iv) provision for the obsolescence and deterioration of stock in accordance with its stores management policy
(v) Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
(vi) At least 2% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance. (excluding Roads and PPP.)
(vii) Any other matters that need to be included in the budget.
(b) When considering the draft annual budget, council shall consider the impact, which the prboposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
(c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
(d) The operating budget shall reflect the impact of the capital component on:

- depreciation charges
- repairs and maintenance expenses
- interest payable on external borrowings.
- other operating expenses.

8. FUNDING OF CAPITAL AND OPERATING BUDGET

(a) The budget may be financed only from:

(i) realistically expected revenues, based on current and previous collection levels;
(ii) cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
(iii) borrowed funds in respect of the capital budget only.

9. UNSPENT FUNDS / ROLL OVER OF BUDGET

(a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
(b) Only unspent grant (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
(c) Conditions of the grant fund shall be taken into account in applying for such roll over of funds
(d) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made at least 30 days (31 May each year) prior the end of that particular financial year.
(e) No unspent operating budget shall be rolled over to the next budget year

10. ADJUSTMENT BUDGET

Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenditure.

(a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the executive mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.

(b) Council may revise its annual budget by means of an adjustments budget in terms of section 28 of the MFMA and according to the timelines of the Municipal Budget and reporting regulations section 23.

(c) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.

(d) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.

(e) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.

(f) An adjustments budget must contain all of the following:
(i) an explanation of how the adjustments affect the approved annual budget;
(ii) appropriate motivations for material adjustments; and
(iii) an explanation of the impact of any increased spending on the current and future annual budgets.

(g) Any unappropriate surplus from previous financial years, even if fully cash-backed, shall not be used to balance any adjustments budget, but shall be appropriated to the municipality's capital replacement reserve.

(h) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

(i) Unauthorised expenses may be authorised in an adjustments budget.

(j) In regard to unforeseen and unavoidable expenditure, the following apply:
(i) the Executive mayor may authorise such expenses in an emergency or other exceptional circumstances in terms of Section 29 of the MFMA;
(ii) these expenses must be reported by the Executive mayor to the next Council meeting;
(iii) the expenses must be appropriated in an adjustments budget; and
(iv) Council must pass the adjustments budget within sixty days after the expenses were incurred.

11. BUDGET TRANSFERS AND VIREMENTS

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Execiutive Manager and CFO and Accounting Officer, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. {Section 28 (2) (d) MFMA}.

11.1 VIREMENT PROCEDURE

a) All virement proposals must be completed on the appropriate documentation which is submitted to the CFO who recommends such virement to the Municipal Manager who will approve the virement.

(b) After approval, the relevant documentation is forwarded to the BTO Office for implementation.

b) All virements must be signed by the manager of the directorate within which the vote is allocated. (Section 79 MFMA)

c) All virements should be approved in line with Council's System of Delegation.

d) Projected cash flows in the SDBIP should be adjusted in line with the virement.

e) All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)

f) All virements of funds between votes (directorates/departments) are not allowed.

11.2 VIREMENT RESTRICTIONS

a) Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management (e.g. the management of central insurance funds and insurance claims from separate votes).

b) Virements between the capital budget and the operating budget are not allowed.

c) No virement may be made where it would result in over-expenditure of a line item(Section 32 MFMA)

d) Virements should not result in adding 'new' projects to the Capital Budget.

e) Virements towards personnel expenditure are not permitted.

f) Budgets from the following line items may only be transferred by Financial Services:

(i) Salaries and allowances
(ii) Depreciation
(iii) Capital Cost (Interest and Redemption)
(iv) Appropriations
(v) Contributions to Funds and Provisions

(vi) Administration Cost
(vii) Municipal Services Consumption (Water, Electricity, Refuse and Sewerage)
(viii) Any other accounting/ GRAP/ mSCOA related items
g) Virements to or from the following items should not be permitted: bulk purchases; debt impairment, interest charges, grants to individuals, revenue foregone, insurance and VAT).
h) An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.
i) Virements may not be made between Expenditure and Income.

12. BUDGET IMPLEMENTATION

12.1 Monitoring

(a) The accounting officer with the assistance of the chief financial officer and other executive managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- funds are spent in accordance with the budget;
- expenditure are reduced if expected revenues are less than projected; and
- revenues and expenses are properly monitored.

(b) (b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Executive mayor for consideration and tabling to Council.
(c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

12.2 Reporting

12.2.1 Monthly budget statements

(a) The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Executive mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar
month, as well as on the state of the budget cumulatively for the financial year to date.

The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to chief financial officer for review. The CFO will submit the report after his/her review to the Accounting Officer

This report must reflect the following:

(i) actual revenues per source, compared with budgeted revenues;

(ii) actual expenses per vote, compared with budgeted expenses;
(iii) actual capital expenditure per vote, compared with budgeted expenses;

(iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
(v) the amount of allocations received, compared with the budgeted amount;
(vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
(vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
(viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
(ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

(b) The report to the National Treasury must be both in electronic format and in a signed written document.

12.2.2 Quarterly Reports

(a) The Executive mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.
(b) The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to the chief financial officer for review, who will then submit the report to the accounting officer for review.
(c) The accounting officer will submit the report to the Mayor to review and submit to Council.

12.2.3 Mid-year budget and performance assessment

(a) The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
(b) The Chief Accountant: BTO will compile the report and reviewed by the Manager: BTO who submit it to the chief financial officer for review and CFO will submit report to the accounting officer for review.

(c) The Accounting officer must then submit a report on such assessment to the Executive mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

(d) The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13. CONCLUSION

All budgets and budget related documentation must be placed on the municipality's official website as prescribed by legislation.

ANNEXURE F

ASSET MANAGEMENT

POLICY



ASSET MANAGEMENT POLICY

Date Approved:		Council Resolution (DC No):	DC

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1. INTRODUCTION

This Policy for the management of assets has been designed to assist management and officials of the Garden Route District Municipality with the description of management procedures for Property, Plant and Equipment, Investment Property, Agricultural Assets and Intangible Assets. It also should assist with the capacity to differentiate between activities, which are acceptable in terms of general authorization, supervisory responsibilities and limits of authority to the management of assets and functions of the organisation.

This Policy will provide certainty with respect to the handling of asset management procedures undertaken within the organization and will ensure that management and employees understand their respective responsibilities and duties.

There is a separate fixed asset property policy which resides under the Property Manager in the Department of Planning and Economic Development.

For the purpose of this policy, assets exclude inventory and monetary assets such as debtors.

2. OBJECTIVE OF THIS POLICY

The objective of this policy is to ensure that assets of the Municipality are properly managed and accounted for by: -

- The accurate recording of essential asset information;
- The accurate recording of asset movements;
- Exercising strict physical controls over all assets;
- Treating the assets correctly in the Municipality's financial statements and fixed asset register;
- Providing accurate and meaningful management information;
- Compliance with the Council's accounting policies and Generally Recognised Accounting Practices (GRAP);
- Adequate insuring of assets;
- Maintenance of Council's assets;
- Ensuring that managers are aware of their responsibilities with regard to the assets; and the responsibility of any custodian to whom assets are allocated.
- Setting out the standards of management, recording and internal controls so as to safeguard the assets against inappropriate utilisation or loss.

3. DEFINITIONS

Accounting officer means the municipal manager appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and being the head of administration and accounting officer in terms of section 60 of the Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).

Agricultural Activity is the management by an entity of the biological transformation of biological assets for sale, into agricultural produce, or into additional biological assets.

Agricultural Produce is the harvested product of the entity's biological assets.

A Biological Asset is a living animal or plant.

Assets are resources controlled by the municipality as a result of past events and from which future economic benefit or service potential are expected to flow. However for the purpose of this policy exclude inventory and other monetary assets.

Biological Transformation comprises the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes to a biological asset.

Carrying amount is the amount at which an asset is recognized after deducting any accumulated depreciation and accumulated impairment losses.

Chief Financial Officer means an officer of a municipality designated by the municipal manager to be administratively in charge of the budgetary and treasury functions.

Class of property, plant and equipment means a grouping of assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the financial statements.

Community assets are defined as any asset that contributes to the community's well-being. Examples are parks, libraries and fire stations.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or where applicable, the amount attributed to that asset when initially recognized in accordance with the specific requirements of Standards of GRAP.

Depreciable amount is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are defined as culturally significant resources. Examples are works of art, historical buildings and statues.

An ***impairment loss*** of a cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An ***impairment loss*** of non-cash generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

Infrastructure assets are defined as any asset that is part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains, transport terminals and car parks.

Intangible assets are identifiable non-monetary assets without physical substance.

Investment properties are defined as property (land or a building-or part of a building-or both) held (by the owner or by lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

(a) use in the production and supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of business.

Municipal valuation means the official valuation of an immovable property as reflected in the Municipality's valuation roll.

Other assets are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture and fittings.

Property, plant and equipment are tangible assets that:-

- are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- are expected to be used during more than one period.

Recoverable amount is the higher of a cash-generating asset's net selling price and its future value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its future value in use.

Residual value of an asset is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and condition expected at the end of its useful life.

***Useful life* is:-**

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality's accounting officer.

4. STATUTORY AND REGULATORY FRAMEWORK

The Municipality shall, notwithstanding this policy, comply with all relevant legislative requirements, including:

- The Constitution of the Republic of South Africa; 1996
- Local Government: Municipal Systems Act; 2000
- Local Government: Municipal Finance Management Act; 2003
- Division of Revenue Act; 2005
- Generally Recognised Accounting Practice (GRAP)
- Supply Chain Management Legislation
- Asset Transfer Regulations

This document constitutes a policy statement and shall not take precedence over the standards specified by the Accounting Standards Board. The relevant accounting standards include amongst others:

- **GRAP 1** Presentation of Financial Statements;
- **GRAP 13** Leases;
- **GRAP 16** Investment Property;
- **GRAP 17** Property, Plant and Equipment;
- **GRAP 100** Non-Current Assets Held for Sale and Discontinued Operations;
- **GRAP 101** Agriculture; and
- **GRAP 102** Intangible Assets.

5. BACKGROUND

The utilization and management of property, plant and equipment, investment property, intangible assets and agricultural assets is the prime mechanism by which the Municipality can fulfil its constitutional mandates for:-

- Delivery of sustainable services;
- Social and economic development;
- Promoting safe and healthy environments; and
- Fulfilling the basic needs to the community.

As trustees on behalf of the local community, the Municipality has a legislative and moral obligation to ensure it implements policies to safeguard the monetary value and future service provision invested in assets.

The policy for the management of assets deals with the Municipal rules required to ensure the enforcement of appropriate stewardship of assets. Stewardship has two components being the:-

- Financial administration by the Chief Financial Officer; and
- Physical administration by the relevant managers.

Statutory provisions are being implemented to protect public property against arbitrary and inappropriate management or disposals by local government.

Accounting standards have been approved by the Accounting Standards Board to ensure the appropriate financial treatment for property, plant and equipment, investment property, intangible assets and agricultural assets. The requirements of these new accounting standards include:-

- The compilation of asset registers covering all assets controlled by the Municipality.
- Accounting treatment for the acquisition, disposal, recording and depreciation / amortisation of assets.
- The standards to which financial records must be maintained to comply with the new accounting standards.

6. DELEGATION OF POWERS

This policy should be applied with due observance of the Municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Municipal Manager and other responsible officials as well as between the Council and the Executive Mayor and the Council and the Municipal Manager. All delegations in terms of this policy must be recorded in writing.

In accordance with the Local Government: Municipal Finance Management Act (Act 56 of 2003) (MFMA), the Municipal Manager is the accounting officer of the Municipality and therefore all designated officials are accountable to him/her. The Municipal Manager is therefore accountable for all transactions entered into by his/her designates.

The overall responsibility of asset management lies with the Municipal Manager. However, the day to day handling of assets should be the responsibility of all officials in terms of delegated authority reduced in writing.

7. EFFECTIVE ASSET MANAGEMENT

7.1 Responsibilities

The Municipal Manager is responsible for the management of the assets of the Municipality, including the safeguarding and the maintenance of those assets. He/she must ensure that:-

- The Municipality has and maintains a management, accounting and information system that accounts for the assets of the Municipality.
- The Municipality's assets are valued in accordance with standards of Generally Recognized Accounting Practice (GRAP).
- The Municipality has and maintains a system of internal control of assets, including an asset register.
- Executive managers and their teams comply with this policy.

The Chief Financial Officer is responsible to the Municipal Manager to ensure that the financial investment in the Municipality's assets is safeguarded and maintained. He/she may delegate or otherwise assign responsibility for performing these functions but he/she will remain accountable for ensuring that these activities are performed. He/she must ensure that:-

- Appropriate systems of financial management and internal control are established and carried out diligently.
- The financial and other resources of the Municipality assigned to him/her are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented.
- The systems, processes and registers required to substantiate the financial values of the Municipality's assets are maintained to standards sufficient to satisfy the requirements of effective management.

- Financial processes are established and maintained to ensure the Municipality's financial resources are optimally utilized through appropriate asset plan, budgeting, purchasing, maintenance and disposal decisions.
- The Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets.
- The Executive managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

The Executive Managers must ensure that:

- Appropriate systems of physical management and control are established and carried out for assets in their area of responsibility.
- The Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently.
- Any unauthorized, irregular or fruitless or wasteful utilization and losses resulting from criminal or negligent conduct are prevented.
- Their management systems and controls can provide an accurate, reliable and up to date account of assets under their control.
- They are able to justify that their plans, budgets, purchasing, maintenance and disposal decisions for assets optimally achieve the Municipality's strategic objectives.

The executive managers may delegate or otherwise assign responsibility for performing these functions but they ***will remain accountable for ensuring that these activities are performed.***

Each executive manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

The responsibility for the physical control of assets rests with the relevant executive manager to whom the responsibility was delegated to in terms of section 79 of the Municipal Finance Management Act, No 56 of 2003.

Each executive manager shall ensure that assets entrusted to him / her ***are adequately maintained, properly used and insured and ensure that section 78 of the Municipal Finance Management Act, No 56 of 2003, is adhered to***.

The Chief Financial Officer (Asset Unit), must be notified by the Heads Of Departments of any transfer of assets between departments after arrangements between the relevant executive managers were made.

Upon the resignation / retirement of an employee, the applicable executive manager must inform the Chief Financial Officer and Corporate Service Department in writing that the asset items entrusted to that employee to execute his / her duties are in good order and returned. When necessary the applicable senior manager must inform the Corporate Services Department of any losses and the value of such losses. The ultimate responsibility of any losses lies with the relevant executive manager.

7.2 Asset Register

Establishment and Management of the Register of Assets

The Chief Financial Officer will establish and maintain the Register containing key financial data on each item of Property, Plant or Equipment, Investment Property, Intangible Assets and Agricultural Assets that satisfies the criterion for recognition.

Executive managers are responsible for establishing and maintaining any additional register or database required to demonstrate their physically management of their assets.

Each executive manager is responsible to ensure that sufficient controls exist to substantiate the quantity, value, location and condition of all assets in their registers.

Contents of the Asset Register

The measurement based used (Cost or Fair Value);

- The depreciation methods used;
- The original useful live;
- The revised useful live;
- The residual value;
- The revised residual value;
- Depreciation charged for the period;
- The accumulated depreciation;
- The gross carrying amount;
- Date of acquisition or brought into use;
- Date of disposal (if applicable);
- Increases or the decreases resulting from revaluations (if applicable);
- Date of last revaluation;
- Method of calculating recoverable amount (when impairment tests are required in terms of GRAP);
- Any restrictions on title to the asset;
- Location;
- Source of finance;
- Condition of the asset;

- Method of calculating the recoverable amount (when impairment losses are required in terms of GRAP);
- Strategic purpose and if it is required to provide minimum basic services; and
- Responsible Functional Manager/ department/ vote.
- Impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- Whether the asset is required to perform basic municipal services
- Whether the asset has been used to secure any debt, and – if so - the nature and duration of such security arrangements
- The title deed number, in the case of fixed property

All Executive managers under whose control any fixed asset falls shall promptly provide the Chief Financial Officer in writing with any information required to compile the fixed asset register, and shall promptly advise the Chief Financial Officer in writing of any material change which may occur in respect of such information.

A fixed asset shall be capitalised, that is, recorded in the fixed assets register, as soon as it is acquired. A fixed asset shall remain in the fixed assets register for as long as it is in physical existence.

7.3 Classification of Assets

In compliance with the requirements of the National Treasury, the Chief Financial Officer shall ensure that all assets are classified under the following headings in the Fixed Assets Register, and Heads of Departments shall in writing provide the Chief Financial Officer with such information or assistance as is required to compile a proper classification:-

7.3.1 <u>Property, Plant and Equipment</u>

- Land (not held as investment assets).
- Infrastructure assets (assets which are part of a network of similar assets).
- Community assets (assets contributing to the general well-being of the community).
- Heritage assets (culturally significant assets).
- Other assets (ordinary operational assets).
- Housing (rental stock or housing stock not held for capital gain).

Save for land and buildings other assets shall be classified under the following headings:

- Bins and Containers;
- Emergency Equipment;
- Disaster Management Equipment;
- Fire Engines;
- Plant and Equipment;
- Computer equipment;
- Office equipment;
- Furniture and fittings; and
- Motor Vehicles.

7.3.2 Investment Property

Investment assets (resources held for capital or operational gain and which are not used by the Municipality). Properties occupied by the Municipality, Councilors or officials are classified as owner-occupied property and are therefore not classed as investment property unless it is leased out on the same conditions that is applicable to the general public.

Investment properties will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position.

7.3.3 Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance.

Intangible assets will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position. Intangible assets shall be valued at cost less any accumulated amortization and any impairment losses.

7.3.4 Agricultural Assets

Agricultural Assets will be treated in accordance with relevant GRAP standards and will separately be classified in the Statement of Financial Position

7.3.5 Assets Treated as Inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings

owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

The Chief Financial Officer shall use the classifications indicated in the Annexure on estimated lives of assets, as a guideline and in the case of an item of assets not appearing in the Annexure shall use the classification applicable to the asset most closely comparable in the Annexure.

7.4 Recognition of Assets

7.4.1 Recognition of Heritage Assets

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious orexpensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Position purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

7.4.2 Recognition of Donated Assets

Where a fixed asset is donated to the municipality, or a fixed asset is acquired by means of an exchange of assets between the municipality and one or more other parties, the asset concerned shall be recorded in the fixed asset register at its fair value, as determined by the Chief Financial Officer in reference to the relevant generally accepted accounting practice.

7.5 Capitalisation Criteria

7.5.1 Material Value

PPE and Intangible Assets

All assets may only be acquired in terms of council's Supply Chain Management Policy and in terms of the budgetary provisions. The responsibility for the purchase of assets would be delegated in terms of council's Delegation Framework and Supply Chain Management Policy. Depending on the cost of the asset to be purchased the following procedure for purchasing an asset must be followed:

- Executive managers shall at all times ensure that there are enough funds in their departmental budgets before requesting approval to any requisition to purchase an asset;
- Executive managers shall ensure that the correct vote and expenditure line item are used and recorded on the requisition requesting approval to purchase an asset;
- Tenders or quotations as required in terms of council's Supply Chain Management policy should be obtained and where required submitted to council's tender committee for approval;
- The tender committee resolution of the approved tender or recommended quotation should be attached to the requisition signed by the relevant head of department;
- The order would then be generated by the finance department;
- Once delivered the asset must be labeled / bar-coded by the Budget and Treasury department before such asset is put into use;
- The executive manager must indicate what the expected useful life of the asset will be;
- The executive manager should endorse receipt of the asset on the invoice and forwarded it for payment to the Finance department; and
- The Finance department would then generate payment.

The completion of any immovable asset by or under control of every head of department should promptly be declared to the Chief Financial Officer in writing stating the full details required for recording in the assets register.

All PPE and intangible assets shall be carried in the asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation or amortisation in the case of intangible assets.

The **original cost** of an item of PPE or intangible assets may include:

- Cost price;
- Financing costs (MFMA section 46(4));
- Import tax;
- Non-claimable purchase tax; and
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When payment for an item of PPE or intangible assets is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When an item of PPE is acquired to be exchanged or partly exchanged for a dissimilar item of PPE or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regardto the definition ascribed to fair value in paragraph 2 hereof.

The only exceptions to this rule shall be revalued items of PPE (see part 7.9 below) and heritage assets in respect of which no depreciation is recorded in the fixed asset register.

Subsequent expenditure

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

Investment Property

An investment property shall be measured initially at its cost. Transaction costs shall be included in the initial measurement. The cost of purchased investment property includes all directly attributable expenditure (professional fees for legal services, property transfer taxes and other transaction costs).

When payment for an investment property is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as an interest expense over the period of credit.

When investment property is acquired to be exchanged or partly exchanged for a dissimilar investment property or other asset, the cost of such item is measured at the fair value of the asset received, which is equivalent to the fair value of the asset given up adjusted by the amount of any cash or cash equivalents paid additional. For the purpose hereof, "fair value" shall be determined by the council with due regard to the definition ascribed to fair value in paragraph 2 hereof.

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure relating to an asset that has already been capitalized, should only be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.

In terms of GRAP 16 transfers to and from investment property shall be made when there is a change in use:

(a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) Commencement of development with a view to sale, for a transfer from investment property to inventories;
(c) End of owner-occupation, for a transfer from owner-occupied property to investment property; or
(d) Commencement of an operating lease to another party, for a transfer from inventories to investment property.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Reinstatement, Maintenance and Other Expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses, which are reasonably ancillary to the bringing into operation of a fixed asset, may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs and installation, assembly and communication costs.

7.5.2 Intangible Items

Assets that meet the criteria of GRAP 102 (Intangible Assets) shall be recognized as Intangible Assets at cost.

7.6 Depreciation

7.6.1 Depreciation of PPE and Investment Property

All PPE and Investment Property, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which PPE and Investment Property are used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the item of PPE and Investment Property is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which an item of PPE and Investment Property are acquired or – in the case of construction works and plant and machinery – the day following the day in which the item is brought into use, until the end of the year concerned. Thereafter, depreciation charges shall be calculated annually.

Each Head of Department, acting in consultation with the Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable PPE and Investment Property controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

7.6.2 Rate of Depreciation and Amortisation

The relevant head of department shall assign a useful operating life to each depreciable item of PPE and Investment Property recorded on the Municipality's asset register. In determining such a useful life the relevant head of department shall use to the useful lives set out in the annexure to this document and relevant historical experience as a guideline.

In the case of an item of PPE or Investment Property which is not listed in this annexure, the relevant head of department in consultation with the Chief Financial Officer shall determine a useful operating life, and shall be guided in determining such useful life by the likely pattern in which the item's economic benefits or service potential will be consumed.

The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other PPE.

7.6.3 Method of Depreciation

The Chief Financial Officer shall allocate the depreciable amount of all depreciable PPE and intangible on a systematic basis over its useful life.

The residual value and useful life of an asset shall be reviewed at least at each reporting date by each executive manager and, if expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimate in accordance with GRAP 3.

7.7 Amendment of Asset Lives and Diminution in the Value of PPE

A printout of the asset register indicating the current remaining useful lives of all assets allocated to a department will be distributed by the Chief Financial Officer to all Heads of Department annually. All Heads of Department must review the remaining useful lives of the assets under their control. Any changes in useful lives must be communicated to the Chief Financial Officer in order for the Finance Department to make the required changes to the Fixed Asset Register. All changes will be treated as Changes in Accounting Estimates in terms of GRAP 3 in the annual financial statements.

The Heads of Department shall request the Chief Financial Officer to amend the useful operating life assigned to any item of PPE if it becomes known that such item has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the item's economic benefits or service potential will be consumed.

If the value of an item of PPE, Investment Property or intangible assets has been diminished to such an extent that it has no or a negligible further useful operating life or value such item shall be fully depreciated or eradicated in the financial year in which such diminution in value occurs.

Similarly, if an item of PPE and Investment Property has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the item has physically ceased to exist, it shall be written off in the fixed asset register.

In all of the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the item of PPE, Investment Property or intangible asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable item of PPE or Investment Property, and such item has been capitalised at a value other than a purely nominal value, such item shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable item of PPE, and the department or vote controlling or using the item in question shall bear the full depreciation expenses concerned.

Additional depreciation not budgeted for as a result of unforeseeable or unavoidable circumstances must be provided for in an adjustments budget and, if such circumstances arises close to the end of the financial year and there will not be time for Council to consider the adjustments before the end of the financial year, may in advance be approved by the Mayor in terms of Section 29 of the MFMA, provided that any other provisions of the MFMA be complied with.

7.8 Funding of PPE and Reserves

The purchase of assets may be funded from the raising of external loans, leases, government- and public contributions, the Capital Replacement Reserve and surplus cash.

7.9 Other Write-offs of PPE

An item of PPE, shall be written off when it can no longer be used, in consultation with the Head of Department controlling or using the item concerned.

Every Head of Department shall report to the Chief Financial Officer on 31 October and 30 April of each financial year on any item of PPE which such Head of Department wishesto have written off, stating in full the reason for such recommendation.

The Chief Financial Officer shall consolidate all such reports, and shall promptly notify the Council on the PPE to be written off.

The only reasons for writing off PPE, other than the alienation of such item of PPE, shall be the loss, theft, and destruction or material impairment of the PPE in question.

If an item of PPE must be written off as a result of an occurrence out of the control of the municipality, such as malicious damage, theft or destruction, the municipal manager must determine whether a third party or an employee was involved in the loss and take all reasonable steps to recover such loss, including reporting the incident to the South African Police Services and the Auditor General, the insurance as well as institute disciplinary steps against any employee who might have been involved in such incident.

In every instance where a not fully depreciated item of PPE is written off, the Chief Financial Officer shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the item concerned.

7.10 Management and Operation of Assets

7.11.1 <u>Accountability to manage assets</u>

Each Executive Manager is accountable to ensure that Municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This will include:-

- Developing appropriate management systems, procedures, processes and controls for managing assets;
- Providing accurate, reliable and up to date account of assets under their control; and
- The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the Municipality's strategic objectives.

7.11.2 Contents of a strategic management plan

Executive Managers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Executive Manager will need to develop strategic asset management plans that cover:-

- Alignment with the Integrated Development Plan;
- Operational guidelines;
- Performance monitoring;
- Maintenance programs;
- Renewal, refurbishment and replacement plans;
- Disposal and Rehabilitation plans;
- Operational, financial and capital support requirements, and
- Risk mitigation plans including insurance strategies

The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

7.11.3 Reporting on Emerging Issues

Each Functional Manager should report to the Municipal Manager on issues that will significantly impede the item of asset capabilities to provide the required level of service or economic benefit.

7.11.4 Verification of Assets

The Municipality shall at least once during every financial year undertake on a date as determined by the CFO a comprehensive verification of all moveable assets controlled or used by all the departments of the Municipality.

Every Head of Department shall promptly and fully report in writing to the Chief Financial Officer, in the format determined by the Chief Financial Officer, all relevant results of such verification, provided that each such item of asset verification shall be undertaken and completed during April of each financial year, and that the resultant report shall be submitted to the Chief Financial Officer not later than 31 May of the year in question.

7.11.5 Movement of Assets

Movement of moveable assets to be undertaken as per Standard operating procedures in annexure A.

7.11 Alienation of Assets

In compliance with the principles and prescriptions of the Municipal Finance Management Act, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the municipality's supply chain management policy and the Municipal Asset Transfer Regulations

Every head of department shall report in writing to the Chief Financial Officer on 30 April of each financial year on all fixed assets controlled or used by the department concerned which such head of department wishes to alienate by public auction or public tender.

The Chief Financial Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the council or the municipal manager of the municipality, as the case may be, recommending the process of alienation to be adopted.

The council shall delegate to the municipal manager the authority to approve the alienation of any moveable asset with a carrying value less than R50 000 (filthy thousand rand). The council shall ensure that the alienation of any asset with a carrying value equal to or in excess of R50 000 (fifty thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004.

In terms of Section 14 of the Municipal Finance Management Act, 2004 the Municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of assets needed to provide the minimum level of basic municipal services.

The Municipality may transfer ownership or otherwise dispose of assets other than one contemplated above, but only after the Council, in a meeting open to the public:-

- has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and
- has considered the fair market value of the item and the economic and community value to be received in exchange for the asset.

The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be subsequently reversed by the Municipality after that asset has been sold, transferred or otherwise disposed of.

Once the fixed assets are alienated, the Chief Financial Officer shall treat the disposal of the items in terms of GRAP and amend the relevant records of the fixed asset register. If the proceeds of the alienation are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss in the Statement of Financial Performance of the department or vote concerned.

If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the Statement of Financial Performance of the department or vote concerned.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the Municipal Asset Transfer Regulations.

7.12 Maintenance

7.12.1 Maintenance Plans

Every Head of Department shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the Municipal Manager, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The Head of Department controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July or the earliest Council meeting thereafter, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the item concerned.

7.12.2 Deferred Maintenance

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset, the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the annual financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Financial Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the Head of Department controlling or using such item, and shall recalculate the increased annual depreciation expenses accordingly.

7.12.3 General Maintenance of Assets

Every Head of Department shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 7.13.1 and part 7.13.2 above) are properly maintained and in a manner which will ensure that such item attain their useful operating lives.

7.13 Replacement Strategy

The Municipal Manager, in consultation with the Chief Financial Officer and other Heads of Departments, shall formulate norms and standards for the replacement of all normal operational assets. Such norms and standards shall be incorporated in a formal strategy, which shall be submitted to the Council for approval. **This strategy shall cover the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items.**

Such strategy shall also provide for the replacement of assets which are required for service delivery but which have become uneconomical to maintain.

7.14 Insurance of Assets

The municipal manager or heads of departments to whom the responsibility of the assets have been delegated shall ensure that all movable assets are insured at least against fire and theft, and that all municipal buildings are insured at least against fire and allied perils. The municipal manager and heads of department will annually revise council insurance portfolio to ensure that all assets are adequately insured. The services of an insurance broker would be required in terms of council's Supply Chain Management policy.

Any theft, loss or damage to an asset should immediately be reported to council's insurance brokers by the relevant head of department under whose responsibility the asset falls. A copy of the insurance claim submitted should be forwarded to the Chief Financial Officer who must record such claim in the insurance register. It is the responsibility of the relevant head of department to ensure that all documents / information for the completion of the claim is forwarded to council's insurance brokers and that copies thereof is forwarded to the Chief Financial Officer. The head of department should in writing request the replacement of the asset which can only be authorized, if sufficient provision for the replacement of the asset is on the capital budget, by the Municipal Manager after consultation with the Chief Financial Officer. If sufficient provision is not on the capital budget the asset can only be replaced if provision for the replacement is made on an Adjustments budget. In the case where an asset must be replaced as an emergency measure, the Mayor may authorise such expenditure, subject to compliance with Section 29 of the MFMA.

Third-party (insurance) pay-outs must be treated as revenue when the amount is certain and may not be offset against the cost of replacing the item. The carrying value of items lost, stolen or damaged beyond repair must be treated as impairment against the relevant department or vote. The full cost of the replacement item must then be capitalised.

The municipal manager shall recommend to the council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the municipality.

The Chief Financial Officer shall annually submit a report to the council of the municipality on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve.

7.15 Impairment of Assets

The accounting treatment relating to impairment losses is outlined in GRAP 21 and GRAP 26.

7.15.1 Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated.

- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset.

- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

7.15.2 Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

(a) External sources of information

- Cessation, or near cessation, of the demand or need for services provided by the asset.

- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

(b) Internal sources of information

- Evidence is available of physical damage of an asset.

- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date.

- A decision to halt the construction of the asset before it is complete or in a usable condition.

- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an assetis less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss is recognised in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches, depending on the nature of the asset in question:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units

expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Departments will identify and inform the Chief Financial Officer of assets that:

    - Are in a state of damage at year end.
    - Are technologically obsolete at year end. .
    - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.

- Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts.

- The recoverable amounts of these assets need to be determined by calculating the net selling price per asset and value-in-use as defined above.

8. ACQUISITION OF ASSETS

8.1 Pre-acquisition Planning

Before a capital project is included in the budget for approval, the Chief Financial Officer must demonstrate that he/she has considered the following:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue on the project, including the tax and tariff implications;
- The financial sustainability of the project over its life including revenue generation and subsidisation requirements;
- The physical and financial stewardship of that asset through all stages of its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of the capital project in the Integrated Development Plan and future budgets; and
- Alternatives to the capital purchase.

The heads of department are accountable to ensure that the Chief Financial Officer receives all reasonable assistance, guidance and explanation to enable him to achieve his planning requirements.

8.2 Approval to Acquire Property, Plant and Equipment

Money can only be spent on a project if:

- The money has been appropriated in an approved budget;
- The project, including the total cost has been approved by the Council;
- The Chief Financial Officer confirms that funding is available for that specific project; and
- Any contract that will impose financial obligations beyond two years after the budget year is appropriately disclosed.

Funding of Capital Projects

Within the Municipality's on-going financial, legislative or administrative capacity, the Chief Financial Officer must establish and maintain the funding strategies that optimise the municipality's ability to achieve its strategic objectives as stated in the Integrated Development Plan. The acquisition of assets may not be funded over a period longer than the useful life of that asset.

9. PURCHASE OR HIRE OF IMMOVABLE PROPERTY

The municipality may acquire by purchase, or by hire, immovable property within- or outside the municipal boundary provided it complies with the requirements of the MFMA and the Supply Chain Management policy and subject to the following:

- The cost of the purchase or hire had been budgeted for; and
- The intention to buy or hire the immovable property had been advertised for public comment.
- After consideration of any public comments/objections the Council will:-
    - In the case of the following paragraph complies with the requirements of that paragraph; and
    - In the case of all other immovable property, finally resolve to continue with the purchase or hire and apply the supply chain management processes
- The Council will not continue with the purchase or hire of any immovable property where:
    - The price is in excess of the market value thereof as assessed by an appraiser; or
    - The rental which, when calculated per annum in the case of:
        - Immovable property hired for agricultural purposes, exceeds six percent; and
        - Immovable property hired for any other purpose, exceed twelve percent of the market value of the property, as assessed by an appraiser.

The Council may accept a gift or conveyance of immovable property either for the municipality or in trust for charitable or other public purposes not connected with public worship, and hold the same in such trust or for such purpose as may be declared by such donors and may administer, utilize and improve such property.

The trustees of any immovable property held in trust for any township village of settlement which has become a municipality or part of a municipality may transfer such property to the Council, subject to any special trusts in their deeds of title and upon conditions not at variance therewith.

10. IMPLEMENTATION OF THIS POLICY

This policy to be implemented as approved by Council Decision DCxxx, 28 May 2019. All future asset management must be done in accordance with this policy.

This policy must be reviewed annually by the Accounting Officer and the CFO for any legislative or General Accounting Practise changes in consideration with audit recommendations for the Auditor General.

APPENDIX A

SCHEDULE OF EXPECTED USEFUL LIVES OF ASSETS (to be used as a guide only, every asset's useful live must be determined individually)

	Years		*Years*
Infrastructure		**Other**	
Roads and Paving	7 - 32	Buildings	5 - 32
		Other vehicles	2 - 34
Community		Office equipment	3 - 32
Buildings	7 - 32	Furniture and fittings	1 - 33
Recreational Facilities	32	Bins and containers	8 - 32
Parks and gardens	22	Specialised plant and	
Investment Property - Buildings	29 -32	Equipment	2 - 32
		Fire Engines	3 - 34
		Emergency equipment	6 - 22
		Computer equipment	1 - 32
		Computer Software	2 - 18

Annexure A : Movement of Moveable Assets

- Do not move assets without having completed an asset transfer form (Annexure B), signed off by the Executive Manager of the department; the form to be submitted to Asset Management Unit (Finance) within 3 workings asset of being.

- Keep assets issued to you personally (laptops, camera's, etc.) safely and in good working condition. Assets will not be readily replaced and that could hamper your work performance. If there is any assets not in good working condition please inform asset management for them to be repaired as this this will affect the value of our assets in our books if it is not in good working condition during asset verification or audit process.

- Ensure that assets in your possession are barcoded if not inform asset management (Finance) to have the item barcoded.

- If there are any concerns regarding missing assets that might have been moved without following the correct process of filling in the Assets transfer from, please raise the matter immediately with asset management unit for the item to either be moved back to your office or the process be ratified (Asset Register – Location of Asset, filling in of asset transfer form)

- If you are aware of stolen assets or missing assets that have not been located please inform asset management unit to allow the due process regarding assets to be ensued, otherwise failure to do will result in the official to whom the asset was entrusted as personally liable for the recovery cost of the asset

- Every room should have an asset list mounted at the back each door listing all assets in that room. If you become aware that a room /office does not have one, please inform asset unit immediately.

- Asset list to be reviewed very month by the allocated user/occupant of the office or room, to ensure that all assets in the office exist, they are complete and in good working condition. (Ensure that they still have their Bar Codes)

- Any missing assets on the list but not in the office/room to be reported to asset unit immediately.

- Any unidentified asset in the room but not listed in the room asset list to be reported to the asset unit. (Asset Unit will remove the asset and place it in the allocated location as per asset register)

Matters of Emphasis

1. All transfer of asset forms completed to be signed off by the relevant head of department with the approval of the designated official and sent to Asset unit (Ext. 1325 or 1303).

2. Should there be any discrepancies between the Asset register and the assets in your custody and no formal documentation indicating their movement; report the matter to asset unit immediately.

3. Every person to whom assets are allocated are responsible to ensure the assets are safeguarded and any theft/damage is immediately reported. Reasonable care must be exercised to safeguard the assets. Negligence to safeguard assets can lead to investigated procedures to be initiated which can potentially lead to disciplinary action.

Annexure B: Asset Transfer Form:

Application for Asset Transfer

Asset No	From Location	To Location

Requested	Authorised By	Date

Received By	Date

ANNEXURE G

FUNDING AND RESERVE POLICY



FUNDING AND RESERVES POLICY

Date Approved:	Council Resolution (DC):

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FUNDING AND RESERVE POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are therefore clear in that the budget must be cash – funded i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise to the management of his or her own finances with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance, provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

2.5 DEBT MANAGEMENT

Debt must be managed in terms of the municipality's Debt Management and credit control Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period it occurs.

The municipality however, recognizes the plight of the poor, and in line with national and provincial objectives, the municipality commits itself to subsidized services to the poor. This will necessitate cross subsidization in funding to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;

b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information and in any line with any budget circulars issued by National and Provincial Treasury;

c) Tariff adjustments must be fair;

d) Revenue from Government Grants and Subsides must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll–over purposes must be excluded from the calculation as it must be included in changes in Cash and Cash Equivalents and Payables.

Furthermore, in the budget the total grants recognised as revenue must equal the total expected expenditure from grants, inclusive of capital expenditure and VAT as per directive given in MFMA circular 48.

e) Projected revenue from services charges must be reflected as net (all billing less revenue foregone, which is free basic services, discounts and rebates).

f) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget but excluded in the cash flow budget.

g) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality, and it is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at

the minimum of 10% of the prior year balance of the long–term benefits not yet cash-funded, be included in the operating budget, in order to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employee Benefits Reserve".

h) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from own sources, excluding assets funded from grants, public contributions and external loans, landfill site calculations of the GRAP 17 asset and GRAP 19 provisions, must be reflected as a surplus on the cash flow budget. Capital Replacement Reserve must be fully cash funded and amount equal to the annual depreciation/amortisation must be transferred to the Capital Replacement Reserve annually.

i) Contributions to provisions (non-current and current) do not form part of the cash flow. It is however, necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed. All provisions must be cash backed and cash set aside for the payment of these contributions as they become due and payable.

j) The amount calculated as a contribution to rehabilitate the landfill site at the end of its useful life, is included in the cash flow and must generate a cash surplus equal to the calculated value of the annual amount to be invested to yield the amount needed to rehabilitate the landfill site. To achieve this the cost of the landfill site operations must be fully recovered from the participating user municipalities. These cash surpluses must annually be transferred from the accumulated surplus to a Landfill Rehabilitation Reserve Fund.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own contributions, grants, public contributions as well as external loans.

Own Contributions

The capital budget financed from own contributions must primarily be funded from the Capital Replacement Reserve and the Landfill Rehabilitation Reserve which must be cash funded and/or current year surplus revenue.

Notwithstanding the above the capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions are determined during the budget process.

Annually the depreciation/amortization amount must be transferred to the capital replacement reserve. When the capital replacement reserve is utilized for the funding of the capital budget, the capital replacement reserve must be replenished within two years to ensure adequate cash is available in the reserve to fund unforeseen and unavoidable capital purchases that was not included in the original budget.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding does not place unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

It is therefore determined that the accounting officer must evaluate the long-term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

It is furthermore determined that the depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer must put such accounting measures in place to comply with this requirement, to a reasonable extent.

External Loans

The municipality may only raise loans in accordance with its Debt Management Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year. Given the revenue restraints of a district municipality detail cost analysis must be performed for considering raising loans and the ability to repay such obligations as they become due and payable. Loans must be used for purchasing of cash generated assets to ensure a constant revenue stream to be utilized for the repayment of such loans.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality wants to ensure that the budget or adjustments budget complies with the requirements of the MFMA and this policy. For this purpose, a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as reconciliations according to this policy. Any additional indicators recommended by National Treasury in future must also be taken into account, as well as any additional reconciliation items as either determined by the Council or the Accounting Officer.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless any negative indicators can be reasonably explained and future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants;
- unspent conditional public contributions;
- unspent borrowings;
- VAT due to SARS;
- secured investments;
- capital replacement reserve balance
- landfill site restoration reserve balance
- the cash portion of statutory funds such as the Housing Development Fund;
- other working capital requirements; and
- In addition, it must be sufficient to back reserves as approved by the municipality and the portions of provisions as indicated elsewhere in this policy.

2.8.3 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

Should the budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised. Annually the depreciation/amortization amount must be transferred to the capital replacement reserve to build up the reserve and it must be cash funded.

3. SECTION B: RESERVES POLICY

3.1 INTRODUCTION

The municipality recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy aims to provide for such measure of protection by creating certain reserves.

3.2 LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund, however this is not applicable to district municipalities currently. The GRAP Standards itself also do not provide for reserves.

However, the GRAP "Framework for the Preparation and Presentation of Financial Statements" states in paragraph 91 that such reserves may be created, but "Fund Accounting" is not allowed and any such reserves must be a "legal" reserve, i.e. created by law or Council Resolution.

3.3 TYPES OF RESERVES

Reserves can be classified into two main categories being "cash funded reserves" and "non – cash funded reserves".

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

(a) Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance– or other operating expenditure. This fund must be fully cash backed.

(b) Rehabilitation Reserve

The once off payment for the statutory obligation to rehabilitate the regional landfill site when it reached the end of its useful life must be placed in a separate capital reserve and must be cash backed and may only be utilized for purposes of the regional landfill site.

The operation, licensing, management and closure of landfill sites in South Africa is highly regulated. The objective of the legislation is to minimize the potential impact that landfill sites can, or may have on the environment.

The rehabilitation of the landfill site is legislatively required to ensure that the site is environmentally acceptable after the landfill site has stopped receiving waste. Garden Route District Municipality is in the process of erecting a regional landfill site which will be funded from loan funding. The agreement will be for twenty (20) years and local municipalities will partake in this project and contribute monthly towards the operational cost of the regional landfill site as well the administration and rehabilitation cost.

The monthly rehabilitation cost contribution received from the participating local municipalities must be transferred to a cash funded reserve set aside for the rehabilitation cost payable after the landfill site has reached the end of its useful live.

(c) Employee benefit reserve

To be utilized for any provision of employee related benefits/provisions and must be cash backed.

3.3.2 NON CASH FUNDED RESERVES

Currently the district municipality do not have any such reserves.

ANNEXURE H
SUPPLY CHAIN MANAGEMENT POLICY

SUPPLY CHAIN MANAGEMENT POLICY

Adopted by Council: COUNCIL RESOLUTION DC

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
Date of adoption: **[*29/05/17*]**

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the following proposal as the Supply Chain Management Policy of the municipality

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Garden Route District Municipality Framework for Infrastructure Delivery and Procurement Management

1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and

"**Central Supplier Database (CSD**: means National Treasury's web based Vendor Management Database established as per MFMA circular No. 81, Municipal Finance Management Act No. 53 of 2003. www.csd.gov.za effective as 01 July 20016

"Competitive bidding process" means a competitive bidding process referred to in paragraph 12 (1) (e) of this Policy;

"Competitive bid" means a bid in terms of a competitive bidding process;

"emergency" means is a serious, unexpected, unforeseen and potentially dangerous and damaging situation requiring immediate action and which is not due to lack of planning, if left unattended will cause a serious health/life threatening risk or adverse financial ramifications.

"e-Tender publication portal" means National Treasury's central web based publication platform to ensure goods, services and works are procured in a manner that is fair, equitable, transparent, competitive and cost effective by advertising centrally as an invitation to prospective bidders to submit bids. www.etenders.gov.za

"final award", in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

"formal written price quotation" means quotations referred to in paragraph 12(1)(c) of this policy;

"in the service of the state" means to be -

a) a member of -
   i. any municipal council;
   ii. any provincial legislature; or
   iii. the National Assembly or the National Council of Provinces;
b) a member of the board of directors of any municipal entity;
c) an official of any municipality or municipal entity;
d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
e) an executive member of the accounting authority of any national or provincial public entity; or
f) an employee of Parliament or a provincial legislature;

"contract of long term nature" means a contract with a duration period exceeding the three year MTREF period as per section 33 of the MFMA;

"list of accredited prospective providers" means the list of accredited prospective providers which the **municipality** must keep in terms of paragraph 14 of this policy; or Central Supplier Database

"Other applicable legislation" means any other legislation applicable to municipal supply chain management, including –

a. the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
b. the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); and
c. the Construction Industry Development Board Act, 2000

"PPPFA" means the Preferential Procurement Policy framework Act, no 5 of 2000

"Executive Manager" reporting directly to the Accounting Officer" means an executive manager in the employment of the Garden Route District Municipality who heads a department and reports to the Municipal Manager

"Treasury guidelines" means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

"the Act" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"the Regulations" means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

CHAPTER 1

IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply chain management policy

(1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –

a. gives effect to –
   (i) section 217 of the Constitution; and
   (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
b. is fair, equitable, transparent, competitive and cost effective;
c. complies with –
   (i) the Regulatory framework prescribed in chapter 2 of the regulations; and
   (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
d. is consistent with other applicable legislation:
   (i) The Preferential Procurement Policy Framework Act
   (ii) The Preferential Procurement Regulation, 2022
   (iii) The Broad Based Black Economic Empowerment Act
   (iv) The Construction Industry Development Board Act
   (v) The Local Government: Municipal Systems Act
   (vi) The Promotion of Administrative Justice Act
   (vii) The Promotion of Access to Information Act
e. does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
f. is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
g. assigns the responsibility for the implementation of policy to the Accounting Officer of the Municipality

(2) The Municipality may not act otherwise than in accordance with the supply chain management policy *when* –

(i) Procuring goods or services
(ii) Disposing of goods no longer needed or which have become redundant
(iii) Disposing or letting of fixed assets, including land needed have proven commercial value no longer required for basic municipal service

(iv) Selecting contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

(v) Selecting external mechanisms referred to in section 80(1)(b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act

(3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and

b) electricity from Eskom or another public entity, another municipality or a municipal entity.

3. Adoption and amendment of the supply chain management policy

(1) The accounting officer must

a) at least annually review the implementation of this Policy;

b) review compliance to norms and standards cost efficiency of the supply chain management process; and

c) when the accounting officer considers it necessary submit proposals for the amendment of this Policy to the council.

(2) If the accounting officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the accounting officer must –

a) ensure that such proposed amendments comply with the Regulations; and

b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.

(3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

(4) The desired outcome of the policy is to provide mechanism to ensure sound, sustainable and accountable Supply Chain Management within the Garden Route District Municipality while promoting the following LED objectives:

(i) to stimulate and promote local economic development in a targeted and focused manner as per **Garden Route Growth and Development Strategy as approved by Council**;

(ii) to promote resource efficiency and reduce the negative environmental impact of daily operations of the Garden Route District;

(iii) to facilitate creation of employment and business opportunities for the people of the Garden Route District with particular reference to Preferential Procurement Policy Framework Act, 2000, Preferential Procurement Regulations, 2022, and **setting specific B-BEEE rating targets for all procurement above a range as determined by council over a period of the contract.**

(iv) to promote the competitiveness of regional businesses within approved Regional Economic Development Strategy;

4. Delegation of supply chain management powers and duties

1) The council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –

i) Chapter 8 or 10 of the Act; and
ii) this Policy;

b) to maximise administrative and operational efficiency in the implementation of this Policy;

c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and

d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

3) The accounting officer may not sub delegate any supply chain management powers or duties to a person who is not an official of municipality or to a committee which is not exclusively composed of officials of the municipality.

4)This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

5. Sub delegations

(1) The accounting officer may in terms of section 79 or 106 of the Act sub delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such sub delegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

(2) The power to make a final award –

a) above R 10 million (VAT included) may not be sub delegated by the accounting officer;

b) above R 2 million (VAT Included), but not exceeding R 10 Million (VAT Included), may be sub-delegated but only to –

(i) the chief financial officer;

(ii) a Head of Department; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

c) not exceeding R 2 million (VAT Included) may be sub-delegate but only to –

(i) the chief financial officer;

(ii) a manager directly accountable to Accounting Officer

(iii) a manager directly accountable to the Chief Financial Officer or a Senior Manager; or

(iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub delegated in accordance with subparagraph 5(2) must within five days of the end of each month submit to the accounting officer a written report containing particulars of each final award made by such official or committee during that month, including-

(i) the amount of the award;

(ii) the name of the person to whom the award was made; and

(iii) the reason why the award was made to that person.

(4) A written report referred to in subparagraph 5(3) must be submitted –

a) to the accounting officer, in the case of an award by –

(i) the chief financial officer;

(ii) a senior manager; or

(iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or

b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –

(i) a manager referred to in subparagraph (2)(c)(iii); or

(ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.

(5) Subparagraphs 5(3) and 5(4) of this policy do not apply to procurements out of petty cash.

(6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

(7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

6. Oversight role of council

1. The council reserves its right to maintain oversight over the implementation of this Policy

2. For the purposes of such oversight the accounting officer must –

(i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or share control of the municipality, to the council of the municipality;

(ii) and whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council.

3. The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor

4. The reports must be made public in accordance with section 21A of the Municipal Systems Act.

5. Section 117 of the MFMA prohibits a municipal councillor from being a member of a bid committee or attend any other committee evaluating or approving quotations or bids nor

   may a Municipal Councillor attend any such meeting as an observer.

6. In order to create an environment where business can be conducted with integrity and in a fair and reasonable manner, this Policy will strive to ensure that the Municipal Manager and all representatives of Garden Route District Municipality involved in supply chain activities shall act with Integrity and in accordance with the highest ethical standards

7. All supply chain management representatives shall adhere to the code of conduct of municipal staff contained in schedule 2 of the Systems Act, and this Policy's Code of Ethical Standards

7. Supply chain management unit

1) A supply chain management unit is hereby established to implement this Policy.

2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

3) The supply chain management unit shall operate as a centralised supply chain management function to administer and co-ordinate all the Supply Chain Management activities and functions of the municipality as described in this Policy unless a function or activity is specifically excluded by the accounting officer from the unit's term of reference

4) All Garden Route District officials shall act with integrity and adhere to the code of conduct of municipal staff contained in Annexure B of the Policy (Systems Act, schedule 2)

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with any Treasury guidelines on supply chain management training. The Skills

Development Officer (HR) to facilitate the necessary training for the SCM officials to achieve the Minimum Competency Levels as required. Work based skills plan facilitated by Human Resources to form the basis for training of SCM officials.

CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

This Policy provides systems for -

(i) demand management;
(ii) acquisition management
(iii) logistics management
(iv) disposal management
(v) risk management
(vi) performance management

Part 1: Demand management

10. Demand Management System

1) The accounting officer must establish, through operational procedures, and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic- goals as outlined in the Integrated Development Plan.

2) The Municipality's Integrated Development Plan (IDP) is a comprehensive strategic document setting out how the Municipality intends to tackle its development challenges in a financial year. It is on the basis of the IDP that the resources of the municipality will be allocated and on which the budget is based.

3) The demand management system to ensure that each Head of the Department has a yearly plan that will include the following:

a) include timely planning and management processes to ensure that all goods and services required by the municipality / respective departments are quantified and budgeted for. Timely and effectively planning is executed to ensure they are delivered at the right location, at the critical delivery date, and are of the appropriate quality and quantity at a fair cost; *(All Executive / Senior Managers to oversee the Yearly Planning for their respective departments*)
b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
c) provide for the compilation of the required specifications to ensure that its needs are met.
d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.
e) In dealing with suppliers and potential suppliers, the Municipality shall respond promptly, courteously and efficiently to enquiries, suggestions and complaints.

(4) Major Activities

a) Demand management to be executed following the tabling of the draft Integrated Development Plan (IDP) and draft budget by council or approval of the Adjustment budget by council, spending of funds subject to final approval of the budget by council and funds are available on the financial system.
b) Establishing requirements
c) Determining the needs
d) Deciding on appropriate procurement strategy
e) All procurement to be directly linked to the Demand Management Plan that will entail all envisaged planning for financial year ahead.
f) Demand Management Plan of the respective departments to be reviewed by the Accounting Officer or Delegated Official and submitted to Supply Chain Management Unit for planning and execution.
g) All deviations to be interrogated by the Accounting Officer against the Demand Management Plan and the Accounting officer to oversee the appropriate remedial steps to be implemented by the relevant executive / senior managers to prevent poor or lack of planning by departments

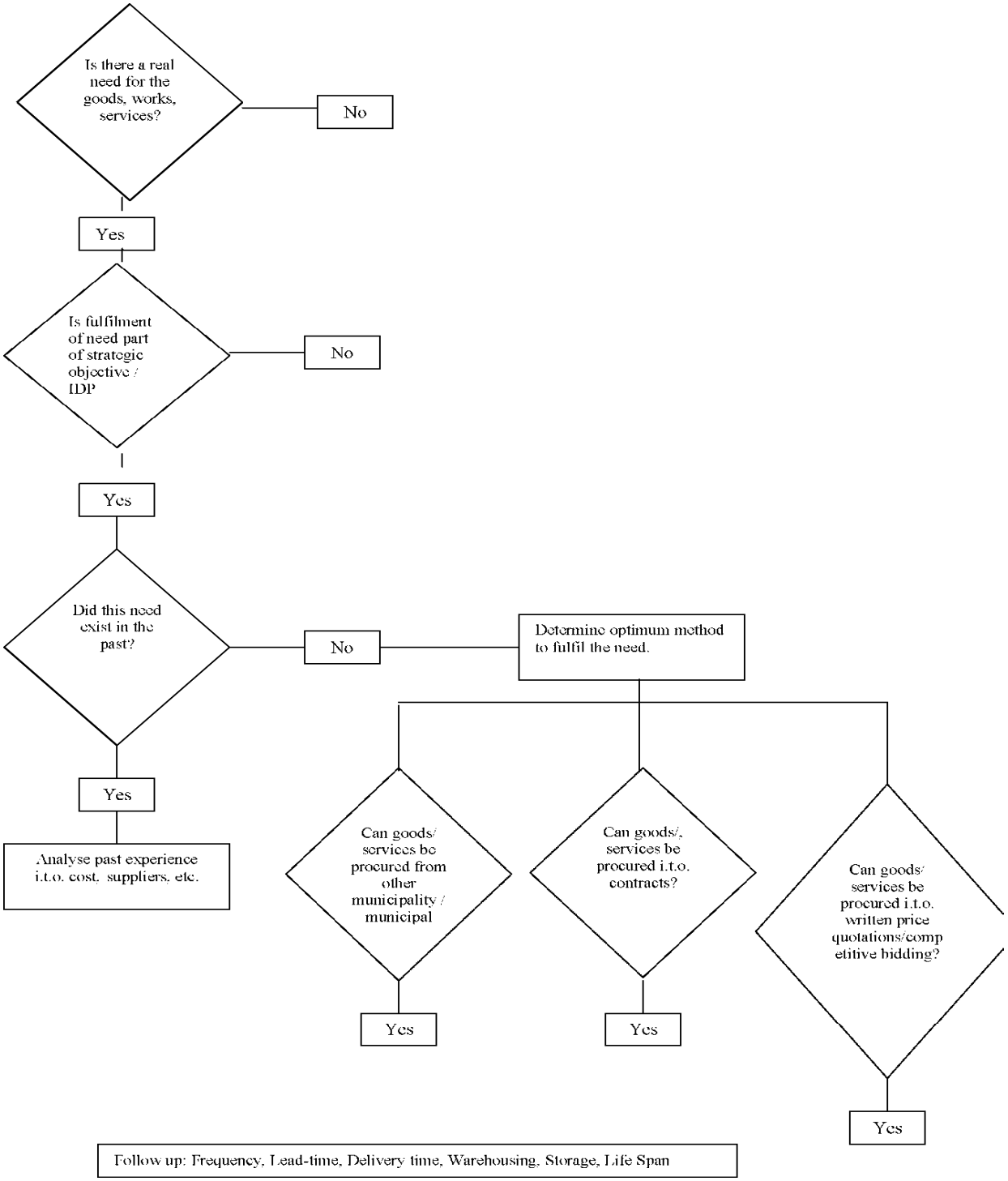
(5) **Demand Management Plan to entail the following:**

a) establishing requirements and needs for the year ahead
b) deciding on appropriate procurement strategies, use of quotations or bidding
c) understanding the future needs;
d) identifying the frequency of the need
e) linking the requirement to the budget

f) conducting expenditure analysis based on past expenditure
g) determining requirement (including the internal capacity to implement)
h) conducting commodity analyses in order to check for alternatives; and
j) conducting industry analyses to establish market prices and strategic industry role players

Annexure:

Flowchart of the Demand Management Process



Part 2: Acquisition management

11. **Acquisition management System**

(1) The Objective of the System of Acquisition Management is to ensure –

a) that goods and services are procured by the municipality in accordance with authorised processes only;

b) That expenditure on goods and services is incurred in terms of an *approved budget in terms of section 15 of the Act;*

c) that the threshold values for the different procurement processes are complied with;

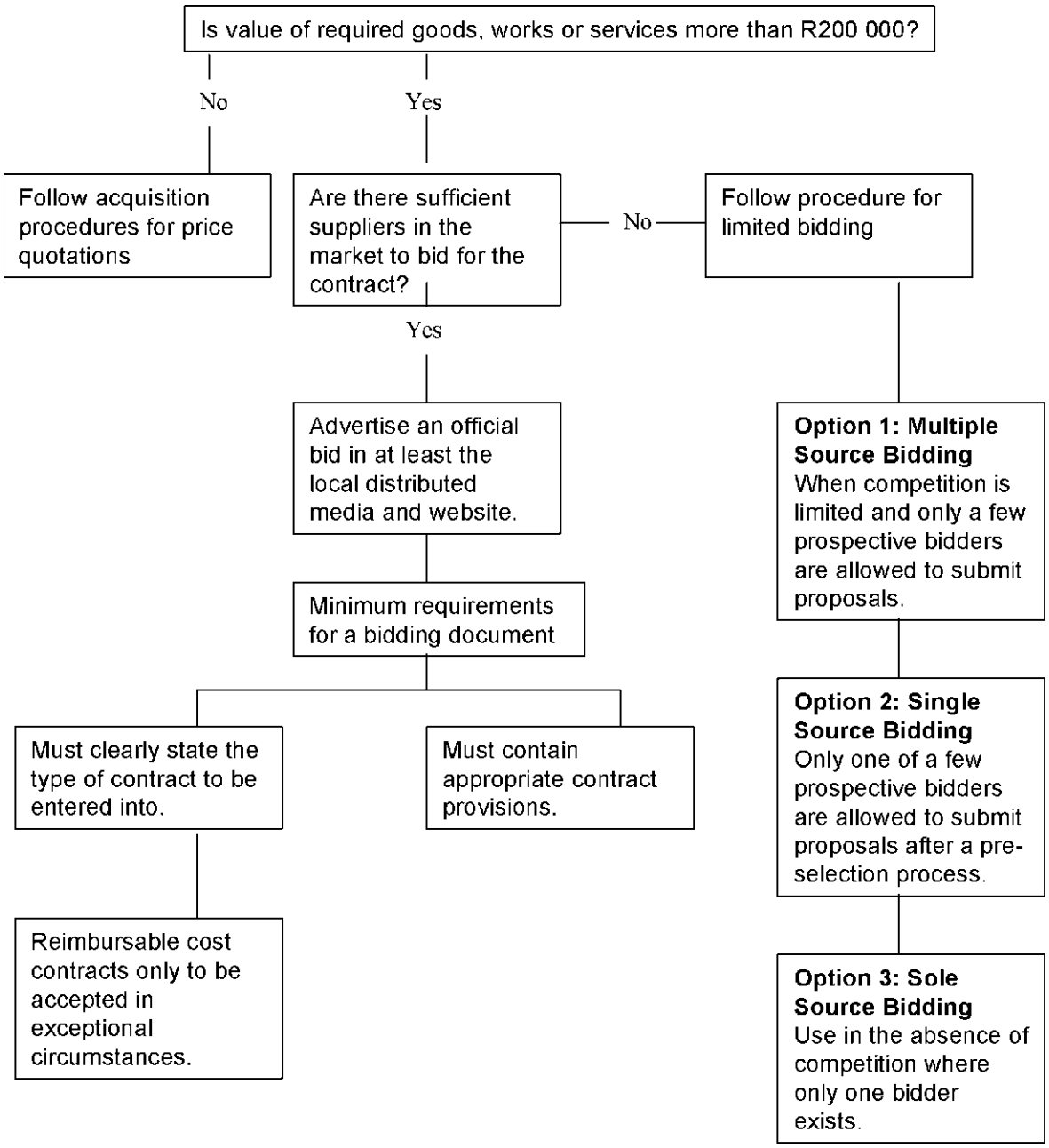
d) That bid documentation, evaluation and adjudication criteria, and general conditions of contract are in accordance with any applicable legislation including PPPFA, and any condition of the CIDBA; and

e) That any Treasury guidelines / circulars on acquisition management are properly taken into account during the review of the SCM Policy.

(2) When procuring goods or services contemplated in section 110(2) of the Act, including water from the department of Water Affairs, Public Entity, another municipality or a municipal entity; and electricity from Eskom or public entity, municipality or municipal entity; the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

a) the kind of goods or services; and

b) the name of the supplier.



Strategic sourcing flow chart for competitive bidding for Items above R200 0000 (Source: The Accounting Officer's guideline for Supply Chain Management)

12. Range of procurement processes

(1) Goods and services may only be procured by way of -

a) petty cash purchases may be used up to a transaction value of R2 000, in accordance with the provisions of the Petty Cash Policy
b) formal written price quotations for procurement of a transaction value over R 2 000 up to R200 000 (VAT included); and
c) a competitive bidding process for procurement above a transaction value of R 200 000 (VAT included)

(2) The accounting officer may, in writing-

a) lower, but not increase, the different threshold values specified in subparagraph 12(1); or
b) direct that –

(i) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000
(ii) informal tender process be followed for procurement below R30k
(iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000, the competitive bidding thresholds specified in sub-regulation (1)(c).

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy.

(4) When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

13. General preconditions for consideration of written quotations or bids

A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

(a) has furnished that provider's -

a. full name;
b. identification number or company or other registration number; and
c. tax reference number and VAT number, if supplier is a register VAT vendor;

(b) In the case of transactions exceeding R 30 000, including VAT:

(i) A valid Tax clearance certificate or service provider tax verification details

(SARS Pin number for e-filling independent verification) must accompany the bid documents. (Status verification on the day of award) *(The onus is for the bidder to ensure that their tax matters are in order.)*

(ii) If the bid of the preferred bidder is not supported by a valid TAX Clearance Certificate, either as an attachment to the bid documents or on record in the case of suppliers registered on the Central Supplier Database of the National Treasury, the municipality reserves the right to request the Bidder to supply the municipality with a valid SARS (e-filling) TCS pin for independent verification on SARS e-filling within a prescribed period, failure of which will result in a disqualified bid. *(Within seven days of being notified by Supply Chain Management Office)*

(c) has indicated -

(i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

(ii) if the provider is not a natural person, whether any of its directors, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or

(iii) whether a spouse, child or parent of the provider or of director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

(d) The Municipality is aware that not all service providers in the region are registered on the Central Supplier Database of National Treasury; although it's preferable and the intention of Government to limit transactions to registered suppliers on the National Treasury Central Supplier Database, the following is applicable to acquiring goods or services from service providers not registered on the database with regards goods and services below R30 000:

i. Where less than 3 services providers have been identified on the Central Supplier Database, alternative service providers not registered on the database maybe requested for additional quote(s) provided their tax matter are in order and can be independently verified on SARS e-filling. (Such service providers must be encouraged and assisted subsequently to register on the Central Supplier Database)

ii. Where quotations provided are not market related, prices quoted are significantly material above market price, an alternative quotation should be requested from an alternative vendor rendering the same goods and services even if not on the system vendor management system, provided their tax matters are in order and can be independently

verified on SARS e-filling)

iii. A declaration form to be attached to the requisition sent to the service provider not listed on the database requesting declaration of not being in the service of the state.

iv. Supplier to be provided with the Municipal Declaration form for regulation 44 vetting and SARS compliance

(e) Where the chosen vendor to render services or supply goods is in accordance to section 13(d) of the Garden Route District Municipality's Supply Chain Management System, the following must take place

i. Provision can be made for purchases to be made from such a supplier for transactions below R30K

ii. Suppliers not registered on the Central Supplier Database with whom the Municipality transacts with frequently to be encouraged to register on the National Treasury's Central Supplier Database.

a) Where services or goods delivered are once off the CFO to provide authorisation for direct payment,

b) Where it is likely that the similar service or goods requested will be required in the future, then DATA Unit to be approached to engage with the service provider and facilitate the process of the vendor registering on the Central Supplier database

iii. The user department must inform Data Unit in Finance Department of such a service provider and request that assistance be provided to the service provider to be registered on the Central Supplier Database.

14. Lists of accredited prospective providers

(1) The accounting officer must -

a) to keep a list of accredited service providers for goods and services that must be used for the procurement requirements of Garden Route Municipality through formal written price quotations (Vendor database / Creditor Master File)

b) Ensure use of The National Treasury Central Supplier Database, which is the database which lists the detail of all suppliers who have been registered and vetted in order to do business with the Municipality and Government

c) Ensure Prospective suppliers to be assisted with registering on the National Treasury's Central Supplier Database at any time, *www.csd.gov.za*

d) Ensure Minimum criteria for prospective suppliers is to be registered and approved on the National Treasury Central Supplier's Database

e) disallow the registration of any prospective supplier whose name appears on the National Treasury's Database of Restricted Suppliers and/or Register for Tender Defaulters and who is therefore prohibited from doing business with the public sector.

(2) Vendors bidding for Informal/Formal tenders that are not registered on the National Treasury's Central Supplier Database are not precluded from submitting bids, but must however be registered and approved by the time the Bid is evaluated, failing which their bid may be declared non-responsive.

a. All persons forming part of a Joint Venture or Consortium must be registered as such on the National Treasury's supplier Database and have obtained a joint venture or partnership B-BBEE certificate of the new entity.

b. Use of National Treasury's Central Supplier Database for procurement approved from the 31 December 2017

15. Petty cash purchases

The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1)(a) of this Policy, are as follows –

1. Petty Cash management resides with the relevant Head of Department and in the absence of a Petty Cash policy the following shall apply:
   a) Only an Executive manager may approve or authorize the petty cash voucher.
   b) The authorized petty cash voucher with the slip must be filed and recorded in a petty cash register.
   c) The petty cash box must be stored away in safe place when it is not in use.
   d) The designated personnel managing the petty cash to keep record of all transactions with the supporting document and avail it for inspection when required so.
   e) The Chief Accountant Expenditure to verify the petty cash reconciliation every time it is replenished.
   f) Random cyclical petty cash review can be undertaken without prior notice where the need has been identified by the Office of the Chief Financial Officer.
2. each executive manager may allow petty cash purchases not exceeding an amount of R2 000 in each month;
3. a monthly reconciliation report from each executive manager must be provided to the chief financial officer, including –

(i) the total amount of petty cash purchases for that month; and

(ii) receipts and appropriate documents for each purchase.

4. the following types of expenditure may not be made from petty cash: all Labour or salary related expenditure

16. Formal written price quotations

(1) The conditions for the procurement of goods or services through formal written price quotations, are as follows:

a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality and the National Treasury's central supplier database.

b) quotations may be obtained from providers who are not listed, provided that such providers are not listed on the national treasury's list prohibited suppliers;

c) if it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the chief financial officer or an official designated by the chief financial officer, and

d) the accounting officer must record the names of the potential providers and their written quotations.

(2) A designated official referred to in subparagraph (1)(c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

17. Procedures for procuring goods or services through formal written price quotations

The procedure for the procurement of goods or services through formal written price quotations, is as follows;

a. when using the list of accredited prospective providers, the accounting officer must promote on-going competition amongst providers by inviting all relevant providers to submit quotations. Rotation basis to be considered where pricing is competitive between bidders otherwise normal SCM process to be followed for an award.

b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations (Informal Tender) must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the

website, an official notice board of the municipality and e-tender publication portal

c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;

d) the accounting officer or chief financial officer must on a monthly basis be notified in
writing of all formal written price quotations accepted by an official acting in terms of a subdelegation;

e) the accounting officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused; and

f) requirements for proper record keeping must be adhered to, such as:
   i. completion of documents for audit purposes;
   ii. ensuring the correctness of documents;
   iii. before awards are made, proper review of documents must be undertaken.

18. Competitive bidding process

1. Goods or services above a transaction value of R200 000 (VAT included) may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.
2. No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
3. Verification by the Chief Financial Officer prior to advertisement of bids above R10 million. The following information must be submitted by the executive/senior manager responsible for the vote to the CFO **prior** to the public advertisement of any bids in excess of R10 million (all applicable Taxes included):

(i) Proof that the budgetary provision exists for procurement of the goods and services and /or infrastructure projects;

(ii) Any ancillary budgetary implications related to the bid, for example, if the project is for the acquisition of a municipal asset, does budgetary provision exist for the operation of the asset, maintenance cost relating to the asset, administration cots and rehabilitation/renewal costs;

(iii) Any Multi-years budgetary implications, for example, if the project will take more than one financial year, the estimated expenditure per financial year

(iv) Goods, service and/or infrastructure projects above the value of R10 million (all applicable taxes included) may only be advertised after the CFO has verified in writing that budgetary provision exists for the commencement of the particular project

(v) Requirements may not be deliberately split into part or items of lesser value merely to avoid the information being submitted

(vi) Contracts above the value of R10 million (all applicable taxes included) may only be awarded to the preferred bidder after Chief Financial Officer has verified in writing that the budgetary provision exists for the acquisition of the goods, infrastructure projects and/or services and that it is consistent with the Integrated Development Plan.

(vii) Requirements of MFMA Circular No. 62 Municipal Finance Management Act No. 56 of 2003 relating to procurement of goods and services in excess of 10 million, be implemented dealing with procurement goods or services contracts in excess of R10 million

19. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

(a) Compilation of bidding documentation as detailed in paragraph 21;

(b) Public invitation of bids as detailed in paragraph 22;

(c) Site meetings or briefing sessions as detailed in paragraph 22;

(d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;

(e) Evaluation of bids as detailed in paragraph 28;

(f) Award of contracts as detailed in paragraph 29;

(g) Administration of contracts

(h) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

(i) Proper record keeping

(j) Original/ legal copies of written contracts agreements should be kept in a secure place for reference purposes.

20. Bid documentation for competitive bids

The criteria with which bid documentation for a competitive bidding process must comply in addition to the requirement as listed in section 13, must –

(a) take into account -

(i) the general conditions of contract and any special conditions of contract, if specified;

(ii) any Treasury guidelines on bid documentation; and

(iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;

(b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;

(c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;

(d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish-

(i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements

(aa) for the past three years; or

(bb) since their establishment if established during the past three years;

(ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a Municipality or other service provider in respect of which payment is overdue for more than 30 days;

(iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

(iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside

the Republic, and, if so, what portion and whether any portion of

payment from the municipality or municipal entity is expected to be transferred out of the Republic; and

(e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.

(f) compel bidders to declare their previous supply chain management practices and state whether or not they:

a. have been found guilty by a court of law or a structure established by council or the accounting officer for handling alleged abuses of the Municipality or the municipal entity's supply chain management system or committed any improper conduct in relation to such a system

b. have been convicted of fraud or corruption during the past five years

c. have wilfully neglected, reneged on or failed to comply with any government , municipal or other public sector contract during the past five years

d. have been listed on the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt activities Act 12 of 2004.

21. Public invitation for competitive bids

(1) The procedure for the invitation of competitive bids, is as follows:

(a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality, e-Tender Publication Portal of National Treasury or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and

(b) The information contained in a public advertisement, must include -

(i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;

(ii) a statement that bids may only be submitted on the bid documentation provided by the municipality ;and

(iii) date, time and venue of any proposed site meetings or briefing sessions.;

(iv) In accordance with MFMA circular 83, advertisement of bids and the publication of notices in respect of awarded bids, unsuccessful bids, cancelled bids, deviations, variations and extensions of existing contracts of a municipality to be published on the e-Tender publication Portal from date of approval of the policy.

(v) Notices of cancelled bids must be published on the same day, or at least the day after a municipality decided to cancel a bid on e-Tender Publications Portal.

(vi) Notices of all awards to suppliers through deviations from competitive bidding, Awards through variations and extensions of existing contracts; must be published on the e-Tender Publications Portal within seven working days after the award was made

(vii) Bid documentation obtained from the municipality in hard copy to be disbursed at a nominal charge as set in the approved tariff structure of council; alternatively a soft copy may be obtained from the website at no cost.

(2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process. (Reasons must be justifiable and recorded and not seen to favour any one bidder and prejudice competitive bidding)

(3) Bids submitted must be sealed

(4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies

22. Procedure for handling, opening and recording of bids

The procedures for the handling, opening and recording of bids, are as follows:

(a) Bids-

i. must be opened only in public;

ii. must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and

iii. received after the closing time should not be considered and returned unopened immediately.

(b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and, if practical, also each bidder's total bidding price;

(c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

(d) The accounting officer must -

(i) record in a register all bids received in time;

(ii) make the register available for public inspection; and publish the entries in the register and the bid results on the website.

(iii) After the closure of any advertised competitive Bid, Garden Route DM must publish information in terms of section 75 of the MFMA; on the municipality's website.

23. Negotiations with preferred bidders

(1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation–

i. does not allow any preferred bidder a second or unfair opportunity;

ii. is not to the detriment of any other bidder; and

iii. does not lead to a higher price than the bid as submitted.

(2) Minutes of such negotiations must be kept for record purposes.

24. Two-stage bidding process

(1) a two-stage bidding process is allowed for -

(a) large, complex projects;

(b) projects where it may be undesirable to prepare complete detailed technical specifications; or

(c) long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

25. Committee system for competitive bids

(1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

(a) a bid specification committee;

(b) a bid evaluation committee; and

(c) a bid adjudication committee.

(2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

(4) The committee system must be consistent with -

(a) paragraph 27, 28 and 29 of this Policy; and

(b) any other applicable legislation.

(5) Informal tenders to be evaluated and awarded by the Bid Evaluation committee

26. Bid specification committee

(1) A bid specification committee should only review specifications compiled by the user department only after being signed off by the head of the user department.

a) Head of the Department should satisfy themselves that all tenders initiated in the department, formal or informal are aligned or included in the Department's Demand management plan and provided for in the approved budget or adjustment budget

b) Every tender, formal or informal, before being submitted to the Supply Chain Management Unit must have the following:

a) User Department to identify the appropriate person(s) to compile the relevant specification

b) Ensure that the relevant technical expertise would be available in assessing the Technical requirements

c) The Risk officer to be invited to all Bid Specification Committee meeting as part of the risk assessment process. Risk assessment may include the content below or alternative as the risk officer may deem appropriate:

a) –

I. **Legislative/legal requirements** – prescripts that govern process and legislative requirements

II. **Deliverables** – pre define the deliverables and parameters, no open ended contracts with specific reference to use of consultants

III. **Time frames** – critical deadlines to be defined, realistic time frames set

IV. **Municipal resources** – funding of the project is provided in the approved budget, either as own resources or alternative funding sources

V. **Costs** – project roll out cost to give a realistic indication of market conditions (basis for assessing value for money)

VI. **Political Risk** – Item linked to Integrated Development Plan of the municipality

(2) Final specifications –

(a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;

(b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

(c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

(d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;

(e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word "equivalent";

(f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2022; and

(g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy.

(3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved if not a member of the Bid Adjudication Committee, and may, when appropriate, include external specialist advisors.

(4) No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

(5) It is preferable that the Accounting officer nominate municipal officials and establish a permanent Bid Specification Committee composed of varying expertise. Specific technical expertise to be co-opted on an ad hoc basis for a

specific commodity or goods if needs be

(6) should a member declare a conflict of interest at any stage, the member may not form part of the Bid Specification Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise.

27. Bid evaluation committee

(1) A bid evaluation committee must -

(a) evaluate bids (formal & Informal) in accordance with -

(i) the specifications for a specific procurement; and

(ii) the points system set out in terms of paragraph 27(2)(f);

(b) evaluate each bidder's ability to execute the contract;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) submit to the Bid Adjudication Committee a report and recommendations regarding the award of the formal bid or any other related matter.

(e) evaluate and award Formal written quotations (Informal Tender)

(2) A bid evaluation committee must as far as possible be composed of-

(a) officials from departments requiring the goods or services; and

(b) at least one supply chain management practitioner of the municipality.

(c) It is preferable that the Accounting officer to nominate municipal officials and establish a permanent Bid Evaluation Committee composed of varying expertise. Specific technical expertise to be co-opted on an ad hoc basis for a specific commodity or goods if needs be

(d) Should a member declare a conflict of interest at any stage, the member may not form part of the Bid Evaluation Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise

28. Bid adjudication committee

(1) A bid adjudication committee must -

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either -

(i) **depending on its delegations**, make a final award or a recommendation to the accounting officer to make the final award; or

(ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee must consist of at least four senior managers of the municipality which must include -

(a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and

(b) at least one senior supply chain management practitioner who is an official of the municipality; and

(c) a technical expert in the relevant field who is an official, if such an expert exists.

(3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid -

(i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;

(ii) notify the accounting officer.

(b) The accounting officer may -

(i)after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation

(i) Should an award be made to a bidder not recommended by the Bid Evaluation Committee on justifiable grounds, the decision must be noted and made available to the Auditor general for audit purposes.

(7) The accounting officer must comply with section 114 of the Act within 10 working days.

(8) Should a member declare a conflict of interest at any stage, the member may not form part of the Bid Adjudication Committee and if necessary to reach a quorum the member must be replaced by a member of suitable expertise

29. Asset Disposal committee

1) The accounting officer or delegated authority will implement a mechanism to dispose of movable and immovable assets.
2) The accounting officer to establish an Asset Disposal Committee / Property Task Team, composed of line managers / designated personnel and on ad hoc basis may co-opt additional members with specific expertise
   a) Line manager are regarded as asset managers / designated personnel
   b) The nominated Asset Disposal Committee/ Property Task Team to oversee the asset disposal process of the municipality
3) Asset Disposal Committee / Property Task Team to meet as needs be in the financial year and assess any formal requests for Asset Disposals
4) Asset disposal dates to be determined by the committee following an assessment of the assets to be disposed
5) Detailed records of the committee, for reporting purposes, must be kept of all activities and should consist of at least, but not limited to,

a) Disposal verification schedule
b) Disposal schedule

6) Asset Disposal Committee / Property task team to establish a Disposal Management Standard operating procedure in accordance to the Supply Chain Management policy and aligned to the Asset Management Policy.
7) The committee to assess and ensure adequate insurance cover for Council Properties within the risk appetite of council

Specialised Forms of Procurement

30. Procurement of banking services

(1) Subject to section 33 of the MFMA, any contract for banking services –

(a) shall be procured through competitive bids;
(b) shall be consistent with section 7 or 85 of the Act; and
(c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1).

(4) Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

31. Procurement of IT related goods or services

(1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if -

(a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or

(b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the municipality disagree with

such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

32. Procurement of goods and services under contracts secured by other organs of state (piggy backing)

(i) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if -

a. the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
b. there is no reason to believe that such contract was not validly procured;
c. there are demonstrable discounts or benefits to do so;
d. that other organ of state and the provider have consented to such procurement in writing.
e. the initial contract agreement needs to be valid and binding at the time "of piggy backing "; once the contract is terminated there is no longer a contract to "piggy back" from
f. where a contract is not linked to a period with a particular end date, the contract will terminate once the obligation outlined in the contract are completed or the final object is received and accepted.
g. any other organ of state wishing to "piggy back" from contracts as mentioned in subsection (1)(f) can only be granted permission while current contract with Garden Route District Municipality is active. (if contract has lapsed section 32 application may not be granted)

(ii) Subparagraphs (1)(c) and (d) do not apply if -

a. a municipal entity procures goods or services through a contract secured by its parent municipality; or
b. a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent

municipality.

33. Procurement of goods necessitating special safety arrangements

1. the acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.
2. Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

34. Proudly South African Campaign / Proudly Garden Route Campaign

(1) The municipality supports the **Proudly SA Campaign** to the extent, that preference is given to procuring local goods and services as per specific goals in the::

a) Approved Preferential Procurement Policy of council,

35. Appointment of consultants

(1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurement is made.

(2) Consultancy services must be procured through competitive bids if

(a) the value of the contract exceeds R 200 000 (VAT included); or

(b) the period of the contract exceeds one year

(3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of -

a. all consultancy services provided to an organ of state in the last five years; and

b. any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

(5) Should the Municipality have a Council approved Policy with regards to the appointment of consultants that is aligned to Treasury Guidelines; such policy would override this section of the Supply Chain Management Policy.

36. Deviation from and ratification of minor breaches of, procurement processes

(1) the accounting officer may -

(a) dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only

I. in an emergency and subsequently the department to take into account in the review of their annual Demand Management Plan

II. if such goods or services are produced or available from a singleprovideronly;

III. for the acquisition of special works of art or historical objects where specifications are difficult to compile;

IV. acquisition of animals for zoos

V. in any other exceptional case where it is impractical or impossible to follow the official procurement processes e.g. any purchase on behalf of the District Municipality at a public auction sale; and

(b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs 37(1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

(4) Emergency Dispensation – Conditions warranting Emergency dispensation include the existence of one or more of the following

i. The possibility of human injury or death
ii. The prevalence of human suffering or deprivation of rights
iii. The possibility of damage to property, or suffering and death of livestock and animals
iv. The interruption of essential services, including transportations and communication facilities or support services critical to the effective functioning of the District or the B Municipalities within the District
v. The possibility of serious damage occurring to the natural environment
vi. The possibility that the security of the state could be compromised

(5) Single Source selection – Justification for single source selection must be examined in the context of the overall interest of the Garden Route District Municipality and the project

i. Single source selection may be appropriate only if it represents a clear advantage over competition for services that represent a natural continuation of previous work carried by the consultant, and continuity of downstream work is considered essential.
ii. The reasons for single source selection must be fully motivated in a report and approved by the Bid Adjudication Committee prior to conclusion of a contract.
iii. Detailed specification with defined scope and details of deliverables must be set before work can commence guiding the consultants and providing set the parameters to which they may operate with. No contract may be open ended without addressing specific needs analysis approved by the Accounting Officer or delegated authority beforehand.

37. Transversal bids

1) Accounting officer or delegated authority to approve initiation (shared services) or participation of transversal bids by Garden Route District Municipality
2) Transversal bids will only be relevant when the municipality wishes to invite a tender/bid itself and other municipalities or wishes to participate in a tender together with other municipalities or organs of state from the initial phase or it is

prescribed through a circular by the National Treasury.

3) This form of bidding is different than when participating in a tender invited by another organ of state as referred to in SCM Treasury regulation 32 or section 33 of the Garden Route District Supply Chain Management Policy
4) Chief Financial Officer to arrange and provide advice, assist and guide the transversal procurement process and ensure that technical and governance requirements are met
5) Arrange implies drawing up a the business case, obtaining formal approval from affected municipalities and the Accounting Officer to proceed, the planning, organising, logistical and bid administration requirements by the custodian Municipality
6) Where transversal bids are contemplated, it should result in lower unit cost or economies of scale or other corporate advantage as demonstrated by the required business case.
7) Where the custodian municipality other than Garden Route District Municipality has identified the need for transversal tender, it must ensure that the procurement of goods or services or both is procured in terms of the section 217 of the constitution of the Republic of South Africa and any other relevant legislation and prescripts
8) Formal written consent must be obtained by the participating municipalities or other organs of state before the tender process is initiated.
9) When Garden Route District Municipality initiates the transversal tender written consent obtained from the accounting officers of other municipalities or organs of state must mention a review and consensus of needs analysis, specification, risk assessment and, defined desired outcomes
10) The Custodian Municipality will take full responsibility for the arrangement and conclusion of the bid process, inclusive of the formalisation of the contracting arrangements noting that each participating municipality, depending on the requirements and the nature of the contract, may have to sign a separate service level agreement with the selected service provider.
11) Provision in the agreement amongst participating municipalities or organs of state should make provision for participating entities to second their own official with the relevant expertise to participate, observe or offer advice to the initiating entity.

38. Unsolicited bids

1) In accordance with section 113 of the Act, Garden Route Council is under no obligation to consider unsolicited bids received outside a normal bidding process.

2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if

a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;

b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;

c) the party or entity that has made the unsolicited bid is the sole provider of the product or service; and

d) the reasons for not going through the normal bidding processes are found to be sound and justifiable by the accounting officer subject to relevant consultation.

3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act together with –

a) reasons as to why the bid should not be open to other competitors;

b) an explanation of the potential benefits if the unsolicited bid were accepted; and

c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

5) The adjudication committee may consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, with comments from

Provincial and National Treasury

6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

7) When considering the matter, the adjudication committee must take into account-

a) any comments submitted by the public; and

b) any written comments and recommendations of the

National Treasury or the relevant provincial treasury.

8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may
10) be entered into or signed within 30 days of the submission.

39. Combating of abuse of supply chain management system

(1) The accounting officer must-

a) take all reasonable steps to prevent abuse of the supply chain management system;
b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
   (i) take appropriate steps against such official or other role player; or
   (ii) report any alleged criminal conduct to the South African Police Service;
c) Check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
d) Reject any bidder if they are listed as non-compliant on the National Treasury's Central Supplier Database
e) Reject any bid from a bidder-
   (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality, or to any other municipality or municipal entity, are in arrears for more than three months; or
   (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
f) reject a recommendation for the award of a contract if the

recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

g) cancel a contract awarded to a person if
   i. the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
   ii. an official or other role player committed any corrupt or fraudulent act during the bidding

h) reject the bid of any bidder if that bidder or any of its directors –
   i. has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
   ii. has been convicted for fraud or corruption during the past five years;
   iii. has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
   iv. has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (f) or (g) of this policy.

(3) The Municipality takes cognisance of the provisions of Chapter 2 of the Competition Act no. 89 of 1998

- PART A - Restrictive practices;
- PART B - Abusive of a Dominant position; and
- PART C - Exemption from application of chapter 2.

(4) The accounting officer must also provide measures for the invalidation of recommendations or decisions that were unlawfully or improperly made, taken or influenced, including recommendation or decisions that were made, taken or in any way influenced by:

i. Councillors in contravention of item 5 or 6 of the Code of Conduct for Councillors in schedule 1 of the Systems Act; or

ii. Municipal officials in contravention of item 4 or 5 of the Code of Conduct for the Municipal Staff member set out in schedule 2 of the Systems Act

(5) The Bid Adjudication and Evaluation Committee to take cognisance of the provisions of the Competition Act no 89 of 1998 during the evaluation and award

of the tender.

(6) Accounting Officer or any other delegated personnel of Garden Route DM, is prohibited from deliberately placing order for goods, service and /or infrastructure projects from suppliers, receiving such goods, services and/or infrastructure projects and arranging with suppliers for such goods, services and/or infrastructure projects to be invoiced and paid for in another financial year

(7) The above prohibition does not apply to multi-year contracts and projects adopted over multi-years in terms of the MFMA sections 19 and 33.

40 (B). CONTRACT MANAGEMENT

(1) All contracts entered into by the municipality in the tender process referred to in paragraph 18 &19 of this Policy must:

a. Be in writing
b. Stipulate the terms and conditions of the contract or agreement which must include provisions for providing for:
    I. The termination of the contract or agreement in the case of non or under performance
    II. Dispute resolution mechanisms to settle disputes between parties
    III. A periodic review of contract or agreement
    IV. Any other matters as maybe prescribed
c. Include General conditions of contract as prescribed by national treasury
d. Specify the duration of the contract
e. Specify the repayments terms in respect of the goods or services supplied
f. Be monitored by the Directorate of the municipality which requested the goods and services to ensure that all the contracts requirements are met.

(2) Unauthorised or breaches of the contract as in paragraph 40(B) above by the supplier or service provider must be reported to the Legal Department for initiating appropriate action as well as to the SCM Unit which must record the details of such deviation and breaches.

(3) Departmental Heads shall be responsible for ensuring that contract managers:

a. Are assigned to all contracts within the department Head's area of responsibility
b. Are adequately trained so that they can exercise the necessary formalities in signing up the contract and/or issuing the purchase order(s);
c. Ensure that contracts related to the procurement of goods and services are captured on the Municipality's record management system

d. Ensure that all original contract documentation is lodged at registrar
e. Manage all contract variations and ensure any variations are administered in accordance with any treasury guidelines or relevant statute
f. Manage any contract disputes and lodge with the relevant authority and the legal department where disputes could not be resolved
g. Ensure suppliers performance review is undertaken against the project deliverables
h. Maintain appropriate formal records and correspondence regarding the project and contract for reference point
i. Act with care and diligence and observe all accounting and legal requirements

(4) Management of expansion or variation of order against the original contract: The expansion or variation of contracts against the original contract and prevention of contract manipulation.

a) Contracts may be expanded or varied by not more than 20% of the original value for Construction related goods, services and/ or infrastructure projects.
b) Contracts for all other goods and/or services may be varied by not more than 15% of the original value of the contract.
c) Any expansion or variation in excess of the above mentioned thresholds must be dealt with in terms of the provisions of section 116(3) of the MFMA which will be regarded as an amendment to the contract
d) The above is not applicable to transversal term contracts, facilitated by the relevant treasuries on behalf of Municipalities and specific term contracts. The latter refers to contracts where required quantities are not specified or are unknown and the award is based on creating a facility.

Part 3: Logistics, Disposal, Risk and Performance Management

40. Logistics management

(1) The accounting officer must establish and implement an effective system of logistics management, which must include -

a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
c) the placing of manual or electronic orders for all acquisitions other than those

from petty cash;

d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;

e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;

f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and

g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

General Logistics

(2) Placing Orders

a) Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations on Garden Route District Document Management System or financial system.

b) Purchase order approval will be system based and authorised by the delegated authority (No manual process to be followed unless in exceptional circumstances, financial system is not accessible for unreasonable prolonged periods without clear indication when the system malfunction would be restored or there is power shortages or there is no power back up in place, however approval in writing to be obtained from the Chief financial officer authorising such process and giving guidance on the ratification process)

c) All purchases orders will be captured on Garden Route District's Financial and or Document Management System at stores, and ensure that proper audit trail exist. (no one may issue an order apart form a delegated officials)

d) In respect of goods and services (with exception of professional services where there are other mechanisms place for accepting a bid), no work shall commence or goods be delivered before an official order has been placed

with the vendor

e) Garden Route District Municipality shall not be held liable for payment of any goods delivered or services rendered in contravention of clause (41)(2)(d) of the Garden Route District Municipality

(3) Receiving of Goods

1) Goods received note (GRV) will be completed for all goods and services received by the municipality in the following manner:

I. Goods delivered or services rendered to be received by the user department that issued the requisition at the location indicated in the requisition and the purchase order unless if it's a store item that should be delivered at the municipality's respective stores.

II. The official receiving the goods must inspect and agree the content of service provider's delivery note to Garden Route District Municipality's official order placed and agree to the following:

a) Delivery note to indicate Garden Route District Official Order number and the official to confirm the order number to be legitimate

b) Description of the type of goods on the delivery note, brand, the quantity of goods and the total cost of the goods or service to be agreed to the official order before any acceptance of goods and signing off of any delivery document

III. Deliveries where no official orders can be matched to an official order may not be accepted by the municipality, acceptance of such is seen as exposure of Council to Financial Risk

IV. On matching of the delivery note to the purchase order, the receiving official to inspect the goods or service being delivered against the content of the delivery note and the following to be agreed as faithful representation at hand:

a) The description of goods and services being delivered or rendered to the municipality

b) The quantity of goods being delivered

c) The quality of the goods or service being delivered or rendered to the municipality (damaged goods or goods with past expiry period may not be accepted)

V. Any discrepancies, shortfalls against the order, damaged goods, incorrect goods or any other discrepancy to be recorded in permanent marking and signed off by

both the Municipality's receiving official and the supplier and delivering agent.

VI. Goods exceeding the quantities ordered or deviating from the description or quality should not be accepted and should be noted and communicated to the supplier formally and communicated to Finance Department (Creditors Unit)

VII. On acceptance of the Goods or services subsequent to the above mentioned process, an internally generated Good Received Note should be generated recording the goods or services received and their quantity and total cost and signed off.

VIII. All relevant documentation (original documentation) related to any delivery of goods or receipt of service from external service providers to be sent to Finance Department (Creditors unit immediately)

IX. Failure to record crucial information and omission of discrepancies that result in the municipality incurring a financial loss will be dealt with in accordance with municipality's disciplinary code of conduct or the equivalent.

X. Failure to forward all the relevant documentation to creditors department timeously can result in appropriate actions against the responsible official

(4) Stock Logistics

I. Stock or inventory to be valued as per accounting policy of the Municipality in line with the relevant accounting practise

II. Input VAT to be claimed upon purchase and output VAT is accounted for at the time of issue according to the accounting policy

III. Stock items shall be systematically replenished using the re-order point or minimum level as set in the financial system

IV. Issuing of stock shall be systematically administered through the financial system against internal orders or requisitions that are duly authorised

V. Stores function is centralised and managed through the 3 stores of the municipality, George, Oudsthoorn and Riversdale. (Fuel through the stores and fuel depots)

41. Disposal management

(1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets are as provided in **sections 14 and 90** of the Municipal Finance Management Act, and the Municipal Asset Transfer Regulations, 2008.

(2) Assets may be disposed of by -

i. transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
ii. transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
iii. selling the asset; or
iv. destroying the asset.
v. In terms of the donations policy

(3) The accounting officer must ensure that –

a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
e) all fees, charges, rates, tariffs, scales of fees or other charge relating to the letting of immovable property are annually reviewed;
f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

42. Risk management

a) Risk Management unit, to be serve as part of the Bid Specification Committee and Bid Evaluation Committee in facilitating and evaluation of risk identified in the procurement of goods and services.

b) Risk management assessment will be guided by the risk assessment process in line with Risk Management guidelines and standards. The process may include the following:

   i. The identification of risks on a case by case basis
   ii. The allocation of risks to the party best suited to manage such risks;
   iii. Acceptance of the cost of the risk where the cost of transferring the risk is higher than that of retaining it
   iv. The management of risk in a pro-active manner and the provision of adequate cover for the residual risk; and
   v. The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation

c) Risk management will duly assess corporate risk and identify mitigating controls

43. Performance management

The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

44(A).

1) The official that receives goods or services on behalf of the Council, or manages the contract which was entered into as a result of a competitive bidding process, to ensure that the goods or services have been delivered in accordance with the service level agreement governing the contractual relationship

2) In the case of non-performance or unsatisfactory performance by a supplier, the user department concerned, in consultation with contracts management unit, must issue a notice to the supplier or service provider in writing notifying them of terms contravened and requesting immediate remedial action to comply with the

contract terms; failing which:

- Legal Services / contracts management unit to be consulted for appropriate action.

3) In the case of goods and services supplied in response to a quotation invited by the municipality, the official that initiated the requisition or received the goods or services on behalf of council, should complete a goods received voucher (GRV) and note any discrepancies that may require the attention of the service provider if any.
4) In the case of goods or services procured through a tender process as specified in terms of the policy, paragraph 18(b) and 19, the contract manager or designated person must ensure that goods or services requested have been provided in accordance with service level agreement before the final payment is settled..
5) Final review should consider the following:
   a) Satisfactory element of the quality and standard of the goods and services received and quality of workmanship.
   b) Include details, supported by formal written notifications to the supplier regarding non- performance or poor service delivery.
   c) Include recommendation on any further actions to be taken against the supplier in terms

      of paragraph 40 B of the policy.

Part 4: Other matters

Prohibition on awards to persons whose tax matters are not in order

(1) No award from R30 000 and above may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

(4) In cases of uncertainty on Tax affairs of the service provider, Service provider to provide the municipality with SARS e-filling pin code for independent verification by the municipality.

(5) That Garden Route Council adopt MFMA circular No. 90, Tax Compliance Status, in the finalisation of awards made for transaction above R30 000 on Tax related matters.

Prohibition on awards to persons in the service of the state

46. Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy-

a) who is in the service of the state

b) if that person is not a natural person, of which any executive director, manager, principal shareholder or stakeholder is a person in the service of the state; or

c) a person who is an advisor or consultant contracted with the municipality.

Awards to close family members of persons in the service of the state

47. The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R 2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including -

(a) the name of that person;

(b) the capacity in which that person is in the service of the state; and
(c) the amount of the award.

48. Ethical standards

(1) The code of ethical standards as set out in the "*National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management*" is hereby established for officials and other role players in the supply chain management system of the Municipality in order to promote -

a. mutual trust and respect; and

b. an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) A breach of the code of ethics must be dealt with as follows -

a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

49. Inducements, rewards, gifts and favours to municipalities, officials and other role players

(1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant -

a) any inducement or reward to the municipality for or in connection with the award of a contract; or
b) any reward, gift, favour or hospitality to -
    I. any official; or
    II. any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph

(1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted,

should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

50. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is -

a) a provider or prospective provider of goods or services; or
b) a recipient or prospective recipient of goods disposed or to be disposed.

51. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

52. Resolution of disputes, objections, complaints and queries

(1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes -

a) to assist in the resolution of disputes between the municipality and other persons regarding -

(i) any decisions or actions taken in the implementation of the supply chain management system; or

(ii) any matter arising from a contract awarded in the course of the supply chain management system; or

b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

(3) The person appointed must -

a) strive to resolve promptly all disputes, objections, complaints or queries received; and

b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if -

(a) the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

53. Contracts providing for compensation based on turnover

If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate -

a) a cap on the compensation payable to the service provider; and

b) that such compensation must be performance based.

54. Construction Industry Development Board (CIDB)

The Construction Industry Development Board (CIDB) has been established by

government to promote uniform application of policy to the construction industry.

a) **When calling for construction related bids:**

I. The prescribed CIDB (uniformity bid documents) must be utilised
II. Only contractors registered with CIDB may be used
III. All projects must be advertised on the i-tender or e-tender system
IV. Consultants used in the procurement process must adhere to the CIDB legislation
V. Consultants used in the procurement process are prohibited to provide goods, works or service related to the project; and
VI. Subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements

b) **When evaluating construction related bids**

I. The validity of the contractor's registration on the CIDB website must be verified
II. The bidders documents must be assessed against the prescribed CIDB contractor requirements
III. Calculations for joint venture grading must be done according to the CIDB prescriptions

c) All construction related procurement and projects above minimum threshold R50 million should be undertaken in accordance with the Infrastructure Delivery and Procurement Management (IDPM) – Refer to Annexure C

d) Other matters

I. all projects approved by the municipality must be registered with the CDIB
II. contracts registered on the i-tender systems must be update and completed
III. non-performance and non-compliance of contractors must be **reported to the CIDB as per CIDB guidelines**

55. Commencement

This Policy takes effect on date of adoption by council and should be reviewed annually.

Annexure A





CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

In accordance with regulation 46(4) and 46(5) of the Local Government Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations, the supply chain management policy of a municipality or municipal entity is required take into account the National Treasury's code of conduct for supply chain management practitioners and other role players. Alternatively a municipality or municipal entity may adopt the National Treasury code of conduct. When adopted, such code of conduct becomes binding on all officials and other role players involved in the implementation of the supply chain management policy of the municipality or municipal entity.

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

General Principles

Garden Route District Municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty

to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.

1.1 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

1.2 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management –

(a) must treat all providers and potential providers equitably;
(b) may not use his or her position for private gain or to improperly benefit another person;
(c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350 or as may be set by council;
(d) must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
(e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality ;
(f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
(g) must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
(h) should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
(i) should not take improper advantage of their previous office after leaving their official position.

3 Accountability

3.1 Practitioners are accountable for their decisions and actions to the public.

3.2 Practitioners should use public property scrupulously.

3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.

3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system. Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.

3.5 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.

3.6 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including

(i) any alleged fraud, corruption, favouritism or unfair conduct;
(ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
(iii) any alleged breach of this code of conduct.

3.7 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose. Any declarations made by the accounting officer must be made to the **Garden Route District Council** who must ensure that such declaration is recorded in the register.

4 Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

a) Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractors personal rights.

b) Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

Bid Specification / Evaluation / Adjudication Committees

6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the council in an honest, fair, impartial, transparent, cost-effective and accountable manner.

6.2. Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

6.4 No person should-

6.4.1 interfere with the supply chain management system of the council; or

6.4.2 amend or tamper with any price quotation / bid after its submission.

6 Combative Practices

a) Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

(i) Suggestions to fictitious lower quotations;
(ii) Reference to non-existent competition;
(iii) Exploiting errors in price quotations / bids;
(iv) Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters.

I ……., an employee of Garden Route District Municipality , hereby acknowledges the Garden Route District Municipality's Code of Conduct for Supply Chain Management and commits to abide by it in the spirit to which it is intended for.

- I acknowledge that my integrity can only be affirmed by how I am deemed by others and therefor will uphold the Supply Chain Management Policy of the Municipality to the letter and spirit to which it is intended for.

- I will refrain from any conduct which may be deemed to be fraudulent in nature or could be seen as bringing disrepute to the image of Council.

- I acknowledge my responsibility for continuous professional development in familiarising myself with the changes in the relevant and applicable legislation of Supply Chain Management and any other relevant procurement legislation.

Signature ……
Name of Official …… Date of Signature ……

ANNEXURE B

Garden Route District Municipality Framework for Infrastructure Delivery and Procurement Management

The Council resolves in terms of section 168 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in reference to SCM Regulation 3(2), this Policy prescribes the standards and gateways system requirements and principles which municipalities must adhere to when procuring infrastructure related services linking to CIDB and ISO standards and ethos, therefore to adopt the following SCM Framework for Infrastructure Delivery and Procurement Management of the Garden Route District Municipality, for procurement in access of R50 million rand.

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Foreword

In 2012, the Infrastructure Delivery Management System (IDMS) was adopted as the chosen government wide system for infrastructure delivery in South Africa. In the same year (2012), the National Treasury, together with the eight metropolitan municipalities, initiated the customisations of the IDMS for implementation by municipalities. The product of that engagement became the Cities Infrastructure Delivery Management Toolkit (CIDMT), focusing mainly on cities or metros.

In order to establish a common approach to infrastructure delivery across all organs of state, the Standard for Infrastructure Procurement and Delivery Management (SIPDM) was issued for adaptation and adoption by municipalities in terms of Circular 77.

In the process of implementing and institutionalising the SIPDM, institutions expressed concerns regarding the operational challenges imposed by aspects of the SIPDM. This constraint was further compounded when the Preferential Procurement Regulations, 2017 were promulgated and effected, resulting in conflict between the SIPDM and the Regulations.

The National Treasury, in consultation with relevant stakeholders, initiated the SIPDM review process, which resulted in the development of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM). The LGFIDPM provides for minimum requirements for effective governance of infrastructure delivery and procurement management.

Introduction

a) The Integrated Development Plan (IDP) is the principal strategic planning instrument for municipalities. The IDP process requires a robust process of gathering and synthesising information related to the medium to long-term management of the municipality's infrastructure needs.
b) The preparation of Roads and Storm Water Services, Water and Sanitation Services, Waste Disposal Services, Electricity Services and Community Facilities and Municipal Buildings, Infrastructure Asset Management Plans (IAMPs) enables municipalities to rank projects and determine budgets, based on a holistic view of local needs and priorities; and serves as a source of valuable information in preparing the IDP.
c) Through the Infrastructure Delivery Management System, Cities Infrastructure Delivery Management System was developed to provide a holistic system for the management of infrastructure based on the requirements of SANS 55001: Asset management tailored for application in South African metropolitan spaces and specifically in support of the country's spatial transformation agenda.
d) There is need to develop an infrastructure delivery management system tailor-made for all municipalities (excluding cities) which should integrate asset management strategy, policy to guide infrastructure planning, delivery management and decision making. The LGFIDPM introduces the initial process focusing on the project processes of the infrastructure delivery management and infrastructure procurement.
e) The Framework for Infrastructure Procurement Management should be implemented together with the project management processes, to ensure alignment, integration and efficient and effective service delivery.

1. Scope

1.1 The Local Government FIDPM applies to organs of state which are subject to the Municipal Finance Management Act (MFMA).

1.2 The Framework provides minimum requirements for the implementation of Infrastructure Delivery and Procurement Management through the:
   a) Project processes for infrastructure delivery management, and
   b) Infrastructure procurement gates.

1.3 The Framework specifies the allocation of responsibilities for performing activities and making decisions at project stages and procurement gates.

b) **Terms and Definitions**

Approved: Officially agreed and signed-off by an Accounting Officer or a delegated person / body.

Construction: Everything constructed or resulting from construction operations.

Employer: Organ of state intending to, or entering into, a contract with a contractor.

Gate: A control point at the end of a process where a decision is required before proceeding to the next process or activity.

Gateway review: An independent review of the available information at a gate upon which a decision is made whether to proceed to the next process, or not.

Infrastructure:

- immovable asset, which is acquired, constructed or results from construction operations; or
- Movable asset, which cannot function independently from purpose-built immoveable asset(s).

Infrastructure delivery: The combination of all planning, technical, administrative and managerial actions associated with the construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Infrastructure procurement: The procurement of goods or services, including any combination thereof, associated with the acquisition, refurbishment, rehabilitation, alteration, maintenance, operation or disposal of infrastructure.

Organ of State: Any department of state or administration in the national, provincial and local sphere of government.

Procurement strategy: The selected packaging, contracting, pricing and targeting strategy and procurement procedure for a particular procurement.

Project: A unique set of processes consisting of coordinated and controlled activities with start and end dates, performed to achieve the project objective.

Stage: A collection of periodical and logically related activities in the Project Management Control Stages that culminates in the completion of an end of stage deliverable.

c) **ABBREVIATIONS**

CIDB Construction Industry Development

Board IDP Integrated Development Plan

FIDPM Framework for Infrastructure Delivery and Procurement

Management MFMA Municipal Finance Management Act

PSP Professional Service Provider

PPPFA Preferential Procurement Policy Framework Act

SCM Supply Chain Management

SDBIP Service Delivery Budget Implementation Plan

d) NORMATIVE REFERENCES

4.1 Acts of Parliament

The following referenced Acts of Parliament are indispensable in the application of this document:

i. Architectural Profession Act, 2000 (Act No. 44 of 2000)
ii. Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)
iii. Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)
iv. Construction Industry Development Board Act, 2000 (Act No. 38 of 2000)
v. Division of Revenue Act (Annual)
vi. Engineering Profession Act, 2000 (Act No. 46 of 2000)
vii. Landscape Architectural Profession Act, 2000 (Act No. 45 of 2000)
viii. Municipal Finance Management Act, (No. 56 of 2003)
ix. Local Government: Municipal Systems Act, 2000 (Act No. 32 Of 2000)
x. National Archives and Record Services of South Africa Act, 1996 (Act No. 43 of 1996)
xi. Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
xii. Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
xiii. Project and Construction Management Professions Act, 2000 (Act No. 48 of 2000)
xiv. Public Finance Management Act, 1999 (Act No. 1 of 1999)
xv. Quantity Surveying Profession Act of 2000 (Act No. 49 of 2000)
xvi. Other Sector Specific Acts of Parliament.

4.2 Regulations issued in terms of the MFMA and MFMA Circulars

i) Regulations issued in terms of the MFMA.
ii) Preferential Procurement Policy Framework Act Regulations (PPPFA of 2022 or as amended from time to time) and circulars.

4.3 Standards

i) Applicable Construction Industry Development Board Standard for Uniformity
ii) Construction Sector Code

4.4 Management System

i) System in place
ii)

4.5 National Treasury Guidelines

i) Local Government Capital Asset Management Guideline and Planning Guidelines
ii) Budget Facility for Infrastructure (BFI).

4.6 Department of Cooperative Governance and Traditional Affairs Guidelines

i) Guidelines for Infrastructure Asset Management in Local Government.

e) **FRAMEWORK FOR INFRASTRUCTURE DELIVERY**

5.1 The Infrastructure Delivery Management Project Processes

a) The project process of infrastructure delivery management contains control stage deliverables at the end of each stage. Table 1 outlines the stage deliverables that must be approved. The control stages are specific to project management processes; and outline and describe the stages in the life of a project from start to end. The specific stages are determined by the specific project's governance and control needs. The stages follow a logical sequence with a specified start and end. The deliverable is considered to have passed through the relevant stage when it is approved and signed off. The project then moves on to the next sequential stage. It is expected that the Garden Route Municipality's project implementation process reflects an engagement between the Budget Treasury Office, IDP, SCM, and all strategic role players when developing and approving projects. It is also expected that there should be engagements with the National and Provincial Treasury where appropriate or where projects dictate so.

Table 1: Project stage deliverables

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
1	**Initiation**	**Initiation Report or Pre-feasibility Report** **(5)** The Initiation Report defines project objectives, needs, acceptance criteria, organisation's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report. Or **(6)** A Pre-feasibility Report is required on Mega Capital Projects, to determine whether to proceed to the Feasibility Stage; where sufficient information is presented to enable a final project implementation decision to be made. Mega capital projects should be determined in the municipality's policy approved by the Municipal Council. **Stage 1 is complete when the Initiation Report or Pre-feasibility**

2	**Concept**	**Concept Report or Feasibility Report** i. The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with the project, premised on available budget, technical solutions, time frame and other information that may be required. ii. The Concept Report should provide the following minimum information:

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		a) Document the initial design criteria, cost plan, design options and the selection of the preferred design option; or the methods and procedures required to maintain the condition of infrastructure, or the project. b) Establish the detailed brief, scope, scale, form and cost plan for the project, including, where necessary, the obtaining of site studies and construction and specialist advice. c) Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project. d) Include a site development plan, or other suitable schematic layouts, of the works. e) Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project. f) Include a baseline risk assessment for the project and a health and safety plan, which is a requirement of the Construction Regulations issued in terms of the Occupational Health and Safety Act. g) Contain a risk report, need for further surveys, tests, investigations, consents and approvals, if any, during subsequent stages. iii. A Feasibility Report must provide the following minimum information: a. Details regarding the preparatory work covering: i. A needs and demand analysis with output specifications. ii. An options analysis. b. A viability evaluation covering: i. A financial analysis. ii. An economic analysis, if necessary. c. A risk assessment and sensitivity analysis; d. A professional analysis covering: i. A technology options assessment. ii. An environmental impact assessment. iii. A regulatory due diligence. e. An implementation readiness assessment covering:
3	**Design Development**	**Design Development Report** 1) The Design Development Report must, as necessary: a) Develop, in detail, the approved concept to finalise the design and definition criteria.

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		b) Establish the detailed form, character, function and costings. c) Define the overall size, typical detail, performance and outline specification for all components. d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained. e) Confirm that the project scope can be completed within the budget, or propose a revision to the budget. **Stage 3 is complete when the Design Development Report is**
4	**Design Documentation**	**Design Documentation** (vii) Design documentation provides: • the production information that details performance definition, specification, sizing and positioning of all systems and components that will enable construction; • the manufacture, fabrication and construction information for specific components of the work, informed by the production information. **Stage 4 is complete when the Design Documentation Report is approved**
5	**Works**	**Completed Works capable of being used or occupied** 4) Completion of the Works Stage requires: a) Certification of the completion of the works in accordance with the provisions of the contract; or b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. **Stage 5 is complete when the Works Completion Report is**
6	**Handover**	**Works which have been taken over by the user or owner; Completed Training; Record Information** **(5)** The handover stage requires the following activities to be undertaken: a) Finalise and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; b) Hand over the works and record information to the user organisation and, if necessary, train end user staff in the operation of the works. **Stage 6 is complete when the Handover/Record Information Report is approved**

7	**Close-Out**	**Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report**

Stage		Project Stage Deliverables
No	**Name**	**End of Stage Deliverables**
		(6) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. **Stage 7 is complete when the Close-out Report is approved.**

b) Procurement of PSPs and Contractors can occur at different points in the project stages.

c) Additional stages may be added to the described stages above, if deemed necessary. For example, additional stages could include those necessary to ensure that project activities are appropriately carried out and stages linked. Contract activities would, in many instances, be contingent upon the requirements of the specific contract being used.

d) For project progress using the project stages, reporting must be for the deliverable achieved in the stage immediately prior to the 'in progress' stage. For example, if a project is shown as being at Stage No. 3 (Design Development), it implies that the deliverable for Stage No. 2 (i.e. the Concept Report) has been achieved; and that the deliverable for Stage 3 (i.e. the Design Development Report) is in the process of being prepared.

e) Where an organ of state engages another organ of state to provide agency services, a service delivery agreement must be developed that outlines the roles and responsibilities for each organ of state; and establishes a relationship between the client and the implementer. The development of all deliverables should be carried out in a cooperative and consultative manner between the Client and Implementer parties. All deliverables must be developed and signed off in compliance with the specific service delivery agreement.

c) Gateway Reviews

5.2.1 Gateway reviews for mega capital projects : Value > R50 000 000

i. The MFMA (Act 56 of 2003), section 19 (2) states: "Before approving a capital project in terms of subsection (1)(b), the council of a municipality must consider the projected cost covering all financial years from the start until the project is operational; and the future operational costs and revenue on the project, including municipal tax and tariff implications."

ii. The (LGFIDPM) Local Government Framework for Infrastructure Delivery and Procurement Management, prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.

iii. The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:

a. Deliverability: the extent to which a project is deemed likely to deliver;
b. Expected benefits: within the declared cost, time and performance area;
c. Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organisation's overall financial position, both singly, and when considering its other current and projected commitments; and
d. Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's requirements.

iv. A gateway review team must comprise of not less than three persons who are neither involved, nor associated with the project, but have a broad understanding of the subject matter.

v. A gateway review must be led by a person who has experience in the planning of infrastructure projects and is registered as a professional with a statutory council under the built environment professions. The members of the team must, as relevant, have expertise in the key technical areas, cost estimating, scheduling and implementation of similar projects.

vi. It is the duty of the institution's Accounting Officer or Authority to appoint a team responsible for the gateway review of his or her institution.

vii. The gateway review team must base its findings primarily on:

a) The information contained in the end-of-stage deliverable;
b) Supplementary documentation, if any, provided by key staff and obtained during an interview process; and
c) Interviews with key staff members and stakeholders.

viii. The gateway review team must issue a report at the conclusion of a gateway review, which reflects the team's assessment of the information at the end of a stage; and provides findings or recommendations on areas where further work should be undertaken to improve such information.

ix. The gateway review findings must be classified by the gateway review team as:

a) Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.
b) Major: Findings that pose a potentially adverse effect to the project or package. Major findings are serious findings and are in direct violation of key legislation, e.g. The Constitution of the Republic of South Africa, the MFMA or the PPPFA.
c) Minor: Findings that do not pose any adverse effect to the project or package. Minor findings indicate the need for improvement of practices and processes.

x. A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

6.1 FAMEWORK FOR INFRASTRUCTURE PROCUREMENT

(1) INTRODUCTION

The framework for infrastructure procurement outlines the minimum infrastructure procurement policy requirements for municipal planning and implementation.
The strategic direction set in the Integrated Development Plan (IDP) informs the framework for infrastructure procurement. For example, procurement strategies must be aligned to the municipality's developmental and internal transformation needs, as specified in the IDP.

(2) MINIMUM REQUIREMENT FOR INFRASTRUCTURE PROCUREMENT

a) Infrastructure procurement must be undertaken in accordance with all applicable Infrastructure Procurement related legislation and this Framework.
b) Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in clause 6.3 below.
c) The Accounting Officer must ensure that a budget is available for the duration of the project, in line with MFMA provisions for capital and operating budgets.
d) The Accounting Officer must ensure that cash flow management processes are in place to meet payment obligations within the time periods specified in the contract.
e) Procurement gates provided in 6.3 below must be used, as appropriate, to:
    (i) Authorise commencement of activities that lead to the next control gate;
    (ii) Confirm conformity with requirements; and/or
    (iii) Provide information to eliminate any cause of non-conformity and to prevent reoccurrence.
f) The authorisation to proceed to the next procurement gate must be given by a delegated person or body. The delegated person or body must be able to apply relevant built environment knowledge and skill to achieve the intended results required at the relevant procurement gate. The level of detail contained in the documentation on which a decision to proceed to the next procurement gate is made, must be sufficient to enable an informed decision.
g) The Accounting Officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.
h) The Accounting Officer must develop and implement an effective and efficient infrastructure disposal policy in line with the Municipal Asset Transfer Regulations. The institution may consider disposal strategies aligned to their internal disposal policy, prior to proceeding with the procurement strategy.
i) The Accounting Officer must keep records of Procurement Gate Approvals, in a manual or electronic format, with the following minimum requirements:
    (i) Procurement gate;
    (ii) Delegated person/s or body;
    (iii) Date on which the approval request was received;
    (iv) Date on which the approval was actioned; and
    (v) Signature of the delegated person or body.
j) All assets must be recorded in the municipal asset register as required by the GRAP standards.

6.3 Infrastructure Procurement Gates

6.3.1 Procurement **Gate 1 (PG 1)**

a) Initiate a procurement process;

b) **Minimum Requirement for PG 1:**

i. Establish and clarify the procurement need, aligned to the municipality's development and transformation priorities specified in the IDP.
ii. Determine a suitable title for the procurement, to be applied as the project description
iii. Prepare the broad scope of work for the procurement.
iv. Perform market analysis.
v. Estimate the financial value of proposed procurement and contract for budgetary purposes, based on the broad scope of work.
vi. Confirm the budget.
vii. Compliance with section 33 of the MFMA with respect to community and stakeholder consultation.

c) **PG 1 is complete when a designated person or body makes the decision to proceed/not to proceed, with the procurement of the infrastructure.**

6.3.2 Procurement **Gate 2 (PG 2)**

a) Approve procurement strategy to be adopted.

b) ***Minimum Requirement for PG 2:***

i. Develop a procurement strategy aligned to the institutional procurement strategy:
ii. Establish contracting and pricing strategy comprising of an appropriate allocation of responsibilities and risks; and the methodology for contractor payments.
iii. Identify service required for works.
iv. Decide on contracting strategy.
v. Decide on pricing strategy.
vi. Decide on form of contract.
vii. Establish opportunities for promoting preferential procurement in compliance with legislative provisions and the Construction Sector Code.

c) **PG 2 is complete when a delegated person or body approves the procurement strategy that is to be adopted.**

6.3.3 Procurement **Gate 3 (PG 3)**

a) Approve procurement documents.

b) **Minimum requirements for PG 3:**

1) Prepare procurement documents that are compatible with:
   i. approved procurement strategies.
   ii. project management design documentation.

c) PG 3 is complete when the Bid Specification Committee approves the procurement document..

6.3.4 Procurement **Gate 4 (PG 4)**

a) Confirm that cash flow processes are in place to meet projected contractual obligations.

b) **Minimum requirement for PG 4**

6.3.4.b.1 Confirm that cash flow processes are in place to meet contractual obligations.

6.3.4.b.2 Establish control measures for settlement of payments within the time period specified in the contract.

c) **PG 4 is complete when a delegated person or body confirms in writing that cash flow processes are in place; and control measures are established for the procurement to take place.**

6.3.5 Procurement **Gate 5 (PG 5)**

a) Solicit tender offers.

b) ***Minim*um requirements for PG 5**

6.3.5.b.1 Invite contractors to submit tender offers.

6.3.5.b.2 Receive tender offers.

6.3.5.b.3 Record tender offers.

6.3.5.b.4 Safeguard tender offers.

c) **PG 5 is complete when tender offers received are recorded and safeguarded by a delegated person from the SCM unit.**

6.3.6 Procurement **Gate 6 (PG 6)**

a) Evaluate tender offers premised on undertakings and parameters established in procurement documents.

b) **Minimum Requirement for PG 6:**

6.3.6.b.1 Determine whether tender offers are complete.

6.3.6.b.2 Determine whether tender offers are responsive.

6.3.6.b.3 Evaluate tender submissions.

6.3.6.b.4 Review minimum compliance requirements for each tender.

6.3.6.b.5 Perform a risk analysis.

6.3.6.b.6 Prepare a report on tender offers received, and on their achievement of minimum compliance.

c) **PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.**

6.3.7 Procurement **Gate 7 (PG 7)**

a) Award the contract.

b) **Minimum Requirement for PG 7:**

6.3.7.b.1 Bid adjudication committee review of the BEC evaluation report.

6.3.7.b.2 Bid Adjudication Committee makes an award.

6.3.7.b.3 Accounting Officer approval of the tender process.

6.3.7.b.4 Notify successful tenderer and unsuccessful tenderers of the outcome.

6.3.7.b.5 Sign contract document.

6.3.7.b.6 Formally accept tender offer.

c) **PG 7 is complete when the Accounting Officer, or the Bid Adjudication Committee where delegated, confirms that the tenderer has provided evidence of complying with all requirements stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.**

6.3.8 Procurement **Gate 8 (PG 8)**

a) Administer and monitor the contract.

b) Minimum Requirements for PG 8:

1) Finance department to:
   i. Capture contract award data.
   ii. Manage cash flow projection.
   iii. Administer contract in accordance with the terms and provisions of the contract.
      i. Delivery department to:
2) Ensure compliance with contractual requirements.

PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due

ANNEXURE I

CREDIT CONTROL AND DEBT COLLECTION POLICY



CREDIT CONTROL AND DEBT COLLECTION POLICY

Date DC Approved:	Council Resolution (DC **No):**

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PREAMBLE

In terms of section 96 of the Local Government: Municipal Systems Act, 2000, a Municipality shall-

9 collect all money due and payable to it, subject to the provisions of the Act and any other applicable legislation; and

10 for this purpose, implement and maintain a credit control, debt collection policy which is not in conflict with its rates and tariffs policies and which complies with the provisions of the Act.

In order to give effect to the a foregoing provisions of the Act, the council of the Garden Route District Municipality will have to adopt a policy relating to credit control, debt collection and as set out hereinafter.

6. DEFINITIONS

For purposes of this policy, and unless inconsistent with the context, any word or phrase to which a specific meaning was ascribed by the Act, will have that meaning and

"account" includes-

6.1 rental agreements;

2. fire services

3. air quality services

- environmental health levies
- any other levies and money owing to the Municipality; and

"municipal account" has a corresponding meaning;

"Act" means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time;

"arrears" means any amount due and payable to the Municipality which has not been paid on or before the date of payment;

"council" means the municipal council of the Garden Route District Municipality ;

"date of payment" means the date on which the Municipality's accounts are due.

"Manager: Financial Services" means a person appointed by the council in that capacity to administer the council's finances and includes any person –

- who is in an acting capacity in that position;
- to whom the Manager: Financial Services delegated a power, function or duty in respect of such delegated power, function or duty;

"Municipal Manager" means the person appointed in that capacity by the council in accordance with Section 82 of the Local Government Municipal Structures Act No 1 17 of 1988 as amended by Section 54A of the Local Government Municipal Systems Act No 32 of 2000 and includes any person –

(a) acting in that position;

(b) to whom the Municipality delegated a power, function or duty in respect of such delegated power, function or duty;

"municipal services" means a service that a municipality in terms of its powers and functions provides or may provide to or for the benefit of the local community irrespective of whether

6 such a service is provided, or to be provided by the municipality through an internal mechanism contemplated in section 76 or by engaging an external mechanism contemplated in section 76; and

7 fees, charges or tariffs are levied in respect of such service or not.

"Municipality" means the Garden Route District Municipality ;

"owner" in respect of immovable property means-

7.1 the person in whom ownership vests;

7. in the event of the person in whom the ownership vests being insolvent or deceased, or subject to any legal disqualification, the person under whose control and administration such immovable property vest in his/her capacity as curator, trustee, executor, administrator, judicial manager, liquidator or any other lawful representative;
8. in any event where the council is unable to determine the identity of such a person, the person who is entitled to the beneficial use of such immovable property;
9. in the event of immovable property in respect of which a lease agreement of 30 years or longer had been concluded, the lessee thereof;

10. in respect of -
    - a portion of land demarcated on a sectional title plan and registered in accordance with the Sectional Titles Act, 1986 (Act No. 59 of 1986), the developer or the governing body in respect of the joint property;
    - a portion of land as defined in this Act, the person in whose name that portion is registered in accordance with a title deed registered in a Deeds Registrars Office according the Deeds Registries Act, 1937 (Act No 47 of 1937), including the lawfully appointed representative of such person;

11. any persona, including but not limited to:
    - a company registered in accordance with the Companies' Act, 1973 (Act No 61 of 1973) as amended, a trust *inter vivas,* a trust *rnortis* causa, a close corporation registered in accordance with the Close Corporations Act, 1984 (Act No 69 of 1984) as amended, and a voluntary association;
    - any government department;
    - any council or governing body established in accordance with any legislation in force in the Republic of South Africa; and
    - any embassy or other foreign entity;

"premises" means any portion of land, situated within the area of jurisdiction of the municipality, and of which the outer boundaries are demarcated on:

(1) a general plan or diagram registered in accordance with the Land Survey Act, 1927 (Act No 9 of '1927) or the Deeds Registries Act, 1937 (Act No 47 of 1937); or

(5) a sectional title plan registered in accordance with the Sectional Titles Act, 1986 (Act No 95 of 1986);

"standard rate of interest" means a rate of interest two percent higher than. the prime rate inthe RSA

"interest on overdue accounts" is based on a full month and part of a month shall be deemed to be a full month whilst interest on overdue account will be calculated on total principal debt balance levied which is outstanding at the due date for payment - which excludes the total accumulated interest balance which forms part of the total overdue amount on the account

7. CUSTOMER CARE AND MANAGEMENT

2.1. COMMUNICATION AND THE CONVEYANCE OF INFORMATION

- In order to give effect to the provisions of section 95 [a), [b), and [c) of the Act, the Municipality shall do everything within its power to-

  - hold community meetings where representatives of the Municipality and other service providers may consult with the community;

  - ensure that users of municipal services and/or any other service are properly informed with regard to the delivery of services and in particular the costs of the provision of services.

  In order to achieve these aims-

  - there will, amongst others, be public meetings convened during the budget process, in which political parties, ratepayers' associations, residents'

associations, community organisations, chambers of commerce, the general public, and any other interested party shall be involved and during which the priorities, principles, and frameworks of budgets will be discussed and analysed;

5) identify, within the region, the needs which are legally the responsibility of the Municipality;
6) involve the community in the prioritising of such needs;
7) involve the community in the Municipality's planning of projects and what the Municipality is and other government levels are doing; and
8) inform communities what the levels of payment and non-payment are in respect of municipal services, rates and other money due to the Municipality, and to establish strategies inthis regard.

a) further public meetings will be. held after the drafting of the concept budget at which the implementation of tariffs and the manner in which the budget is to be applied, will be discussed;

- Other methods of communication are to include-

  - the utilization of municipal accounts as a highly effective method of communication to convey all kinds of information;

- the distribution of a newsletter in which prominence is to be given to customer care and issues relating to debt;
- encouragement to the press and social media service provider to give prominence to the Municipality's customer care and issues relating to debt and to encourage the press to attend council meetings at which these issues are discussed.

- **MUNICIPAL ACCOUNTS**

In so far as it is possible, the Municipality shall ensure that a person liable for payment of municipal services shall receive monthly statements on which the following shall be reflected:

- all outstanding amounts and the balance brought forward; amounts owing;
- total amount due;

- **ENQUIRIES. APPEALS. ANP SERVICE COMPLAINTS**

- Should a person be convinced that his or her account for municipal services,

  is inaccurate, he or she may direct a request to the Municipality to have that account reviewed.

- In the meantime. the person must pay an amount, as determined by the Manager: Financial Services, before the date of payment and until the matter has been resolved.

- The Municipal department concerned shall, within one month of receipt of such a request, investigate the matter and inform the person concerned of the outcome of such an investigation.

- Failure to pay the amount determined in accordance with paragraph 2.3.2 on or before the date of payment in respect of municipal services, will result in credit control action be taken as spelled out in this policy

- A person may appeal against the findings of the Municipality referred to in paragraph 2.3.3.

- An appeal in accordance with paragraph 2.3.3 must be made and delivered to the Municipal Manager within 21 days of the appellant becoming aware of the finding referred to in paragraph 2.3.3 and shall-

(I) set out the grounds of the appeal

- The Municipal Manager must commence with an appeal within six (6) weeks and decide the appeal within a reasonable period.

2) **PAYMENT FACILITIES**

- The Municipality shall provide and maintain strategically situated accessible payment offices and cash points throughout its area of jurisdiction

- The following alternative payment facilities shall also be provided or be available:

  - electronic bank transfers {A.C.B. system);
  - internet transfers;
  - direct depositing of money into the Municipality's approved bank account;

- Where any of the alternative payment facilities is used, the onus is on the person using such facilities to provide proof of payment, and the Municipality does not accept liability for the non-receipt of such payments, or for incorrect allocations, where such incorrect allocations are due to a mistake on the part of such person.

- Where payment of the money due is made by way of a direct deposit into the Municipality's approved bank account, the onus rests on the debtor to notify the Municipality of such deposit in writing or facsimile to reach the Municipality not later than the date of payment of such monies.

- Municipal accounts are due and payable on the 15th of the month or the first working day after a weekend or public holiday if the 15th is during a weekend or on a holiday

c) **ALLOCATION OF REVENUE**

In accordance with section 102 of the Act, a Municipality may-

- consolidate any separate accounts of persons liable for payments to the Municipality; and
- credit a payment by such a person against any account of that person.

3. CREDIT CONTROL AND DEBT COLLECTION MEASURES

3.1 INABILITY FOR PAYMENT OF MONEY DUE AND PAYABLE TO THE MUNICIPALITY

- The person responsible for the payment of money due and payable to the Municipality will be the following in the instances mentioned hereafter:

- any other services -the person to whom such services were delivered.

- Where an account is not paid in full, any lesser amount offered and accepted by the Municipality shall not be deemed to be in full and final settlement of such account. unless the Municipal Manager in writing accepts such lesser amount as being in full and final settlement of the account in question.

- The onus rests on the debtor to obtain a statement of his or her accounts so that they may be paid on or before the date of payment.

3.2 DATE OF PAYMENT OF MONEY QUE

- Municipal Services, Rental Agreements, Sundry debtors

- Moneys payable in respect of municipal services are due and payable on the date indicated as such on the account delivered each month in respect of those services and such payment must be made on or before the 15th day of the month after the month in which the account is rendered or such future date as the Council may determine from time to time.

- Payment of amounts due to the Municipality, and fees due in respect of municipal services, must be made on the date indicated on the account rendered to such debtor in respect of such amount owed, which date will be no more than 30 days after the rendering of the particular service.

- Where the last date of payment of any amount owing to the Municipality falls on a day on which the offices of the Municipality are closed, the final date for payment will be deemed to be the first subsequent day on which the offices are open.

(1) ACTIONS TO BE TAKEN WHERE DEBTORS FALL IN ARREARS OR FAIL TO PAY MONEYS DUE ON OR BEFORE THE DATE OF PAYMENT

a) FEES AND LEVIES IN ARREARS IN R ESPECT OF MUNICIPAL SERVICES

- Interest shall be levied interest on overdue account will be calculated on total principal debt balance levied which is outstanding at the due date for payment - which excludes the total accumulated interest balance which forms part of the total overdue amount on the account

- If a person is unable to pay fees in arrears in respect of municipal services, the Municipality may enter into an agreement with such a person in terms of which he or she is permitted to pay the fees in arrears in monthly instalments and that such the person regularly pays all future accounts in respect of municipal services; the person acknowledges that interest on such amounts in arrears shall be payable at the prescribed rate of interest and he or she agrees to pay such interest;

- the person acknowledges that should he or she at any time fail to comply with the provisions of such an agreement, the agreement shall be deemed to be null and void; no further negotiations with that person shall be possible, and immediate

steps shall be taken to have the electricity and water supplies to the premises in question disconnected or restricted, after which legal proceedings shall follow.

(i) When a person is served with an account of which the amount due in respect of municipal services is exceptionally high and it is the result of -

- an act or omission on the part of the Municipality; or
- and provided that such amount in arrears is legally due and payable by that person, the Municipality may, in the discretion of the Manager: Financial Services, enter into an agreement with that person in terms of which he or she is permitted to pay the amount owing by way of monthly installments, provided that where such a high account is the result of an act and/or omission on the part of the Municipality, no interest shall be payable inrespect of that outstanding amount.

(ii) If fees, or any portion thereof, due in respect of municipal services remain unpaid for a period exceeding 90 days calculated from the date of payment, and an agreement has not been entered into with the debtor, the Manager: Financial Services must,

- hand the account thus due and payable to a debt collector or attorney for collection, if, in his opinion, there is a fair chance that the debt may indeed be collected; [for purposes hereof a debt collector will be deemed to include any official of the council who is vested with the authority to collect debts)

or

- institute legal proceedings against the debtor for the recovery of the debt.

- AR R EARS R ENTAL AGR EEMENTS

- Where agreements provide for interest payable on rentals in arrears, interest will be levied in accordance with the provisions contained in such lease or loan agreements.

- Where instalments due to the Municipality are not paid on or before the date of payment, a letter of demand is sent to the person involved

in which he or she is requested to pay such arrears, together with interest, if any, within 21 days of the date of such notice.

- An agreement to pay the arrears by way of monthly instalments may at any time be entered into with the person so in arrears, subject, however,to the terms and conditions contained in paragraph 3.3.2.2, which terms shall apply mutatis mutandis.

- Where no agreement has been concluded to pay arrears by way of monthly instalments, and such amounts still remain in arrears after more than 30 days calculated from the date of payment, the Manager: Financial Services shall take the steps as set out inparagraph 3.3.2.3.

3,4. FEES DUE OTHER THAN THOSE IN RESPECT MUNICIPAL SERVICES AND RENTAL AGREEMENTS

The provisions of paragraphs 3.3.2.2 in respect of agreements in arrears are applicable *mutatis mutandis*.

v. **LEVVING OF INTEREST**

- Interest at the standard rate shall be levied and collected in respect of all amounts in arrears due and payable to the Municipality.

- Interest is levied from the day following the date of payment in respect of such amounts in arrears as have not been paid by such date of payment.

- Interest is levied on the total principle debt balancer outstanding and interest on interest will not be levied as part of the outstanding balance

iv. **COLLECTION OF DEPOSIT**

a) When a person applies for municipal services and before such services are provided, a deposit may be collected from that person to serve as security or partial security for the payment for municipalservices provided to that person.

b) A deposit as envisaged in paragraph (3.6.1) is utilised to extinguish or reduce debts owed by a person to the Municipality for municipal services rendered, in the event of such person disappearing and being difficult to trace, or being declared insolvent or who, for whatever reason, refuses to meet his or her obligations towards the Municipality.

c) The amount of the deposit is determined as per specific agreement for municipal services.

d) When a person, having paid a deposit to the Municipality, requests in writing that the municipal services provided to him or her be terminated and that the deposit thus kept by the Municipality be refunded to him or her, such deposit or any portion thereof which has not been utilised in accordance with paragraph 3.7.2, shall be refunded to such person.

e) The Municipality is not liable for the payment of interest on deposits held by the Municipality.

f) **INSTITUTION OF LEGAL PROCEEDINGS**

- The institution of legal proceedings includes, but is not limited to-
  - the suing of a debtor for payment of amounts in arrears;
  - the attachment of rent payable in respect of a property;
  - the attachment of a debtor's remuneration;
  - the attachment and sale in execution of movable things;
  - the attachment and sale inexecution of immovable property;
  - the evacuation of a tenant from a rented property in the event of rental due to the Municipality in respect of such leased property.

- The institution of legal proceedings is undertaken with due consideration of all legal requirements and in compliance with the applicable regulations and procedural rules.

- Discretionary powers vest inthe Manager: Financial Services to decide whether

- an account should be handed over to a debt collector or an attorney for collection and if
- legal proceedings should be instituted against a debtor

In the exercise of his powers the Manager: Financial Services determines as a sole consideration whether it will be cost-effective to hand over the account for collection and/or to institute legal proceedings against the debtor or not.

- The Manager: Financial Services shall be empowered to determine which of the judicial measures listed in paragraph 3.8.1 will be the most appropriate and effective in respect of each and every debtor against whom legal proceedings are to be instituted in accordance with this policy of the Council.

a. **WRITING OFF OF BAD DEBT**

3.8.1 Steps To Be Taken Before Writing Off Debt

Before consideration is given for the write-off of any debt the following steps should be taken:

(1) CREDIT CONTROL AND DEBT COLLECTION POLICY ACTIONS

All the applicable actions as contained in the Credit Control and Debt Collection Policy of the Municipality should have been executed and implemented.

(2) ESTATE NOTICES MONITORING

- Deed search to be requested from Legal Services Department on ID numbers of deceased debtors
- Estate notices in the Government Gazette must be checked regularly to enable the municipality to institute claims against insolvent and deceased estates of persons owing money to the Municipality.

(3) TRACING OF DEBTORS

In the event that the debtor's address is not known, all reasonable steps must be taken to trace the debtor. A reasonable effort to trace the debtor will include, but is not limited to, the following:

(a) Utilising all the information available (such as vehicle registration number, school attended by children, etc.) to locate the debtor;

(b) Utilising the telephone directory for the last town or city in which the debtor lived to locate the debtor and/or his/her relatives; and

(c) Contacting the following institutions or persons in order to locate the debtor:

- The Vehicle Registration Authorities;
- The Department of Home Affairs; and
- Officials and/or colleagues at the debtor's last place of employment.

The Manager Financial Services shall consider all other economically viable avenues for debt recovery, including the use of tracing agents, factoring of debts, recourse against sureties, guarantors or lessees, etc.

3.8.2 Prevention Of Prescription Of Debt

- Prevention:
  Proceedings out of the appropriate court having jurisdiction for the recovery of a debt must be commenced as soon as is appropriate in order to prevent prescription of the debt. A summons process

for payment of the debt must be successfully concluded as soon as possible to prevent prescription of the debt in terms of the Prescription Act.

- Prescription Act, 1969 (Act No. 68 of 1969):

Section 10 (1) of the Prescription Act provides that a debt shall be extinguished by prescription after the lapse of the period which in terms of the relevant law applies in respect of the prescription of such debt. The Municipality cannot legally enforce payment of a debt once the debt has prescribed, but the period of prescription is interrupted:-

- By the service on the debtor of any process whereby the creditor claims payment of the debt. "Process" means a Summons or Notice of Motion, which must actually be served on the debtor and not simply issued by the court, and does NOT include a registered letter of demand

- the debtor acknowledges liability, whether expressly or tacitly payment of a portion of the debt can constitute a tacit acknowledgement of liability.

The completion of prescription may also be delayed in certain circumstances.

- In terms of Section 11 of the Prescription Act, 1969 (Act 68 of 1969), the periods of prescription of debts are as follows:

  - **Thirty years** in respect of -

    - any debt secured by a mortgage bond;
    - any judgment debt;
    - any debt in respect of any taxation imposed or levied by or under any law; and
    - any debt owed to the State in respect of any share of the profits, royalties or any similar consideration payable in respect of the right to mine minerals or other substances.

  - **Fifteen years** in respect of any debt owed to the State and arising out of an advance or loan of money or a sale or lease of land by the State to the debtor, unless a longer period applies in respect of the debt in question in terms of paragraph (i) above.

  - **Six years** in respect of a debt arising from a bill of exchange or other negotiable **instrument** or from a notaries contract, unless a longer period applies in respect of the debt in question in terms of paragraph (i) or (ii) above.

  - **Three years** in respect of all other debts, save where an Act of Parliament provides otherwise.

3.8.3 General

Should all the above efforts prove to be unsuccessful and the debtor cannot be traced or it would be uneconomical to take the matter any further, only then must a submission be made requesting the write-off of the debt. This submission must detail all steps taken and the Municipality must maintain audit trails in such instances, and document the reasons for the abandonment of the actions or claims in respect of the debt.

3.8.4 WRITE OFF DEBTS OWING TO THE MUNICIPALITY

(iii) GENERAL CONDITIONS

The Municipality will consider debts for write-off in the following general circumstances:

(a}When debts have prescribed, as contemplated in paragraph 3.8.l above;

(b) When debts have not been recovered from the deceased, where their estates have been finalized, and recovery of the debts from the heirs is not possible;

(c} When debts are owed by debtors who cannot be traced, notwithstanding compliance with the provisions in paragraph 3.3 above;

(d}When no source documentation is available to substantiate or prove the claims, provided that the Manager Financial Services must have satisfied him/herself that all reasonable steps have been taken to locate the source documents;

(e}When the debtor has emigrated without paying the debts, leaving no assets available for attachment and the debtors' whereabouts are unknown;

(f) When it is not economical to pursue the debt further.

Note: Unless affordable arrangements can be made with tracing agents or attorneys, the costs associated with the tracing of a debtor and subsequent legal costs occasioned thereby, could exceed the amount claimed. It would therefore not be in the Municipality's interest to attempt recovery of debts where the prospects of recovery are remote, and where the possibility exists that the costs associated with recovery may exceed the debt.

(iv) SPECIFIC CONDITIONS

The Municipality will consider debts for write-off in the following specific circumstances:

- Sundry Debt:

Debt owed to Council arising from auxiliary services rendered by Council will be regarded as irrecoverable in the following instances:

- If the debt has prescribed;

- In circumstances contemplated in 3.8.3 (i) (a) to (f) above

- FINAL ACTION

Whenever all the legal avenues, procedures and steps listed above have been exhausted, the arrear amounts should be classified as irrecoverable and should be written off by the person to whom the authority to do so has been delegated under the Municipality's system of delegations

Immediately after 30 June each year, or more regularly if requested by Council, the Manager Financial Services must present to the Council a report listing the following:

- For noting-details of the debts that was written off during the year ending 30 June under delegated authority, together with the reasons for the write offs; and

- For consideration – details of any debt, not included under (a) above, which is believed to be irrecoverable, together with the reasons for this conclusion. The council shall then approve the write-off of such arrears, it if is satisfied with the reasons provided.

- BAD DEBTS RECOVERED

The approval of Council for the write-off of any debt does not mean that actions to recover the money will be terminated, however, further actions will be instituted depending on the costs involved and if debt is recovered it will be recorded in the financial records of Council as recovered.

4. GENERAL PROVISIONS

4.1 COLLECTION COSTS

All legal costs and any other expenses incurred by the Municipality in order to recover monies owing by a debtor to the Municipality, shall be debited against that debtor's account and/or collected by an attorney.

Collection commission and other expenses incurred by the municipality in order to recover monies owing by a debtor to the municipality, is not recoverable from the debtor.

iv. **DISHONOURED PAYMENTS**

Should any payment made to the Municipality by means of a negotiable instrument be dishonoured by a bank at a later stage, the Manager: Financial Services may -

- impose costs and administration fees on the account of that debtor at a rate to be determined by the council from time to time; and

- after payment tendered by a debtor is dishonoured for a third time by a bank, notify that person in writing that all future payments may only be made in cash.

4.3 **ACCESS TO PREMISES**

An occupier of premises in the area of jurisdi ction of the Municipality must give an authorised representative of the Municipality or of a service provider access at "all reasonable hours to the premises.

- **SIGNING OF NOTICES AND DOCUMENTS**

A notice or document issued by the Municipality pursuant to a by-law promulgated by the Municipality and signed by a staff member of the Municipality is deemed to have been properly issued and shall be accepted by the court as evidence of that fact upon the mere submission thereof.

- **CERTIFICATION OF DOCUMENTS**

Any order, notice or other document which needs to be certified by the Municipality, is deemed to have been sufficiently certified if it is signed by the Municipal Manager or a duly authorised official of the Municipality to whom such powers were delegated by means of a decision of the Municipality's council or pursuant to a by-law.

- **PRIMA FACIE EVIDENCE**

In lawsuits initiated by the Municipality, the mere submission of a certificate reflecting the amount due and payable to the Municipality and signed by the Municipal Manager or a suitably qualified official authorised thereto by the Municipal Manager, shall be accepted by the court as *prima facie* evidence that the amount is due.

- **QATA MAINTENANCE**

Should the client contact the municipality at any time, his/her details as reflected on the financial system should be verified and checked and adjusted accordingly.

4.8 **SHORT TITLE**

This policy is called the Credit Control, Debt Collection Policy of the Garden Route District Municipality.

ANNEXURE J

BANKING, CASH MANAGEMENT AND INVESTMENT POLICY

DISTRICT MUNICIPALITY I UMASIPALA WESITHILI I DISTRIKSMUNISIPAL

BANKING, CASH MANAGEMENT & INVESTMENT POLICY

Date **Approved:**

Council D

C Resolution (DC No):

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1 DEFINITIONS

For the purpose of this policy:

"Act"- means the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)

"Accounting Officer"- is the person appointed by Council in terms of Section 82 of the Municipal Structures Act, 1998 as amended by Section 54 A of the Municipal Systems Act, 2000 [Act No. 32 of 2000

"Council" - means the Garden Route District Municipal Council or any of the Council's committees or officials acting under powers, functions and duties delegated to them in terms of any existing actordinance or by-law in force within the area of jurisdiction to the Council

"Councillor"- shall mean a member of the municipal council of Garden Route District Municipality;

"Chief Financial Officer" - shall mean the head of the Financial Services Department as contemplated in Section 80 of the MFMA;

"Official" - shall mean all persons in the employment of Garden Route District Municipality

"Investments" - means:

25. The placing or deposit of funds with a financial institution' or

26. The acquisition of monetary and non-monetary assets with funds not immediately required with the primary aim of preserving those funds. **"Investment Manager"-** means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Market Control Act, 1989(Act 55 of 1989 and Stock Exchanges Control Act, 1 985 9Act 1 of 1985, contracted by a municipality or municipal entity to –

16. advise on investments

17. manage investments on its behalf ; or

18. advise it on investments and manage investments on its behalf

"Investee"- means an institution with which an investment is placed, or its agent;

"Municipality"- means the Garden Route District Municipality

9 **Objective and Scope of Policy**

9.1 The council and staff of the municipality have an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

9.2 The municipality therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.

9.3 This policy is intended to provide a framework for ensuring the proper management and investment of its cash resources so as to ensure:

- That the net current asset requirements of the municipality are effectively managed;
- That sufficient cash resources are available to finance the capital and operating budgets of the municipality;
- That the highest possible return on investments is gained without unnecessary risk, during periods when excess funds are not immediately required;
- That in so doing, the primary aim of preserving and ensuring the safety of deposits is promoted;
- That there is effective control over the management of bank accounts
- That investments are diversified.

9.4 This policy shall apply to the management of all of the cash resources of the Municipality and to all investments made by it

10 **Legal Provisions**

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of:

10.1 The Local Government: Municipal Finance Management Act No. 56 of 2003 ("the MFMA") and

10.2 any Regulations made thereunder, including, in particular, the Municipal Investment Regulations published under GN R308 in Government Gazette 27431 of I April 2005 ("the Investment Regulations").

11 **Principles of Sound Cash Management**

In order to promote sound cash management, the Municipality shall

adhere to the following principles:

11.1 It shall collect revenue when it is due and bank it promptly;

11.2 It shall make payments, including transfers to other levels of government and non- government entities, no earlier than necessary, with due regard for efficient, effective and economical programme delivery and the creditor's normal terms for account payments;

11.3 It shall avoid pre-payment for goods or services (i.e. payments in advance of the receipt of goods or services), unless required by the contractual arrangements with the supplier;

11.4 It shall accept discounts to effect early payment only when the payment has been included in the monthly cash flow estimates provided to the relevant treasury;

11.5 It shall and pursue apply its debt collection policy to ensure that amounts receivable by the municipality are collected and banked promptly;

11.6 It shall accurately forecast its cash flow requirements;

11.7 It shall synchronise the inflow and outflow of cash;

11.8 It shall recognise the time value of money by economically, efficiently and effectively managing cash;

11.9 It shall take any other action as may promote the efficient utilisation of cash resources, such as managing inventories to the minimum level necessary for efficient and effective programme delivery, and selling surplus or under utilised assets; and

4.10 It shall avoid bank overdrafts.

11 **CASH COLLECTION**

11.1 All monies due to the municipality must be collected as soon as possible,

either on or immediately after due date, and banked on a economical minimum of twice p.m basis.

11.2 The Municipality shall endeavour to apply its Credit Control and Debt collection Policy rigorously in order to promote the collection of moneys due to it. This includes charging interest and recovering other costs when appropriate and setting target dates when these are payable.

12 **RECEIPT OF PAYMENTS**

12.1 The receipt of all monies collected by the council shall be acknowledged forthwith by the issue of a numbered official receipt, as provided in this section.

12.2 When money is received over the counter:

- Every payment received by a cashier or other officer responsible for the receipt of money shall be acknowledged at once by the issue of a numbered official receipt or cash ticket; and
- Every receipt form which is cancelled will be reattached in the correct place, in the receipt book. Where computer generated receipts are used, the original receipt must be filed for audit purposes.

12.3 Payments by cheque

No payments by cheque will be accepted

12.4 When money is received by electronic transfer, such transfers must be immediately recorded and receipts must be issued.

8. Payments to Creditors

8.1 The chief financial officer shall ensure that all tenders and quotations invited

by ands contracts entered into by the municipality stipulate payment terms favourable to the municipality, subject to the provisions of Section 65 of the MFMA.

8.2 Notwithstanding 7.1, in the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, then the CFO chief financial officer may in his discretion authorise payment thereof.

8.3 The Chief Financial Officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if he or she determines that there are financial incentives for the municipality to do so.

8.4 The Chief Financial Officer shall not ordinarily process payments for accounts received more than once in each calendar month, such processing to take place on or about the end of the month concerned, except when payment is to be effected in circumstances contemplated in 7.2.

8.5 Special payments to creditors (that is to say, payments made in circumstances not contemplated elsewhere in this section) shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments.

8.6 Credit statements must be reconciled monthly.

8.7 Payments must be made only on receipt of an official order, certified goods received note and official company invoice.

8.8 All payments, other than petty cash disbursements, shall be made through the municipality's bank account(s) .

8.9 The chief financial officer shall, in consultation with the municipal manager and with due regard to the council 's policy on banking and investments, and subject to 7.10, determine the rules and procedures relating to the approval of payments and jointly with the municipal manager decide on appropriate signatories.

8.10 Only the Municipal Manager or the Chief Financial Officer, or any other

senior official of the Municipality acting on the written authority of the Municipal Manager, may withdraw money or authorize the withdrawal of money from any of the Municipality's bank accounts, and shall do so only for the purposes prescribed in Section 11 of the MFMA.

8.11 Notwithstanding the above, payments shall be effected by means of electronic transfers with the normally accepted control measures being applied

- All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the chief financial officer. Such vouchers shall be authorised in terms of such rules and procedures as are determined from time to time by the chief financial officer.
- The maximum amount and nature of petty disbursements, shall be generally determined from time to time by the chief financial officer, subject, however, to the provisions of the Municipality's Supply Chain Management Policy.
- No cash float shall be operated without the authority of the chief financial officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.
- The chief financial officer or the delegated authority shall be responsible for the payment of all salaries and remuneration benefits to employees and councillors, and for the determination of the payment system to be used.
- Payments to creditors shall in any event be made in accordance with the provisions of the MFMA, and inparticular, with Section 65 thereof.

8. **INVESTMENTS DENOMINATED IN FOREIGN CURRENCIES PROHIBITED**

8.1 A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

9. **PAYMENT OF COMMISSION**

Every financial institution with which the municipality makes an investment must issue a certificate to the accounting officer in regard to such investment.stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any partyfor obtaining such investment, including councillors, officials or related spouses or family members.

- **MANAGEMENT OF INVENTORY**

- The chief financial officer or delegated authority shall beresponsible for the proper administration of all stores.
- If sub-stores are established under the control of any head of department,or delegated authority such head of department shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the stock level policies as determined from time to time by the chief financial officer, acting in consultation with the head of department concerned.
- No sub-store may be established without the prior written consent of the chief financial officer.
- Each head of department or delegated authority shall ensure that such department's inventory levels do not exceed normal operational

requirements in the case of items which are not readily available from suppliers, and emergency requirements in the case of items which are readily available from suppliers.

- A stock register, reflecting the undermentioned detail must be kept and updated daily:

10.5.1 Item description;

10.5.2 Stores code

10.5.3 number;

10.5.4 Transaction date;

10.5.5 On goods received-

- Goods delivery note number;
- Number of items received; and
- Value of items received. On goods issued-
- Requisition number; and

- Number of items issued.
- Balance of items in stock.

- Stock counts must be affected monthly and an annual report reflecting stock shortage and surpluses must be submitted to council as at 31 August of each financial year. All surpluses and shortages must be explained by the accountable head of department.
- Each head of department shall periodically review the levels of inventory held, and shall ensure that any surplus items be made available to the chief financial officer for sale at a public auction or by other means of disposal, as provided for in the municipality's supply chain management policy.

9) CASH FLOW PROJECTIONS

a) The chief financial officer shall prepare an annual estimate of the municipality's cash flows divided into calendar months, and shall update this estimate on a monthly basis, or more frequently, if considered necessary.

b) Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality.

c) The operating requirements must include provisions for:

i) Monthly salary and allowances payments;
ii) Bulk purchases of electricity and water;
iii) Interest on long term loans;
iv) Maintenance of assets;
v) General expenditure [payments to current creditors); and
vi) Expected daily and monthly incomes.

d) The estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have

to be liquidated, and when (if applicable) either long-term or short-term debt must be incurred. Heads of departments shall in this regard furnish the chief financial officer with all such information as is required, in good time and in the format required by the Chief Financial Officer.

e) The Chief Financial Officer shall report to the executive committee or the executive mayor, as the case may be, on a monthly basis and to every ordinary council meeting the cash flow estimate or revised estimate for such month or reporting period respectively, together with the actual cash flows for the month or period concerned, and cumulatively to date, as well as the estimates or revised estimates of the cash flows for the remaining months of the financial year, aggregated into quarters where appropriate.

f) For purposes of such report, the cash flow estimates shall be divided into calendar months, and in reporting the chief financial officer shall provide comments or explanations in regard to any significant cash flow deviation in any calendar month forming part of such report.

g) Such report shall also indicate any movements in respect of the municipality's investments, together with appropriate details of the investments concerned.

(iv) **INVESTMENT ETHICS**

- The Chief Financial Officer shall be responsible for investing the surplus revenues of the municipality, and shall manage such investments in compliance with any policy directives formulated by the council and prescriptions made by the Minister of Finance, including, in particular, the Investment Regulations.
- In making such investments the Chief Financial Officer shall at all times have only the best interests of the municipality in mind, and shall not accede to any influence by or interference from councillors, investment agents or institutions or any other outside parties.
- No official or councillor of the Municipality may accept any gift, other than an item having such negligible value that it cannot possibly be construed as anything other than a token of goodwill by the donor, from any investment

agent or institution or any party with which the Municipality has made or may potentially make an investment.

8. INVESTMENT PRINCIPLES

(i) When money is available for investment, it shall be invested in accordance with the provisions contained in this policy.

(ii) After determining whether there is cash available for investment and fixing the maximum term of investment, the Chief Financial Officer must determine the best manner in which to invest it. As rates vary according to money market perceptions, quotations must be requested telephonically, within term limitations, and these must be set out on a schedule.

(iii) In order to limit exposure, where large sums of money are available for investment, the Chief Financial Officer shall ensure that:

- they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality, so that not more than 50% are invested at the instution with the highest rate,30 % at the institution with the 2nd highest rate and 20% with the instution with the 3rd highest rate of available funds at that date; and
- As far as it is practically and legally possible, the municipality's investments are so distributed that more than one investment category is covered.

(iv) Although the objective of the chief financial officer in making investments on behalf of the municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. It can be accepted as a general rule that the larger the return, the greater the risk.

(v) When investments are placed with smaller registered institutions, the Chief

Financial Officer shall ensure that the Municipality is not exposed to undue risk, and shall ensure that the creditworthiness and performance of the institution are satisfactory. Information from which the creditworthiness of financial institutions can be determined must be obtained and analysed at least annually

(vi) Every financial institution with which the municipality makes an investment must issue a certificate to the chief financial officer in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment.

(vii) The Municipality may not borrow money for reinvestment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

(viii) Money kept in current accounts should be kept at minimum levels, as it may be more beneficially invested in other accounts such as call deposits.

(ix) If the Chief Financial Officer invests with financial institutions, he or she must ensure that such institutions are registered in terms of the Banks Act 94 of 1990 and that they .are approved financial institutions - as approved by the Reserve Bank, from time to time.

11. Credit Ratings

1) It is of utmost importance that the investments only be placed with creditworthy institutions with a credit rating of A 1 and better for short term [O – 12 months) and credit ratings AA and AAA ratings for long term [more than 12 months)

2) Fitch and or CA ratings to the obtained of all investments institutions before a financial institution may be considered for investing funds.

3) Ratings must be updated at least annually or when there has been structural change in the market or at the particular institution.

4) The optimal combination of the most favourable rated institution and the institution offering the best returns for the investment sought, should be the determining factor when choosing the institution.

(viii) **PERMITTED INVESTMENTS**

- Monetary investments: The Municipality may invest funds only in investment types permitted under Regulation 6 of the Investment Regulations.
- Non-monetary investments: Any non-monetary investments will require approval by Council prior to execution.

(ix) **CALL DEPOSITS AND FIXED DEPOSITS**

- Before making any call or fixed deposits, the chief financial officer, shall obtain quotations from at least three institutions.
- Given the volatility of the money market, the chief financial officer, shall, whenever necessary, request quotations electronically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant [for example, whether the interest is payable monthly or only on maturity, and so forth).

d) Any monies paid over to the investing institution in terms of the agreed investment shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the Chief Financial Officer shall ensure that the Municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the municipality.

18 Restriction on Term of Investments

No investment with a term exceeding twelve months shall be made without the prior approval of the executive mayor or the executive committee, as the case may be.

19 CESSION OF INVESTMENTS

The cession of any investment of the Municipality as security shall be subject to the provisions of Section 48 of the MFMA.

20 Supply Chain Management Policy

The Municipality shall comply with its Supply Chain Management Policy to the extent that it is applicable to the implementation of any aspect of this policy.

(6) CONTROL OVER INVESTMENTS

a) The Chief Financial Officer shall ensure that proper records are kept of all investments made by the Municipality.

b) Such records shall inciude an investment register in which the following information shall be recorded:

- Name of institution
- Capital invested
- Date invested
- Interest rate
- Maturationdate
- Interestreceived
- Capital repaid; and
- Balance invested (other categories).

c) The investment register and accounting records must be reconciled on a monthly basis.

d) The investment register must be examined on a fortnightly basis to identify investments falling due within the next two weeks.

e) The Chief Financial Officer must ensure that interest, correctly calculated, is received on due date.

f) Investment documents and certificates must be safeguarded in a fire resistant safe, with dual custody. The following documents must be safeguarded:

- Fixed deposit letter or investment certificate
- Receipt for capital invested,
- Copy of electronic transfer or cheque requisition
- Excel schedule of comparative investment figures,
- Commission certificate indicating no commission was paid on the investment; and
- Interest rate quoted.

(7) **REPORTS**

The Municipal Manager shall ensure that reports are submitted to the Mayor as required under Regulation 9 of the Investment Regulations.

(8) **BANKING ARRANGEMENTS**

a) The Municipal Manager is responsible for the management of the Municipality's bank accounts, but may delegate this function to the Chief Financial Officer.

b) The Municipal Manager and Chief Financial Officer are authorised at all times to sign electronic transfers and any other documentation associated with the management of such accounts.

c) The Municipal Manager is authorised to appoint, in consultation with the chief financial officer, two or more additional signatories in respect of such accounts, and to amend such appointments from time to time.

d) All bank accounts and investments must be in the name of the municipality.

e) The selection of the Municipality's Bankers shall be carried out in accordance with the Municipality's Supply Chain Management Policy.

12. **Raising of Debt**

(1) The municipal manager is responsible for the raising of debt, but may delegate this function to the chief financial officer, who shall then manage this responsibility in consultation with the municipal manager. All debt shall be raised in strict compliance with the requirements of the MFMA and only with the prior approval of the council.

(2) The raising of debt shall be governed by the municipality's borrowing policy.

25 **RELATED POLICIES**

25.1 This policy must be read in conjunction with the following budget-related policies of the Municipality:

25.1.1 The Credit Control and Debt Collection Policy;

k) The Supply Chain Management Policy;

l) The Budget Policy;

m) The Borrowing Policy;

(d) **REVIEW OF POLICY**

This policy is to be reviewed annually.

(e) **RESPONSIBILITY FOR IMPLEMENTATION**

The Municipal Manager shall be responsible for the implementation of this policy, provided that the Municipal Manger shall delegate such powers to the Chief Financial Officer as may be required to enable the Chief Financial Officer to perform such duties as are imposed on him or her in terms of this policy, and may delegate such other powers as he or she may deem fit

28 Commencement

This policy shall come into force on the first day of July 2021

ANNEXURE K

BORROWING POLICY



BORROWING POLICY

Date Approved:	Council Resolution (DC No):

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ANNEXURES **9**

LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT, NO 56 OF 2003

1. PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, statutory requirements and guidelines for the borrowing of funds**.**

2. OBJECTIVES

To manage interest rate and credit risk exposure. Maintain debt within specified limits and ensure adequate provision for the repayment of debt.

To ensure compliance with Legislation and Council policy, governing the borrowing of funds.

3. DEFINITIONS

"**Act**" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"municipal debt" means –

(a) a monetary liability or obligation on a municipality or municipal entity created by-
  (i) a financing agreement, note, debenture, bond or overdraft; or
    (ii) the issuance of municipal debt instruments; or
  i. a contingent liability such as that created by guaranteeing a monetary liability or obligation of another;

"borrower" will be the Garden Route District Municipality

"lender", in relation to a municipality or municipal entity, means a person who provides debt finance to a municipality or municipal entity;

"short-term debt", in relation to a municipality or municipal entity, means debt that is repayable over a period not exceeding one year;

"**long-term debt",** in relation to a municipality or municipal entity, means debt repayable by the municipality or municipal entity over a period exceeding one year;

"security", in relation to a municipality or municipal entity, means any mechanism intended to secure the interest of a lender or investor, and includes any of the mechanisms mentioned in section 48(2) of the Act

"**financing agreement**" includes any loan agreement, lease, installment, purchase contract or a hire purchase arrangement under which a Council undertakes to repay a long-term debt over a period.

4. SCOPE OF THE POLICY

Risk Management: The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

Cost of Borrowings: The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

Prudence: Borrowings shall be made with care, skill, prudence and diligence. The standard of prudence to be used shall be the "prudent person" standard and shall be applied in the context of managing overall debt.

Officials are required to adhere to:

a) written procedures and these guidelines
b) exercise due diligence
c) prepare all reports timeously
d) ensure strict compliance with all Legislation and Council policy

5. LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant legislation and regulations in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No 56 of 2003.

6. CONSIDERATIONS

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail.

6.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing.
- the length of time the benefits will be received.
- the beneficiaries of the acquisition or development.
- the impact of interest and redemption payments on both current and forecasted income.
- the current and future capacity of the income base to pay for borrowings and the rate of growth of the income base.
- likely movements in interest rates for variable rate borrowings.
- other current and projected sources of funds.
- Competing demands for funds
- Timing of money markets interest rate movements and the long term rates on the interst rate curve
- The municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges
- Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery

6.2 Potential lenders include:

- The Development Bank of Southern Africa
- Registered Banks in South Africa

7. DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the requirements of the various Lenders, presently the typical debt repayment period for loans in the current economic climate is between 10 to 20 years. Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

8. SECURITY

The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

9. OVERDRAFT

Garden Route District Municipality has a bank overdraft facility. However,while in a sound financial position, this facility be not utilised.

10. SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt. The Municipality may, in terms of the Municipal Finance Management Act, incur short term debt only if the Chief Financial Officer has made a prior written finding that the debt is either within prudential limits on short term debt as previously approved by Municipality, or is necessary due to an emergency that could not reasonably have been foreseen and cannot await Council approval.

The Garden Route District Municipality is in the fortunate position that due to its sound financial position it is not necessary to raise any short term loans.

11. DISCLOSURE

Any official involved in the securing of loans by the Municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective Investor disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

12. APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt. A copy of the information statement must be submitted to Council at least 21 days prior to the meeting to discuss the proposed loan, together with particulars of –

i. the essential repayment terms, including the anticipated debt repayment schedule; and
ii. the anticipated total cost in connection with such debt over the repayment period.

13. PROVISION FOR REDEMPTION OF LOANS

Garden Route District Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid. Use can also be made of guaranteed endowment policies to facilitate the payment on maturity date.

14. NON-REPAYMENT OR NON-SERVICING OF LOAN

Garden Route District Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing. In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

15. PROHIBITED BORROWING PRACTICES

In the past some Municipalities have borrowed funds with the sole purpose of investing them to earn a return. The motive was clearly speculative. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments. Consequently, as a principle, Garden Route District Municipality does not borrow for investment purposes, but depending on the shape of the interest yield curve may borrow in advance of its capital cash flow needs in a given financial year to take advantage of an inverse interest yield curve. Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

16. INTERNAL CONTROL

The internal control procedures involve Internal Audit and Performance Management, and the Auditor General reviewing and testing the systems of the Finance Department on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the portfolio.

Controls deemed most important include:-

- Control of collusion, separation of duties.
- Custodial safekeeping of loan agreements and contracts.
- Clear delegation of duties.
- Checking and verification by senior officials of all transactions.
- Documentation of transactions and repayments.
- Code of ethics and standards
- Electronic Funds Transfer limits and a detailed procedure manual for the system.

17. NATIONAL TREASURY REPORTING AND MONITORING REQUIREMENTS

The Municipality submits numerous returns to National Treasury. It is mainly coordinated by the Accounting Division. One such report deals with the Municipality's external interest paid each month. Another return, prepared on a quarterly basis, requires the Municipality to itemise all its external borrowings for the quarter ended.

18. OTHER REPORTING AND MONITORING REQUIREMENTS

Regular reporting mechanisms are in place in order to access the borrowings portfolio and to ensure compliance with policy objectives, guidelines and applicable laws.

Quarterly activities:

- National Treasury Borrowings Return General

- Report actual borrowings (in compliance with Section 71 of the Municipal Finance Management Act) to the mayor and Provincial Treasury

Annually:-

- Preparation of Annual Budget
- Preparation of Annual Cash Flow
- Forecast Preparation of Annual Financial Statements
- Confirmation of Lender balances at financial year end obtaining written certification of loan balances at year end
- Completion of credit rating questionnaire
- Regular reviews by Auditor General

19. POLICY REVIEW

The CFO will for the purposes of ensuring that this policy is aligned to the legislation, consider if and when necessary to amend the policy. In the event of the policy not being amended during the budget process, the approved policy will remain applicable.

ANNEXURES

EXTRACTS FROM THE LOCAL GOVERNMENT MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003 - CHAPTER 6: DEBT

SHORT-TERM DEBT

45 (1) A municipality may incur short-term debt only in accordance with and subject to the provisions of this Act. A municipality may incur short-term debt only when necessary to bridge –

(a) shortfalls within a financial year during which the debt is incurred, in expectation **of** specific and realistic anticipated income to be received within that financial year; or

(b) capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

(2) A municipality may incur short term debt only if - a resolution of the municipal council, signed by the mayor, has approved the debt agreement: and the accounting officer has signed the agreement or other document which creates or acknowledges the debt.

(3) For the purpose of subsection (2) (a.) a municipal council may - approve a short term debt individually ; or approve an agreement with a lender for a short-term credit facility to be accessed as and when required , including a line of credit or bank overdraft facility , provided that –

(i) the credit limit must be specified in the resolution of the council ;

(ii) the terms of agreement , including the credit limit , may be changed only by a resolution of the council ; and

(iii) if the council approves a credit facility that is limited to emergency use , the accounting office must notify the council in writing as soon as practical of the amount , duration and any debt incurred in terms of such a credit facility , as well as options for repaying such debt.

(4) A municipality - must pay off short-term debt within the financial year; and may not renew or refinance short-term debt, whether its own debt or that of any other entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

(5) (a) No lender may willfully extend credit to a municipality for the purpose of renewing or refinancing short-term debt that must be paid off in terms of subsection (4)(a). If a lender willfully extends credit to a municipality in contravention of paragraph (a), the municipality is not bound to repay the loan or interest on the loan.

(6) Subsection (5)(b) does not apply if the lender –

(a) relied in good faith on written representations of the municipality as to the purpose of the borrowing; and

(b) did not know and had no reason to believe that the borrowing was for the purpose of renewing or refinancing short-term debt

LONG-TERM DEBT

46. (1) A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of this Act, including section 19, and only for the purpose of–

(a) capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in section 152 of the Constitution, including costs referred to in subsection (4) ; or

(b) re-financing existing long-term debt subject to subsection (5).

(2) A municipality may incur long-term debt only if –

(a) a resolution of the municipal council, signed by the mayor, has approved the debt agreement; and

(b) the accounting officer has signed the agreement or other document which creates or acknowledges the debt .

(3) A municipality may incur long-term debt only if the accounting officer of the municipality has in accordance with subsection 21A of the Municipal Systems Act– at least 21 days prior to the meeting of the council at which approval for the debt is to be considered, made public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided; and

(ii) invited the public, the National Treasury and the relevant provincial treasury to submit written comments or representations to the council in respect of the proposed debt ; and

(b) has submitted a copy of the information statement to the municipal council at least 21 days prior to the meeting of the council, together with particulars of –

(i) the essential repayment terms, including the anticipated debt repayment schedule; and

(ii) the anticipated total cost in connection with such debt over the repayment period.

(4) Capital expenditure contemplated in subsection (1)(a) may include - financing costs, including - capitalised interest for a reasonable initial period; costs associated with security arrangements in accordance with section 48; discounts and fees in connection with the financing; fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing costs of professional services directly related to the capital expenditure; and (c) such other costs as may be prescribed.

(5) municipality may borrow money for the purpose of re-financing existing long-term debt, provided – (a) the existing long-term debt was lawfully incurred;

(b) the re-financing does not extend the term of the debt beyond the useful life of the property, plant or equipment for which the money was originally borrowed;

(c) the net present value of projected future payments (including principal and interest payments) after re-financing is less than the net present value of projected future payments before re-financing and

(d) the discount rate used in projecting net present value referred to in paragraph (c), and any assumptions in connection with the calculations, must be reasonable and in accordance with criteria set out in a framework that may be prescribed.

(6) A municipality's long-term debt must be consistent with its capital budget referred **to** in section 17(2).

CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT

47. A municipality may incur debt only if –

(a) the debt is denominated in Rand and is not indexed to, or affected by, fluctuations in the value the Rand against any foreign currency;

(b) section 48 (3) has been complied with, if security is to be provided by the municipality

SECURITY

48. (1) A municipality may, by resolution of its council, provide security for –

(a) any of its debt obligations;

(b) any debt obligations of a municipal entity under its sole control; or

(c) contractual obligations of the municipality undertaken in connection with capital expenditure by other persons on property, plant or equipment to be used by the municipality or such other person for the purpose of achieving the objects of local government in terms of section 152 of the Constitution.

(2) A municipality may in terms of subsection (1) provide any appropriate security including by - giving a lien on, or pledging, mortgaging, ceding or otherwise hypothecating an asset or right, or giving any other form of collateral;

(b) undertaking to effect payment directly from money or sources that may become available and to authorise the lender or investor direct access to such sources to ensure payment of the secured debt or performance of the secured obligations, but this form of security may not affect compliance with section 8 (2)

(c) undertaking to deposit funds with the lender, investor or third party as security;

(d) agreeing to specific payment mechanisms or procedures to ensure exclusive or dedicated payment to lenders or investors, including revenue intercepts, payments into dedicated accounts or other payment mechanisms or procedures;

(e) ceding as security any category of revenue or rights for future revenue;

(f) undertaking to have disputes resolved through mediation, arbitration or other dispute resolution mechanisms;

(g) undertaking to retain revenues or specific charges, fees, tariffs or funds at a particular level or at a level sufficient to meet its financial obligations;

(h) undertaking to make provision in its budgets for the payment of its financial obligations, including capital and interest;

(i) agreeing to restrictions on debt that the municipality may incur in future until the secured debt is settled or the secured obligations are met; and

(j) agreeing to such other arrangements as the municipality may consider necessary and prudent.

(3) A council resolution authorising the provision of security in terms of subsection (2)(a) - must determine whether the asset or right with respect to which the security is provided, is necessary for providing the minimum level of basic municipal services; and

(b) if so, must indicate the matter in which the availability of the asset or right for provision of that minimum level of basic municipal services will be protected.

(4) If the resolution has determined that the asset or right is necessary for providing the minimum level of basic municipal services, neither the party to whom the municipal security is provided, nor any successor or assignee of such party, may, in the event of a default by the municipality, deal with asset or right in a manner that would preclude or impede the continuation of that minimum level of basic municipal services.

(5) A determination in terms of subsection (3) that an asset or right is not necessary for providing the minimum level of basic municipal services is binding on the municipality until the secured debt has been paid in full or the secured obligations have been performed in full, as the case may be.

DISCLOSURE

49. (1) Any person involved in the borrowing of money by a municipality must, when interacting with a prospective lender or when preparing documentation for consideration by a prospective investor - disclose all information in that person's possession or within that person's knowledge that may be material to the decision of that prospective lender or investor; and take reasonable care to ensure the accuracy of any information disclosed.

(2) A lender or investor may rely on written representations of the municipality, if the lender or investor did not know and had no reason to believe that those representations were false or misleading.

MUNICIPAL GUARANTEES

50. A municipality may not issue any guarantee for any commitment or debt of any organ of state or person, except on the following conditions:

(a) The guarantee must be within limits specified in the municipality's approved budget:

(b) a municipality may guarantee the debt of a municipal entity under its sole control only if the guarantee is authorised by the council in the same manner and subject to the same conditions applicable to a municipality in terms of this Chapter if it incurs debt

(c) a municipality may guarantee the debt of a municipal entity under its shared control or of any other person, but only with the approval of the National Treasury, and then only if-

(i) the municipality creates, and maintains for the duration of the guarantee, a cash- backed reserve equal to its total potential financial exposure as a result of such guarantee; or

(ii) the municipality purchases and maintains in effect for the duration of the guarantee, a policy of insurance issued by a registered insurer, which covers the full amount of the municipality's potential financial exposure as a result of such guarantee**.**

NATIONAL AND PROVINCIAL GUARANTEES

Neither the national nor a provincial government may guarantee the debt of a municipality or municipal entity except to the extent that Chapter 8 of the Public / New Finance Management Act provides for such guarantees.

ANNEXURE L

PREFERENTIAL PROCUREMENT POLICY



PREFERENTIAL PROCUREMENT POLICY

Adopted by Council: 00/00/18 COUNCIL RESOLUTION DC 00/00/18

Foreword

Section 217 of the Constitution of the Republic of South Africa -

1. *When an organ of state in the national, provincial or Local sphere of Government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost effective.*
2. *Subsection (1) does not prevent the organs of state or institutions referred to in that subsection from implementing a procurement policy providing for –*
    a) *Categories of preference in allocation of contracts; and*
    b) *The protection or advancement of persons, or categories of persons, disadvantaged by unfair discrimination.*
3. *National legislation must prescribe a framework within which the policy referred to in subsection (2) must be implemented.*

Section 2 of Preferential Procurement Policy Act of 2000 –

1. *An organ of state must determine its preferential procurement policy and implement it within the following framework:*
    (a) A preference point system must be followed.
    (b)
        i. for contracts with a Rand value above a prescribed amount a maximum of 10 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 90 points for price
        ii. For contracts with a Rand value equal to or below a prescribed amount a maximum of 20 points may be allocated for specific goals as contemplated in paragraph (d) provided that the lowest acceptable tender scores 80 points
    (c) Any other acceptable tenders which are higher in price must score fewer points, on a pro rata basis, calculated on their tender prices in relation to the lowest acceptable tender, in accordance with the prescribed formula.
    (d) The specific goals may include –
        i. Contracting with persons or categories of persons from designated sectors on the basis of race, gender or disability
        ii. Implementing the programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994
    (e) Any specific goal for which a point may be awarded must be clearly specified in the invitation to submit a tender.
    (f) The contract must be awarded to the tenderer who scores the highest points, unless objective criteria in addition to those contemplated in paragraphs (d) and (e) justify the award to another tenderer; and
    (g) Any contract awarded on account of false information furnished by the tenderer to secure preference in terms of this Act may be cancelled at the sole discretion of the organ of state without prejudice to any other remedies the organ of state may have.
2. *Any Goals contemplated in subsection (1)(e) must be measurable, quantifiable and monitored for compliance.*
3. ***Exemption***

The minister may, on request, exempt an organ of state from any or all the provisions of this Act if-

(a) It is in the interest of national security.

(b) The likely tenderers are international suppliers; or

(c) It is in the public interest.

Western Cape Provincial Treasury Circular Mun No. 1/2023

In alignment to the guidance issued by The Western Cape Provincial Government through Treasury Circular Mun No. 1/2023, Garden Route District adopts the following:

The preferential procurement goals contemplated in the Section 2(1)(d) of the PPPFA through the relevant B-BBEE score cards as specified in the Broad based Black Economic Empowerment Act, 2003 (B-BBEE Act) and codes of Good Practice, be accepted as supporting evidence to claim preference points (B-BBEE Level Contributor Certificate) or a sworn Affidavit for Exempt Micro Enterprises.

The B-BBEE score card is based upon the RDP goals and was specifically developed as a scientific measurement of these individual goals and issued by accredited to ensure credibility of the assessment. The B-BBEE score card amongst others gives effect to 6 RDP Goals.

i. the promotion of South African Owned enterprises

ii. the promotion of SMMEs

iii. the creation of new Jobs or the intensification of Labor absorption

iv. the empowerment of the work-force by standardising the level of skill and knowledge of workers

v. the development of human resources, including by assisting in tertiary and other advanced training programs, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills.

vi. the upliftment of communities through, but not limited to housing, transport, schools, infrastructure, donations, charity organisations.

The 2025/2 budget process and review of budget related policies will allow council to give review the specific goals set by council for implementation, locality and B-BBEE level contribution.

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1. Definitions

In this policy, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Act must bear the meaning so assigned—

"National Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

"Price" means an amount of money tendered for goods or services and includes all applicable taxes less all unconditional discounts.

"Rand value" means the total estimated value of a contract in Rand, calculated at the time of the tender invitation; and

"The Act" means the Preferential Procurement Policy Act, 2000 (Act No. 5 of 2000).

"Black designated groups" has the meaning assigned to it in the codes of good practice issued in terms of section 9 (1) of the BBBEEA.

"Black people" has the meaning assigned to it in section 1 of the BBBEEA.

"Designated group" means black designated groups, black people, women, people with disabilities; or small enterprises as defined in section1 of the National Small Enterprise Act, 1996

"Disability" means in respect of a person, a permanent means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

"EME" means.

(1) exempted micro enterprise in terms of a code of good practice on black economic empowerment issued in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the BBBEEA**.**

(2) an entity with an annual turnover of R10 000 00.000 (ten million Rand) or less

"Historically disadvantaged individual (HDI)" means a South African citizen –

(1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa,1983 (Act No 110 of 1983); and / or

(2) who is a female; and / or

(3) who has a disability:

Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI.

"B-BBEE status level of contributor" means the B-BBEE status of an entity in terms of a code of good practice on black economic empowerment issued in term of section 9(1) of the Broad-Based Black Economic Empowerment Act.

"**Acceptable Tender**" mean any tender which, in all respects, complies with the specification and conditions of tender as set out in tender document;

"Highest acceptable tender" means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other acceptable tenders;

"Lowest acceptable tender" means a tender that complies with all specifications and conditions of tender and that has the lowest price compared to other acceptable tenders;

"**Market Analysis**" means a technique used to identify market characteristics for specific goods or services.

"**Specific *goals***" means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and development Programme as published in Government Gazette No.16805 dated 23 November 1994;

"tender" means a written offer in the form determined by an organ of state in response to an invitation provide goods or services through Informal Tenders, competitive tendering process or any other tendering method envisaged in legislation.

"**tender for income-generating contracts**" means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreements between the organ of state and a third party that produces revenue for the organ of state, and includes, but not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions

"Qualifying Small Enterprise (QSE)" means a qualifying small business enterprise in terms of the code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act

"Region" means the Garden Route District Municipality.

"**Rural area"** means-

1) a separately populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or
2) an area including a large settlement which depends on migratory labor and remittances and government social grants for survival and may have a traditional land tenure system.

"SMME" means small, medium and micro enterprises namely Exempted Micro Enterprises and Qualifying Small Enterprises.

"Youth" has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

2. Introduction

The Constitution of the Republic of South Africa, 1996, provides in sections 152(1)(c) and 152(2) that local government must promote social and economic development and that the municipality must strive within its financial and administrative capacity, to achieve the objects set out in subsection 152(1).

The Constitution provides in section 217 that an organ of state must contract for goods or services in accordance with a procurement system which is fair, equitable, transparent, competitive, and cost effective and to implement a policy to grant preferences within a framework prescribed by National Legislation.

The Broad-Based Black Economic Empowerment Act, 2003 requires: '' (1) Every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in (b) developing and implementing a preferential procurement policy.

The Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)-[PPPFA] was promulgated by the Minister in response to the Constitutional provision and allow for a Municipality to develop a preferential procurement policy and to implement such policy within the PPPFA framework.

Section 2(1)(d)(i) and (ii) of the Preferential Procurement Policy Framework Act, 2000 refers to specific goals which may include:

i. Contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender or disability.
ii. Implementing the programmes of the Reconstruction and Development Programme (RDP) as published in Government Gazette 16805, 23 November 1994.

The RDP (1994), as basis for development in South Africa, was meant to provide a holistic, integrated, coherent socio-economic policy that is aimed at mobilising people and resources to work towards the upliftment of the material and social conditions of local communities to build sustainable livelihoods for these communities.

In terms of Section 2 (1)(d)(ii), the following activities may be regarded as a contribution towards achieving the goals of the RDP, in addition to the awarding of preference points in favor of HDIs (published in Government Gazette No. 16085 dated 23 November 1994):

(i) The promotion of South African owned enterprises.
(ii) The promotion of export orientated production to create jobs.
(iii) The promotion of SMMEs.
(iv) The creation of new jobs or the intensification of labor absorption.
(v) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province.
(vi) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region.
(vii) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area.
(viii) The promotion of enterprises located in rural areas.
(ix) The empowerment of the work force by standardising the level of skill and knowledge of workers.
(x) The development of human resources, including by assisting in tertiary and other advanced training programmes, in line with key indicators such as percentage of wage bill spent on education and training and improvement of management skills; and
(xi) The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organisations.

3. Purpose, and Objectives

a) The purpose of this policy is to:

i. To give effect to section 217(1) and (2) of the Constitution of the Republic of South Africa

ii. To give effect to the Preferential Procurement Policy Framework Act of 2000 in establishing Garden Route District Municipality's preferential procurement policy

b) Objective

i. To give effect to the Preferential procurement Regulations, 2022, through adoption of Preferential Procurement Policy of Garden Route District Municipality as adopted by council.

Section 2 of the Preferential Procurement Policy states that "*an organ of state must determine its preferential procurement policy and implement it within the following framework:"*
Regulation 3(3) of the Municipal Supply Chain Management Regulations states *"When preparing or amending its supply chain management policy, a municipality or municipal entity must take into account of the need for uniformity in supply chain management practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management system for small businesses."*

This policy strives to ensure that the objectives for uniformity in the supply chain management systems between Municipalities/Municipal entities, is not undermined and that consistency with the SCM and LED policies in line with sections 152(1)(c) and 152(2).

4. Application and Identification of preference point system

4.1 The Garden Route District Municipality will, in the tender documents, stipulate —
(a) the preference point system applicable as envisaged in regulations 4, 5, 6 or 7.
(b) the specific goal in the invitation tender for which a point may be awarded, and the number of points that will be awarded to each goal, and proof of claim for such a goal, as envisaged in section 2(1)(d) and (e) of the Preferential Procurement Policy, Act 5 of 2000

4.2 If it is unclear whether the 80/20 or 90/10 preference point system applies—
(a) in the case of a tender income-generating contracts, either the 80/20 or the 90/10 preference pint system will apply, and the highest acceptable tender will be used to determine the applicable preference point system: or
(b) in any other invitation for tender, that either the 80/20 or 90/10 preference point system will apply and that the lowest acceptable tender will be used to determine the applicable preference point system.
(c) Preference point system for income generating tenders will not be applicable in cases where Garden Route Council chooses to auction assets in the disposal or leasing of movable and immovable assets.

5. Points for Price: 80/20 preference point system for acquisition of goods or services with Rand value from R 2 000 to below R30 000.

a. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

b. A maximum of 20 points will be awarded to a tenderer for the specified goal - locality.

c. The points scored for the specific goal(s) must be added to the points scored for price and the total must

be rounded off to the nearest two decimal places.

d. Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

6. Points for Price: 80/20 preference point system for acquisition of goods or services with Rand value equal to R30 000 or below R50 million.

a. The following formula must be used to calculate the points out of 80 for price in respect of an invitation for a tender with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

b. A maximum of 20 points may be awarded to a tenderer for the specified goals specified for the tender.
c. The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

d. Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

7. Points for price: 90/10 preference point system for acquisition of goods or services with Rand value above R50 million

a. The following formula must be used to calculate the points out 90 for price in respect of an invitation for tender with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90\left(1 - \frac{Pt - P\,min}{P\,min}\right)$$

Where-

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmin = Price of lowest acceptable tender.

b. A maximum of 10 points may be awarded to a tenderer for the specific goals for the specified for the tender.

c. The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

d. Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

8. 80/20 preference points system for tenders for income-generate contracts with Rand value equal to or below R50 million

The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where-

Ps = Points scored for price of tender under consideration.

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

a. A maximum of 20 points may be awarded to a tender for the specific goal specified for the tender.
b. The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
c. Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 200, the contract must be awarded to the tenderer scoring the highest points.

d. The use of Auctioneering service as a method for asset disposal, for both movable and immovable property, is exempted from the use of the preference point system as stated in section 7 of the policy. The highest bidder is the preferred bidder.

9. 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million

a. The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

$$Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where-

Ps = Points scored for price of tender under consideration.

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

b. A maximum of 10 points may be awarded to a tenderer for the specific goals specified for the tender.

c. The points scored for the specific goal(s) must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

d. Subject to section 2(1)(f) of the Preferential Procurement Policy, Act 5 of 2000, the contract must be awarded to the tenderer scoring the highest points.

e. **The use of Auctioneering service as a method for asset disposal, for both movable and immovable property, is exempted from the use of the preference point system as stated in section 8 of the policy. The highest bidder is the preferred bidder.**

10. Specified contract participation goals.

10.1.1 Every invitation for a tender will stipulate the specific goals to which preference points (10 or 20) will be allocated, as contemplated in section 2(1)(d)(ii) of the Preferential Procurement Act, be attained.

10.1.2 To align procurement to the Growth and Development Strategy of Council, preferential procurement policy will address the Reconstruction and Development Goal of growing the regional and local economy through preference point allocation. Preference Points allocation will be allocated as per 10.1.4 below, allocating preference to B-BBBEE level contribution and Locality. The objective of the goal is to grow the regional economy of the district by procuring from business entities in the region.

10.1.3 Preference points allocations:

a. A maximum of 10 points B-BBEE Scorecard and a maximum of 10 for locality in a (80/20 preference points system),
b. Maximum of 5 points B-BBEE Scorecard and a maximum of 5 for locality in a (90/10) preference points system), will be allocated as tabled below:
c. Formal written price quotations, from R 2000 to below R30 000, Preference points maximum of 20 points for locality

10.1.4 **B-BBEE Points**

B-BBEE Status Level of Contributor	Number of Points for Preference (80/20)	Number of Points for Preference (90/10)
1	10	5
2	9	4.5
3	7	3
4	6	2.5
5	4	2
6	3	1.5
7	2	1
8	1	0.5
Non-compliant contributor	0	0

10.1.5 **Preference Points for Locality (Procurement above R30 000)**

Locality	Number of points for Preference (80/20)	Number of Points for Preference (90/10)
Supplier / Service provider located **within Garden Route District**	10	5
Supplier / Service Provider located **within Western Cape Province**	5	2.5
Supplier / Service Provider located within South Africa but **outside the Western Cape Province**	0	0

10.1.6 A tenderer must submit proof of its BBBEE status level contributor certificate; a tenderer failing to submit proof of BBBEE status level of contributor –

a) may only score in terms of the 80/90 - point formula for price; and
b) scores 0 points out of 10 (80/20) or 0 points out of 5 (90/10) B-BBEE status level of contributor, which is in line with section 2(1)(d)(i) of the Act, where the supplier or service provider did not provide proof thereof.
c) A Tenderer must submit a Municipal Account for their primary business location or valid lease agreement, as per address indicated in the bid document, to claim preference points for locality. Failure to submit a valid Municipal Account or Lease agreement will result in 0 preference point allocation for locality.

10.1.7 **Preference Points for Locality – Formal written price quotations from R 2 000 to below R 30 000**

Locality	Number of points for Preference (80/20)
Supplier / Service provider located within Garden Route District	20
Supplier / Service Provider located within Western Cape Province	10
Supplier / Service Provider located within South Africa but outside the Western Cape Province	0

11. Criteria for breaking deadlock in scoring

a. If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals.
b. If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

12. Award of contracts to tenderers not scoring highest points

A contract may be awarded to a tenderer that did not score the highest points only in accordance with section 2(1)(f) of767 the Act.

13. **Remedies**

13.1.1 Upon detecting that a tenderer submitted false information regarding specific goals, or any other matter required in terms of this policy which will affect or has affected the evaluation of a tender, the Garden Route District Municipality will affect the following:
(a) inform the tenderer; accordingly, and
(b) give the tenderer an opportunity to make a representation within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part: and

13.1.2 After considering the representations referred to in par 12(1)(b), council may, if it concludes such information to be false:
(i) disqualify the tenderer or terminate the contract in whole or in part; and
(ii) if applicable, claim damages from the tenderer.
(iii) Follow the National Treasury Debarment guidelines.

14. **Policy Review**

Accounting Officer to effect Policy review:
8.1 Annual review together with all other budget related policies.
8.2 When required due to the changes in Legislation, regulations, adoption of National Treasury or Provincial Treasury Circulars

15. Joint Venture and Consortiums - Preference points

a. B-BBEE Preference Points

i. Joint Ventures and Consortiums must submit a consolidated B-BBEE level contribution certificate in the name of the joint venture or the consortium to be able to claim B-BBEE preference points.

ii. In the absence of a consolidated B-BBEE certificate, the Joint Venture and Consortium may not be awarded B-BBEE preference points.

b. Locality Preference Points

i. Joint Ventures or Consortiums to claim preference points for locality within.

ii. Garden Route Region - All members of the Joint Venture or Consortium must reside in Garden Route to be able to claim preference points. If one or more members of the Joint venture or Consortium is not based in the Garden Route, the bidding entity cannot claim any preference points for locality in the Garden Route District

iii. Western Cape Province: All members of the Joint Venture or Consortium must be based in the Western Cape Province

to be eligible to claim preference for locality. If one or more members of the consortium is not based in the Western Cape Province, the bidding entity may not claim points for locality in the Western Cape.

16. Total Preference Points calculation for Ex-Bin Panel Contracts (Roads Contracts) – Preferred supplier for material

i. Ex-bin price – Garden Route Municipality is required to provide their own haulage from the supplier to project site

ii. The calculation of preference points for preferred materials supplier, will be based on total cost calculation on a combination of both the materials cost and cost of haulage.

iii. Haulage cost is determined in accordance to rates as per the hire of machinery panel contract, for the distance between the location of the supplier of materials and the project site.

iv. The supplier for materials will be required to provide their quote on haulage to the project site

v. A combination of the highest total preference points on totals will be the selected supplier/bidder

ANNEXURE M
PETTY CASH POLICY

GARDEN ROUTE DISTRICT MUNICIPALITY

PETTY CASH POLICY

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INTRODUCTION

The accounting officer of a municipality is responsible for the management of the expenditure of the municipality in an effective and controlled manner.

Therefore the Garden Route District Municipality adopts the following petty cash policy.

- **REGULATORY FRAMEWORK**

Legislation-Municipal Finance Management Act 56 of 2003

- **OBJECTIVES**

Compliance with the regulatory framework in terms of the relevant legislation is required.

- **DEFINITIONS**

Accounting Officer: The person appointed by council in terms of section 82 of Act 1 17 of 1998, also known as the Municipal Manager, and defined in terms of section 60 of Act 56 of 2003 (MFMA)

Chief Financial Officer: The person designated in terms of section 80 (2) (a) of Act 56 of 2003 (MFMA), and includes any person acting in that position or to whom authority is delegated

Petty Cash: A relatively small amount of cash kept at hand for making immediate payments for miscellaneous small payments

Petty Cash Float: The total sum of Petty Cash which has been granted to a Petty Cash Officer.

Petty Cash Officer:

An employee made responsible for the day-to-day operating of the Petty Cash Float

Reconciliation:

Is the process of comparing information, for example cash spent compared with the relevant documentation and receipts.

Sub-advances:

A relatively small amount of cash, made available by the Petty Cash Officer on request to buy miscellaneoussmallitems.

- **RESPONSIBILITY AND ACCOUNTABILITY**

The key responsibilities in terms of the MFMA (Section 65) are:

Accounting Officer (Municipal Manager) -

(l) The accounting officer of a municipality is responsible for the management of the expenditure of the municipality.

- The accounting officer must. for the purposes of subsection (l), take all reasonable steps to ensure-
  - that the municipality has and maintains an effective system of expenditure control. including procedures for the approval, authorization, withdrawal and payment of funds;
  - that the municipality has and maintains a management, accounting and information system which-
    - recognizes expenditure when it is incurred;
    1. accounts for creditors of the municipality, and
    2. accounts for payments made by the municipality.

- that the municipality has and maintains a system of internal control in respect of creditors and payments;
- that payments by the municipality are made-
    - directly to the person to whom it is due unless agreed otherwise for reasons as may be prescribed; and

(i) either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit;

The Municipal Manager delegates authority to the Chief Financial Officer.

12 **PETTY CASH POLICY**

12.1 General Policy

- The use of a petty cash float (a float may not exceed R3,500.00) is strictly confined to individual cash purchases of up to a maximum of R750.00, unless otherwise authorized by the Chief Financial Officer;

- The expenditure with regard to petty cash shall not be deliberately split into more than one transaction to avoid the said limit;

- A petty cash float is not to be used for any of the following:

    - the cashing of cheques;

13 loans to any person whatsoever;

14 payment of personal remuneration to any person whatsoever, whether for fees, salaries, wages, travel allowance as part of remuneration, honorarium or other reason.

9. for instalment invoices such as rental of equipment or open orders, even if the amount falls within the specified limit;

10. any purchase violating the true meaning of petty cash transactions, or petty cash purchases from a trade creditor that does not exist on the Supply Chain Management Supplier database. This will be regarded as a deviation from the accepted accounting practices in the use of petty cash, and will constitute a serious offence under the Disciplinary Code, unless authorized by the Chief Financial Officer.

- Other cash floats may also be established for the purpose of providing change for a cash register, or any other purpose approved by the Chief Financial Officer. Use of such floats is restricted to the purpose for which they were established.

- The accounting officer, or delegated official, may conduct internal audits to evaluate compliance with this policy.

12.2 Establishing and Operating a Petty Cash Float

- To establish a new petty cash float or increase an existing advance, a written application must be made to the Chief Financial Officer by the relevant Manager of a department.

- A request for the establishment of an advance will indicate the position of a senior employee to be held responsible for the control over the petty cash float within the relevant department.

- The employee mentioned under 6.2 (b) will be responsible for the security and that leave arrangements are in place to ensure safe custody of funds in the office.

- The minimum security arrangement that will be acceptable is that the float will be kept in a locked box which will be kept in a locked filing cabinet or safe.

- When an advance is approved, the Chief Accountant: Creditors will advise the relevant department accordingly, and request that the designated employee mentioned under 6.2 (b) collect the advance.

12.3 Security of Petty Cash Floats and Documentation

- The cash on hand and used petty cash vouchers are to be kept in a locked box for which there are to be two keys. One key is to be retained by the petty cash officer (on their person) normally responsible for petty cash, and the other by the senior employee mentioned under 6.2 (b) in a sealed envelope in the office safe or other secure place, to be used only in an emergency.

- The locked petty cash box must be kept in a secure place when not in use and should be removed and returned by the responsible

employee only. At no stage should staff other than the responsible employee/s have access to the storage place of the petty cash box.

- Under no circumstances are keys to be left in the lock of the petty cash box, cabinet or safe.

- If the responsible petty cash officer is either going on leave or is leaving the municipality 's employment, the petty cash float is to be reconciled and signed by the departing-as well as the replacement staff member, to indicate their agreement as to its balance.

12.4 Completing Petty Cash Vouchers and the Petty Cash Reconciliation and Register

- Petty cash stationery is available from the Expenditure section. The form consists of two parts:
  - Petty Cash Voucher
  4.) Petty Cash Reconciliation and Register
  5. Receipt for cash advance (Only when appropriate-refer to paragraph on Advances)

(the same form as in (i) above)

- All details entered on the Petty Cash Voucher must appear on the Petty Cash Reconciliation and Register sheet.

- Original receipts and other valid documentation as required must be attached as proof of payment, with the signature of the designated officer on this documentation. The receipt and invoice must be in a formal business format.

12.5 Sub-advances to staff members

- If it is necessary to make an initial sub-advance to a staff member, a receipt for the cash advance must be completed (Petty Cash Voucher) . The receipt for the cash advance form must be completed as follows:
  (i) description and *estimated* cost of the goods/services purchased;
  (ii) purchaser's signature;
  (iii) correct vote number with an adequate budget to be charged;
  (iv) signature of the petty cash officer.

- On completion of the purchase, the recording-, documentation- and authorization requirements will be as stated in the above paragraph: Completing a Petty Cash Voucher.

- All sub-advances will be accounted for within 24 hours, by submitting original receipts and other applicable documentation required, attached as proof of payment (with the approval signature on the documentation) . Where this cannot be achieved, the buyer will be liable to pay back the advance without any delay or, if not possible, alternatively be for the immediate recovery from the individual's salary.

- No more than one advance will be made to any one individual at a time.

12.6 0ut-of Pocket Payments

- Where a staff member has made a purchase from own funds and seeks reimbursement from petty cash, supporting documentation must be provided to substantiate the claim.

- The responsibility to ensure that the purchase will be in accordance with all the prescriptions of this policy will be the sole responsibility of the purchaser of such item(s) .

- The recording-documentation-and authorization requirements will be as stated in paragraph 6.4

12.7 Reimbursement of Petty Cash Floats

- A petty cash float is operated on the basis that expenditure from the float is reimbursed **not more than twice monthly.** Such reimbursement requires:-

    - returning the cash level of the petty cash float to its original level, and;

(ii) charging the expenditure which has been incurred to the correct expenditure vote.

- Accordingly, **at any point in time,** the sum of the cash on hand, i.e. remaining unspent, plus the cash advances for unfinalized purchases, plus the completed cash purchase claim forms, updated on the Petty Cash Reconciliation and Register form, shall equal the level of the petty cash advanced.

- Completed Petty Cash Reconciliation and Register forms, with attached cash register slips etc. must be submitted to the Expenditure section for reimbursement, after the relevant documentation has been authorized by the relevant head of the department.

- Reimbursement of claims where supporting documentation as prescribed in this policy is absent/ missing, will be declined.

- The prescribed forms as mentioned in 6.4 (a) (i) to (iii) above, as well as other relevant forms attached to it, must be completed in full.

- The most recently completed Petty Cash Reconciliation and Register form must record the reconclliation of the petty cash float. The Chief Accountant: Creditors will decline reimbursement of claims where this is not supplied.

- A petty cash float must never be reimbursed with funds derived from any other source whatsoever.

5.8 Shortages

- Any shortages in respect of a petty cash float must be reimbursed immediately by the responsible petty cash officer.

- Where a petty cash float is stolen, the incident must be reported promptly to the Chief Financial Officer in the required format, after a case has been logged at the South African Police Services

7.2 Procedure where a Petty Cash Float is repaid/cancelled

When an advance is no longer required, a departmental memorandum must be submitted, signed by the manager of the relevant department, to the Chief Accountant: Creditors, with the balance of cash on hand and completed and authorized forms. The most recently completed Petty Cash Reconciliation and Register form will record the reconciliation of the petty cash float.

The Cashier will issue a receipt to the person delivering the cash.

7.3 Short title and commencement

This Policy is called the Garden Route District Municipality Petty Cash Policy and takes effect from, July 2021, and should be reviewed annually

ANNEXURE N

COST CONTAINMENT POLICY

COST CONTAINMENT POLICY

Date Approved:	Council Resolution (DC No):	DC

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1. DEFINITIONS

In this Policy, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, unless the context indicates otherwise, and-

"*Act*" means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"*consultant*" means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

"*cost containment*" means the measures implemented to curtail spending in terms of this policy.

"*credit card*" means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

"*municipality*" means Garden Route District Municipality ("GRDM")

"*political office bearers*" means, in terms of this policy, all councillors serving on the council of Garden Route District Municipality

2. PURPOSE

The purpose of the policy is to regulate spending and to implement cost containment measures at Garden Route District Municipality.

3. OBJECTIVES OF THE POLICY

The object of this policy is to ensure that the resources of the municipality are used effectively, efficiently and economically by implementing cost containment measures.

4. SCOPE OF THE POLICY

This policy will apply to all Councillors, **members of Oversight Committees** and Municipal employees.

5. LEGISLATIVE FRAMEWORK

This policy must be read in conjunction with other policies of Council applicable to matters raised in this policy. In the even that other policies have different limits/criteria than this policy in relation to matters covered in both, the stricter limits/criteria will apply.

6. POLICY PRINCIPLES

This policy will apply to the procurement of the following goods and/or services:

(a) Use of consultants
(b) Vehicles used for political office–bearers
(c) Travel and subsistence
(d) Domestic accommodation
(e) Credit cards
(f) Sponsorships, events and catering
(g) Communication
(h) Conferences, meetings and study tours
(i) Any other related expenditure items

7. USE OF CONSULTANTS

7.1 Consultants may only be appointed after an assessment of the needs and requirements confirms that GRDM does not have the requisite skills or resources in its full -time employ to perform the function.

7.2 The accounting officer must adopt a fair and reasonable remuneration framework for consultants taking into account the rates -

(a) determined in the "Guideline on fees for audits undertaken on behalf of the Auditor -General of South Africa ", issued by the South African Institute of Chartered Accountants;
(b) set out in the "Guide on Hourly Fee Rates for Consultants ", issued by the Department of Public Service and Administration; or
(c) as prescribed by the body regulating the profession of the consultant.

7.3 The tender documentation for the appointment of consultants must include a clause that the remuneration rates will be subject to negotiation, not exceeding the applicable rates mentioned in par 7.2 above.

7.4 When negotiating cost -effective consultancy rates for international consultants, the accounting officer may take into account the relevant international and market –determined rates.

7.5 When consultants are appointed the accounting officer must:

(a) appoint consultants on a time and cost basis with specific start and end dates;
(b) where practical, appoint consultants on an output- specified basis, subject to specific measurable objectives and associated remuneration;
(c) ensure that contracts with consultants include overall cost ceilings by specifying whether the contract price is inclusive or exclusive of travel and subsistence disbursements;
(d) ensure the transfer of skills by consultants to the relevant officials of the municipality;
(e) undertake all engagements of consultants in accordance with the Municipal Supply Chain Management Regulations, 2005 and the municipality's supply chain management policy; and
(f) develop consultancy reduction plans to reduce the reliance on consultants.

7.6 All contracts with consultants must include a fee retention or a penalty clause for poor performance.

7.7 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

7.8 The travel and subsistence costs of consultants must be in accordance with the national travel policy issued by the National Department of Transport, as updated from time to time.

7.9 The contract price must specify all travel and subsistence costs and if the travel and subsistence costs for appointed consultants are excluded from the contract price, such costs must be reimbursed in accordance with the nationaltravel policy of the National Department of Transport.

8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

8.1 The threshold limit for vehicle purchases relating to official use by politicaloffice–bearers may not exceed seven hundred thousand rand (R700 000) or 70% (VAT inclusive) of the total annual remuneration package for GRDM's grade, as defined in the Public Office Bearers Act and the notices issued in terms thereof by the Minister of Cooperative Governance and Traditional Affairs, whichever is lower.

8.2 The procurement of vehicles in par. 8.1 must be undertaken using the national government transversal mechanism, unless it may be procured at a lower cost through other procurement mechanisms.

8.3 Before deciding on another procurement process as contemplated in 8.2, the accounting officer must provide the council with information relating to the following criteria that must be considered:

(a) Status of current vehicles;
(b) Affordability of options including whether to procure a vehicle as compared to rental or hire thereof, provided that the most cost effective option is followed and the cost is equivalent to or lower than that contemplated in par. 8.1;
(c) Extent of service delivery backlogs;
(d) Terrain for effective usage of vehicle; and
(e) Any other policy of council

8.4 If the rental referred to in par. 8.3 is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometers.

8.6 Notwithstanding par. 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometers only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

8.7 The accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

9. TRAVEL & SUBSISTENCE

9.1 The accounting officer:

(a) May approve the purchase of economy class tickets for officials or political office bearers where the flying time for a flight is five (5) hours or less; and

(b) may only approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flights exceeding five hours.

9.2 In the case of the accounting officer, the mayor may approve the purchase of economy class tickets where the flying time is five hours or less and business class tickets for flights exceeding five hours.

9.3 Notwithstanding par. 9.1-9.2, the accounting officer, or the mayor in the case of an accounting officer, may approve the purchase business class tickets for an official or a political office bearer with a disability or a medically certified condition.

9.4 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

9.5 The accounting officer, or the mayor in the case of the accounting officer, may approve accommodation costs that exceed an amount as determined from time to time by the National Treasury through a notice only -

(a) during peak holiday periods; or

(b) when major local or international events are hosted in a particular geographical area that results in an abnormal increase in the number of local and /or international guests in that particular geographical area.

9.6 An official or a political office bearer of the municipality must:

(a) utilize the municipal fleet, where viable, before incurring costs to hire vehicles;

(b) make use of available public transport or a shuttle service if the cost of such a service provider is lower than:

(i) the cost of hiring a vehicle;

(ii) the cost of kilometres claimable by the official or political office bearer; and

(iii) the cost of parking.

(c) not hire vehicles from a category higher than Group B or an equivalent class; and

(d) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

9.7 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

10. DOMESTIC ACCOMMODATION

10.1 The accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time.

10.2 Overnight accommodation may only be booked where the return trip exceeds 500 kilometres, unless deemed to be impractical and prior approval is obtained from the applicable Executive Manager (or Speaker in case of councillors) after providing proper written motivation to deviate from this stipulation. For example, in instances where attendance is required over a number of days, or there is a risk to the health of the official or councillor and cost vs benefit considerations can warrant such expenditure.

11. CREDIT CARDS

11.1 The accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office bearer.

11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal credit cards or cash or arrangements made by the municipality, and request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

12. SPONSORSHIPS, EVENTS & CATERING

12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

(a) Hosting of:

(a) meetings;
(b) conferences;
(c) workshops;
(d) courses;
(e) forums;
(f) recruitment interviews; and

(g) council proceedings

12.3 Entertainment allowances of qualifying officials may not exceed two thousand rand (R2 000) per person per financial year, unless otherwise approved by the accounting officer.

12.4 Expenses may not be incurred on alcoholic beverages, unless the municipality recovers the cost from the sale of such beverages.

12.5 Social events, team building exercises, year-end functions, sporting events and budget vote dinners may not be financed from the municipal budget or by any supplier or sponsor.

12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials or is an integral part of the business model.

12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

13. COMMUNICATION

13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.

13.2 Officials will be held liable for the reimbursement of costs to GRDM relating to private calls and data usage that exceed the cellphone and data packages assigned to officials, as applicable.

13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders, unless required for professional purposes and where unavailable in electronic format.

13.4 The acquisition of mobile communication services may be done by using the transversal term contracts that have been arranged by the National Treasury.

14. CONFERENCES, MEETINGS & STUDY TOURS

14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa. (Note that "conference or event" referenced above excludes attendance of government forums, user groups and workshops.)

14.2 The benchmark costs may not exceed R2 500.

14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

(a) The officials role and responsibilities and the anticipated benefits of the conference or event;
(b) Whether the conference or event will address the relevant concerns of the municipality;
(c) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
(d) Availability of funds to meet expenses related to the conference or event.

14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:

(a) Conference or event registration expenses; and
(b) Any other expense incurred in relation to the conference or event.

14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

14.6 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.

14.7 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.

14.8 An accounting officer must grant the approval for officials and in the case of political office-bearers, oversight committee members and the accounting officer, the mayor, as contemplated in par 14.3

14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

15. OTHER RELATED EXPENDITURE ITEMS

15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

16. ENFORCEMENT PROCEDURES

Failure to implement or comply with this policy may result in any official of the municipality or political office bearer, that has authorized or incurred anyexpenditure contrary to determinations in this policy, being held liable for financial misconduct or a financial offence in the case of political office bearers as defined inChapter 15 of the MFMA read with the Muncipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

17. DISCLOSURES OF COST CONTAINMENT MEASURES

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosedin the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on theimplementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

18. IMPLEMENTATION & REVIEW PROCESS

This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

19. SHORT TITLE

This policy shall be called the Cost Containment Policy of the Garden Route District Municipality.

ANNEXURE O
MFMA NATIONAL TREASURY CIRCULAR NO 132

NATIONAL TREASURY

MFMA Circular No. 132

Municipal Finance Management Act No. 56 of 2003

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 *(m*SCOA) 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, *m*SCOA 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 Actual	2023/24 Actual	2024/25 Actual	2025/26 Estimate	2026/27	2027/28 Forecast	2028/29
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:

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 eThekwini 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 (MTSR) 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, eThekwini and Mangaung
  - Electricity and Energy: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekwini
- **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 MTSR, 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 maintening 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: ***m*SCOA 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 *m*SCOA 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 *m*SCOA 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.

4.6 A 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 devise 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.

4.6 C 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 (*m*SCOA):

6.1 Release of Version 7.1 of the Chart

Version 7.1 of the *m*SCOA 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 *m*SCOA/ List *m*SCOA 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@treaury.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

1	Basic Salary - Capitalisation of Costs to Property, Plant and Equipment (PPE), Water Inventory	• 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: • 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: • 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 *m*SCOA 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 *m*SCOA 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), *m*SCOA 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 *m*SCOA 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 *m*SCOA implementation

***m*SCOA 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 eThekwini 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 (Sadesh 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: *m*SCOA 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
- *m*SCOA 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 *m*SCOA 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 *m*SCOA

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 *m*SCOA, is available on the GoMuni/ Go Training portal on the following link:

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

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REPUBLIC OF SOUTH AFRICA

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

ANNEXURE P
MFMA NATIONAL TREASURY CIRCULAR NO 134

NATIONAL TREASURY

MFMA Circular No. 134

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2026/27 MTREF

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Introduction

This budget circular provides guidance to municipalities with their 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 *(m*SCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

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 focussing 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, *m*SCOA 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

GDP growth is expected to average 1.8 per cent from 2026 to 2028. Medium-term growth will be underpinned by household consumption supported by further gains in real purchasing power, moderately stronger wage growth, easing inflation, wealth gains from rising asset prices, improved consumer sentiment and better credit conditions. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

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

Table 1: Macroeconomic performance and projections, 2025 - 2029

Fiscal year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Estimate		Forecast	
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

Source: National Treasury Budget Review 2026.

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.

Inflation is expected to increase from 3.2 per cent in 2025 to 3.4 per cent in 2026, driven by higher food prices (particularly meat due to supply disruptions linked to foot-and mouth disease). Inflation is forecast to ease to 3.3 per cent in 2027 and 3.2 per cent in 2028, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated. The reduction of the inflation target to 3 per cent with a 1 percentage point tolerance band will structurally reduce inflation, helping to protect real income levels.

In April 2024, the National Treasury initiated a comprehensive review of the budget process, with the goal of identifying and implementing reforms that would enhance the efficiency, transparency, and effectiveness of public resource allocation. It has resulted in a set of accountable reform proposals outlined below.

Targeted And Responsible Savings (TARS) and Spending Reviews

These MTEF guidelines introduce a new mechanism entitled Targeted and Responsible Savings (TARS), which is intended to identify and remove low-priority or underperforming programmes from the budget to reduce aggregate expenditure and, where appropriate, reallocate funding towards the priorities of governments outlined in the Medium-Term Development Plan (MTDP).

In line with the government's commitment to identify wasteful, inefficient, underperforming, and low priority programmes and ensure a more streamlined and effective allocation of resources. At national level the following initiatives are being utilised for the identification of programmes to be included the TARS process:

- Spending reviews;
- Previous work should be updated where appropriate to inform implementation;
- Outcomes of new sectoral reviews such as the Active Labour Market Policy (ALMP) and the review of infrastructure conditional grants should be implemented;
- New data driven approaches;
- Use of technology to eliminate double dipping in social grants and other programmes (e.g. community works programme);
- Annual audit of ghost workers and payroll irregularities;
- Updated proposals on public entity and departmental rationalisation;
- Resolve inefficiencies in public sector wage bill;
- Implement personnel expenditure review completed by the Department of Public; Service and Administration (DPSA);
- Finalise extended review of public entities remuneration; and
- Technical baseline analysis and institutional reviews to ensure that departments and public entities are appropriately aligned to mandates.

All municipalities are encouraged as part of the annual municipal budget preparations process to progressively introduce the same approach which will enable the Council of a municipality to consider more appropriate the trade-offs when policy choices are made in conclude the budget for a specific cycle. Depending on the response observed by the National Treasury, further guidance will be issue in future.

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

2.1 Local government conditional grants and unconditional grants allocations

For the 2026/27 financial year, the overall direct allocations to local government amount to R182.3 billion, made up of R110.1 billion in the local government equitable share; R54.7 billion in direct conditional grants and R17.5 billion in the General fuel levy sharing with metros. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising. The overall direct allocations to local government grow by an annual average rate of 3.1 per cent and the local government equitable share and related allocations grow by 4.4 per cent over the 2026 MTEF period.

Notable changes to the conditional grants system

Given the ongoing review of the conditional grants system, there are several local government reforms proposed to conditional grants. The reforms are aimed at streamlining funding flows, reducing duplications, and aligning recurrent obligations with the appropriate funding base:

- The merger of the baselines of the integrated national electrification programme grant, and the energy efficiency demand side management grant in 2026/27 to focus on energy

efficiency and renewable energy programmes that can lead to more sustainable energy provision and enable the achievement of long-term energy security goals;

- The Infrastructure Skills Development Grant (ISDG) will remain under the management of the National Treasury for the next three financial years when it will cease to exist as a conditional grant. To assist this transformation, the grant has ceased the intake of new graduates to allow the current graduate cohort to complete their training; and
- To protect infrastructure investment from municipal dysfunction, a general clause has been introduced in the 2026 Division of Revenue Bill. It will enable the National Treasury to redirect infrastructure grants from local municipalities that have proven incapable of implementation to the Development Bank of Southern Africa, the Municipal Infrastructure Support Agent or capable district municipalities.

2.2 Post 2025 MTBPS changes

There are a number of reductions, several further cuts beyond the CPI adjustments and reprioritisations proposed in the 2025 MTBPS and these are effected to make funds available for other government priorities. These include:

Reprioritisations

- A shift of R300 million in 2026/27 from the municipal infrastructure grant to the Department of Cooperative Governance's vote for the once-off gratuity payment to outgoing councillors after the local government elections;
- A shift of R536 million in 2026/27 from the direct component of the municipal infrastructure grant to the indirect component to address infrastructure delivery issues; and
- A shift of R19.2 billion (R5.7 billion in 2026/27, R6.4 billion in 2027/28 and R7.1 billion in 2028/29) from the urban settlements development grant to the metro trading services component of the urban development financing grant to strengthen core utility functions; and an additional incentive allocation of R8.6 billion over the MTEF period towards the metro trading services component of the urban development financing grant, confirmed from the provisional allocations made in 2025.

Reduction

- The public transport network grant will be reduced by R8.3 billion over the MTEF period as part of the Targeted and Responsible Savings (TARS) process. This total reduction includes the R3 billion saving previously identified during the Medium-Term Budget Policy Statement (MTBPS), as well as further reprioritisations of R1.3 billion in 2026/27, R1.5 billion in 2027/28, and R2.5 billion in 2028/29. These additional funds are redirected to PRASA to accelerate the modernisation and replacement of critical rail signalling infrastructure.

Addition

- An addition of R2.1 billion over the MTEF period to the regional bulk infrastructure grant for a regional wastewater treatment works project in Polokwane, funded through the Budget Facility for Infrastructure.

Further reductions

- To make funds available and support the continuation of the implementation of the Presidential Employment Stimulus, reductions have been made on some conditional grants from the 2026 financial year. A reduction of R491 million in 2026/27 from the informal settlements upgrading partnership grant; a reduction of R784 million in 2026/27

from the integrated national electrification programme (Eskom) grant and a reduction of R921 million in 2026/27 from the municipal infrastructure grant.

Discontinuation

- The discontinuation of the indirect neighbourhood development partnership grant, with its baseline of R219 million over the MTEF shifted to the Vote of the National Treasury and earmarked to support government's infrastructure reforms.

Correction

- The correction of the BFI allocations for eThekwini Metropolitan Municipality, allocated through the urban development financing grant. The full allocation of R379 million for the non-revenue water project was erroneously allocated to eThekwini instead of being split between the municipality and the Infrastructure Fund as per the agreed work package. eThekwini's allocation in the urban development financing grant is reduced by R144 million over the MTEF and allocated to the Infrastructure Fund.

2.3 Review of the local government fiscal framework

Government continues to be fully committed to a comprehensive review of the local government fiscal framework, and the Budget Forum has approved a detailed programme of action to guide this work, including detailed terms of reference and the procurement of specialist expertise to undertake the technical analysis. The review will consider the financial viability, effectiveness, stability and long-term sustainability of the local government fiscal framework, through a detailed examination of the policies, practices and mechanisms that govern how resources are allocated, managed and used at municipal level, because this examination is crucial to understanding the current state of local government finance. The work is organised around five core thematic areas: a national baseline profile of the local government fiscal framework, including distressed and better-performing municipalities, and refinement of the problem statement, the local government equitable share formula, local government expenditure reviews, fiscal leakages in local government, and additional revenue options, including undersubscribed existing instruments, new own-revenue sources and improved municipal borrowing to enhance infrastructure investment and maintenance.

Oversight and engagement structures have been established, including a Reference Group to provide expert input and validate findings, with four meetings aligned with key deliverables, a Working Group to coordinate technical inputs and monitor progress, with online meetings every two months, and a Core Project Management Group to manage execution, research and reporting, with fortnightly meetings. The review also provides for interviews and up to four online sessions with chief financial officers, municipal managers and senior planners from a sample of 32 municipalities, to ensure that the findings are credible, evidence-based and grounded in municipal realities.

The work will be undertaken over the 2026 MTEF period, and therefore, for this review to succeed and to reflect the realities on the ground, it is essential that all municipalities provide the requested data as a matter of urgency, including complete and reliable personnel information. Consequently, we urge those municipalities that have not yet submitted the required datasets to do so without delay, so that the analysis can be robust, comparable and fully representative of the sector.

2.4 Update on the review of the conditional grants

The review process has been underpinned by extensive consultation processes since July 2024 during which the National Treasury presented the findings and recommendations of the review.

Most of the proposed reforms are intended for medium- to long-term implementation, while a select few have been prioritised for short-term introduction within the 2025 MTEF period. Further consultations have been conducted following the tabling of the 2025 Budget, focusing on reforms earmarked for medium- to long-term implementation. These ongoing engagements include impact assessments and preparatory work aimed at ensuring the successful rollout of the proposed changes. Over the 2026 MTEF period, government will roll out several local and provincial government reforms aimed at streamlining funding flows, reducing duplication, and aligning recurrent obligations with the appropriate funding base. These reforms are detailed in part 5 of the Explanatory Memorandum to the 2026 Division of Revenue under the relevant conditional grants.

2.5 Water crisis in South Africa

Water services across South Africa are becoming increasingly unreliable. Too many communities now experience intermittent supply, infrastructure failures and declining water quality.

105 out of 144 Water Service Authorities (WSAs) scored poor or critical in terms of the performance of their drinking water systems (Blue Drop) and/or wastewater systems (Green Drop) in the most recent reports. This means that water and sanitation services are failing in 73 per cent of WSAs – widespread failure of municipal water and sanitation services indicates a systemic problem. By September 2025, 53 out of the 105 worst performing WSAs had not yet produced corrective action plans to address their 2023 Blue, Green and No Drop report results.

At the same time, water demand is expected to exceed supply in several regions due to population growth, urbanisation, inefficient water use and climate change.

These pressures are already evident in major economic centres across the country, impacting on development and economic growth. Although South Africa is naturally water-scarce, the current crisis is primarily driven by municipal infrastructure and governance failures, while the uncertainty introduced by climate change multiplies all water related risks.

High water losses, ageing and poorly maintained infrastructure, weak financial management as well as growing municipal debts to water boards are placing the entire water value chain at risk. Water revenues are rarely reinvested into maintaining and upgrading infrastructure.

The Department of Water and Sanitation is advancing legislative and policy reforms. In parallel, the Metro Trading Services Reform, which was initially conceptualised around water services, utilises a performance-linked incentive grant to reward metros for improved governance, financial and operational performance. This reform will ensure that revenues from water and sanitation are reinvested directly into critical infrastructure to turnaround the vicious cycle of deteriorating water services in all eight metros (**Annexure A** – Water Scarcity issues dealt with in previous budget circulars).

2.6 Impact of infrastructure degradation on the economy

Widespread infrastructure failures, ageing assets and persistent underinvestment are increasingly constraining economic growth and service delivery across South Africa. Water, sanitation, electricity and transport infrastructure has been particularly affected.

The absence of functional and well-maintained basic service infrastructure disrupts business operations, increases operating costs and undermines investor confidence, stifling development and GDP growth. Industries that depend on reliable bulk services, such as mining, manufacturing, agriculture and logistics are impacted, with outages and service interruptions reducing productivity and raising the cost of doing business.

Deteriorating infrastructure also places growing fiscal pressure on municipalities, as emergency repairs and service backlogs drive a deteriorating and reinforcing negative cycle of increasing costs and decreasing service outcomes. Without sustained investment in maintenance, rehabilitation and expansion of infrastructure, these constraints will continue to weaken local economies, limit job creation and reduce the competitiveness of key economic centres.

To address these challenges, National Treasury has introduced a R54 billion performance-based incentive for metropolitan municipalities to support reforms in their trading services: water, sanitation electricity and solid waste services. The Metro Trading Services Reform is designed to ensure that revenue generated from these services is reinvested into maintaining and improving core infrastructure, strengthening the reliability and sustainability of municipal water services. Once trading services are ring-fenced and operating as viable utilities, can sustainably transfers to the rates account support other municipal functions such as roads, security and community services. The performance grant has been designed to incentivise metros to provide additional investment from their own revenues and loans to double the value of the reform to R108 billion. This investment in improved infrastructure will not only boost local economies but also unlock new investment opportunities.

2.7 Metro Trading Services Reform (MTSR)

The Metro Trading Services Reform (MTSR) is implemented through the Metro Trading Services component of the Urban Development Financing Grant (UDFG). This component of the UDFG provides a performance-based incentive to strengthen accountability, financial sustainability and operational performance in the water and sanitation, electricity and energy, and solid waste management trading services of metropolitan municipalities.

All metros must ensure that their 2026/27 MTREF reflects the indicative allocations published in the 2026 Division of Revenue Bill/Act and confirmed through Budget Allocation Letters issued by National Treasury. These performance-based incentive allocations may only be spent in support of the relevant trading services reform strategy and must be reported on accordingly.

Metro trading services participate in the reform in two cohorts, with differentiated requirements in 2026/27:

- **Cohort 1, entered the reform in 2025/26, includes:**
  - *Water and Sanitation*: Buffalo City, City of Cape Town, City of Johannesburg, City of Tshwane, eThekwini and Mangaung.
  - *Electricity and Energy*: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekwini.
- **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.

2.7.1 Cohort 1: Programme Year-2 (2026/27)

For Cohort 1 trading services, 2026/27 constitutes Year-2 (first full year of implementation).

In advance of 2026/27:

Prior to the commencement of the 2026/27, Cohort 1 metros were required to finalise, cost and obtain Council approval for each trading service's A3-PIAP v2.

Draft A3-PIAP v2 documents must:

- Be presented at the 2025/26 Mid-Year Budget Review (MYBR) in January/February 2026;

- Be presented again during the 2026/27 Benchmarking Engagements (April/May 2026); and
- Demonstrate alignment between the costing of reform activity packages and the draft 2026/27 MTREF.

The final Council-approved A3-PIAP v2 (by 30 June 2026) must:
- Reflect the metro's final sectoral allocation decision within the permissible ranges; and
- Be fully costed and consistent with the 2026/27 Council-approved budget tables.

During 2026/27:

- Metros must maintain all eight Minimum Commitments (M1-M8); and
- Metros must report against the full set of indicators as defined in Guidance Note 4, Annexure A (and in the Programme Operations Manual (POM)).

For Cohort 1, 2026/27 is the first year in which trading services performance is assessed against Council-approved targets. It is not a preparatory or "dry run" year. Achievement against these targets will be assessed between July-Sept 2026.
Failure to achieve or maintain Minimum Commitments may result in withholding and reallocation of incentive funds in accordance with DoRA and the POM.

2.7.2 Cohort 2: Programme Year-1 (2026/27)

For Cohort 2 trading services, 2026/27 constitutes Year-1 (entry year).

In advance of the 2026/27 year:

- Cohort 2 metros received indicative allocations for their trading services for 2026/27 in the 2026 DoRB;
- Metros must finalise and obtain Council approval of A3-PIAP v1 by 30 June 2026;
- The eight Minimum Commitments (M1–M8) must be formally made by 30 June 2026; and
- Cohort 2 trading services should allocate their 2026/27 incentive to reform-related expenditure (e.g. reform start-up costs and reform-related capital expenditure).

During 2026/27:

- The eight Minimum Commitments (M1–M8) must be achieved by 30 June 2027; and
- Preparatory reforms, institutional restructuring, financial modelling, and business and investment planning must be completed by 30 June 2027.

2.7.3 Reporting and Independent Verification

The Independent Verification Agent (IVA) verifies compliance with Minimum Commitments and performance against programme indicators.

Metros need to plan and budget for the forthcoming financial year, taking account of any positive or negative variance in expected incentive grant allocations for the forthcoming financial year. In other words:
- Performance for the **2025/26 financial year** will be independently verified between July-September 2026. The result of this verification **may affect Cohort 1's 2027/28 budget allocation and cohort 2's 2026/27 adjustments budget**.
    - Cohort 1's performance for 2025/26 will be assessed on a binary basis (in place / not in place), rather than through weighted proportional scoring, since the expected deliverable is a complete PIAP v2 with firm targets, supported by the business plan and budget which are two of the minimum commitments (M5 and M6).

- Cohort 2's performance for 2025/26 will be assessed based on submission of Council resolution to achieve the Minimum Commitments and approval of the A3: PIAP v1.

- Performance for the **2026/27 financial year** will be independently verified during July-September 2027. The result of this verification **may affect the metro's 2028/29 budget allocation**.

Metros are required to upload all performance claims and supporting evidence to the National Treasury MTSR online portal, scheduled to become operational in early 2026. Metros must ensure that internal data governance, reporting systems and management arrangements are aligned to enable timely and complete evidence submissions.

While the MTSR requires quarterly and annual reporting necessary for performance verification and incentive administration, these requirements are designed to leverage existing municipal reporting systems, including *m*SCOA financial reporting; Section 71 monthly and quarterly reporting; MFMA Circular No. 88 performance indicators; and standard conditional grant reporting frameworks. The reform seeks to strengthen existing systems rather than create parallel reporting processes or impose unnecessary administrative burdens.

2.7.4 Guidance documents and Programme Operations Manual (POM)

The Metro Trading Services Reform Programme Operations Manual (POM) will be released following the 2026 National Budget. The POM sets out the detailed institutional, financial, reporting, verification, governance and risk management procedures for implementation of the MTSR and administration of the UDFG-MTS component. The POM defines Minimum Commitments and performance indicators; specifies reporting templates and timelines; details IVA processes; and clarifies disbursement, stopping and reallocation provisions.

A number of Guidance Notes and related Annexures have been prepared to guide metros on the expectations of the MTSR performance incentive. These guidance documents set out what metros are expected to achieve in line with the reform to qualify for the incentive.

The Grant Framework in the 2026 DORB for the UDFG (MTS component) provides the expected outcomes, outputs, conditions and responsibilities for the performance incentive grant.

Metros must therefore implement the MTSR in accordance with the Grant Framework in the DoRB, the DoRA, the MFMA, its regulations and Circulars (including this Circular), related national legislation and policy, as well as MTSR Guidance Notes and their annexures and the POM.

2.8 Criteria for the release of the Equitable Share

The criteria for the release of the equitable share which were covered in MFMA Circulars No. 122 remain relevant and are still applicable for the release of equitable share instalments in the 2025/26 financial year.

Municipalities must put systems and processes in place to comply with the criteria for the release of the equitable share. For example, to formally assign/delegate this to a responsible official, include it in performance agreements, have a council policy, create a standard operating procedure, and add this requirement as a SDBIP indicator.

Failure to comply with the criteria will result in 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.

2.9 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2025 (Act No. 12 of 2025), any conditional allocation or a portion thereof that is not spent at the end of the 2025/26 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2) of the DoRA. Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of Section 21(2) of the 2025 DoRA, municipalities must include the following information with their submission to National Treasury. Municipalities must submit all rollover applications and queries related to the conditional grants to Rolloverapplication@treasury.gov.za.

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of Section 21(2) of the 2025 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):

a) Proof that the service provider was appointed for delivery of the project before 31 March 2026;
b) Proof of project tender and tender submissions published and closed before 31 March 2026 or with the appointment of contractor or service provider for delivery of service before 30 June 2026 in cases where additional funding was allocated during the course of the financial year of the project;
c) Incorporation of the Statement of Comparison of Budget and Actual Amounts; and
d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2026 (attach cash flow projection for the applicable grant);
e) A progress report (also reflecting percentages) on the status of each project's implementation that includes an attached legible implementation plan);
f) The value of the committed project funding and the conditional allocation from the funding source;
g) Reasons why the grants were not fully spent during the year on the original allocation per the DoRA. This includes the Municipal Disaster Recovery and Response grants for transfers made during the 2025/26 financial year and not fully spent by 30 June 2026;
h) Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
i) An indication of the time period within which the funds are to be spent if the rollover is approved; and
j) Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2026, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of Sections 71 and 72 of the MFMA and Section 12 of the 2025 DoRA, including the Municipal Manager and Chief Financial Officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2026;
3. Accurate disclosure of grant performance in the 2025/26 pre-audited Annual Financial Statements, (i.e., correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2025/26 pre-audited Annual Financial Statements (i.e. Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short-term investments) as at 30 June 2026 is equivalent to, or exceeds, the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests based on what is available in the bank.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2025/26 allocation to the municipality. In cases where the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2025/26 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered;
3. Funding for projects procured through Regulation 32 and 37 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 March 2026. All invoices issued to the municipality before 31 March 2026 should be paid within the same year against the allocated conditional grants. i.e., invoices must be paid within 30 days.

2.10 Unspent conditional grant funds for 2025/26

The process to ensure the return of unspent conditional grants for the 2025/26 financial year will be managed in accordance with Section 21 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

Step 1: Municipalities must submit their June 2026 conditional grant expenditure reports according to Section 71 of the MFMA reflecting all accrued expenditure on conditional

grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2026. The unspent grant values must be determined based on the guidance that was provided in *m*SCOA Circular No. 13 in as far as VAT, retention and interest is concerned; and
Step 3: If the receiving officer wants to motivate in terms of Section 21(2) of the 2025 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2026.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 23 October 2026;
Step 5: National Treasury will communicate the unspent conditional grants amount by 16 November 2026. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 24 November 2026; and
Step 6: Any unspent conditional grant funds that should have but have not been repaid to the National Revenue Fund (NRF) by 24 November 2026, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 09 December 2026 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

2.11 Rollover of the Urban Development Financing Grant: metro trading services component

The normal rules regarding rollovers will apply to the incentive grant. Essentially the Budget allocated during the National MTEF and reflected in the annual Division of Revenue Act will make provision that the cash flows be synchronised to achievements in line with the Annexure A3: Performance Improvement Action Plan (A3: PIAP).

While deadline for the submission of the rollovers, dates 31 August, earlier submission in the case of the Urban Development Financing Grant will receive a response promptly.

3. Budget and other management issues

3.1 2026/27 Municipal Budget Tabling Timelines

The 2026 National Budget was tabled by the Minister of Finance on 25 February 2026, which implies that Provincial Governments have two weeks thereafter to table the 2026 Provincial Budgets in the Provincial Legislators, i.e., 12 March 2026. This is in line with the PFMA – Treasury Regulations. Municipalities have sufficient time to accommodate the allocations in the DOR Bill in their 2026/27 MTREF Budgets before tabling on 31 March 2026.

The transfers from provinces to municipalities which are supposed to be included in provincial budgets and gazetted by provinces, should for all practical reasons also be available. Given that municipalities have 10 months to prepare their upcoming budgets prior to tabling it in Council for consideration, National Treasury have always advised municipalities to use the outer years

of the Annual DoRA as projections, add inflation to calculate the third year of the MTREF, when finalising the tabled budget.

For those municipalities where the budget was already in an advanced stage of preparations, they will have between tabling and the adoption stage (end of May 2026) to include and accommodate all the transfers for both national and provincial governments. This will allow National and Provincial Treasuries to verify and reconcile the transfers with the DoR Bill and provincial Gazettes.

3.2 Timeline for approving the revised Service Delivery and Budget Implementation plan (SDBIP) following the approval of the adjustment budget

Section 54(1)(c) of the MFMA provides that the Service Delivery and Budget Implementation Plan (SDBIP) may be revised following the approval of an adjustments budget. However, the MFMA and the Municipal Budget and Reporting Regulations (MBRR) do not explicitly prescribe the timeframe within which the revised SDBIP must be approved after the adjustments budget has been approved by council. The absence of a specified timeframe may result in inconsistent interpretations and practices across municipalities. To address this gap and ensure consistent application, the National Treasury provides the following guidance to ensure that the approved adjustments budget informs the revised SDBIP:

- Council must approve the revised SDBIP during the same council meeting where the adjustments budget is approved, if there are no structural changes to the SDBIP; and
- If the adjustments budget results in structural changes to service delivery targets or key performance indicators (KPIs), the council must approve the revised SDBIP within ten (10) working days of the adjustments budget's approval. This will ensure that any changes to service delivery targets or KPIs stemming from the adjustments budget are included in the revised SDBIP within the ten (10) working days.

Although the MFMA allows municipalities to revise the SDBIP after the adjustments budget has been approved, these revisions should not result in excessive or unnecessary changes. Significant KPI changes must be clearly justified and must follow the criteria set out in paragraph 7 of the MFMA Circular No. 129.

The National Treasury discourages excessive changes to KPIs during mid-year adjustments, as these changes may undermine effective performance monitoring and accountability.

3.3 Caution to manage transition risk

Municipalities are cautioned to adhere to the guidance provided in paragraph 3 (pages 4 and 5) of the Budget Circular No. 107 as the outgoing council may be tempted to prepare budget with unrealistically low tariff increases, additional absorption of unskilled staff, writing off debtors which can still be pursued and an over-ambitious capital expenditure programme. The outcome of this approach will undoubtedly be an unfunded municipal budget that threatens the municipality's financial sustainability and service delivery for the incoming Council after the elections".

National and Provincial Treasuries will be closely monitoring tabled budgets, collection rates and expenditure for any indications that the above guidance is not adhered to and appropriate consequences will be applied.

Municipal officials and councillors are reminded that interference in the implementation of the municipality's approved credit control policy may constitute an offence in terms of section 173(5)(a) of the MFMA. Offences in terms of the MFMA can result in a fine or imprisonment for up to five years, if convicted. In addition, the failure to properly implement the approved credit

control policy of the municipality by an official may constitute financial misconduct in terms of section 171 of the MFMA. In such a case, the municipality must investigate and, where necessary, institute disciplinary proceedings.

3.4 Warning not to enter into contracts having future budgetary implications as part of electioneering

Various municipal Councils in the past had entered into long-term contracts towards the end of their term therefore unfairly and carelessly financially committing the new Council.

Therefore, the current outgoing Council must not enter into such contacts and if there is a need, the Council should follow Section 33 of the MFMA in full. Failure to comply with such will lead to Section 216(2) being imposed until such a contract is nullified.

3.5 Cost reflective tariffs

In line with the guidance provided in MFMA Circular No. 132, municipalities need to complete the cost reflective tariff tool. If tariffs are not cost reflective already, the municipality needs to set out a path to achieve cost-reflective tariffs over the 2026/27 MTREF period.

At the time of issuing this circular NERSA has not yet confirmed the approved bulk costs municipalities must provide for in 2026/27. Municipalities must communicate clearly to the public that the electricity tariffs communicated in their tabled budgets may need to be adjusted once these are confirmed. Municipalities are advised to closely follow further guidance from NERSA.

3.6 Budgeting for a Funded Budget

National Treasury has observed over the years that many municipalities that adopt unfunded budgets are adopting **budget funding plans** as a mere compliance exercise. There is very little progress made to turn around from an unfunded budget position, to a funded one. As communicated before with the release of MFMA Circular No. 129 (issued during December 2024), this will be the last year than a funding plan as an instrument to facilitate measurable progress will be allowed. The enforce of compliance with Section 18 of the MFMA will now start taking precedence.

4. Municipal Standard Chart of Accounts (*m*SCOA)

4.1 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:

- Both operating and investing activities for *Interest, Insurance Refund and Retentions* must be accounted for based on the nature of the transactions; and
- The *Interest on short-term investment* (greater than 90 days but less than 12 months) and *long-term inv*estments (more than 12 months) must be populated within investing activities. Short-term investments are disclosed on the Statement of Financial Performance on table A4 of the A1 Schedule.

To give effect to this GRAP standard:

- A new operational funding source, namely *Insurance Refunds*, has been created under the Investing Activities of tables A7 and SA30 of the A1 Schedule in version 7.1 of the *m*SCOA 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; and
- *Construction Contract Revenue* will no longer form part of *Sales of Goods* and *Rendering of Services and Development Charges* will no longer form part of *Operational Revenue*. A new funding source was created to allow for the separate population of *Construction Contract Revenue* and *Development Charges* as part of *Other Revenue* on table SA30 of the A1 Schedule.

The structure of table A7 of the A1 Schedule and relevant cash flow linkages has also been aligned to the *m*SCOA chart version 7.1. The updated linkages to supporting table SA30 that populated table A7 are attached as **Annexure B**: Cash Flow Linkages.

4.2 Guidance on submission of *m*SCOA roadmaps

Municipalities are reminded that the municipal *m*SCOA Road Maps must be revised annually as part of the annual budget process. The draft and final *m*SCOA Road Maps must be:

- Tabled and adopted in Council as part of the supporting documents to the budget; and
- Submitted in PDF format to the GoMuni Upload portal for review by National and Provincial Treasuries.

Going forward, municipalities are required to utilise the FMCMM web-based system to conduct self-assessments of their *m*SCOA road maps. This high-level self-assessment will identify gaps in *m*SCOA implementation that should be incorporated into and addressed through the municipal *m*SCOA Road Map. The e-road map must align with the objectives, tasks, and activities outlined in the municipality's comprehensive (traditional) *m*SCOA road map.

Accordingly, in additional to the draft and final *m*SCOA road maps submitted by municipalities as part of their tabled and adopted budget documents, the *m*SCOA e-road map (i.e. the high-level action plan generated through the FMCMM system) must be attached to the comprehensive (traditional) *m*SCOA road maps. The *m*SCOA road map and annexed e-road map must be submitted as a single consolidated PDF document and not as separate documents.

As articulated in MFMA Circular No 112 dated 6 December 2021, municipal *m*SCOA Road Maps should cover the following implementation areas:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licenses that is sufficient to run the chosen financial management systems solution?
- **Governance and institutional arrangements** – are there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council? Furthermore, did the municipality appoint a suitably qualified System Administrator and the required IT securities are in place?
- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *m*SCOA enabling financial system?
- **Proficiency** of municipal officials to use the financial system – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *m*SCOA chart, balance sheet budgeting, and movement accounting; and have change

management taken place to ensure that *m*SCOA is institutionalised as an organizational reform and not only a financial reform?

Importantly, the municipal *m*SCOA Road Map should not be confused with the roadmaps used by system vendors for system upgrades, new developments, error-correction patches, updates, or training. The municipal *m*SCOA Road Map is broader than system functionality and must be developed and owned by the municipality. It should therefore not be prepared or driven by system vendors or external consultants.

The e-road map is intended to enhance oversight and monitoring by municipalities and provincial treasuries with respect to the implementation of *m*SCOA at municipal level.

4.4 Stage 3 validation

The development and piloting of the stage 3 validation to verify the credibility of *m*SCOA data strings submitted to the Local Government Database and Reporting System (LGDRS) has not been concluded and will only be introduced in the 2027/28 MTREF. This validation will automate the data string analysis currently undertaken by the National and Provincial Treasuries, and data string submissions that fail this validation will be rejected.

In preparation for the implementation of the stage 3 validation and ensure that credible data strings are submitted to the GoMuni Upload portal, municipalities should request their system vendors to incorporate additional validation rules within their municipal system solutions. At a minimum, these validation rules should address and resolve the following common errors identified in the submitted data strings:

- **Correct usage of the funding segment:** Some municipalities are not utilising the funding segment as per the guidance in the Project Summary Document (PSD), e.g. funded transactions are linked to non-funding transactions. The National Treasury will implement an addition validation to ensure the adherence of the principles of the PSD and ensure accurate populating of the Cash Flow Statement in chart version 7.2.
- **Unbundling of the Salary Clearing and Control Account:** A number of municipalities are not correctly unbundling the salary clearing and control accounts in accordance with the accounts prescribed in the *m*SCOA Chart of Accounts. This results in reporting inaccuracies relating to outstanding salary payments and third-party liabilities associated with payroll transactions;
- **Population of the cash flow tables:** The cash flow tables (A7, SA30, B7, SB30, C7 and SC30) in the A1 Schedules are not being fully and correctly populated by municipalities during the budgeting and transactional processes. Guidance on the updated linkages to supporting table SA30 that populated table A7 are attached as **Annexure B**: Cash Flow Linkages of this circular;
- **Opening balances:** Currently, the opening balances at year end (M12 as at 30 June) of the previous financial year are not being correctly rolled over to the first month (M01 as at 01 July) of the new financial year. In addition, these balances are not being updated to reflect the pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year within the applicable open period(s). This validation rule(s) should test whether the opening balances have been rolled over correctly and balances off to zero. National Treasury will implement a validation rule to ensure that opening balances equal to zero in the third stage validation in chart version 7.2;
- **Function:** Currently, the use of the function segment by municipalities is not aligned with the guidance provided in the PSD for the function segment. Each function should net off to zero and should reflect a mini trial balance (Identified Revenue, Assets, Liabilities, Expenditure and Net Assets) (i.e., identified revenue, assets, liabilities, expenditure, and net assets) linked to the appropriate function and sub-function. The stage three validation should identify where budget allocations have not been allocated to the correct item within

a function or sub-function. In addition, all sub-functions are expected to balance to zero; and

- **Region:** The usage of the regional segment by municipalities is not aligned with the guidance provided in the PSD for the regional segment. Municipalities must ensure that each regional segment used balances to zero. Furthermore, each region should reflect a mini trial balance i.e., identified revenue, assets, liabilities, expenditure, and net assets) linked to the appropriate region or ward.

4.5 Retentions

In accordance with GRAP 19.18, accruals represent liabilities for goods or services that have been received or supplied but have not yet been paid, invoiced, or formally agreed with the supplier. For financial reporting and contract management purposes, once work has been certified as completed, the municipality becomes legally obligated to pay the full value of the work performed, inclusive of VAT, to the supplier.

A retention represents a delayed payment and not a reduction in the amount payable for the work performed. It therefore reflects only a timing difference in the settlement of the liability and does not reduce the contract price. Consequently, the full certified amount must be recognised, with the retention portion recorded as a liability until it becomes contractually due for release.

Accordingly, when work has been completed, the retention amount must be recognised inclusive of VAT and recorded to the Retention Liability account, with the VAT portion allocated to the Input VAT Accrual account, as this reflects the municipality's full obligation for the work performed.

However, given that most municipalities account for VAT on a payment basis with the South African Revenue Service (SARS), the claiming of VAT can only occur once the retention invoice has been received, recognised and paid. The VAT should therefore be processed against Input Tax General (for operational projects) or Input Tax Capital (for capital projects), as applicable.

Where a municipality accounts for VAT on an invoice basis with the South African Revenue Service (SARS), the VAT may only be claimed once the retention invoice has been received and recognised. In such cases, the VAT must also be processed against Input Tax General (for operational projects) or Input Tax Capital (for capital projects), as applicable.

4.6 Virement data strings and report

From the 2025/26 MTREF, municipalities report on their virements through the submission of a separate data string and report on virements to the GoMuni Upload portal.

*m*SCOA Circular No. 8, dated 24 April 2020 (as revised on 29 April 2020) has been updated to include the requirements of the virement data string and virement report. In accordance with the key principles set out in *m*SCOA Circular No. 8, municipalities are reminded of the following:

- **Virement Policy Alignment:** Municipalities must review their virement policies annually to ensure alignment with the principles and guidance contained in the circular and the broader *m*SCOA regulatory framework;
- **Multi-Dimensional Budgeting:** As a business reform, *m*SCOA requires multi-dimensional budgeting and the recording of transactions across the seven *m*SCOA segments. The circular provides guidance on how virements (budget transfers) must be managed within this framework;
- **Restrictions on Virements:** Virements may only take place within a function or its sub-functions and must utilise the same source of funding;

- **Adjustments Budget Requirement:** Where a proposed virement results in a change to an *m*SCOA segment (for example, the introduction of a new project, a change in region, or a change in the funding source), such a change is not permitted as a virement and must instead be processed through a formal adjustments budget approved by council; and
- **Prohibition on Certain Virements:** Municipal virement policies must explicitly prohibit virements from the repairs and maintenance project within the project segment.

4.7 The Urban Development Financing Grant

The Urban Development Financing Grant (UDFG) *is a new incentive-based financing grant supporting investment in urban development and resilient infrastructure and is targeted at the eight metropolitan municipalities*. The grant has been established to support Metro's in line with the Metro Trading Services Reform.

As of 2026/27 MTEF the UDFG will be administered through the following components, namely:
- Metro Trading Services component (MTS);
- Neighbourhood Development Partnership component (NDP);
- Programme for Project Preparation Support component (PPPS); and
- Public Employment Programme (PEP).

The chart has been amended in version 7.1 (2026/27) to include an Operational Project within the Project Segment for UDFG with a breakdown for the components, namely, MTS, NDP, PPPS and PEP. More details must be provided for Capital Projects. Metros must ensure that the naming of individual capital projects funded from the UDFG includes the standardised codes
e.g. Substation – UDFG (MTS). The standardised codes are as follow:

UDFG – Metro Trading Services (MTS)
UDFG – Neighborhood Development Partnership (NDPG) UDFG – Project and Programme Preparation Support (PPP) UDFG – Public Employment Programme (PEP)

This will enable ring fencing of expenditure funded from the UDFG per component. Herewith

an example of the reporting done during disaster reporting:

PROJECTCODE	Account Name	INDIVIDUAL PROJECTS
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation
PC001001001002001000000000000000000000	Capital:Infrastructure:Existing:Renewal:Solid Waste Infrastructure:Landfill Sites	G46247 : Bisasar Road Landfill: Closure Preparation

4.8 Reporting pertaining to the Metro Trading Services Reform

The MTSR aims to restore and sustain electricity, water, sanitation, and waste services in Metros through institutional and financial reforms. Towards this end, a 6-year, R54 billion performance-linked incentive grant with technical assistance is provided to Metros to:
- Strengthen accountability and financial transparency;
- Unlock R108 billion in total infrastructure investment, leveraging improved revenue and borrowing capacity;
- Improve service reliability, quality, and sustainability; and

- Enable spatial transformation, economic inclusion, and growth.

To participate in the reform, Metros must maintain eight minimum commitments. The National Treasury's annual *m*SCOA Compliance Assessment (previously referred to as the *m*SCOA ICU desktop assessment), which has been incorporated into the FMCMM web-based system from the 2026/27 MTREF, will be used to validate compliance with Indicator A2 relating to *m*SCOA compliance.

The intention is that each Metro, based on its current level of compliance, will implement plans and targets to achieve full compliance by Year-6 (Y6) of the reform. In the first year of the reform (Y0), the score obtained in the 2024/25 *m*SCOA Compliance Assessment, which was shared with metros during the mid-year budget and performance engagements, will serve as the baseline position. Thereafter, year-on-year improvements in the *m*SCOA Compliance Assessment scores will be expected as Metros progress towards achieving their targets.

The results of the *m*SCOA Compliance Assessment (downloaded from the FMCMM web-based system), together with the *m*SCOA Road Map submitted to GoMuni Upload platform to address gaps in implementation, will be used by the Independent Verification Agent (IVA) as evidence of achievement for this indicator.

Metros are also reminded that Indicator M7 requires that separate financial statements, prepared in the *m*SCOA aligned Specimen AFS format, must be compiled and submitted for each trading service, aggregated to the consolidated Metro AFS.

5. Submitting documents to the GoMuni Upload Portal

5.1 Submission of additional information

In line with its commitment to improving transparency and accountability, the National Treasury requested the following information from municipalities via a letter from the Director-General of the National Treasury:

Procurement Spend Information

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. It is intended that similar procurement information will be published in respect of local government in the procurement payments dashboard. The prescribed template is attached as **Annexure C**.

Employee Information

The National Treasury has additionally committed to improving transparency and accountability in personnel systems. A data driven ghost worker audit has been initiated at national and provincial government. It is intended that the ghost worker audits will be extended to local government. The information requested will be used for this initiative. The prescribed template is attached as **Annexure D**.

Audit management reports

Municipalities are required to upload all the communication of findings (COFAFS), as well as the final audit management report issued by the Auditor General to the LGDRS. With effect

from the 2026/27 MTREF, the COFAFS will be added as an upload option on GoMuni Upload. Please note that these reports, as issued by the Auditor-General, must not be altered in any way.

The National Treasury understands the sensitivity associated with the Auditor-General's management report. Municipalities are assured that the management reports are exclusively for internal use by National and Provincial Treasuries to determine the key areas that our municipal support programmes should target.

Should your municipality not be in possession of the management report, kindly provide us with a formal letter of permission to obtain the said report directly from the Office of the Auditor-General South Africa. The letter of permission must be on an official letterhead of the municipality and signed by the Accounting Officer (Municipal Manager).

All enquiries should be directed to:

INFORMATION REQUIRED		SUBMISSION PLATFORM	SUBMISSION DATE	QUERIES
1	Procurement Spend Report	GoMuni Upload Portal at https://lg.treasury.gov.za/ibi_apps/welcome	Within 10 working days after the end of each month	Thys Blom at Thys.Blom@treasury.gov.za
2	Employee Related Data	Central Supplier Database (CSD) at www.csd.gov.za	Templates available under the GoPublic / Template Library portal	csdoos.support@treasury.gov.za
3	Management Reports and COFAFS		By no later than the 10th working day in January annually	

The templates are can also be accessed under the GoPublic / Template Library portal on https://lg.treasury.gov.za/ibi_apps/portal/Template_Library.

The procurement spend and employee information should be available on municipal procurement systems and HR sub-systems of all municipalities. Municipalities should liaise with their respective system vendors to extract this information in the required templates format directly from their relevant systems.

This information is requested in terms of sections 5(2)(c), 33(3) and 74 of the Municipal Finance Management Act, 2003 (MFMA).

6. The Municipal Budget and Reporting Regulations

6.1 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	Matjatji Mashoeshoe	012-315 5553/ 0609242914	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807/0661198036	Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 7538	Pitso.Zwane@Treasury.gov.za
City of Tshwane and City of Johannesburg	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Khanyisile Khosa		khanyisile.khoza@treasury.gov.za
City of Ekurhuleni	Kgomotso Baloyi	012-315 5866/082 887 2968	Kgomotso.Baloyi@treasury.gov.za
	Lunathi Dumani		Lunathi.dumani@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Lunathi Dumani		Lunathi.dumani@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
eThekwini	Sifiso Mabaso	012-315 5952/060 923 7343	Sifiso.mabaso@treasury.gov.za
uMhlathuze	Matjatji Mashoeshoe	012-315 5553/060 326 6885	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012 315 7538	Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za
	Jabulile Ngwenya		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	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
	Khanyisile Khosa		khanyisile.khoza@treasury.gov.za
Mafikeng	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Western Cape	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Khanyisile Khoza	012-315 5385	khanyisile.khoza@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866/082 887 2968	Kgomotso.Baloyi@treasury.gov.za
George	Sifiso Mabaso	012-315 5952/ 060 923 7343	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 (Sadesh Ramjathan)		revenuemanagement@treasury.gov.za

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
20 March 2026

Annexure A – Previous MFMA Circulars

Water scarcity issues dealt with in previous MFMA Circulars

Municipalities were reminded in the following MFMA budget Circulars to treat water as a scare resource as follows:

MFMA Circular	Reference no. and Description	Comments
MFMA Circular No: 51	3.2 Water tariffs must be cost-reflective	South Africa faces similar challenges with regard to water supply as demand growth outstrips supply. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future.
MFMA Circular No: 54	5.2 Water tariffs must be cost-reflective	There continues to be an urgent need to promote the careful use of water. Ensuring that water is correctly priced is the most effective means getting households and businesses to conserve water.
MFMA Circular No: 55	3.3 Water tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water 'losses'.
MFMA Circular No: 58	3.4 Water and sanitation tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water 'losses'.
MFMA Circular No: 67	5.6 Municipal water infrastructure grant and non-revenue water	According to the latest National Non-Revenue Water Assessment Report (The state of nonrevenue water in South Africa, Report TT522-12: www.wrc.og.za); recently released by the Water Research Commission and the Department of Water Affairs, more than 50 per cent of municipalities cannot provide a water balance. These municipalities cannot determine whether demand for water exceeds supply or quantify the extent to which non-revenue water influences water security and financial sustainability.
MFMA Circular No: 74	Water and sanitation tariffs must be cost-reflective	To mitigate the need for water tariff increases, municipalities must put in place an appropriate strategy to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water losses.
MFMA Circular No: 78	5.2 Water and sanitation tariff increases	In light of the current drought being experienced across large parts of the country, and to mitigate the need for water tariff increases, municipalities must put in place appropriate strategies to limit water losses to acceptable levels. In this regard municipalities must ensure that water used by its own operations is charged to the relevant service and not simply attributed to water losses.
MFMA Circular No: 79	4. Revenue management	Demand management is becoming increasingly necessary as the country faces water shortages and an unstable electricity supply. The approach to tariff setting should consider all these factors and strive to achieve an equitable balance. It is anticipated that the cost of providing municipal services will grow at a faster rate than the transfers from national government. Resource scarcity will most likely increase the cost of bulk purchases in respect of water and electricity beyond the country's inflationary targets.

MFMA Circular No: 85	4.3 Water and sanitation tariff increases	In light of the current drought experienced across large parts of the country, water is now a scarce resource that must be conserved. Municipalities must put in place appropriate strategies to curb water losses as a result of leakages. The ageing infrastructure is a contributing factor as many municipalities have historically inadequately provided for repairs and maintenance and renewal of water infrastructure.
MFMA Circular No: 89	3.3 Water tariff increases	The prevailing drought makes it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.
MFMA Circular No: 91	1. The South African economy and inflation targets	The drought experienced in several provinces poses significant risks to agriculture and tourism for the period ahead, and this may threaten jobs in these sectors. The current water crisis in the Western Cape and other provinces will affect economic growth. While the drought's impact is uncertain much depends on how long it will prevail; the extent to which specific catchment areas are affected; and the success of mitigation measures.
MFMA Circular No: 93	3.3 Water tariff increases	Drought conditions make it difficult for some municipalities to improve revenue generation from this service. It is now more important to improve demand management, infrastructure maintenance, loss management, meter reading and tariff setting in respect of water services.
MFMA Circular No: 98	4.2 Setting cost reflective tariffs	Technical losses are related to physical losses out of the system. In the case of water, this is due to pipe bursts and leakages or due to overflows on storage tanks.
MFMA Circular No: 99	1. The South African economy and inflation targets	The declining economic growth which might be impacted on further by the Corona virus pandemic and international companies closing down as a result, the deteriorating state of the finances for state-owned entities, continued high unemployment and water and electricity shortages will put pressure on the ability of municipalities to raise revenue. Municipalities are therefore advised to follow a conservative approach when projecting their revenue and to eliminate any waste and unnecessary expenditure.
MFMA Circular No: 112	7. Funding choices and management issues	Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water. Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.
MFMA Circular No: 115	7. Funding choices and management issues	Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water; Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.
MFMA Circular No: 126	3.7 Pro-actively managing collection of municipal revenue in Eskom supplied areas	Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas.
MFMA Circular No: 128	2.6. Reforms to improve the efficiency and financial sustainability of metro's trading services	Due to years of neglect and inadequate infrastructure maintenance, South Africa's municipalities face severe utility services issues, including in water, wastewater, and electricity. A loss of essential management and technical skills has also contributed to the decline in service quality and reliability. Metro water services alone suffer from an investment gap of R9 billion per year. These inefficiencies threaten economic growth and job creation and increases poverty. Government transferred substantial monetary allocations to local government in the successive Budgets to support water services, but the outcome and value for money of these transfers is low. To address this, an incentive grant system is being explored for 2025/26 to increase investments, change management and governance structures, promote professional management, and ensure transparency, starting with metros.

ANNEXURE Q
PROCUREMENT PLAN

2026/2027 Garden Route Procurement Plan

Community Services - 2026/2027

Section: Fire & Resuce Services

Operational

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement	Funding Source	Project Start Date	Project end date	Start Date	End date	Responsible	Reminder	SCM Official		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Transport Assets Maintenance: Conditional	[redacted]	Tyres & Scheduled Replacement	New Tender for Tyres Procurement	500000	Tender	Operational Budget - Own Funding	01 May 2026	June 2029	02 April 2026	46143	D van Wyk			3 years				
Contracted Services		Fire Compliance	Fire Investigation & Training Tender	R 4, 500 000 (joint)	Tender	Operational Budget - Own Funding	01 May 2026	June 2029	02 April 2026	May 2026	D Stoffels			3 years				
Transport Assets Maintenance: Emergency		Repairs & Maintenance	Emergency Repairs Tender	R 648 000, 00	Tender	Operational Budget - Own Funding	In Process and either extension of new tender	December 2026	01 October 2026	November 2026	D van Wyk			3 years				
Inventory Consumed		Firefighting Ration Packs	Wildland firefighting ration packs	160000	Tender	Operational Budget - Own Funding	Existing Tender	01 November 2026			H Leslie			3 years				
Training and Development (New)		Firefighter training	Continuation Training	480000	New Tender	Skills Development	46204	30 June 2030	46143	31 May 2026	D Stoffels			3 years				

Capital

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement	Funding Source	Project Start Date	Project end date	Start Date	End date	Responsible	Reminder	SCM Official		Quarter 1	Quarter 2	Quarter 3	Quarter 4
															01 January 2022	01 April 2022	01 July 2022	01 October 2022
															01 January 2022	01 April 2022	01 July 2022	01 October 2022
															01 January 2022	01 April 2022	01 July 2022	01 October 2022

Municipal Health & Environmental Services

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement Method	Funding Source	Project Start Date	Project end date	Start Date (Advertising)	End date	Responsible	Reminder Date (Specifications)	SCM Official Responsible		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Samples and Specimens		Food and Water quality monitoring	Monitoring and sampling															
George		Food and Water quality monitoring	Monitoring and sampling	R234 000,00	Tender	Own funds	01/07/2026	30/06/2027	N/A	N/A	Johan Compion			12 months	R58 500	R58 500	R58 500	R58 500
Klein Karoo		Food and Water quality monitoring	Monitoring and sampling	R208 000,00	Tender	Own funds	01/07/2026	30/06/2027	N/A	N/A	Johan Compion			12 months	R52 000	R52 000	R52 000	R52 000
Langeberg		Food and Water quality monitoring	Monitoring and sampling	R234 000,00	Tender	Own funds	01/07/2026	30/06/2027	N/A	N/A	Johan Compion			12 months	R58 500	R58 500	R58 500	R58 500
Lakes		Food and Water quality monitoring	Monitoring and sampling	R234 000,00	Tender	Own funds	01/07/2026	30/06/2027	N/A	N/A	Johan Compion			12 months	R58 500	R58 500	R58 500	R58 500
Administration		Food and Water quality monitoring	Monitoring and sampling	R20 882	Tender	Own funds	01/07/2026	30/06/2027	N/A	N/A	Johan Compion			12 months	R5 220	R5 220	R5 221	R5 221

Capital

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement Method	Funding Source	Project Start Date	Project end date	Start Date (Advertising)	End date	Responsible	Reminder Date	SCM Official Responsible		Quarter 1	Quarter 2	Quarter 3	Quarter 4
WIP		Establishment of a Regional Waste Management Facility	Construction of Phase 1 of the Regional Waste Management Facility	R112 777 982,60 (Incl. VAT) (Includes Professional Fees)	Formal Tender No. GRDM/27/24-25	Loan Funding	11/02/2026	24/02/2027	N/A	N/A	J Gie			3 years	R29 725 595,60 (I	R16 175 576,85 (Incl. VAT)	R8 995 042,40 (In	N/A

Operational

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement Method	Funding Source	Project Start Date	Project end date	Start Date (Advertising)	End date	Responsible	Reminder Date	SCM Official Responsible		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Project Management (Incurred o.b.o. PETR		Interim operations	Operations and Maintenance	R12 540 892,0	Formal Tender No.	Own Funding	01/11/2026	31/10/2034	N/A	N/A	J Gie			10 years	R3 212 220,50	R3 212 220,50	R3 212 220,50	R3 212 220,50

Air Quality

Total Departmental Procurement Budget							SDBIP		Procurement					Contract Duration	Contract Start date per quarter			
Vote description	IDP reference number	Programme	Project / Item Description	Budgeted Cost	Procurement Method	Funding Source	Project Start Date	Project end date	Start Date (Advertising)	End date	Responsible	Reminder Date (Specifications)	SCM Official Responsible		Quarter 1	Quarter 2	Quarter 3	Quarter 4
13602030205	Part A	running costs	Air Quality Sampling	R 18 784,00	Current Tender	GRDM	01/07/2026	30/06/2027	N/A	N/A	J Schoeman	N/A		12 months	01 July 2026			
13602030205	Part B	running costs	Air Quality Sampling	R 116 495,00	Deviation single supplier	GRDM	01/07/2026	30/06/2027	N/A	N/A	J Schoeman	N/A		12 months	01 July 2026			

2026/2027 Financial Services

Section : Budget & Treasury

Total Departmental Procurement Budget																		
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Method of procurement	Funding Source	SBDIP			Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter		
							Project Start Date		Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3
None																		

Section : Creditors / Debtors / Renumeration / Income

Total Departmental Procurement Budget				R														
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Method of procurement	Funding Source	SBDIP			Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter		
							Project Start Date		Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3
none																		

Section : SCM / DATA / STORES

Total Departmental Procurement Budget																			
Vote description	IDP Reference Number	Vote description	IDP Reference Number	Programme	Method of procurement	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter	
										Project Start Date	Project End Date	Start Date	End Date					Quarter 1	
none																			

Section : ICT (Operational Budget)

Section:		Section																	
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter				
							Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Software Licences - ExpOther expenditure			Phoenix Software - Annual Maintenace	913 321,74	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		R Alberts	2 Year	X				
Software Licences - ExpOther expenditure			Phoenix Software - Annual Service Fee	446 591,30	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		R Alberts	2 Year	X				
Software Licences - ExpOther expenditure			Collaborator Foundation System Licens	215 000,00	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		R Alberts	2 Year	X				
Software Licences - ExpOther expenditure			GIS Software Licenses	230 077,92	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		S Damons	2 Year	X				
Software Licences - ExpOther expenditure			Performance Management (Fixed rate -	491 889,00	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		I Saaiman	2 Year	X				
Software Licences - ExpOther expenditure			Barnowl - Risk Management (Annual Su	221 990,00	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		L James	2 Year	X				
Software Licences - ExpOther expenditure			Uniti Disaster Information Management	87 782,61	Addedum to existing contract	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		G Otto	2 Year	X				
Software Licences - ExpOther expenditure			Renewal of Veeam Backup - Microsoft	157 393,27	Tender process	Internal	01/07/2026	15/09/2026	01/07/2026	15/09/2026	M Stevens		M Stevens	1 Year	X				
Software Licences - ExpOther expenditure			Renewal of Adobe Acrobat licenses	81 438,06	Tender process	Internal	01/07/2026	30/09/2026	01/07/2026	30/09/2026	M Stevens		M Stevens	1 Year	X				
Software Licences - ExpOther expenditure			Renewal of Sophos Central / Firewall M	410 157,67	Tender process	Internal	01/09/2026	20/11/2026	01/08/2026	20/11/2026	M Stevens		M Stevens	1 Year		X			
Software Licences - ExpOther expenditure			Renewal of Microsoft 365 licenses	680 419,38	Tender process	Internal	13/10/2026	28/02/2027	13/10/2026	28/02/2027	M Stevens		M Stevens	1 Year		X			
Software Licences - ExpOther expenditure			Renewal of Veeam Backup Essentials Enterprise license	57 772,32	Tender process	Internal	01/03/2027	15/06/2027	01/03/2027	15/09/2027	M Stevens		M Stevens	1 Year					X
Software Licences - ExpOther expenditure			Renewal of Fastvue Reporter for Sophos	35 912,50	Tender process	Internal	01/04/2027	15/06/2027	01/04/2027	15/09/2027	M Stevens		M Stevens	1 Year					X
Software Licences - ExpOther expenditure			Renewal of ManageEngine subscription licenses	51 954,44	Tender process	Internal	01/04/2027	15/06/2027	01/04/2027	15/09/2027	M Stevens		M Stevens	1 Year					X
Software Licences - ExpOther expenditure			Renewal of Darktrace Cyber Security (e	514 723,11	Existing contract	Internal	01/10/2026	30/10/2026	01/10/2026	30/10/2026	R Alberts		R Alberts	3 Year	X				
Software Licences - ExpOther expenditure			Procurement of Windows User CAL's (o	275 500,00	Tender process	Internal	01/09/2026	28/11/2026	01/08/2026	28/11/2026	M Stevens		M Stevens	N/A	N/A	N/A	N/A	N/A	
				4 871 923,82															
IT Support Services			Collaborator Support and Training (Ede	1 259 880,00	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		R Alberts	2 Year	X				
IT Support Services			Collaborator Extension - Municipal Heal	83 376,00	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		R Alberts	2 Year	X				
IT Support Services			Collaborator Interconnect (GRDM & Mo	57 884,00	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		R Alberts	2 Year	X				
IT Support Services			GIS Support	161 399,97	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		S Damons	2 Year	X				
IT Support Services			Drafting TL and Dept, SDBIP	135 181,00	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		I Saaiman	2 Year	X				
IT Support Services			Drafting of Annual Performance Report	93 810,00	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		I Saaiman	2 Year	X				
IT Support Services			Spinning your Web (Training & Ad-hoc	38 434,78	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		G Otto	2 Year	X				
IT Support Services			System integration and support (Uberte	147 913,08	Addedum to existing contract	Internal	01/07/2026	30/06/2027	01/07/2026	30/06/2027	M Stevens		R Alberts	2 Year	X				
IT Support Services			ManageEngine Support	184 844,22	Tender process	Internal	01/04/2027	15/06/2027	01/04/2027	15/09/2027	M Stevens		R Alberts	1 Year					X
				2 162 523,05															
Telephone Fax Telegraph and Telex ExpOther expend			Wide Area Network (WAN) (Wispernet)	340 087,00	Existing Contract	Internal	01/07/2026	30/04/2027	01/07/2026	30/04/2027	M Stevens		R Alberts	3 Year	X				
Telephone Fax Telegraph and Telex ExpOther expend			Wide Area Network (WAN)	75 000,00	Tender process	Internal	04/01/2027	30/04/2027	01/05/2027	30/08/2027	R Alberts		R Alberts	3 Year					X
				415 087,00															
Standard Rated - ExpOther materials			Supply and delivery of various ICT equipment	95 000,00	Tender process	Internal	01/07/2026	31/10/2026	01/07/2026	31/10/2026	M Stevens		M Stevens	N/A	N/A	N/A	N/A	N/A	N/A

Section : ICT (Capital Budget)

Section:		Section																	
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter				
							Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4	

2026/2027 Roads Services

Total Departmental Procurement Budget																		
Vote description	IDP Reference Number	Vote description	IDP Reference Number	Programme	Method of procurement	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter
										Project Start Date	Project End Date	Start Date	End Date					Quarter 1
none																		

2026/2027 Integrated Planning and Economic Development

Section : Tourism & Economic Development

Total Departmental Procurement Budget																	
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter			
							Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4
11402110130		SME Support Programme	A programme where SME's benefit from receiving equipment and material through GRDM.	R 306 911,00	Memorandum of Agreement (CASIDRA)	Council Budget	01 July 2026	30 June 2027	01 July 2026	30 June 2027	R. Dyantyi/N.Botha	30 June 2026	N. Botha					
11405010156		World Travel Market	A International Travel and Trade Expo to market the GR&KK collectively	R 89 000,00	Contracted services linked to Joint Marketing Tender	Council Budget	01 July 2026	30 June 2027	01 July 2026	30 June 2027	R. Dyantii/D. Johnson	30 June 2026	D. Johnson					
11405020156		Africa's Travel Indaba	A International Travel and Trade Expo focussed on Africa to market the GR&KK collectively	R 56 944,00	Contracted services linked to Joint Marketing Tender	Council Budget	01 July 2026	30 June 2027	01 July 2026	30 June 2027	R. Dyanyi/D. Johnson	30 June 2026	D. Johmson					
11405131012		Contracted services (Joint Marketing)	The appointment of a service provider to assist with Joint Marketing initiatives for the region	R 36 000,00	Tender	Council Budget	02 July 2026	31 June 2027	02 July 2026	01 July 2027	R. Dyantyi/D. Johnson	31 June 2026	D. Johnson					

Section : IDP/IGR & Public Participation

Total Departmental Procurement Budget							R										
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	SBDIP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter			
							Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4

Section : **Project, Properties, Facilities and Resorts Management**

Total Departmental Procurement Budget				#REF!															
							SBDP		Procurement		Responsible	Reminder Date	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter			
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost	Procurement Method	Funding Source	Project Start Date	Project End Date	Start Date	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4
11413130172	N/A	Maintenance of equipment	Service & Maintenance of generator, UPS and GWM Bakkie	129 890,00	SCM tender process	Internal funding - Budget			01-Jul-26	30-Jun-27	D. Mashila	01-Jul-26	Sindisiwe Mtsolo					
11 413 130 191,00	N/A	Maintenance of building: municipal offices	Service & Maintenance of Aircons, Lifts, electrical supply and plumbing systems	278 374,00	SCM tender process	Internal funding - Budget			01-Jul-26	30-Jun-27	D. Mashila	01-Jul-26	Sindisiwe Mtsolo					
12204005637	N/A	Security Services at Swartvlei Caravan Park	Ensure that the resort is secure and protected	75 288,00	SCM Tender Process	Internal funding - Budget			01-Jul-26	30-Jun-27	D. Mashila	01-Jul-26	D Mashila					
12202003042	N/A	at Swartvlei Caravan park	Ensure sewerage removal at the resort	40 000,00	SCM Tender Process	Internal funding - Budget			01-Jul-26	30-Jun-27	D. Mashila	01-Jul-26	D Mashila					
New Vote Number	N/A	Upgrade the	To eliminate the potholes during rainy days	Not Budgeted	SCM Tender Process	Funding to be sourced			01-Jul-26	30-Jun-27	D. Mashila	01-Jul-26	Medron Bussack					
12204003778	N/A	Security Service at Victoria Bay Caravan Park	Ensure that the resort is secure and protected	135 600,00	SCM Tender Process	Internal funding - Budget			01 July 2025	30 June 2026	D. Mashila	01-Jul-25	Medron Bussack					
New vote Number	N/A	Installation of an Additional Septic Tank in Victoria Bay Caravan Park	To increase the existing sewerage septic tank capacity in the Western Terrace	Not Budgeted	SCM Tender Process / Quotation Process	Funding to be sourced internally			01 July 2026	31 December 2026	D Mashila	46204	Sindisiwe Mtsolo					
New vote Number	N/A	Sewerage Service at Victoria Bay Caravan Park	Ensure sewerage removal at the resort, given the overflow problem (OHS)	Not Budgeted	SCM Tender Process / Quotation Process	Funding to be sourced internally			01 July 2026	30 June 2027	D Mashila	46204	Medron Bussack					
New Vote Number	N/A	Clear view fencing all 3 terraces at Vicbay	To ensure the resort and the guest are safe and protected	Not Budgeted	SCM Tender Process	Funding to be sourced			01 July 2026	30 June 2027	D. Mashila	01-Jul-26	Medron Bussack					
New Vote Number	N/A	Upgrading of roof sheets on the Western Terrace Vicbay	The current condition of the roofs is not in an optimal condition. To ensure safety presentable environment	Not Budgeted	SCM Tender Process	Funding to be sourced			01 July 2026	30 June 2027	D. Mashila	01-Jul-26	Medron Bussack					
12205003041	N/A	Security Service / Safe guard & security Calitzdorp Hot Springs	To ensure that the resort is secured and protected	R 393 694,00	SCM Tender Process / Quotation Process	Internal funding - Budget			01 July 2026	30 June 2027	D. Mashila	01-Jul-26	D Mashila					
12204006758	N/A	Security Services at De Hoek Mountain Resort	Ensure that the resort is secure and protected	R 38 488,00	SCM Tender Process	Internal funding - Budget			01 July 2026	30 June 2027	D. Mashila	01 July 2026	Nellie Meyer					
12206190291	N/A	Life Safers- De hoek	Life savers at the resort for the festive season / holidays	R 185 705,00	SCM Tender / Quotation process	Internal funding - Budget			01 July 2026	30 June 2027	D Masila	01 July 26	Nellie Meyer					
New vote	N/A	Plants and Tools Hire	Hiring of plants and tools	Not Budgeted	SCM Tender Process/ Quotation	Funding to be sourced internally			01 July 2026	30 June 2027	D masila	01 July 26	Nellie Meyer					
12204006276	N/A	Maintenance of buildings and facilities	Sliding doors at Reception Hall/ Wooden window frames replace with alminnium / To ensure resort safety / Matrasses / Roads and swimming pool repairs	R 23 541,00	SCM Tender Process / Quotation Process	Internal funding - Budget			01 July 2026	30 June 2026	D Masila	01 July 26	Nellie Meyer					
New vote	N/A	Maintenance of equipment	Service of Bakkies GWM / Trekker / Aircon / pumps	Not Budgeted	SCM Tender process/Quotation Process	Funding to be sourced internally			01 July 2026	30 June 2026	D Masila	01 July 2026	Nellie Meyer					
New vote	N/A	Upgrading of electrical infrastructures and systems	Maintenance of electrical infrastructures and systems	Not Budgeted	SCM Tender process/Quotation Process	Funding to be sourced internally			01 July 2026	30 June 2026	D Masila	02 July 2026	Nellie Meyer					

Section: EPWP

Total Departmental Procurement Budget						R												
							SBDP		Procurement		Responsible	Reminder Date (Specification)	Contract Officer Responsible	Contract Duration	Contract Start Date per Quarter			
Vote description	IDP Reference Number	Programme	Project/Item Description	Budgeted Cost		Funding Source	Project Start Date	Project End Date	Start Date (Advertising)	End Date					Quarter 1	Quarter 2	Quarter 3	Quarter 4
011410098308	N/A	Basic Training	Basic Training for EPWP Participants	R 35 480,00	Tender	EPWP GRANT	01 September 2026	June 2027	01 September 2026	01 June 2027	Richard Dyantyi	August 2026	Androlene Killian & Henjone Claassen					

ANNEXURE R
DRAFT FUNDING PLAN

BUDGET FUNDING PLAN

1. Purpose

The purpose of this document is to provide a response/remedy to the municipality's unfunded budget position and to ensure that the budget is funded and to prevent the municipality from facing financial distress that can lead to inability to fulfill the legal obligations and more importantly, unable to fulfil the mandate of service delivery to our respective communities.

2. Background

In 2007 PetroSA notified the local municipalities making use of their landfill site that alternative waste disposal facilities should be considered and initially indicated that no waste will be accepted at their landfill site from July 2010. Subsequently, Garden Route District Municipality (GRDM) decided to investigate the probability of establishing a regional landfill facility, as mandated by Section 84 of the Municipal Structures Act, to accommodate domestic and hazardous waste from the Bitou, Knysna, George and Mossel Bay Municipalities. The requirement of a regional landfill facility was further included in the Integrated Waste Management Plans and Integrated Development Plans of the respective municipalities.

The Environmental Impact Assessment was finalised in 2012 and GRDM was issued with the Environmental Authorisation by the Department of Environmental Affairs & Development Planning (DEA&DP) and a Waste Management Licence (no. 12/9/11/L1395/9) by the Department of Forestry, Fisheries & the Environment (DFFE). GRDM purchased (R5.8M) four portions of land to construct the landfill facility. The rezoning of the properties was approved by the Mossel Bay Municipality and the surveying of the properties to register the new subdivisions and consolidations as well as the health buffer servitudes with the Surveyor-General was finalized and transferred to GRDM.

An assessment in terms of Section 78 of the Municipal Systems Act, which evaluated the direct and indirect cost benefits pertaining to the operation and management of the Regional Landfill Facility and included a feasibility study, was finalized in 2012. Based on the findings of the Section 78 Assessment and the powers and functions assigned to District Municipalities, GRDM decided to pursue a Public Private

Partnership (PPP) with a private partner, willing to invest in the construction, operation and management of the proposed regional landfill facility for a period of ten (10) years.

GRDM commenced with the procurement process to appoint a Private Partner and decided to follow a two-phase tender process i.e. Request for Qualification followed by a Request for Proposals from qualified bidders. The Request for Proposals was issued to four pre-qualified bidders in March 2015. In January 2016 a Treasury Views & Recommendations (TVR): IIB was requested by National and Provincial Treasury but was not granted because of the budgetary non-commitment of the Initial Participating Local Municipalities to defray the Unitary Fee of the Project. This was addressed by implementation of a GRDM District Waste Management Policy and By-Law and a Briefing Note process to reduce the total cost of the Bids received for the Project.

Due to the delays, a preferred bidder, Interwaste (Pty) Ltd, was only appointed in April 2018 and was followed by a negotiations phase prior to the finalisation of a PPP Agreement. A due diligence process by the Development Bank of Southern Africa (funder) further caused a delay in the finalisation of the PPP Agreement. The PPP Agreement was approved by GRDM Council on 13 December 2019. At that stage the construction of the Regional Waste Management Facility was to commence in March 2020, however, it was delayed due to the Covid-19 Pandemic National Lockdown. On 29 September 2020, GRDM was notified by Interwaste (Pty) Ltd of their withdrawal from the Public Private Partnership Project.

After notification from the Private Party of default to commence with the project, Mubesko was appointed by GRDM to explore the possibility of an alternative model, and indicating if it would be affordable, attainable and sustainable if the GRDM were to take on the development itself.

It must be noted that GRDM has applied for Municipal Infrastructure Grant (MIG) funding and other grant funding for the construction of the regional waste management facility on numerous occasions and has been discussed on various provincial and national platforms. The outcome of these applications and discussions is that District Municipalities are not eligible for MIG funding or grant funding regardless of the functions stipulated in Section 84 of the Municipal Structure Act No. 117 of 1998.

Subsequently, the participating B municipalities were requested to allocate MIG funding to the District Municipality for the construction of the Regional Waste Management Facility. This would reduce the cost recovering tariffs levied from the municipalities as it would reduce the loan amount and subsequent interest. The allocation of MIG funding for the construction of the facility was, however, not considered by the participating municipalities and GRDM was therefore required to fund the full construction cost by means of loan funding. The waste disposal functions in terms of Section 84 of the Structures Act, and the lack of any grant funding for district municipalities could be constituted as an unfunded mandate.

Based on the time constraints and the Mubesko report above, it was decided by the GRDM Council to no longer pursue the PPP process and to rather make use of loan funding to construct the Regional Waste Management Facility and the associated infrastructure and to outsource the operations and maintenance to a reputable service provider. The various participating B Municipalities resolved to support this initiative to establish the facility and afterwards, outsource the operation and management of the landfill site to the private sector.

Jan Palm Consulting Engineers (JPCE) was appointed by GRDM to obtain the statutory approval of the final designs from the Department of Water and Sanitation (DWS) and the Department of Forestry, Fisheries and the Environment (DFFE) to comply with the requirements of the Waste Management Licence 12/9/11/L1395/9 and to compile tender documentation for the construction as well as for the operation of the Regional Waste Management Facility.

During the investigations regarding the approval of the final designs, as received from Interwaste (Pty) Ltd following their withdrawal from the PPP process, JPCE concluded that the Regional Waste Management Facility had to be redesigned in order to obtain approval from DWS and DFFE. The costs associated with the redesign of the facility required a formal tender process be followed, and the tender (Tender No: GRDM/29/20/2) was therefore advertised on 04 July 2021.

Zutari (Pty) Ltd (Zutari) was appointed as the Professional Service Provider to assist the GRDM with the design, drafting of tender documentation and contract supervision for the new Regional Waste Management Facility and associated infrastructure to be

established on Farm 419 in Mossel Bay. A Service Level Agreement (SLA) between GRDM and Zutari was signed on 11 October 2021.

The tender for the construction of a new regional waste management facility and associated infrastructure, Tender GRDM/24/21-22, was advertised on 04 September 2022. This tender was awarded to Tefla Group (Pty) Ltd for an amount of R 278 249 907. A Service Level Agreement between GRDM and Tefla Group was signed on 17 April 2023.

The tender for the provisions of an external loan to the GRDM to finance the construction of a Regional Waste Management Facility, Tender GRDM/35/21-22, was advertised on 01 May 2022. Standard Bank was appointed for the long-term loan to finance the construction of the Regional Waste Management Facility, and a Term Loan Agreement was signed on 03 July 2023. The loan amount was adjusted accordingly to cover the construction costs based on the amount tendered by the appointed contractor.

The loan of R278m will be utilized for the construction of the regional landfill site. For the first year of the Loan, only the interest will be paid to the lender, and thereafter, Bi-Annually loan redemption on both interest and capital. Further to the construction cost, GRDM also incurs costs for the Consulting Engineering Services (Zutari). These costs will also be capitalised and will also form part of the landfill site costs. These will also be financed through the loan facility. Provision was made in the 2023/2024 to 2024/25 budget for the capital expenditure and for the long-term loan.

The initial design included the construction of domestic waste cells with a lifespan of 20 – 23 years. In order to align the lifespan of the waste cells with the 10-year loan agreement with Standard Bank and the waste disposal agreements with the participating municipalities, it was decided to reduce the scope of works to construct 10-year domestic waste cells. This resulted in a reduced loan amount of R202 266 608, which was agreed upon by all stakeholders.

The participating municipalities would be obliged to pay as contractual commitments, the total construction and operational cost. The Garden Route District Municipality would recover the cost on a pro-rata basis from the B Municipalities based on the tonnage dumped at the facility. The monthly levying by GRDM to the B

municipalities will be done in terms of the District Waste Management By-Law and the Waste Disposal Agreement signed between GRDM and the participating municipalities.

GRDM has continuously negotiated with PetroSA to extend the waste disposal contracts of the participating municipalities until the Regional Waste Management Facility is operational. This has required approval of a height extension of their landfill from twelve (12) to fifteen (15) metres from the Department of Forestry, Fisheries & the Environment in order to accommodate the waste to date. During the negotiations with PetroSA, a provisional extension of the waste disposal contracts was ultimately granted until the end of February 2024.

In light of the closure of the PetroSA landfill site, the tender for the construction of the landfill site made provision for the completion of Phase 1 i.e. the completion of the minimum requirements to commence with disposal at the Regional Landfill site by end February 2024, at which stage the participating B Municipalities would be charged a monthly cost recovery tariff to cover the loan funding and interest, the operational costs, rehabilitation costs and administration fee charged by GRDM.

Unfortunately, the contractor was ~~has~~ not ~~been~~ able to complete Phase 1 to commence with disposal due to a number of delays and various challenges which include unavailability of yellow plant in the region (as a result of various developments including the N2 upgrading), disputes between the main contractor and sub-contractors, sourcing of required quantities of material from the region, weather conditions not favouring the construction as well as continuous poor performance due to severe cashflow issues experienced by the of the contractor.

In February 2025 is came to light that the contractor would not be able to complete Phase 1 of the project and GRDM had no alternative but to terminate the contract. A letter of termination of the contract was issued on 05 March 2025, and the contractor vacated the site.

Following termination of the contract with the contractor, GRDM explored the implementation of the project by means of emergency procurement processes i.e. deviations, however, this may have resulted in material irregular expenditure. GRDM

therefore decided to embark on a new tender process to appoint a contractor to complete the construction of Phase 1 of the project in order to commence with domestic waste disposal by the participating municipalities as soon as possible.

The Construction Tender No. GRDM/27/24-25 was advertised on 05 June 2025 and closed on 08 August 2025. Civils 2000 (Pty) Ltd was appointed by means of a competitive bidding process in terms of the Municipal Finance Management Act and the Municipal Supply Chain Management (SCM) Regulations for a tendered amount of R109 Million.

Site handover took place on 11 February 2026, and the construction programme indicates a completion date of 24 February 2027. The commencement of operations is further subject to approval from the Department of Water and Sanitation; if possible, this approval process will run concurrently with the finalisation of the construction works in order to expedite the commencement of waste disposal.

In the meantime, GRDM has negotiated with PetroSA to apply for a further height extension of their landfill site to accommodate waste in the interim until the regional facility is operational. A five metre (5m) height extension application for the PetroSA landfill site was approved by the licencing authorities, the Department of Forestry, Fisheries & the Environment and Department of Water and Sanitation, on 15 December 2025.

GRDM is obliged to commence with the repayment of the interest for the external loan and will only generate revenue through the cost reflective waste disposal tariffs charged to the participating local municipalities from April 2025 once disposal commences. Subsequently, this has resulted in a deficit budget.

3. Legislative Framework

Municipal Finance Management Act No.56 of 2003, Chapter 4 of the Municipal Finance Management Act No.56 of 2003 ("MFMA") deals with the drafting and adopting of municipal budgets by municipalities. Section 18(1) of the MFMA states that an "annual budget may only be funded from – a) realistically anticipated revenues to be collected; b) cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and c) borrowed funds, but only for the

capital budget referred to in section 17(2)." Section 18(2) adds that "revenue projections in the budget must be realistic, taking into account- a) projected revenue for the current year based on collection levels to date; and b) actual revenue collected in previous financial years." The Municipal Budget and Reporting Regulations ("MBRR") sets out standards for sound and sustainable management of the budgeting and reporting practices in municipalities. It states in paragraph 10(1)(b) that "the funding of an annual budget must be consistent with the trends, current and past, of actual funding collected or received." It further states in paragraph 10(4) that "the cash flow budget required in terms of Schedule A must reflect all funds realistically forecast to be collected, including arrears."

4. Budget Funding Plan Pillars

The following Budget funding plan pillars are being looked at in detail:

1. Positive cash flows with a focus on revenue from trading services;

2. Implementation of cost containment measures and a reduction of expenditure;

3. Realistic debtors' collection rates with incremental improvements year on year;

4. Creditors payment rates that ensure that all fixed obligations, including obligations for bulk purchases, are met; and

5. Ring fencing of conditional grants and ensuring that conditional grant funding is cash backed.

Cost Reflective Tariffs

The cost recovering summary to be recovered from the B Municipalities is as follows:

	Borrowing at at a floating rate (JIBAR plus 2.01%) currently 10.501%					
DESCRIPTION		**Total**	**Mossel Bay**	**George**	**Knysna**	**Bitou**
Tonnages split		7 565	2 507	3 155	1 094	809
Tonnage percentage split		**100%**	**33%**	**42%**	**14%**	**11%**
	Fixed portion based on CAPEX of R205 093 459 (included intrim interest excluding VAT)					
Landfill Site - General waste only (Excluding Hazardous Waste and Tyre Recycling Facility)	7 565	R34 099 736	R11 298 429	R14 220 770	R4 932 810	R3 647 727
Sub Total A		**R34 099 736**	**R11 298 429**	**R14 220 770**	**R4 932 810**	**R3 647 727**
	Variable Cost Portion					
	Related to operations					
	COST BASED ON CURRENT PREFFERED BIDDER					
Outsourced Operation of Landfill Site - General waste only	7 565	R12 131 538	R4 019 600	R5 059 271	R1 754 928	R1 297 738
Cost centre Garden Route Municipality	7 565	R360 000	R119 280.52	R150 132.46	R52 076.99	R38 510.03
Sub Total B		**R12 491 538**	**R4 138 881**	**R5 209 404**	**R1 807 005**	**R1 336 248**
	REHABILITATION COST					
	Annual Amount To Be Invested In A Sinking Fund Yielding The Future Amount					
Annual Cost		R4 364 676	R1 446 169	R1 820 221	R631 387	R466 899
Sub Total C		**R4 364 676**	**R1 446 169**	**R1 820 221**	**R631 387**	**R466 899**
Sub Total A+B+C		**R50 955 950**	**R16 883 479**	**R21 250 395**	**R7 371 202**	**R5 450 875**
!0% Aministrative Fee on (Sub Total B)		**R1 249 154**	**R413 888**	**R520 940**	**R180 700**	**R133 625**
Total Cost (excl VAT)		**R52 205 104**	**R17 297 367**	**R21 771 335**	**R7 551 902**	**R5 584 500**

These tariffs include the provision for interim interest accrued during the construction period and rehabilitation. After year 1, the weighbridge data of actual waste dumped per municipality would be available, and accurate cost recovery per municipality would then be effective from year 2 onwards.

The accounting figures for non-cash transactions are excluded, and the redemption cost and Rehabilitation cost sinking fund contributions are included. The redemption portion of the loan repayments and the rehabilitation sinking fund included in the cost structure to determine the total cost recovery would result at year-end in a cash

surplus that would be equal to the redemption portions and the rehabilitation sinking fund.

Financial implications of the landfill site:

The municipality commenced with the repayments of the interest and the capital portion of the loan, and has drawn down R179,912m of the loan amount to date.

Due to its contractual obligations, the municipality could no longer defer the repayment of the capital portion, nor the increased drawdowns taken up, which has been hampered by the delay in the commencement of the Regional Waste Management Facility.

The financial effect is summarised as follows:

1. Total drawdowns: R179,912m
2. Total capital repayments: R8m
3. Total interest repayments: R31,97m

The effect of the above is that the municipality has increased financial obligations pertaining to the loan without a resulting inflow from the operations of the Regional Waste Management Facility.

Over the past five financial years, the municipality had a net deficit as follow:

	2020-21	2021-22	2022-23	2023-24	2024-25
NET SURPLUS/(DEFICIT) FOR THE YEAR	(21 173 569)	(21 464 163)	(8 586 896)	(15 706 433)	(26 407 924)

One of the major contributing factors to the above is insufficient own revenue streams/ income, as district municipalities do not provide basic services from which revenue can be derived.

With the construction of the Regional Waste Management Facility, the municipality will move towards a sustainable own revenue stream to help alleviate the current deficit.

It should be noted that the contributions from the participating municipalities will be a cost-reflective tariff to cover the repayment of the loan and the future rehabilitation costs which need to be provided for. An administration fee will be paid to the

municipality, which is the revenue derived from the Regional Waste Management Facility.

The municipality's increase/ decrease in cash and cash equivalents over the years are as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(18 484 230)	(27 685 246)	(5 663 020)	20 412 125	(1 804 706)

There has been a consistent decrease in cash and cash equivalents, with an increase realised in 2023-24, mainly due to receipt of drawdowns of R116,912m for the year.

The financial obligation under the loan is depicted below from inception to date:

2023/2024 FINANCIAL YEAR

Ref	Financial Year	Quarter	Month	Opening Capital	Drawdown	Interest	Loan Balance	REPAYMENTS		Total	Closing Balance
								Interest	Capital		
				31018005501 31800053755	31018005502	31800153759		31800153760	31800053757		
1	2023/2024	1	Jul-23	-	13 912 000	124 076	14 036 076	-	-	-	14 036 076
2	2023/2024	1	Aug-23	13 912 000	-	116 071	14 028 071	- 124 076	-	- 124 076	13 903 995
3	2023/2024	1	Sep-23	13 912 000	-	127 615	14 039 615	- 116 071	-	- 116 071	13 923 544
4	2023/2024	2	Oct-23	13 912 000	-	119 639	14 031 639	- 127 615	-	- 127 615	13 904 024
5	2023/2024	2	Nov-23	13 912 000		115 651	14 027 651	119 639		119 639	13 908 012
6	2023/2024	2	Dec-23	13 912 000	-	132 446	14 044 446	- 115 651	-	- 115 651	13 928 795
7	2023/2024	3	Jan-24	13 912 000	-	116 392	14 028 392	- 132 446	-	- 132 446	13 895 946
8	2023/2024	3	Feb-24	13 912 000	35 000 000	395 102	49 307 102	- 116 392	-	- 116 392	49 190 710
9	2023/2024	3	Mar-24	48 912 000	14 000 000	596 096	63 508 096	- 395 102	-	- 395 102	63 112 994
10	2023/2024	4	Apr-24	62 912 000	18 000 000	720 183	81 632 183	- 596 096	-	- 596 096	81 036 088
11	2023/2024	4	May-24	80 912 000	18 000 000	795 198	99 707 198	- 720 183	-	- 720 183	98 987 015
12	2023/2024	4	Jun-24	98 912 000	18 000 000	1 107 749	118 019 749	- 795 198	-	- 795 198	117 224 551
TOTALS				-	116 912 000	4 466 220	118 019 749	- 3 358 471	-	- 3 358 471	118 019 749

2024/2025 FINANCIAL YEAR

Ref	Financial Year	Quarter	Month	Opening	Drawdown	Accr. Interest	Loan Balance	REPAYMENTS		Total	Closing Balance
								Interest	Capital		
				31018005501 31800053755	31018005502	31800153759		31800153760	31800053757		
1	2024/2025	1	Jul-24	118 019 749	21 000 000	1 162 091	140 181 840	- 1 107 749	- 3 000 000	- 4 107 749	136 074 091
2	2024/2025	1	Aug 24	136 074 091	21 000 000	1 387 745	158 461 836	1 162 091		1 162 091	157 299 745
3	2024/2025	1	Sep-24	157 299 745	21 000 000	1 529 586	179 829 331	- 1 387 745	-	- 1 387 745	178 441 586
4	2024/2025	2	Oct-24	178 441 586	-	1 430 903	179 872 489	- 1 529 586	-	- 1 529 586	178 342 903
5	2024/2025	2	Nov-24	178 342 903	-	1 578 927	179 921 830	- 1 430 903	-	- 1 430 903	178 490 927
6	2024/2025	2	Dec-24	178 490 927	-	1 459 336	179 950 263	- 1 578 927	- 3 000 000	- 4 578 927	175 371 336
7	2024/2025	3	Jan-25	175 371 336	-	1 318 110	176 689 446	- 1 459 336	-	- 1 459 336	175 230 110
8	2024/2025	3	Feb-25	175 230 110	-	1 459 336	176 689 446	- 1 318 110	-	- 1 318 110	175 371 336
9	2024/2025	3	Mar-25	175 371 336	-	1 384 816	176 756 152	- 1 459 336	-	- 1 459 336	175 296 816
10	2024/2025	4	Apr-25	175 296 816	-	1 384 816	176 681 632	- 1 384 816	-	- 1 384 816	175 296 816
11	2024/2025	4	May-25	175 296 816	-	1 603 768	176 900 584	- 1 384 816	-	- 1 384 816	175 515 768
12	2024/2025	4	Jun-25	175 515 768	-	1 375 682	176 891 450	- 1 603 768	- 2 000 000	- 3 603 768	173 287 682
TOTALS				118 019 749	63 000 000	17 075 117	176 891 450	- 16 807 184	- 8 000 000	- 24 807 184	173 287 682

2025/2026 FINANCIAL YEAR											
								REPAYMENTS			
Ref	Financial Year	Quarter	Month	Opening Capital	Drawdown	Interest	Loan Balance	Interest	Capital	Total	Closing Balance
				31800053755	31018005502	31800153759		31800153760	31800053757		
1	2025/2026	1	Jul-25	173 287 682	-	1 286 929	174 574 611	-	-	-	174 574 611
2	2025/2026	1	Aug-25	174 574 611	-	1 420 059	175 994 670	- 2 662 611	-	- 2 662 611	173 332 059
3	2025/2026	1	Sep-25	173 332 059	-	1 333 048	174 665 107	- 1 420 059	-	- 1 420 059	173 245 048
4	2025/2026	2	Oct-25	173 245 048	-	1 204 043	174 449 091		-	-	174 449 091
5	2025/2026	2	Nov-25	174 449 091	-	1 419 051	175 868 142	- 2 537 091	-	- 2 537 091	173 331 051
6	2025/2026	2	Dec-25	173 331 051	-	1 254 722	174 585 773	- 1 419 051	-	- 1 419 051	173 166 722
7	2025/2026	3	Jan-26	173 166 722	-	1 171 074	174 337 796		-	-	174 337 796
8	2025/2026	3	Feb-26	174 337 796	-	1 338 370	175 676 166	- 2 425 796	-	- 2 425 796	173 250 370
9	2025/2026	3	Mar-26	173 250 370	-		173 250 370	- 1 338 370	-	- 1 338 370	171 912 000
10	2025/2026	4	Apr-26	171 912 000	-		171 912 000		-	-	171 912 000
11	2025/2026	4	May-26	171 912 000	-		171 912 000		-	-	171 912 000
12	2025/2026	4	Jun-26	171 912 000	-		171 912 000		-	-	171 912 000
TOTALS				173 287 682	-	10 427 296	171 912 000	- 11 802 979	-	- 11 802 979	171 912 000

5. Conclusion

The cost recovering waste disposal tariffs which is anticipated to be levied from the participating B municipalities from 2027/2028, will result in the required revenue to ensure a funded budget by 2028.

ANNEXURE S
MSCOA ROADMAP

GRDM	DISTRICT MUNICIPALITY ROADMAP				
#	Milestone	Achieved Yes / No	System	Reason for variance	Due Date
26	**Business processes and System requirements evaluation on draft ICF documents (from March 2026 onwards)**	Achieved Yes / No	Responsible person	Reason for variance	Due Date
26.1	Bench marking against NT's Business processes and System requirements (17 functionality groups will be included in the 14 Business Process)				
26.1.1	Business Processes: Will benchmark current business processes against draft ICF documents and identify gaps				
26.1.1.1	1. Corporate Governance	No	R Alberts	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.2	2. Strategic and IDP	No	M James	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.3	3. Budgeting and Financial Planning	No	L Hoek and L Forbes	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.4	4. Project Management and Reporting	No	L Hoek / M James / Project owners	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.5	5. Costing Management and Reporting	No	L Hoek / L Forbes	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.6	6. Contract Management	No	T Mpuru / Legal and contract owners	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.7	7. SCM and Procurement Management	No	T Mpuru	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.8	8. Asset Management and Maintenance	No	L Hoek	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.9	9. Property Management (Real estate)	No	D Mashila	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.10	10. Human Resource and Payroll Management	No	C Martin / M Smit	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.11	11. Revenue and debt Management	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.12	12. Financial Accounting	No	L Hoek / L Forbes	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.13	13. Treasury and Cash Management	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.1.1.14	14. Inventory Management	No	T Mpuru	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2	System functionality requirement groups will be evaluated against the draft ICF documents received to establish shortcomings of the system requirements that need to be in placed for the appliable level 3 business process outcomes:	Achieved Yes / No	Responsible person	Reason for variance	Due Date
26.2.1	1. Accounts Payable	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.2	2. Asset Management	No	L Hoek	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.3	3. Budgeting and Financial Planning	No	L Hoek	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.4	4. Cash Management	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.5	5. Contract and Project Management	No	T Mpuru / Project Owners and IDP Manager	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.6	6. Financial Liability management	No	C Martin / L Hoek	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.7	7. Financial Management	No	L Hoek	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.8	8. Governance	No	R Alberts	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.9	9. HR and Payroll Management	No	M Smit / C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.10	10. Industry Specific Management	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.11	11. Inventory management	No	T Mpuru	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.12	12. Management information	No	L Hoek / C Martin / T Mpuru / Various Leads	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.13	13. Property Management	No	D Mashila	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.14	14. Revenue and Debt Management	No	C Martin	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.15	15. Risk and Audit Management	No	L James / P Lufele	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.16	16. Strategic IDP Management	No	M James	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026
26.2.17	17. SCM	No	T Mpuru	Benchmarking current processed against draft ICF documents released during March 2026	Will be prioritised from April 2026

GRDM	DISTRICT MUNICIPALITY ROADMAP				
#	Milestone	Achieved Yes / No	System	Reason for variance	Due Date
		Status	**Responsible person**	**Reason for variance**	**Due Date**
27	**Seamless and full integration of data in the Integrated solution system, including 3rd party systems once the benchmarking of the shortcomings as per system requirements that are applicable was evaluated** **This will be prioritised when the system requirements are evaluated as per above.**	In progress	All the various business process leads	Pending final regulations	Pending final regulations
28	**ICT Architecture:** **Procure/Upgrade ERP & Hardware: Evaluation will be performed once the shortcomings system requirements are established to determine the action plan going forward.** **There after the following will be evaluated:** **1. Configure ERP System** **2. Develop Data Mitigation Strategy (if applicable)** **3. Review the current IT Policies to ensure aligned with changes if needed.**	Pending processes above	mSCOA Project Champion and business process leads	Pending final regulations	Pending final regulations
29	**Pending the outcome of the evaluation above phase : Testing / Training and Development will be implemented to cover the following sections:** **1. System Integration & unit testing** **2. User Acceptance Testing** **3. Execute Date Mitigation & Validation** **4. Develop Training Manuals and resources** **5. Conduct Role-based training** **6. Go-Life and Support**	Pending processes above	mSCOA Project Champion and business process leads	Pending final regulations	Pending final regulations
30	**Pending the outcome of the evaluation above phase: Sustainability & Continuous improvement will consider the following pending NT's mSCOA Regulations and incorporated in the following structures/processes:** **1. Monthly Steering Committee Meetings & NT/PT Reporting** **2. Quarterly Council Reporting: once mSCOA Regulations have been provided** **3. Internal Audit Reviews:** **4. Annual ICT Due Diligence:** **5. Refresher Training Programs** **Please note that quarterly reporting to Steering Committee and Council are in place. Internal reviews will commence once evidence is available to be evaluated. Training initiatives is encouraged and attendance of the mSCOA ICF sessions and mSCOA**	Pending processes above	mSCOA Project Champion and business process leads	Pending final regulations	Pending final regulations
31	**User proficiency and training**	**Status**	**Responsible person**	**Reason for variance**	**Due Date**
31,1	User proficiency and training: Which include Capacitation of staff on mSCOA (Consideration should be given to training in the establishment of user support groups and the availability of user manuals on the system) All the members of the various mSCOA working committees and mSCOA Steering Committee are actively attending workshops and training initiates which include the mSCOA ICF sessions held during 2024 - 2026 Data validation errors are also addressed and corrected. Root causes are investigated to limit errors. Where there is a need for training it is also escalated to the applicable role-players to ensure that the need identified can be addressed.	Continuous	mSCOA Project Champion and business process leads	Continuous evaluated	Continuous
31,2	**User Proficiency and training** **Capacitation of staff on mSCOA chart, basic accounting, balance sheet budgeting and movement accounting** Training needs have been identified, and attendance of NT's mSCOA sessions is encouraged. A budget and project accounting workshop was held with departments in December 2024. This is however continuously evaluated to determine further training needs. Attendance of NT's mSCOA training sessions by relevant role-players is encouraged to support effective change management. This was actively attended by GRDM role-players as far as possible and regular updates from the mSCOA Project Champion during the working committee engagements of progress, updates and available document/training. Information that was provided during the sessions are also communicated to the relevant role-players.	Continuous	mSCOA Project Champion and business process leads	Continuous evaluated	Continuous
31,3	**Change management initiatives to ensure that mSCOA is institutionalised** Attendance of NT's mSCOA training sessions by relevant role-players is encouraged to support effective change management. This was actively attended by GRDM role-players as far as possible and regular updates from the mSCOA Project Champion during the working committee engagements of progress, updates and available document/training. Information that was provided during the sessions are also communicated to the relevant role-players.	Continuous	mSCOA Project Champion and business process leads	Continuous evaluated	Continuous
32	**Maintain queries log:** **Data validation errors are also addressed and corrected. Root causes are investigated to limit errors. Where there is a need for training it is also escalated to the applicable role-players to ensure that the need identified can be addressed.**	In progress	mSCOA Champion	Continuous evaluated	In progress
33	**Monitoring of implementation and updating of roadmap**	In progress	mSCOA Project Champion and business process leads and mSCOA Steering Committee	Continuous evaluated	In progress
34	**Updating of risk register**	In progress	mSCOA Champion	Continuous evaluated	In progress
35	**Sign-off implementation plan - keep proof for audit file**	Not yet started	mSCOA Project Sponsor	Pending final regulations	Not yet started

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