**KOUGA MUNICIPALITY (EC 108)**
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 30 MARCH 2026
ITEM NO:**26/03/FED5**

**DRAFT MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF)- BUDGET FOR THE 2026/27 TO 2028/29 FINANCIAL YEARS**

1. **Introduction**

The purpose of the report is to table the Draft Medium-Term Revenue and Expenditure Framework (MTREF) – Budget for the 2026/27 – 2028/29 financial years to the Council.

2. **Background**

In terms of the Municipal Finance Management Act, Section 16 (1) stipulates that the council of a Municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.

Section 16(2) states that 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.

Section 16(3) states that subsection 1 does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

Section 17(1) stipulates that an annual budget of a Municipality must be a schedule in the prescribed format-

a) setting out realistically anticipated revenue for the budget year from each revenue source.
b) appropriating expenditure for the budget year under the different votes of the Municipality.
c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.
d) setting out -
    i. estimated revenue and expenditure by vote for the current year; and
    ii. actual revenue and expenditure by vote for the financial preceding the current year.

e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.

It should be noted that the Local Government: Municipal Finance Management Act (Act No. 56 of 2003): Municipal Budget and Reporting Regulations regulate the format of the budget documentation as set out in Schedule A – **"Annexure B"** of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 – A10 as well as the supporting tables SA1 – SA38.

3. **Discussion**

The 2026/27 Draft Annual Budget has been prepared in line with the Municipal Finance Management Act, Municipal Budget and Reporting Regulations and Municipal Regulations on a Standard Chart of Accounts (mSCOA) requirements.

The 2026/27 Draft Annual Budget Documents are attached as follows:

- 2026/27 Draft Annual Budget Report – "**Annexure A".**
- 2026/27 Draft Annual Budget Schedule A - **"Annexure B".**
- 2026/27 Draft Capital Expenditure **"Annexure C".**
- 2026/27 Draft Annual Tariffs - "**Annexure D".**
- 2026/27 Draft Budget Related Policies - **"Annexure E".**
- 2026/27 Draft Procurement Plan **"Annexure F".**
- 2026/27 mSCOA Road Map "**Annexure G"**

4. **Financial Implications**

| **Completed by BTO -** | As stipulated in the report. Refer to "**Annexure A"** |
|---|---|
| Project Description | |
| Ukey no. | |
| Budgeted Amount | |
| Amount spent and committed to date | |
| Amount Available | |
| Comment | |
| BTO Signature | |

5. **Applicable legislation**

- Section 16 of the Local Government: Municipal Finance Management Act No. 56 of 2003.
- Local Government: Municipal Budget and Reporting Regulations, 17 April 2009.
- Local Government: Municipal Finance Management Act: Municipal Regulations on a Standard Chart of Accounts (mSCOA), 22 April 2014.

6. **Legal Implications**

Should Council resolve on the recommendations herein, the Accounting Officer will, in line with the legislative provisions, conduct the public participation process on the draft Annual Budget.

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

Recommendation supported.

8.2 **Director: Planning & Development**

Item noted.

8.3 **Director: Civil & Water Services**

Item supported.

8.4 **Director: Electro-Mechanical Services**

Recommendations supported.

8.5 **Director: Community Services**

Supported

8.6 **Deputy Municipal Manager**

Supported.

8.7 **Municipal Manager**

Item Supported

9. **Delegated Authority**

To be approved by the Council.

10. **Recommendations**

10.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003:

10.1.1 Approves the 2026/27 – 2028/29 Draft Annual Budget, as set out in the "**Annexure A"** on the following tables:

a) Consolidated Budget Summary [Table A1] [Page 24]
b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] [Page 26]
c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] [Page 28]
d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4] [Page 29]
e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] [Page 31]

10.1.2. That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set out in the following tables:

a) Budgeted Financial Position; [Table A6] [Page 33]
b) Budgeted Cash Flows; [Table A7] [Page 35]
c) Cash backed reserves and accumulated surplus reconciliation; [Table A8] [Page 36]
d) Asset management; [Table A9] [Page 37]
e) Basic service delivery measurement. [Table A10] [Page 40]

10.1.3. That the tariffs be increased as follows, with effect from 1 July 2026:

| | |
|---|---|
| Property rates | 4.5% |
| Water | 6.5% |
| Sanitation | 5% |
| Refuse | 5% |
| Electricity (average increase in electricity income) | 9.01% |
| Environmental Management Fee | 5% |

a) Indicative tariffs for 2027/28 and 2028/29 will be increased as follows:

| | **2026/27** | **2027/28** |
|---|---|---|
| Property rates | 4.5% | 4.5% |
| Water | 6% | 6% |
| Sanitation | 5% | 5% |
| Refuse | 5% | 5% |
| Electricity (average increase in electricity income) | 8.83% | 10% |
| Environmental Management Fee | 5% | 5% |

10.1.4. That the Council approves "**Annexure B"** which regulates the format of the budget documentation as set out in Schedule A (version 7.1) of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 - A10 as well as the supporting tables SA1 – SA38.

10.1.5. That the Council notes the 2026/27 Draft Capital Expenditure, **"Annexure C"**.

10.1.6. That the Council approves the Draft tariffs, as reflected in "**Annexure D"**, for public participation,

10.1.6.1. That the electricity tariffs be approved subject to NERSA approval.
10.1.6.2. That the Natis tariffs be approved subject to changes from the Provincial government.

10.1.7. That the Council approves the Draft Budget-Related Policies, as reflected in **"Annexure E"**, for public participation.

10.1.8. That the 2026/27 Draft Procurement Plan be approved **"Annexure F"**.

10.1.9. That the mSCOA road map be approved. **"Annexure G".**

10.2. That the Draft Annual Budget be submitted to the National Treasury in both printed and electronic format and the relevant Provincial Treasury.

Item prepared by the Manager Budget & Treasury: 

Item approved by the Chief Financial Officer: 

Item endorsed by the Municipal Manager: 

Item noted by Portfolio Chairperson: 

**ANNEXURE "A"**

# KOUGA LOCAL MUNICIPALITY

## 2026/27 – 2028/29

## DRAFT

## ANNUAL BUDGET

Copies of this document can be viewed:

- At www.kouga.gov.za

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# PART 1 – ANNUAL BUDGET
## 1.1 FOREWORD BY THE EXECUTIVE MAYOR

FOREWORD BY THE EXECUTIVE MAYOR

It is my greatest privilege, on behalf of Kouga Municipality and in my capacity as Executive Mayor of Kouga Municipality, to present to you the municipality's Integrated Development Plan (IDP) for the cycle 2022 to 2027.

The IDP provides the strategic framework for a municipality to fulfil its mandate and apply its budget. It is a five-year document that is drawn up in partnership with communities and other spheres of government. Reviewed annually, it enables a municipality to do short, medium, and long-term planning to meet communities' needs, with due consideration of those projects being implemented by district, provincial, and national governments.

The IDP and Budget will be externally focused, driven by community needs and geared towards meeting community aspirations gleaned from stakeholder consultations and engagements throughout the past months. It will, furthermore, continue to be guided by narratives that provide strategic focus areas. These are:

- Keep Kouga Serviced
- Keep Kouga Clean
- Keep Kouga Green
- Keep Kouga Safe
- Keep Kouga Smart
- Keep Kouga Growing

These strategic focus areas are underscored by our internal priorities which include:

1. To incrementally implement our renewable energy strategy.
2. The resurfacing of our road infrastructure.
3. The repair and upgrading of all wastewater treatment plants in Kouga Municipality to achieve a minimum of 70% Green Drop report.
4. To improve customer services by achieving a 95% achievement of turnaround times according to the approved Customer Service Charter.

Whilst we still have a lot of work ahead of us, I am immensely proud of the progress we have made thus far, which includes several recent achievements:

- We are pleased to have launched the Roads Reseal Project on the 23rd of January, unveiling the largest single investment in infrastructure to date. This monumental R200 million resealing and rehabilitation project aims to upgrade 70% of all tar roads in Kouga Municipality.
- We are thrilled that Kouga has won the Provincial Greenest Municipality Award, reaffirming our commitment to sustainable development and environmental conservation.
- We are boosting service delivery across the region with the recent acquisition of 60 new vehicles, representing a total investment of close to R60 million. We are proud to report that 97% of our fleet is in excellent working condition.
- Another milestone is receiving our second clean audit, a significant achievement highlighting our unwavering commitment to financial sustainability.
- Kouga has been rated the best-performing municipality in the Eastern Cape, a recognition that underscores our consistent performance, good governance, and commitment to excellence.
- We have received national recognition for innovation excellence, ranking among the top municipalities in the country for digital transformation and service delivery technology.
- We continue to advance digital municipal services, including a Service Delivery Dashboard, forward-thinking document systems, AI-driven service improvements, and live-streamed council meetings, all designed to enhance transparency and responsiveness.
- Our leadership in water and sanitation infrastructure is evident in the refurbishment of key wastewater treatment works and improvements to sanitation services for thousands of households, strengthening environmental protection and service reliability.

While we are incredibly proud of these accomplishments, we recognise that there is still much work to be done. The challenges ahead demand continued dedication, innovation, and partnership with our communities. Together, we must build on these successes to ensure that Kouga not only maintains its high standards but continues to grow, prosper, and serve every resident effectively.

I trust that this IDP will stimulate the municipality's partnership with communities, the private sector, and other spheres of government for us to achieve our goals. Together we are more; when we unite against the deterioration and destruction of our physical, cultural, structural, and moral assets, we can seize the potential we hold to be the best Municipality in South Africa.

The Council would like to thank all residents, ward committees, sector departments, and stakeholder groups who actively participated in the compilation of Kouga's IDP. I would also like to thank our ward councillors for facilitating the meetings in their wards and the municipal administration who prepared the new document in accordance with legislation and the Council's new mandate.

We look forward to building on our relationship with all stakeholders and continually improving the municipality's planning processes so that, together, we can achieve our vision of Service Excellence Through Good Governance.

Let us all collaborate on our shared future, showcasing Kouga Municipality as a blueprint of what a flourishing South Africa can look like.



Executive Mayor

Hattingh Bornman

## 1.2 COUNCIL RESOLUTIONS

1.2.1 That the Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 16 of the Local Government: Municipal Finance Management Act, Act 56 of 2003:

1.2.1.1 Approves the 2026/27 – 2028/29 Draft Annual Budget, as set out in the **Annexure "A"** on the following tables:

a) Consolidated Budget Summary [Table A1] [Page 24]

b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] [Page 26]

c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] [Page 28]

d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4] [Page 29]

e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] [Page 31]

1.2.1.2 That the budgeted financial position, budgeted cash flows, cash-backed reserves/accumulated surplus, asset management and basic service delivery targets be noted as set out in the following tables:

a) Budgeted Financial Position; [Table A6] [Page 33]
b) Budgeted Cash Flows; [Table A7] [Page 35]
c) Cash backed reserves and accumulated surplus reconciliation; [Table A8] [Page 36]
d) Asset management ; [Table A9] [Page 37]
e) Basic service delivery measurement. [Table A10] [Page 40]

1.2.1.3 That the tariffs be increased as follows, with effect from 1 July 2026:

| | |
|---|---|
| Property rates | 4.5% |
| Water | 6.5% |
| Sanitation | 5% |
| Refuse | 5% |
| Electricity (average increase in electricity income) | 9.01% |
| Environmental Management Fee | 5% |

a) Indicative tariffs for 2027/28 and 2028/29 will be increased as follows:

| | **2027/28** | **2028/29** |
|---|---|---|
| Property rates | 4.5% | 4.5% |
| Water | 6% | 6% |
| Sanitation | 5% | 5% |
| Refuse | 5% | 5% |
| Electricity (average increase in electricity income) | 8.83% | 10% |
| Environmental Management Fee | 5% | 5% |

1.2.1.4 That Council approves "**Annexure B"** which regulates the format of the budget documentation as set out in Schedule A (version 7.1) of the Municipal Budget and Reporting Regulations. This includes the main Tables A1 - A10 as well as the supporting tables SA1 – SA38.

1.2.1.5 That the Council notes the 2026/27 Draft Capital Expenditure, **"Annexure C"**.

1.2.1.6 That the Council approves the Draft tariffs, as reflected in "**Annexure D"**, for public participation.

1.2.1.7 That the Council approves the Draft Budget-Related Policies, as reflected in **"Annexure E"**, for public participation.

1.2.1.8 That the 2026/27 Draft Procurement Plan be approved **"Annexure F"**.

1.2.1.9 That the mSCOA road map be approved. **"Annexure G".**

1.2.1.10 That the Draft Annual Budget be submitted to the National Treasury in both printed and electronic format and the relevant Provincial Treasury.

## 1.3. EXECUTIVE SUMMARY

The key service delivery priorities, as reflected in the IDP, informed the development of the Budget, including the need to maintain and improve the Municipality's financial sustainability.
It is also noted that cost containment measures are being implemented to curb costs and to improve operational efficiency.

National Treasury's MFMA Circulars No. 126,128, 129, 130, 132 and 134 were used to guide the compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF).

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

- Maintaining an acceptable employee-related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.
- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.

- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The following budgeting principles and guidelines directly informed the compilation of the 2026/27 MTREF:

- The priorities and targets relating to the key strategic focus areas, as outlined in the IDP.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs.
- The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
- The need to enhance the municipality's revenue base.
- In accordance with Section 19 of the Municipal Finance Management Act, the relevant Directors must submit comprehensive reports in relation to new projects, inter alia; dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before the Council finally approves the implementation of any new projects.

In view of the aforementioned, the following table represents an overview of the proposed 2026/27 Medium-term Revenue and Expenditure Framework:

**Table 1 (Overview of the 2026/27 MTREF)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|---|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | % Incr./Decr. | Budget Year 2027/28 | % Incr./Decr. | Budget Year 2028/29 | % Incr./Decr. |
| **Revenue** | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | 1 461 865 | 1 552 476 | 6,20% | 1 648 612 | 6,19% | 1 755 763 | 6,50% |
| Total Expenditure | 1 545 173 | 1 620 577 | 4,88% | 1 724 783 | 6,43% | 1 819 156 | 5,47% |
| Surplus/(Deficit) | (83 308) | (68 101) | -18,25% | (76 171) | 11,85% | (63 394) | -16,77% |
| Total Capital | 322 565 | 80 660 | -74,99% | 52 578 | -34,82% | 52 873 | 0,56% |

Total operating revenue has increased by 6.2% or R 90,611 million for the 2026/27 financial year, compared to the 2025/26 Adjustments Budget.

For the two outer years, operational revenue increased by 6.19% and 6.5% respectively, resulting in a total revenue growth of R 293,898 million over the MTREF, when compared to the 2025/26 financial year.

Total operating expenditure for the 2026/27 financial year amounts to R 1,621 billion, resulting in a budgeted deficit of R 68,101 million. Compared to the 2025/26 Adjustments Budget, operational expenditure increased by 4.88% in the 2026/27 Budget.

For the two outer years, operational expenditure increases by 6.43% and 5.47% respectively. The 2027/28 and 2028/29 budgets reflect operating deficits of R 76,171 million and R 63,394 million respectively.

The major operating expenditure items for 2026/27 are bulk electricity purchases (29.88%), employee related costs (29.43%), contracted services (9.6%), depreciation (6.69%), inventory consumed (6.34%), debt impairment (6.3%) and operational costs (6.27%).

Funding for the 2026/27 Operating Budget is obtained from various sources, the major sources being service charges such as electricity, water, sanitation and refuse collection (50.25%), property rates (21.04%), grants and subsidies received from National and Provincial Governments (14.33%).

To fund the 2026/27 Operating Budget, the following increases in property rates and service charges have been proposed, with effect from 1 July 2026:

| | | |
|---|---|---|
| Property rates | - | 4.5% |
| Water | - | 6.5% |
| Sanitation | - | 5% |
| Refuse | - | 5% |
| Electricity (average increase in income) | - | 9.01% |
| Environmental Management Fee | - | 5% |

The capital budget of R 80,660 million for 2026/27 is R 241,905 million or 74.99% less than the 2025/26 Adjustments Budget.

The Capital Budget over the MTREF will be mostly funded from government grants and subsidies, as the municipality has limited internal funding available.

## 1.4. OPERATING REVENUE FRAMEWORK

The continued provision and expansion of municipal services is largely dependent on the Municipality generating sufficient revenues. Efficient and effective revenue management is thus of vital importance in ensuring the ongoing financial sustainability of the Municipality. Furthermore, in accordance with the MFMA, expenditure must be limited to the realistically anticipated revenues.

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

- National Treasury's guidelines in this regard.
- Tariff Policies.
- Property Rates Policy.
- Indigent Policy and provision of free basic services.
- The level of property rates and tariffs increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to consider the maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Reducing water and electricity losses.
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges.

The following table is a summary of the 2026/27 MTREF (classified by main revenue source):

**Table 2 (Summary of main revenue sources)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Revenue** | | | | |
| **Exchange Revenue** | | | | |
| Service charges - Electricity | 473 955 | 518 755 | 564 561 | 621 017 |
| Service charges - Water | 123 885 | 126 386 | 133 969 | 142 007 |
| Service charges - Waste Water Management | 71 792 | 78 477 | 82 400 | 86 520 |
| Service charges - Waste Management | 53 826 | 56 574 | 59 403 | 62 373 |
| Sale of Goods and Rendering of Services | 10 044 | 10 710 | 11 245 | 11 808 |
| Agency services | 4 554 | 4 782 | 5 021 | 5 272 |
| Interest earned from Receivables | 11 618 | 11 337 | 12 085 | 12 908 |
| Interest earned from Current and Non-Current Assets | 16 273 | 17 086 | 17 941 | 18 838 |
| Rental from Fixed Assets | 4 312 | 4 528 | 4 754 | 4 992 |
| Licence and permits | 2 856 | 2 998 | 3 148 | 3 306 |
| Special rating levies | 15 436 | 15 956 | 16 753 | 17 591 |
| Development Charges | – | 4 000 | 4 000 | 4 000 |
| Operational Revenue | 8 122 | 3 066 | 3 152 | 3 244 |
| **Non-Exchange Revenue** | | | | |
| Property rates | 307 899 | 326 717 | 343 053 | 360 206 |
| Surcharges and Taxes | 25 277 | 25 399 | 26 669 | 28 002 |
| Fines, penalties and forfeits | 90 465 | 94 988 | 99 738 | 104 725 |
| Licences or permits | 3 139 | 3 296 | 3 461 | 3 634 |
| Transfer and subsidies - Operational | 214 697 | 222 542 | 230 643 | 236 697 |
| Interest | 4 050 | 3 551 | 3 729 | 3 916 |
| Operational Revenue | 19 666 | 21 327 | 22 887 | 24 707 |
| **Total Revenue (excluding capital transfers and contributions)** | **1 461 865** | **1 552 476** | **1 648 612** | **1 755 763** |

The following table illustrates the mix of main revenue sources, supporting the 2026/27 MTREF:

**Table 3 (Mix of main revenue sources)**

| Description | Current Year 2025/26 | | 2026/27 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|---|---|---|---|---|---|---|
| R thousand | Adjusted Budget | % | Budget Year 2026/27 | % | Budget Year 2027/28 | % | Budget Year 2028/29 | % |
| **Revenue** | | | | | | | | |
| **Exchange Revenue** | | | | | | | | |
| Service charges - Electricity | 473 955 | 32,42% | 518 755 | 33,41% | 564 561 | 34,24% | 621 017 | 35,37% |
| Service charges - Water | 123 885 | 8,47% | 126 386 | 8,14% | 133 969 | 8,13% | 142 007 | 8,09% |
| Service charges - Waste Water Management | 71 792 | 4,91% | 78 477 | 5,05% | 82 400 | 5,00% | 86 520 | 4,93% |
| Service charges - Waste Management | 53 826 | 3,68% | 56 574 | 3,64% | 59 403 | 3,60% | 62 373 | 3,55% |
| Sale of Goods and Rendering of Services | 10 044 | 0,69% | 10 710 | 0,69% | 11 245 | 0,68% | 11 808 | 0,67% |
| Agency services | 4 554 | 0,31% | 4 782 | 0,31% | 5 021 | 0,30% | 5 272 | 0,30% |
| Interest earned from Receivables | 11 618 | 0,79% | 11 337 | 0,73% | 12 085 | 0,73% | 12 908 | 0,74% |
| Interest earned from Current and Non Current Assets | 16 273 | 1,11% | 17 086 | 1,10% | 17 941 | 1,09% | 18 838 | 1,07% |
| Rental from Fixed Assets | 4 312 | 0,29% | 4 528 | 0,29% | 4 754 | 0,29% | 4 992 | 0,28% |
| Licence and permits | 2 856 | 0,20% | 2 998 | 0,19% | 3 148 | 0,19% | 3 306 | 0,19% |
| Special rating levies | 15 436 | 1,06% | 15 956 | 1,03% | 16 753 | 1,02% | 17 591 | 1,00% |
| Development Charges | – | 0,00% | 4 000 | 0,26% | 4 000 | 0,24% | 4 000 | 0,23% |
| Operational Revenue | 8 122 | 0,56% | 3 066 | 0,20% | 3 152 | 0,19% | 3 244 | 0,18% |
| **Non-Exchange Revenue** | | | | | | | | |
| Property rates | 307 899 | 21,06% | 326 717 | 21,04% | 343 053 | 20,81% | 360 206 | 20,52% |
| Surcharges and Taxes | 25 277 | 1,73% | 25 399 | 1,64% | 26 669 | 1,62% | 28 002 | 1,59% |
| Fines, penalties and forfeits | 90 465 | 6,19% | 94 988 | 6,12% | 99 738 | 6,05% | 104 725 | 5,96% |
| Licences or permits | 3 139 | 0,21% | 3 296 | 0,21% | 3 461 | 0,21% | 3 634 | 0,21% |
| Transfer and subsidies - Operational | 214 697 | 14,69% | 222 542 | 14,33% | 230 643 | 13,99% | 236 697 | 13,48% |
| Interest | 4 050 | 0,28% | 3 551 | 0,23% | 3 729 | 0,23% | 3 916 | 0,22% |
| Operational Revenue | 19 666 | 1,35% | 21 327 | 1,37% | 22 887 | 1,39% | 24 707 | 1,41% |
| **Total Revenue (excluding capital transfers and contributions)** | **1 461 865** | **100,00%** | **1 552 476** | **100,00%** | **1 648 612** | **100,00%** | **1 755 763** | **100,00%** |

In the 2025/26 financial year, rates and service charges amounted to R 1,031 billion. This increases to R 1,107 billion, R 1,183 billion and R 1,272 billion in the 2026/27, 2027/28 and 2028/29 financial years, respectively.

The major operating revenue sources for 2026/27 are electricity (33.41%), property rates (21.04%), operating grants & subsidies (14.33%), water (8.14%), waste water management (5.05%) and waste management (3.64%).

The following table provides a breakdown of the various operating grants and subsidies allocated to the Municipality over the medium term:

**Table 4 (Operating Transfers and Grant Receipts)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **RECEIPTS:** | | | | |
| | | | | |
| **Operating Transfers and Grants** | | | | |
| **National Government:** | **209 308** | **218 548** | **226 649** | **232 703** |
| Operational Revenue: General Revenue: Equitable Share | 203 533 | 212 694 | 222 318 | 228 081 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2 081 | 2 006 | – | – |
| Local Government Financial Management Grant [Schedule 5B] | 1 785 | 1 917 | 2 201 | 2 429 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 909 | 1 931 | 2 130 | 2 193 |
| **Provincial Government:** | **3 034** | **1 384** | **1 384** | **1 384** |
| Libraries, Archives and Museums | 3 034 | 1 384 | 1 384 | 1 384 |
| **District Municipality:** | **2 503** | **2 610** | **2 610** | **2 610** |
| *All Grants* | 2 503 | 2 610 | 2 610 | 2 610 |
| **Total Operating Transfers and Grants** | **214 845** | **222 542** | **230 643** | **236 697** |
| | | | | |
| **Capital Transfers and Grants** | | | | |
| **National Government:** | **51 334** | **55 664** | **57 716** | **58 056** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 5 440 | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | 36 265 | 36 688 | 40 472 | 41 674 |
| Water Services Infrastructure Grant [Schedule 5B] | 9 629 | 13 196 | 9 344 | 8 125 |
| **Provincial Government:** | **51 858** | **21 941** | **1 650** | **1 650** |
| Infrastructure | 51 858 | 20 291 | – | – |
| Libraries, Archives and Museums | – | 1 650 | 1 650 | 1 650 |
| **District Municipality:** | **1 098** | **1 098** | **1 098** | **1 098** |
| *Fire Subsidy* | 1 098 | 1 098 | 1 098 | 1 098 |
| **Total Capital Transfers and Grants** | **104 291** | **78 704** | **60 464** | **60 804** |
| | | | | |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | **319 135** | **301 246** | **291 107** | **297 502** |

The Municipality is faced with the significant challenge of providing services with its limited financial resources. Against this background, the Municipality has undertaken the tariff determination process relating to property rates and service charges as follows:

### 1.4.1. Property Rates

Property rates fund the costs associated with the provision of general services, such as fire, library and roads and stormwater services.

The following provisions in the Property Rates Policy are highlighted:

#### 1.4.1.1 Exemptions, Reductions, and rebates in respect of categories of owners of properties

i. R 100,000, including the impermissible rate of R 15,000, for owners who qualify for Equitable Share.
ii. Residential properties with a market value of up to R 400,000 including the impermissible rate of R 15,000.
iii. R 200,000 on one residential property, including the impermissible rate of R 15,000 for ratepayers 60 years and older with a gross household income not more than R 15,000.

#### 1.4.1.2 **Exemptions, Reductions, and rebates in respect of owners of categories of properties**

i. Public Benefit Organisations: Applications for Public Benefit Organisations must reach the municipality before end of October of the financial year in which relief is sought. A tax exemption certificate issued by the South African Revenue Services (SARS) as recommended in Part 1 of the Ninth Schedule of the Income Tax Act, No. 58 of 1962 must be submitted.

ii. Private Open Space will be exempted from paying property rates (100% exempted).

iii. Properties categorised as Public Service Infrastructure will be 100% exempted from paying property rates as it is deemed to provide essential services to the community.

A property rates increase of 4.5% in cents in the rand is proposed as from 1 July 2026.

The proposed property rates increase is mainly influenced by the following:

- Employee-related costs increased by 4.75%.
- Providing for debt impairment.

### 1.4.2 Sale of Water and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their water tariffs to ensure:

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

A phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers.

A tariff increases of 6.5% is proposed as from 1 July 2026. The proposed tariff increase is mainly influenced by the following:

- Cost of treating raw water.
- The cost of bulk water purchases increased by 6%.
- Providing for debt impairment.

The water tariff structure is designed in such a manner that higher levels of water consumption are progressively charged at a higher rate.

### 1.4.3 Sale of Electricity and Impact of Tariff Increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity, a 9.01% increase in bulk costs for electricity was approved by Nersa.
The Municipality is proposing a 9.01% increase on average consumer tariffs to offset the additional electricity bulk purchases costs, as from 1 July 2026. The proposed tariffs increase of 9.01% is subjected to the approval by Nersa.

The proposed tariff increases are mainly influenced by the following:

- Employee related costs increased by 4.75%.
- The cost of bulk electricity purchases increased by 9.01%.
- Repairs and maintenance of electricity infrastructure.
- Providing for debt impairment.

### 1.4.4 Sanitation and Impact of Tariff Increases

In accordance with National Treasury's MFMA Circulars, no. 51, 55, 58, 66, 70, 74, 85, 88, 89, 91, 93 and 94, Municipalities are encouraged to review the level and structure of their sanitation tariffs to ensure:

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

A phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers.

A tariff increases of 5% is proposed as from 1 July 2026. The proposed tariff increase is mainly influenced by the following:

- Cost of treating sewerage.
- Providing for debt impairment.

### 1.4.5 Refuse Collection and Impact of Tariff Increases

National Treasury has urged municipalities to ensure that refuse tariffs are fully cost reflective. The tariffs should consider the need to maintain a cash-backed reserve to cover the future costs of the rehabilitation of landfill sites. In this regard a phased-in approach will be undertaken to ensure that tariffs are fully cost reflective over the medium term. As the charging of fully cost reflective tariffs would place an undue financial burden on customers.

A tariff increase of 5% is proposed for refuse collection, as from 1 July 2026.

The proposed tariff increase is mainly influenced by the following:

- Employee-related costs increased by 4.75%.
- Cost of fuel.
- Providing for debt impairment

### 1.4.6 Environmental Management Fees and Impact of Tariff increases

A tariff increase of 5% is proposed for the environmental management fee, as from 1 July 2026.

## 1.5. OPERATING EXPENDITURE FRAMEWORK

The Municipality's expenditure framework for the 2026/27 budget and MTREF are informed by the following:

- The funding of the budget over the medium-term is informed by the requirements of Section 18 and 19 of the MFMA.

- A balanced budget approach by limiting operating expenditure to operating revenue.

The following table is a high-level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure):

**Table 5 (Summary of operating expenditure by standard classification item)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Revenue** | | | | |
| **Expenditure** | | | | |
| Employee related costs | 440 383 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | 16 550 | 15 767 | 19 709 | 24 636 |
| Bulk purchases - electricity | 440 010 | 484 306 | 527 070 | 579 777 |
| Inventory consumed | 113 224 | 102 809 | 119 397 | 125 417 |
| Debt impairment | 64 219 | 102 023 | 107 670 | 113 815 |
| Depreciation and amortisation | 142 422 | 108 376 | 112 885 | 117 574 |
| Interest | 39 542 | 27 357 | 23 196 | 20 458 |
| Contracted services | 121 287 | 155 497 | 159 297 | 149 236 |
| Transfers and subsidies | 950 | 930 | 950 | 970 |
| Irrecoverable debts written off | 54 197 | 29 394 | 31 409 | 33 741 |
| Operational costs | 97 338 | 101 540 | 105 853 | 110 115 |
| Other Losses | 15 051 | 15 617 | 15 617 | 15 617 |
| **Total Expenditure** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |

The total operating expenditure increased by R 75,404 million (4.88%) from R 1,545 billion in 2025/26 to R 1,621 billion in 2026/27.

Below is a discussion of the main expenditure components.

**Employee related costs**

The 2026/27 budget provides for a general increase of 4.75%, based on the salary and wage collective agreement.

The total budget provision of R 476,961 million represents an increase of 8.31% over the 2026/27 budget. Employee related costs in the 2026/27 Budget, represent 29.43% of the total operating expenditure.

**Remuneration of Councillors**

The remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs, in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). There is no proclamation in terms of Remuneration of Councillors yet.

**Debt Impairment**

The provision for debt impairment and irrecoverable debts written off was determined based on a targeted annual collection rate of 95% for property rates and services charges. For the 2026/27 financial year, this amounted to R 131,417 million (including traffic fines debt impairment of R 72,629 million). While this expenditure represents a non-cash flow item, it is considered in determining the total costs associated with the rendering of municipal services and the realistically anticipated revenues.

**Depreciation and Asset Impairment**

The provision for depreciation and asset impairment has been informed by the Municipality's Fixed Assets Register. The budget amounts to R 108,376 million for the 2026/27 financial year and equates to 6.69% of the total operating expenditure.

**Interest**

The interest is relating to the finance cost for the Development Bank of South Africa loan and vehicles finance. The budget amounts to R 27,357 million for the 2026/27 financial year and equates to 1.69% of the total operating budget.

**Bulk Electricity Purchases**

The bulk purchases increased by 10.07% or R 44,296 million, compared to the 2025/26 adjustments budget. The Bulk electricity purchases constitute 29.88% of total operating expenditure for 2026/27.

**Inventory Consumed**

Inventory consumed relates to the inventory items, such as bulk water purchases, material and supplies, consumables, printing and stationery, fuel, and oil etc., initially budgeted under bulk purchases and general expenses, being transferred to other materials. This is in line with the mSCOA requirements. The budget for 2026/27 amounts to R 102,809 million and equates to 6.34% of the total operating expenditure.

**Contracted Services**

In the 2026/27 financial year, the budget provision amounts to R 155,497 million and equates to 9.6% of the total operating expenditure.

**Transfers and subsidies**

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organizations, in line with the Council approved grant-in-aid policy. In the 2026/27 financial year, the budget provision amounts to R 0,930 million and equates to 0.06% of the total operating expenditure.

**Operational Costs**

Operational costs comprise of various line items relating to the daily operations of the municipality.
In the 2026/27 financial year, the budget provision amounts to R 101,540 million and equates to 6.27% of the total operating expenditure.

**Other losses**

Other losses relate to anticipated water losses and amount to R 15,617 million for the 2026/27 financial year or equate to 0.96% of the operating budget.

The graph below reflects the expenditure components of the budgeted statement of financial performance.

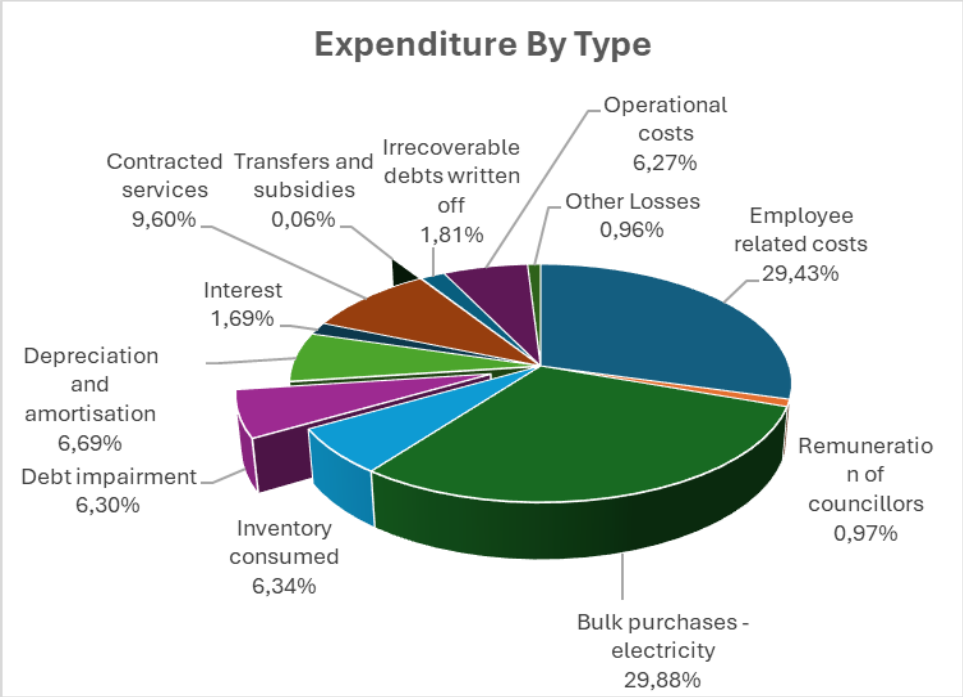



**Figure 1 Main operational expenditure categories for the 2026/27 financial year.**

### 1.5.1 Priority relating to repairs and maintenance.

The repairs and maintenance expenditure in the 2026/27 financial year increased by R 18,799 million or 10.03% compared to the 2025/26 approved Adjustments Budget.

It is to be noted that repairs and maintenance constitute 12.72%, 13.55% and 12.99% of the total operating expenditure, for the 2026/27, 2027/28 and 2028/29 financial years, respectively.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 6 (Repairs and maintenance per asset class)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Repairs and Maintenance by Asset Class** | **187 336** | **206 135** | **233 744** | **236 287** |
| *Roads Infrastructure* | 29 237 | 31 835 | 39 269 | 45 251 |
| *Storm water Infrastructure* | 1 427 | 3 450 | 7 650 | 6 850 |
| *Electrical Infrastructure* | 36 210 | 47 046 | 49 586 | 45 011 |
| *Water Supply Infrastructure* | 47 197 | 52 159 | 60 413 | 58 370 |
| *Sanitation Infrastructure* | 25 771 | 24 543 | 28 473 | 29 532 |
| *Coastal Infrastructure* | 2 743 | 2 893 | 2 893 | 2 893 |
| **Infrastructure** | ***142 585*** | ***161 926*** | ***188 284*** | ***187 907*** |
| Community Facilities | 22 549 | 20 848 | 21 850 | 22 904 |
| Sport and Recreation Facilities | 3 627 | 2 750 | 2 750 | 2 750 |
| **Community Assets** | ***26 176*** | ***23 598*** | ***24 600*** | ***25 654*** |
| Operational Buildings | 2 809 | 4 385 | 4 385 | 4 385 |
| Housing | – | – | – | – |
| **Other Assets** | ***2 809*** | ***4 385*** | ***4 385*** | ***4 385*** |
| Licences and Rights | 96 | 646 | 646 | 646 |
| **Intangible Assets** | ***96*** | ***646*** | ***646*** | ***646*** |
| **Computer Equipment** | **189** | **170** | **170** | **170** |
| **Machinery and Equipment** | **1 256** | **1 316** | **1 316** | **1 316** |
| **Transport Assets** | **14 225** | **14 095** | **14 344** | **16 209** |

For the 2026/27 financial year an amount of R 161,926 million (78.55%) of total repairs and maintenance will be spent on infrastructure assets.

### 1.5.2 Free Basic Services: Indigent Support

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

The cost of the indigent support of the registered indigent households is largely financed by national government through the local government equitable share allocation, received in terms of the annual Division of Revenue Act.

The free basic services, including the property rates rebate for the indigent owners amount to R 75,294 million, R 79,698 million and R 84,502 million for the 2026/27, 2027/28 and 2028/29 financial years, respectively.

## 1.6. CAPITAL EXPENDITURE

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

**Table 7 (2025/26 Medium-term capital budget per vote)**

| Vote Description | Current Year 2025/26 | | 2026/27 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|---|---|---|---|---|---|---|
| R thousand | Adjusted Budget | % | Budget Year 2026/27 | % | Budget Year 2027/28 | % | Budget Year 2028/29 | % |
| Capital expenditure - Vote | | | | | | | | |
| Multi-year expenditure to *be appropriated* | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | 5 | 0,00% | – | | – | | – | |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | 2 660 | 0,82% | 1 500 | 1,86% | – | | – | |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | 1 335 | 0,41% | – | | – | | – | |
| Vote 4 - COMMUNITY SERVICES | 4 890 | 1,52% | 2 390 | 2,96% | 2 390 | 4,55% | 2 390 | 4,52% |
| Vote 5 - CIVIL AND WATER SERVICES | 247 075 | 76,60% | 67 397 | 83,56% | 37 092 | 70,55% | 43 303 | 81,90% |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | 42 935 | 13,31% | 9 374 | 11,62% | 13 096 | 24,91% | 7 180 | 13,58% |
| Vote 7 - PLANNING AND DEVELOPMENT | 23 666 | 7,34% | – | | – | | – | |
| **Total Capital Expenditure - Vote** | **322 565** | **100,00%** | **80 660** | **100,00%** | **52 578** | **100,00%** | **52 873** | **100,00%** |

Civil and Water Services receives the highest allocation of R 67,397 million in 2026/27, which equates to 83.56%, followed by Electro/Mechanical Services at R 9,374 million (11.62%), Community Services at R 2,390 million (2.96%) and Office of the Deputy Municipal Manager at R 1,500 million (1.86%) respectively.

The following graph provides a breakdown of the capital budget over the MTREF.

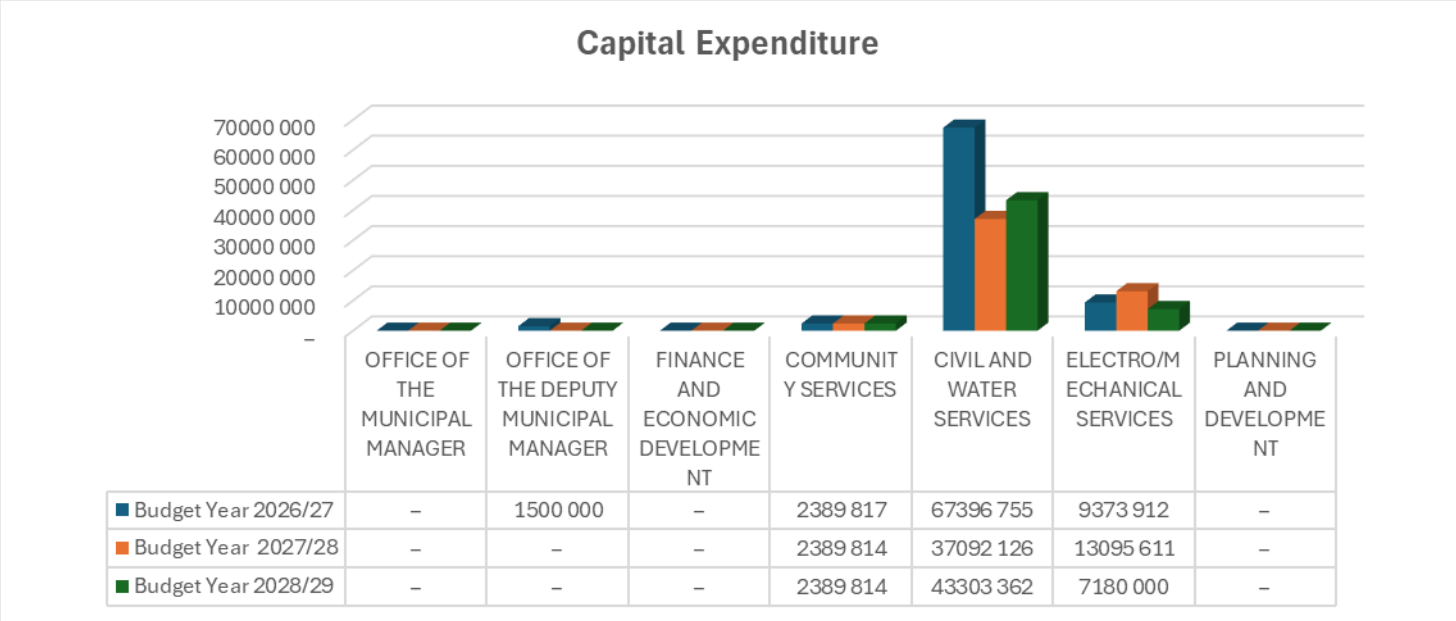



**Figure 2 Capital Expenditure**

## 1.7. ANNUAL BUDGET TABLES

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2026/27 Budget and MTREF to be considered for approval by the Council. Each table is accompanied by *explanatory notes*.

## Table 8 (Table A1 - Budget Summary)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousands | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Financial Performance** | | | | |
| Property rates | 307 899 | 326 717 | 343 053 | 360 206 |
| Service charges | 723 457 | 780 192 | 840 333 | 911 918 |
| Investment revenue | 16 273 | 17 086 | 17 941 | 18 838 |
| Transfer and subsidies - Operational | 214 697 | 222 542 | 230 643 | 236 697 |
| Other own revenue | 199 539 | 205 938 | 216 642 | 228 104 |
| **Total Revenue (excluding capital transfers and contributions)** | 1 461 865 | 1 552 476 | 1 648 612 | 1 755 763 |
| Employee costs | 440 383 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | 16 550 | 15 767 | 19 709 | 24 636 |
| Depreciation and amortisation | 142 422 | 108 376 | 112 885 | 117 574 |
| Interest | 39 542 | 27 357 | 23 196 | 20 458 |
| Inventory consumed and bulk purchases | 553 233 | 587 114 | 646 467 | 705 194 |
| Transfers and subsidies | 950 | 930 | 950 | 970 |
| Other expenditure | 352 092 | 404 072 | 419 845 | 422 523 |
| **Total Expenditure** | 1 545 173 | 1 620 577 | 1 724 783 | 1 819 156 |
| **Surplus/(Deficit)** | (83 308) | (68 101) | (76 171) | (63 394) |
| Transfers and subsidies - capital (monetary allocations) | 125 262 | 78 704 | 60 464 | 60 804 |
| Transfers and subsidies - capital (in-kind) | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | 41 953 | 10 602 | (15 707) | (2 589) |
| Share of surplus/ (deficit) of associate | – | – | – | – |
| **Surplus/(Deficit) for the year** | 41 953 | 10 602 | (15 707) | (2 589) |
| **Capital expenditure & funds sources** | | | | |
| **Capital expenditure** | 322 565 | 80 660 | 52 578 | 52 873 |
| Transfers recognised - capital | 111 403 | 68 438 | 52 578 | 52 873 |
| Borrowing | 153 003 | – | – | – |
| Internally generated funds | 58 159 | 12 223 | – | – |
| **Total sources of capital funds** | 322 565 | 80 660 | 52 578 | 52 873 |
| **Financial position** | | | | |
| Total current assets | 318 531 | 334 758 | 365 002 | 418 511 |
| Total non current assets | 2 592 388 | 2 560 031 | 2 495 381 | 2 426 339 |
| Total current liabilities | 326 018 | 336 462 | 330 709 | 330 709 |
| Total non current liabilities | 473 581 | 424 507 | 411 923 | 405 092 |
| Community wealth/Equity | 2 111 322 | 2 133 819 | 2 117 752 | 2 109 049 |

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousands | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Cash flows** | | | | |
| Net cash from (used) operating | 182 062 | 128 241 | 106 000 | 123 806 |
| Net cash from (used) investing | (318 092) | (80 660) | (52 578) | (52 873) |
| Net cash from (used) financing | 76 010 | (31 566) | (23 178) | (17 424) |
| **Cash/cash equivalents at the year end** | 120 562 | 136 576 | 166 821 | 220 330 |
| **Cash backing/surplus reconciliation** | | | | |
| Cash and investments available | 120 562 | 136 576 | 166 821 | 220 330 |
| Application of cash and investments | 114 447 | 132 069 | 136 069 | 140 069 |
| **Balance - surplus (shortfall)** | 6 115 | 4 507 | 30 752 | 80 261 |
| **Asset management** | | | | |
| Asset register summary (WDV) | 2 592 388 | 2 560 031 | 2 495 381 | 2 426 339 |
| Depreciation | 142 422 | 108 376 | 112 885 | 117 574 |
| Renewal and Upgrading of Existing Assets | 94 083 | 34 991 | 14 997 | 32 065 |
| Repairs and Maintenance | 187 336 | 206 135 | 233 744 | 236 287 |
| **Free services** | | | | |
| Cost of Free Basic Services provided | (65 676) | 69 188 | (73 459) | (77 771) |
| Revenue cost of free services provided | (4 207) | 17 989 | (1 836) | (1 927) |
| **Households below minimum service level** | | | | |
| Water: | – | – | – | – |
| Sanitation/sewerage: | – | – | – | – |
| Energy: | – | – | – | – |
| Refuse: | – | – | – | – |

## Explanatory notes to Table A1 - Budget Summary

The aim of the Budget Summary is to provide a concise overview of the proposed budget from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by the Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

## Table 9 (Table A2 - Budgeted Financial Performance -revenue and expenditure by standard classification)

| Functional Classification Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Revenue - Functional** | | | | |
| ***Governance and administration*** | **576 997** | **602 509** | **631 104** | **656 540** |
| Executive and council | 165 | 174 | 182 | 191 |
| Finance and administration | 576 831 | 602 335 | 630 922 | 656 349 |
| Internal audit | – | – | – | – |
| ***Community and public safety*** | **81 763** | **40 638** | **21 026** | **21 741** |
| Community and social services | 3 464 | 3 485 | 3 508 | 3 532 |
| Sport and recreation | 13 245 | 12 755 | 13 393 | 14 062 |
| Public safety | 1 368 | 1 382 | 1 396 | 1 411 |
| Housing | 61 074 | 20 291 | – | – |
| Health | 2 612 | 2 724 | 2 730 | 2 736 |
| ***Economic and environmental services*** | **58 069** | **43 696** | **43 797** | **45 864** |
| Planning and development | 11 675 | 12 391 | 13 113 | 13 726 |
| Road transport | 23 787 | 12 111 | 10 531 | 10 977 |
| Environmental protection | 22 608 | 19 193 | 20 153 | 21 161 |
| ***Trading services*** | **870 298** | **944 337** | **1 013 149** | **1 092 422** |
| Energy sources | 494 194 | 549 083 | 599 062 | 658 404 |
| Water management | 169 130 | 177 047 | 183 048 | 192 277 |
| Waste water management | 128 457 | 136 290 | 145 032 | 151 438 |
| Waste management | 78 517 | 81 916 | 86 007 | 90 303 |
| ***Other*** | **–** | **–** | **–** | **–** |
| **Total Revenue - Functional** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| | | | | |
| **Expenditure - Functional** | | | | |
| ***Governance and administration*** | **376 867** | **379 252** | **393 009** | **412 184** |
| Executive and council | 60 963 | 49 879 | 54 531 | 60 651 |
| Finance and administration | 312 685 | 325 562 | 334 470 | 347 314 |
| Internal audit | 3 219 | 3 811 | 4 009 | 4 219 |
| ***Community and public safety*** | **119 944** | **129 014** | **134 104** | **139 567** |
| Community and social services | 13 480 | 14 734 | 15 407 | 16 130 |
| Sport and recreation | 62 665 | 69 434 | 71 828 | 74 238 |
| Public safety | 31 428 | 33 627 | 35 300 | 37 245 |
| Housing | 9 446 | 9 226 | 9 547 | 9 924 |
| Health | 2 924 | 1 993 | 2 022 | 2 030 |

| Functional Classification Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| ***Economic and environmental services*** | **251 754** | **252 603** | **267 261** | **279 653** |
| Planning and development | 33 922 | 40 861 | 41 659 | 43 582 |
| Road transport | 198 503 | 192 345 | 205 888 | 215 510 |
| Environmental protection | 19 329 | 19 397 | 19 714 | 20 561 |
| ***Trading services*** | **796 244** | **859 259** | **929 921** | **987 225** |
| Energy sources | 528 425 | 590 489 | 637 583 | 688 871 |
| Water management | 126 271 | 133 960 | 148 040 | 149 846 |
| Waste water management | 80 603 | 69 734 | 77 543 | 79 164 |
| Waste management | 60 945 | 65 076 | 66 756 | 69 344 |
| ***Other*** | **363** | **450** | **486** | **528** |
| **Total Expenditure - Functional** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) for the year** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

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

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

**Table 10 (Table A3 - Budgeted Financial Performance - revenue and expenditure by municipal vote)**

| Vote Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year2027/28 | Budget Year 2028/29 |
| **Revenue by Vote** | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | 1 138 | 1 172 | 1 206 | 1 241 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | 485 848 | 506 821 | 530 650 | 551 078 |
| Vote 4 - COMMUNITY SERVICES | 219 749 | 224 289 | 235 161 | 246 578 |
| Vote 5 - CIVIL AND WATER SERVICES | 315 179 | 318 871 | 331 806 | 347 505 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | 494 372 | 549 275 | 599 270 | 658 633 |
| Vote 7 - PLANNING AND DEVELOPMENT | 70 840 | 30 751 | 10 983 | 11 532 |
| **Total Revenue by Vote** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| | | | | |
| **Expenditure by Vote** ***to be appropriated*** | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | 17 968 | 18 677 | 19 324 | 20 012 |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | 152 894 | 143 290 | 151 556 | 160 920 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | 126 048 | 135 684 | 137 298 | 142 737 |
| Vote 4 - COMMUNITY SERVICES | 331 157 | 350 869 | 363 962 | 379 407 |
| Vote 5 - CIVIL AND WATER SERVICES | 326 236 | 316 755 | 348 581 | 357 747 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | 552 576 | 611 240 | 659 224 | 711 567 |
| Vote 7 - PLANNING AND DEVELOPMENT | 38 295 | 44 062 | 44 837 | 46 766 |
| **Total Expenditure by Vote** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) for the year** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

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

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

## Table 11 (Table A4 - Budgeted Financial Performance - revenue and expenditure)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Revenue** | | | | |
| **Exchange Revenue** | | | | |
| Service charges - Electricity | 473 955 | 518 755 | 564 561 | 621 017 |
| Service charges - Water | 123 885 | 126 386 | 133 969 | 142 007 |
| Service charges - Waste Water Management | 71 792 | 78 477 | 82 400 | 86 520 |
| Service charges - Waste Management | 53 826 | 56 574 | 59 403 | 62 373 |
| Sale of Goods and Rendering of Services | 10 044 | 10 710 | 11 245 | 11 808 |
| Agency services | 4 554 | 4 782 | 5 021 | 5 272 |
| Interest earned from Receivables | 11 618 | 11 337 | 12 085 | 12 908 |
| Interest earned from Current and Non-Current Assets | 16 273 | 17 086 | 17 941 | 18 838 |
| Rental from Fixed Assets | 4 312 | 4 528 | 4 754 | 4 992 |
| Licence and permits | 2 856 | 2 998 | 3 148 | 3 306 |
| Special rating levies | 15 436 | 15 956 | 16 753 | 17 591 |
| Development Charges | – | 4 000 | 4 000 | 4 000 |
| Operational Revenue | 8 122 | 3 066 | 3 152 | 3 244 |
| **Non-Exchange Revenue** | | | | |
| Property rates | 307 899 | 326 717 | 343 053 | 360 206 |
| Surcharges and Taxes | 25 277 | 25 399 | 26 669 | 28 002 |
| Fines, penalties and forfeits | 90 465 | 94 988 | 99 738 | 104 725 |
| Licences or permits | 3 139 | 3 296 | 3 461 | 3 634 |
| Transfer and subsidies - Operational | 214 697 | 222 542 | 230 643 | 236 697 |
| Interest | 4 050 | 3 551 | 3 729 | 3 916 |
| Operational Revenue | 19 666 | 21 327 | 22 887 | 24 707 |
| **Total Revenue (excluding capital transfers and contributions)** | **1 461 865** | **1 552 476** | **1 648 612** | **1 755 763** |
| **Expenditure** | | | | |
| Employee related costs | 440 383 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | 16 550 | 15 767 | 19 709 | 24 636 |
| Bulk purchases - electricity | 440 010 | 484 306 | 527 070 | 579 777 |
| Inventory consumed | 113 224 | 102 809 | 119 397 | 125 417 |
| Debt impairment | 64 219 | 102 023 | 107 670 | 113 815 |
| Depreciation and amortisation | 142 422 | 108 376 | 112 885 | 117 574 |
| Interest | 39 542 | 27 357 | 23 196 | 20 458 |
| Contracted services | 121 287 | 155 497 | 159 297 | 149 236 |
| Transfers and subsidies | 950 | 930 | 950 | 970 |
| Irrecoverable debts written off | 54 197 | 29 394 | 31 409 | 33 741 |
| Operational costs | 97 338 | 101 540 | 105 853 | 110 115 |
| Other Losses | 15 051 | 15 617 | 15 617 | 15 617 |
| **Total Expenditure** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit)** | **(83 308)** | **(68 101)** | **(76 171)** | **(63 394)** |
| Transfers and subsidies - capital (monetary allocations) | 125 262 | 78 704 | 60 464 | 60 804 |
| Transfers and subsidies - capital (in-kind) | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |
| **Surplus/(Deficit) after income tax** | 41 953 | 10 602 | (15 707) | (2 589) |
| **Surplus/(Deficit) attributable to municipality** | 41 953 | 10 602 | (15 707) | (2 589) |
| **Surplus/(Deficit) for the year** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

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

**Revenue**

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

2. Total revenue (excluding capital transfers and contributions) amounts to R 1,552 billion in 2026/27 and increases to R 1,756 billion in 2028/29.This represents a year-on-year increase of 6.2% for the 2026/27 financial year and increases of 6.19% for the 2027/28 financial year and increases of 6.5% for the 2028/29 financial year, respectively.

3. Revenue from property rates amounts to R 326,717 million in the 2026/27 financial year and increases to R 360,206 million in 2028/29, which amounts to 21.04% of the total operating revenue base of the Municipality.

4. Services charges relating to electricity, water, sanitation and refuse collection constitute the biggest component of the total revenue base, amounting to R 780,192 million for the 2026/27 financial year and increasing to R 911,918 million in 2028/29. For the 2026/27 financial year services charges amount to 50.25% of the total revenue base.

5. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It is to be noted that the grants increased by 3.65% for 2026/27, increases by 3.64% for 2027/28 and increased by 2.62% for 2028/29, compared to previous financial years.

   Below a breakdown of property rates and service charges for 2026/27:

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|---|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | % Incr. | Budget Year 2027/28 | % Incr. | Budget Year 2028/29 | % Incr. |
| **Revenue** | | | | | | | |
| **Exchange Revenue** | | | | | | | |
| Service charges - Electricity | 473 955 | 518 755 | 9,45% | 564 561 | 8,83% | 621 017 | 10,00% |
| Service charges - Water | 123 885 | 126 386 | 2,02% | 133 969 | 6,00% | 142 007 | 6,00% |
| Service charges - Waste Water Management | 71 792 | 78 477 | 9,31% | 82 400 | 5,00% | 86 520 | 5,00% |
| Service charges - Waste Management | 53 826 | 56 574 | 5,11% | 59 403 | 5,00% | 62 373 | 5,00% |
| Property rates | 307 899 | 326 717 | 6,11% | 343 053 | 5,00% | 360 206 | 5,00% |
| **Total** | **1 031 356** | **1 106 909** | **7,33%** | **1 183 387** | **6,91%** | **1 272 124** | 7,50% |

## Table 12 (Table A5 - Budgeted Capital Expenditure by vote, standard classification, and funding source)

| Vote Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Capital expenditure - Vote** | | | | |
| **Multi-year expenditure to *be appropriated*** | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | 5 | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | 2 660 | 1 500 | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | 1 335 | – | – | – |
| Vote 4 - COMMUNITY SERVICES | 4 890 | 1 999 | 1 999 | 1 999 |
| Vote 5 - CIVIL AND WATER SERVICES | 247 075 | 67 217 | 37 092 | 43 303 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | 42 935 | 9 374 | 13 096 | 7 180 |
| Vote 7 - PLANNING AND DEVELOPMENT | 23 666 | – | – | – |
| **Capital multi-year expenditure sub-total** | **322 565** | **80 089** | **52 186** | **52 482** |
| | | | | |
| **Single-year expenditure *to be appropriated*** | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | – | – | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | – | – | – | – |
| Vote 4 - COMMUNITY SERVICES | – | 391 | 391 | 391 |
| Vote 5 - CIVIL AND WATER SERVICES | – | 180 | – | – |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | – | – | – | – |
| Vote 7 - PLANNING AND DEVELOPMENT | – | – | – | – |
| **Capital single-year expenditure sub-total** | **–** | **571** | **391** | **391** |
| **Total Capital Expenditure - Vote** | **322 565** | **80 660** | **52 578** | **52 873** |
| | | | | |
| **Capital Expenditure - Functional** | | | | |
| ***Governance and administration*** | **4 911** | **1 500** | **–** | **–** |
| Executive and council | – | – | – | – |
| Finance and administration | 4 906 | 1 500 | – | – |
| Internal audit | 5 | – | – | – |
| ***Community and public safety*** | **21 456** | **2 390** | **2 390** | **2 390** |
| Community and social services | 50 | 1 435 | 1 435 | 1 435 |
| Sport and recreation | – | – | – | – |
| Public safety | 2 390 | 955 | 955 | 955 |
| Housing | 19 016 | – | – | – |
| Health | – | – | – | – |
| ***Economic and environmental services*** | **191 012** | **23 416** | **12 850** | **11 238** |
| Planning and development | 8 276 | 7 987 | 6 887 | 3 741 |
| Road transport | 182 736 | 15 429 | 5 962 | 7 497 |
| Environmental protection | – | – | – | – |
| ***Trading services*** | **105 186** | **53 355** | **37 338** | **39 245** |
| Energy sources | 42 935 | 9 374 | 13 096 | 7 180 |
| Water management | 30 749 | 16 142 | 5 019 | 600 |
| Waste water management | 30 002 | 27 839 | 19 224 | 31 465 |
| Waste management | 1 500 | – | – | – |
| ***Other*** | **–** | **–** | **–** | **–** |
| **Total Capital Expenditure - Functional** | **322 565** | **80 660** | **52 578** | **52 873** |

| Vote Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| Funded by: | | | | |
| National Government | 54 860 | 48 404 | 50 188 | 50 483 |
| Provincial Government | 55 588 | 19 079 | 1 435 | 1 435 |
| District Municipality | 955 | 955 | 955 | 955 |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | – | – | – | – |
| **Transfers recognised - capital** | **111 403** | **68 438** | **52 578** | **52 873** |
| | | | | |
| **Borrowing** | 153 003 | – | – | – |
| **Internally generated funds** | 58 159 | 12 223 | – | – |
| **Total Capital Funding** | **322 565** | **80 660** | **52 578** | **52 873** |

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

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

2. The capital programme is funded by national grants, borrowings and internally generated funds. For 2026/27, capital transfers totals R 68,438 million (84.85%) and amount to R 52,873 million for 2028/29 (100%). Internally generated funds amount to R 12,223 million (15.15%) in the 2026/27 financial year. These funding sources are further discussed in detail in Section 2.6 (Overview of Budget Funding).

## Table 13 (Table A6 - Budgeted Financial Position)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 120 562 | 136 576 | 166 821 | 220 330 |
| Short term Investments | – | – | – | – |
| Trade and other receivables from exchange transactions | 63 211 | 79 549 | 79 589 | 79 631 |
| Receivables from non-exchange transactions | 79 496 | 78 695 | 78 655 | 78 613 |
| Current portion of non-current receivables | – | – | – | – |
| Inventory | 24 610 | 24 825 | 24 825 | 24 825 |
| VAT | 27 507 | 11 967 | 11 967 | 11 967 |
| Other current assets | 3 145 | 3 145 | 3 145 | 3 145 |
| **Total current assets** | **318 531** | **334 758** | **365 002** | **418 511** |
| **Non-current assets** | | | | |
| Investments | – | – | – | – |
| Investment property | 246 427 | 246 427 | 246 427 | 246 427 |
| Property, plant and equipment | 2 345 450 | 2 313 392 | 2 248 743 | 2 179 700 |
| Biological assets | – | – | – | – |
| Living and non-living resources | – | – | – | – |
| Heritage assets | – | – | – | – |
| Intangible assets | 512 | 212 | 212 | 212 |
| Trade and other receivables from exchange transactions | – | – | – | – |
| Non-current receivables from non-exchange transactions | – | – | – | – |
| Other non-current assets | – | – | – | – |
| **Total non-current assets** | **2 592 388** | **2 560 031** | **2 495 381** | **2 426 339** |
| **TOTAL ASSETS** | **2 910 920** | **2 894 788** | **2 860 384** | **2 844 850** |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Bank overdraft | – | – | – | – |
| Financial liabilities | 23 538 | 23 178 | 17 424 | 17 424 |
| Consumer deposits | 34 505 | 34 505 | 34 505 | 34 505 |
| Trade and other payables from exchange transactions | 199 377 | 237 247 | 237 294 | 237 247 |
| Trade and other payables from non-exchange transactions | 0 | – | – | – |
| Provision | 39 509 | 31 256 | 31 256 | 31 256 |
| VAT | 29 089 | 2 344 | 2 297 | 2 344 |
| Other current liabilities | – | 7 933 | 7 933 | 7 933 |
| **Total current liabilities** | **326 018** | **336 462** | **330 709** | **330 709** |
| **Non-current liabilities** | | | | |
| Financial liabilities | 201 401 | 170 195 | 153 131 | 141 820 |
| Provision | 140 339 | 125 734 | 130 214 | 134 694 |
| Long term portion of trade payables | – | – | – | – |
| Other non-current liabilities | 131 841 | 128 578 | 128 578 | 128 578 |
| **Total non-current liabilities** | **473 581** | **424 507** | **411 923** | **405 092** |
| **TOTAL LIABILITIES** | **799 598** | **760 969** | **742 631** | **735 801** |
| **NET ASSETS** | **2 111 322** | **2 133 819** | **2 117 752** | **2 109 049** |
| **COMMUNITY WEALTH/EQUITY** | | | | |
| Accumulated surplus/(deficit) | 2 091 822 | 2 110 319 | 2 090 252 | 2 077 549 |
| Reserves and funds | 19 500 | 23 500 | 27 500 | 31 500 |
| Other | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | **2 111 322** | **2 133 819** | **2 117 752** | **2 109 049** |

**Explanatory notes to Table A6 - Budgeted Financial Position**

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

2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably have an impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

## Table 14 (Table A7 - Budgeted cash flow statement)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Property rates | 296 352 | 313 755 | 329 443 | 345 915 |
| Service charges | 846 520 | 901 563 | 970 422 | 1 052 170 |
| Other revenue | 146 022 | 116 877 | 117 285 | 118 360 |
| Transfers and Subsidies - Operational | 214 845 | 222 542 | 230 643 | 236 697 |
| Transfers and Subsidies - Capital | 104 291 | 78 704 | 60 464 | 60 804 |
| Interest | 16 273 | 17 086 | 17 941 | 18 838 |
| Dividends | – | – | – | – |
| **Payments** | | | | |
| Suppliers and employees | (1 422 023) | (1 495 047) | (1 597 724) | (1 689 634) |
| Interest | (19 267) | (26 308) | (21 523) | (18 375) |
| Transfers and Subsidies | (950) | (930) | (950) | (970) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **182 062** | **128 241** | **106 000** | **123 806** |
| | | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Proceeds on disposal of PPE | – | – | – | – |
| Decrease (increase) in non-current receivables | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – |
| Insurance Refund - Capital | – | – | – | – |
| Interest on Short Term Investment (Greater than 90 days) and Long-Term Investments | – | – | – | – |
| **Payments** | | | | |
| Capital assets | (318 092) | (80 660) | (52 578) | (52 873) |
| Retention (Capital) | – | – | – | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **(318 092)** | **(80 660)** | **(52 578)** | **(52 873)** |
| | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Short term loans | – | – | – | – |
| Borrowing long term/refinancing | 100 000 | – | – | – |
| Increase (decrease) in consumer deposits | – | – | – | – |
| **Payments** | | | | |
| **Repayment of borrowing** | (23 990) | (31 566) | (23 178) | (17 424) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | **76 010** | **(31 566)** | **(23 178)** | **(17 424)** |
| | | | | |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **(60 020)** | **16 014** | **30 245** | **53 509** |
| **Cash/cash equivalents at the year begin:** | 180 582 | **120 562** | **136 576** | **166 821** |
| **Cash/cash equivalents at the year-end:** | **120 562** | **136 576** | **166 821** | **220 330** |

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

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

2. It reflects the expected cash inflows versus cash outflows that are likely to result from the implementation of the budget.

3. The cash position of the Municipality increases over the 2026/27 to 2028/29 period, from R 136,576 million to R 220,330 million.

4. Cash and cash equivalents amount to R 136,576 million as at the end of the 2026/27 financial year and increase to R 220,330 million in 2028/29.

**Table 15 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Cash and investments available** | | | | |
| Cash/cash equivalents at the year end | 120 562 | 136 576 | 166 821 | 220 330 |
| Other current investments > 90 days | – | – | – | – |
| Non-current Investments | – | – | – | – |
| **Cash and investments available:** | **120 562** | **136 576** | **166 821** | **220 330** |
| | | | | |
| **Application of cash and investments** | | | | |
| Trade payables from non-exchange transactions: Unspent conditional Grants | 0 | – | – | – |
| Unspent borrowing | – | – | – | – |
| Statutory requirements | 1 582 | (9 623) | (9 670) | (9 623) |
| Other working capital requirements | 53 856 | 79 003 | 79 050 | 79 003 |
| Other provisions | 39 509 | 39 189 | 39 189 | 39 189 |
| Long term investments committed | – | – | – | – |
| Reserves to be backed by cash/investments | 19 500 | 23 500 | 27 500 | 31 500 |
| **Total Application of cash and investments:** | **114 447** | **132 069** | **136 069** | **140 069** |
| **Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits** | **6 115** | **4 507** | **30 752** | **80 261** |
| **Creditors transferred to Debt Relief - Non-Current portion** | **–** | **–** | **–** | **–** |
| **Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits** | **6 115** | **4 507** | **30 752** | **80 261** |

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. As part of the budgeting and planning guidelines that informed the compilation of the 2026/27 MTREF, the end objective of the medium-term framework was to ensure the budget is funded as required in accordance with section 18 of the MFMA.

4. It is to be noted that the budget moves from a funding surplus of R 4,507 million in 2026/27 to a funding surplus of R 80,261 million in 2028/29.

## Table 16 (Table A9 - Asset Management)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 1 2027/28 | Budget Year 2028/29 |
| **CAPITAL EXPENDITURE** | | | | |
| **Total New Assets** | **228 482** | **45 669** | **37 581** | **20 808** |
| *Roads Infrastructure* | 166 925 | 10 717 | 5 962 | 7 497 |
| *Storm water Infrastructure* | – | – | – | – |
| *Electrical Infrastructure* | 41 317 | 9 374 | 13 096 | 7 180 |
| *Water Supply Infrastructure* | 2 885 | 12 293 | 4 219 | – |
| *Sanitation Infrastructure* | 1 699 | 7 214 | 8 174 | – |
| **Infrastructure** | ***212 826*** | ***39 598*** | ***31 450*** | ***14 677*** |
| Community Facilities | 1 400 | – | – | – |
| **Community Assets** | ***1 400*** | **–** | **–** | **–** |
| Licences and Rights | 300 | – | – | – |
| **Intangible Assets** | ***300*** | **–** | **–** | **–** |
| **Computer Equipment** | **3 738** | **2 543** | **1 043** | **1 043** |
| **Furniture and Office Equipment** | **741** | **571** | **391** | **391** |
| **Machinery and Equipment** | **300** | **470** | **–** | **–** |
| **Transport Assets** | **4 777** | **2 486** | **4 696** | **4 696** |
| **Land** | **4 400** | **–** | **–** | **–** |
| | | | | |
| **Total Renewal of Existing Assets** | **15 927** | **7 448** | **3 488** | **600** |
| *Roads Infrastructure* | – | 160 | – | – |
| *Storm water Infrastructure* | 11 320 | 1 330 | – | – |
| *Electrical Infrastructure* | 1 560 | – | – | – |
| *Water Supply Infrastructure* | 2 785 | 984 | 800 | 600 |
| *Sanitation Infrastructure* | 262 | 4 624 | 2 688 | – |
| **Infrastructure** | ***15 927*** | ***7 098*** | ***3 488*** | ***600*** |
| Operational Buildings | – | 300 | – | – |
| **Other Assets** | **–** | ***300*** | **–** | **–** |
| **Machinery and Equipment** | **–** | **50** | **–** | **–** |
| | | | | |
| **Total Upgrading of Existing Assets** | **78 155** | **27 543** | **11 509** | **31 465** |
| *Roads Infrastructure* | 4 536 | 2 477 | – | – |
| *Electrical Infrastructure* | 58 | – | – | – |
| *Water Supply Infrastructure* | 43 795 | 350 | 3 007 | 6 065 |
| *Sanitation Infrastructure* | 28 040 | 17 990 | 5 356 | 25 400 |
| **Infrastructure** | ***76 429*** | ***20 817*** | ***8 362*** | ***31 465*** |
| Community Facilities | 1 000 | – | – | – |
| Sport and Recreation Facilities | 726 | 6 276 | 3 146 | – |
| **Community Assets** | ***1 726*** | ***6 276*** | ***3 146*** | **–** |
| Operational Buildings | – | 320 | – | – |
| **Other Assets** | **–** | ***320*** | **–** | **–** |
| **Computer Equipment** | **–** | **131** | **–** | **–** |
| | | | | |
| **Total Capital Expenditure** | **322 565** | **80 660** | **52 578** | **52 873** |
| *Roads Infrastructure* | 171 461 | 13 354 | 5 962 | 7 497 |
| *Storm water Infrastructure* | 11 320 | 1 330 | – | – |
| *Electrical Infrastructure* | 42 935 | 9 374 | 13 096 | 7 180 |
| *Water Supply Infrastructure* | 49 465 | 13 626 | 8 025 | 6 665 |
| *Sanitation Infrastructure* | 30 002 | 29 829 | 16 217 | 25 400 |
| **Infrastructure** | ***305 183*** | ***67 513*** | ***43 300*** | ***46 742*** |
| Community Facilities | 2 400 | – | – | – |
| Sport and Recreation Facilities | 726 | 6 276 | 3 146 | – |
| **Community Assets** | ***3 126*** | ***6 276*** | ***3 146*** | **–** |
| Operational Buildings | – | 620 | – | – |

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 1 2027/28 | Budget Year 2028/29 |
| **Other Assets** | **–** | ***620*** | **–** | **–** |
| Licences and Rights | 300 | – | – | – |
| **Intangible Assets** | ***300*** | **–** | **–** | **–** |
| **Computer Equipment** | **3 738** | **2 674** | **1 043** | **1 043** |
| **Furniture and Office Equipment** | **741** | **571** | **391** | **391** |
| **Machinery and Equipment** | **300** | **520** | **–** | **–** |
| **Transport Assets** | **4 777** | **2 486** | **4 696** | **4 696** |
| **Land** | **4 400** | **–** | **–** | **–** |
| **TOTAL CAPITAL EXPENDITURE - Asset class** | **322 565** | **80 660** | **52 578** | **52 873** |
| | | | | |
| **ASSET REGISTER SUMMARY - PPE (WDV)** | 2 592 388 | 2 560 331 | 2 527 739 | 2 523 346 |
| *Roads Infrastructure* | 489 163 | 455 216 | 453 858 | 452 445 |
| *Storm water Infrastructure* | 48 976 | 47 343 | 47 277 | 47 209 |
| *Electrical Infrastructure* | 152 282 | 140 825 | 140 367 | 139 890 |
| *Water Supply Infrastructure* | 362 049 | 345 206 | 344 532 | 343 831 |
| *Sanitation Infrastructure* | 354 505 | 325 404 | 324 240 | 323 029 |
| *Solid Waste Infrastructure* | 3 944 | 1 845 | 1 761 | 1 674 |
| **Infrastructure** | ***1 410 920*** | ***1 315 838*** | ***1 312 035*** | ***1 308 079*** |
| | | | | |
| | | | | |
| **Community Assets** | 96 800 | 94 706 | 94 691 | 94 675 |
| **Investment properties** | 246 427 | 246 427 | 246 427 | 246 427 |
| **Other Assets** | 481 954 | 558 483 | 532 446 | 532 685 |
| **Intangible Assets** | 512 | 512 | 512 | 512 |
| **Computer Equipment** | 7 000 | 9 080 | 7 561 | 7 542 |
| **Furniture and Office Equipment** | 1 466 | (1 627) | (1 954) | (2 106) |
| **Machinery and Equipment** | 6 974 | 6 162 | 5 692 | 5 641 |
| **Transport Assets** | 88 810 | 79 226 | 78 804 | 78 366 |
| **Land** | 251 526 | 251 526 | 251 526 | 251 526 |
| **TOTAL ASSET REGISTER SUMMARY - PPE (WDV)** | **2 592 388** | **2 560 331** | **2 527 739** | **2 523 346** |

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 1 2027/28 | Budget Year 2028/29 |
| **EXPENDITURE OTHER ITEMS** | | | | |
| **Depreciation** | 142 422 | 108 376 | 112 885 | 117 574 |
| **Repairs and Maintenance by Asset Class** | **187 336** | **206 135** | **233 744** | **236 287** |
| *Roads Infrastructure* | 29 237 | 31 835 | 39 269 | 45 251 |
| *Storm water Infrastructure* | 1 427 | 3 450 | 7 650 | 6 850 |
| *Electrical Infrastructure* | 36 210 | 47 046 | 49 586 | 45 011 |
| *Water Supply Infrastructure* | 47 197 | 52 159 | 60 413 | 58 370 |
| *Sanitation Infrastructure* | 25 771 | 24 543 | 28 473 | 29 532 |
| *Coastal Infrastructure* | 2 743 | 2 893 | 2 893 | 2 893 |
| **Infrastructure** | ***142 585*** | ***161 926*** | ***188 284*** | ***187 907*** |
| Community Facilities | 22 549 | 20 848 | 21 850 | 22 904 |
| Sport and Recreation Facilities | 3 627 | 2 750 | 2 750 | 2 750 |
| **Community Assets** | ***26 176*** | ***23 598*** | ***24 600*** | ***25 654*** |
| Operational Buildings | 2 809 | 4 385 | 4 385 | 4 385 |
| **Other Assets** | ***2 809*** | ***4 385*** | ***4 385*** | ***4 385*** |
| Licences and Rights | 96 | 646 | 646 | 646 |
| **Intangible Assets** | ***96*** | ***646*** | ***646*** | ***646*** |
| **Computer Equipment** | **189** | **170** | **170** | **170** |
| **Machinery and Equipment** | **1 256** | **1 316** | **1 316** | **1 316** |
| **Transport Assets** | **14 225** | **14 095** | **14 344** | **16 209** |
| | | | | |
| **TOTAL EXPENDITURE OTHER ITEMS** | **329 758** | **314 512** | **346 629** | **353 861** |
| | | | | |
| ***Renewal and upgrading of Existing Assets as % of total capex*** | *29,2%* | *43,4%* | *28,5%* | *60,6%* |
| ***Renewal and upgrading of Existing Assets as % of deprecn*** | *66,1%* | *32,3%* | *13,3%* | *27,3%* |
| ***R&M as a % of PPE & Investment Property*** | *7,2%* | *8,0%* | *9,2%* | *9,3%* |
| ***Renewal and upgrading and R&M as a % of PPE and Investment Prop*** | *10,9%* | *9,4%* | *9,8%* | *10,6%* |

## Explanatory notes to Table A9 - Asset Management

1. The table provides a summarised version of the capital programme divided into new assets and renewal of existing assets; and reflects the relevant asset categories. The associated repairs and maintenance and depreciation are also reflected. It also provides an indication of the resources deployed for maintaining and renewing existing assets, as well as the extent of asset expansion.

2. National Treasury has suggested that municipalities should allocate at least 40% of their capital budget to the renewal/rehabilitation of existing assets, and allocations to repairs and maintenance should be 8% of PPE. In this regard the expenditure relating to the renewal/rehabilitation of existing assets amounts to 43.4% of the capital budget, whilst repairs and maintenance constitute 8% of PPE.

## Table 17 (Table A10 - Basic Service Delivery Measurement)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Household service targets** | | | | |
| ***Water:*** | | | | |
| Piped water inside dwelling | – | – | – | – |
| Piped water inside yard (but not in dwelling) | – | – | – | – |
| Using public tap (at least min.service level) | – | – | – | – |
| Other water supply (at least min.service level) | – | – | – | – |
| *Minimum Service Level and Above sub-total* | – | – | – | – |
| Using public tap (< min.service level) | – | – | – | – |
| 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** | **–** | **–** | **–** | **–** |

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| ***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** | **–** | **–** | **–** | **–** |
| | | | | |
| **Households receiving Free Basic Service** | | | | |
| Water (6 kilolitres per household per month) | 22 969 668 | 24 629 121 | 26 106 869 | 27 673 281 |
| Sanitation (free minimum level service) | 14 616 538 | 15 410 356 | 16 180 874 | 16 989 917 |
| Electricity/other energy (50kwh per household per month) | 2 243 199 | 10 264 877 | 11 171 265 | 12 288 392 |
| Refuse (removed at least once a week) | 25 846 752 | 23 154 395 | 24 312 115 | 25 527 720 |
| Informal Settlements | – | – | – | – |
| **Cost of Free Basic Services provided - Formal Settlements (R'000)** | | | | |
| Water (6 kilolitres per **indigent** household per month) | (22 970) | 33 420 | (24 629) | (26 107) |
| Sanitation (free sanitation service to **indigent households**) | (14 617) | 22 102 | (15 410) | (16 181) |
| Electricity/other energy (50kwh per **indigent** household per month) | (2 243) | 1 439 | (10 265) | (11 171) |
| Refuse (removed once a week **for indigent households**) | (25 847) | 12 227 | (23 154) | (24 312) |
| **Cost of Free Basic Services provided - Informal Formal Settlements (R'000)** | – | – | – | – |
| **Total cost of FBS provided** | **(65 676)** | **69 188** | **(73 459)** | **(77 771)** |
| | | | | |
| **Highest level of free service provided per household** | | | | |
| Property rates (R value threshold) | 120 000 | 120 000 | 120 000 | 120 000 |
| Water (kilolitres per household per month) | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | – | – | – | – |
| Sanitation (Rand per household per month) | 257 | 275 | 295 | 317 |
| Electricity (kwh per household per month) | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | 20 | 20 | 20 | 20 |
| **Revenue cost of subsidised services provided (R'000)** | | | | |
| 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)** | (4 207) | 17 989 | (1 836) | (1 927) |
| Water **(in excess of 6 kilolitres per indigent household per month)** | – | – | – | – |
| Sanitation **(in excess of free sanitation service to indigent households)** | – | – | – | – |
| Electricity/other energy **(in excess of 50 kwh per indigent household per month)** | – | – | – | – |
| Refuse **(in excess of one removal a week for indigent households)** | – | – | – | – |
| Municipal Housing - rental rebates | – | – | – | – |
| Housing - top structure subsidies | – | – | – | – |
| Other | – | – | – | – |
| **Total revenue cost of subsidised services provided** | **(4 207)** | **17 989** | **(1 836)** | **(1 927)** |

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

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

# PART 2 – SUPPORTING DOCUMENTATION

## 2.1 OVERVIEW OF ANNUAL BUDGET PROCESS

The Budget process started in September 2025 after the approval of a timetable to guide the preparation of the 2026/27 to 2028/29 Operating and Capital Budgets.

The timetable provides broad timeframes for the IDP and Budget preparation process. It allows for consultation with stakeholders, such as the elected public representatives, employees of the Municipality, Civil Society, State departments, business, and labour, during April/May 2026. The main aim of the timetable is to ensure that an IDP and a balanced Budget are tabled in March 2026. The Draft Budget and IDP will be tabled by the Executive Mayor at a Council meeting scheduled for 26 March 2026. After this meeting, it will be submitted to National and Provincial Treasury.

The budget consultation will take the form of series of public meetings in the various wards under the direction and leadership of the Executive Mayor and his Mayoral Committee. The inputs of the consultations will be considered, whilst the Executive Mayor will table the final IDP and Budget for consideration and approval at a Council meeting to be held on 28 May 2026.

The Service Delivery and Budget Implementation Plan is the mechanism that ensures that the IDP and the Budget is aligned.

### 2.1.1 IDP & Budget Timetable 2026/27 to 2028/29

The preparation of the 2026/27 to 2028/29 IDP and Budget were guided by the following schedule of key deadlines as approved by Council on 28 August 2025.

| Activity | Date |
|---|---|
| IDP/Budget Schedule approved by Council | 28 August 2025 |
| Tabling of Draft IDP and Budget in Council | 26 March 2026 |
| Public Participation | During April and May 2026 |
| Final adoption of IDP and Budget by Council | 28 May 2026 |
| Approval of SDBIP by Executive Mayor | 26 June 2026 |

## 2.2 ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

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

The review of the IDP, in accordance with the Municipal Systems Act, was guided and informed by the following principles:

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

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

The 2026/27 to 2028/29 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Municipal transformation and development
- Service delivery and infrastructure development.
- Local economic development
- Financial sustainability and viability
- Good governance and public participation

The budget consultation process will take the form of a series of meetings to be held throughout the municipal area with the elected public representatives, employees of the Municipality, Civil Society, business, labour, National and Provincial Governments on how the budget addresses the IDP priorities and objectives. The feedback flowing from these meetings will be referred to the relevant Directorates for their attention.

## 2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

| Description of financial indicator | Basis of calculation | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|
| | | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Borrowing Management** | | | | | |
| | | | | | |
| Credit Rating | | | | | |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 2.8% | 3,6% | 2,6% | 2,0% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 3.5% | 4.4% | 3.2% | 2,4% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 171,9% | 0,0% | 0,0% | 0,0% |
| **Safety of Capital** | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0,0% | 0,0% | 0,0% | 0,0% |
| **Liquidity** | | | | | |
| Current Ratio | Current assets/current liabilities | 0.98 | 0.99 | 1.10 | 1.27 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.98 | 0.99 | 1.10 | 1.27 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0,37 | 0,41 | 0,50 | 0,67 |
| **Revenue Management** | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | 95% | 95% | 95% | 95% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 95% | 95% | 95% | 95% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 9.97% | 10.19% | 9.60% | 9.01% |
| 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 | | 165,6% | 173,7% | 142,2% | 107,7% |

| Description of financial indicator | Basis of calculation | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|
| | | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Other Indicators** | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical | | | | |
| | Total Volume Losses (kW) non-technical | | | | |
| | Total Cost of Losses (Rand '000) | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | |
| Water Volumes :System input | Bulk Purchase | | | | |
| | Water treatment works | | | | |
| | Natural sources | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ) | | | | |
| | Total Cost of Losses (Rand '000) | | | | |
| | % Volume (units purchased and generated less units sold)/units purchased and generated | | | | |
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 30,1% | 30,7% | 30,4% | 30,1% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 31,3% | 31,7% | 31,6% | 31,5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 12,8% | 13,3% | 14,2% | 13,5% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 12,4% | 8,7% | 8,3% | 7,9% |
| **IDP regulation financial viability indicators** | - | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 28.8 | 23.0 | 37.7 | 42.4 |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | 12,8% | 13.0% | 12.2% | 11.3% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 1,0 | 1,0 | 1,1 | 1,5 |

### 2.3.1 Performance indicators and benchmarks

#### *2.3.1.1 Borrowing Management*

Capital expenditure may be funded from capital grants, internal sources, and long-term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The following financial performance indicators formed part of the compilation of the 2026/27 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing, compared to the total operating expenditure. The cost of borrowing amounts to 3.6% of total operating expenditure over the 2026/27 MTREF.
-

#### *2.3.1.2 Liquidity*

- The c*urrent ratio* is a measure of the current assets divided by the current liabilities. The Municipality has set a benchmark limit of 1. For the 2026/27 MTREF, the current ratio is 0.99 in the 2026/27, 1.10 in the 2027/28 and 1.27 in the 2028/29 financial years.

- *The liquidity ratio* is a measure of the municipality's ability to utilize cash and cash equivalents to meet its current liabilities. A liquidity ratio of 1 should be maintained. For 2026/27 MTREF, the liquidity ratio is at 0,41:1. This represents a significant risk for the Municipality, as any under collection of revenue will result in financial challenges for the Municipality. As part of the medium-term financial planning objectives, this ratio must be maintained at a minimum of 1.

### 2.3.2 Basic social services package for indigent households

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

## 2.4 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Budget and Reporting Regulations require budget-related policies to be reviewed, and where applicable, be updated on an annual basis.

### 2.4.1 Financial Management Policies

Several policies have been adopted by the Council. The policies govern the financial management functions of the Municipality, such as supply chain management, budget virements, credit control and debt collection, etc.

### 2.4.2 Supply Chain Management Policy and Restriction Policy

The Supply Chain Management Policy was reviewed and is submitted to Council on 30 March 2026 for adoption, and the following amendments have been incorporated into the revised SCM Policy:

2.4.2.1. **Alignment with Other Municipal Policies/ Barring Procedures**

- Strengthened linkages between the SCM Policy and the Municipal Restriction Policy to ensure consistency in supplier compliance and enforcement measures.
- Clear provisions for the restriction or blacklisting of suppliers involved in fraud, misrepresentation, poor performance, or non-compliance.

**2..4.2.2. Supplier Registration Requirements**

- Inclusion of mandatory registration requirements for all suppliers conducting business with the Municipality to enhance compliance and database integrity.

2.4.2.3. **Introduction of Panels for Procurement**

- Provision for the establishment and use of pre-approved supplier panels to fast-track procurement processes and improve turnaround times.

2.4.2.4. **Regulatory Corrections**

- Updates made to ensure full alignment with applicable SCM Regulations, MFMA provisions, and National Treasury guidelines.

**2.4.2.5. Specific Goals and Locality Points**

- Amendments to the allocation and application of specific goals, including locality considerations, to promote local economic development.

**2.4.2.6. Strengthening Procurement Processes**

- Implementation changes to improve governance, accountability, and operational efficiency within bid processes.

#### 2.4.2.7. Removal of Redundancies

- Elimination of duplications and unnecessary wording to streamline the policy and improve clarity.

#### 2.4.2.8. Delegation of SCM Powers

- Provision for Council to delegate SCM powers and duties vested in Council to the Municipal Manager, within an approved delegation framework, to allow for administrative efficiency and timely updates.

#### 2.4.2.9. Additional Vetting Measures

- Strengthening of due diligence processes, including enhanced vetting of suppliers to mitigate risks related to fraud and non-performance.

#### 2.4.2.10. Additional Bid Requirements

- Requirement for bidders to submit additional information, including Costed Project Implementation Plans (PIPs), where applicable.

#### 2.4.2.11. SMME Support Measures

- Introduction of accelerated payment terms for SMMEs, specifically within 7 days, to support cash flow and sustainability of small businesses.

### 2.4.3 Property Rates Policy

A revised Property Rates Policy was adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.4 Funding and Reserves Policy

A revised Funding and Reserves Policy was adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.5 Cost Containment Policy

The Cost Containment Policy was reviewed and adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.6 Cash Management and Investment Policy

A revised Cash Management and Investment Policy was adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.7 Borrowing Policy

A revised Borrowing Policy was adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.8 Virement Policy

The following amendment was made to the virement restrictions:

- Virements will be allowed for mSCOA alignment with the segmentations required by the regulations and related Circulars with the approval of the Budget and Treasury Manager and Chief Financial Officer.

### 2.4.9 Budget Implementation and Management Policy

A revised Budget Implementation and Management Policy was adopted by Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.10 Indigent Policy

The indigent Policy has been reviewed, and the following amendments were made:

**Page 7**

**Qualifying Criteria.**

4.3 The qualifying criteria has been increased from 2x state pension to R 7,500 per month.
4.4 the combined income of all occupants in a household threshold to be R 7,500 per month.

**Page 9**
**New:**

4.1.6 Where there are 2 properties in 1 erf with separate municipal services / meters, each property will be accessed separately for indigent application.

**Page 10**
Increased the free Basic electricity from 50 kwt to 75 KWT.

### 2.4.11 Unallocated Revenue and Building Deposit Policy

A revised Unallocated Revenue and Building Deposit Policy was adopted by the Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.12 Tariff Policy

A revised Tariffs Policy was adopted by the Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.13 Asset Management Policy

A revised Asset Management Policy was adopted by the Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.14 Preferential Procurement Policy Framework

A revised Preferential Procurement Policy Framework was adopted by the Council on 29 May 2025 – no amendments to the Policy are proposed.

### 2.4.15 Customer Care, Credit Control and Debt Collection Policy

A revised Customer Care, Credit Control and Debt Collection Policy was adopted by the Council on 26 February 2026 – no amendments to the Policy are proposed.

### 2.4.16 Provision for Doubtful Debts and Write Off of Irrecoverable Debt Policy

The Provision for Doubtful Debts and Write Off of Irrecoverable Debt Policy was revised as follows:

**Page 3**

**IMPAIRMENT OF DEBTORS**

Change in GRAP 104 mainly affecting the methodology in calculating debtors impairment by using the expected credit loss approach.

## 2.5 OVERVIEW OF BUDGET ASSUMPTIONS

The municipal fiscal environment is influenced by a variety of macro-economic control measures. National Treasury provides guidelines on the ceiling of year-on-year increases in the total Operating Budget, whilst the National Electricity Regulator of South Africa (NERSA) regulates bulk electricity tariff increases. The Municipality's employee related costs are also influenced by collective agreements concluded in the South African Local Government Bargaining Council. Various government departments also affect municipal service delivery through the level of grants and subsidies.

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

- The priorities and targets, relating to the key strategic focus areas, as outlined in the IDP.
- The need to enhance the municipality's revenue base.
- The level of property rates and tariff increases to consider the need to address maintenance and infrastructural backlogs, including the expansion of services.
- The level of property rates and tariff increases to ensure the delivery of services on a financially sustainable basis.
- No loan funding is available to support the Capital Budget at this stage.
- No growth in revenue sources has been provided for in view of current consumption trends in municipal services.
- No growth in property rates income has been provided for, in view of the depressed property market.

The Municipality faced the following significant challenges in preparing the 2026/27 – 2028/29 Budget:

- Maintaining an acceptable employee-related cost ratio.
- Increased costs associated with bulk electricity and water purchases, placing upward pressure on municipal tariff increases.

- Allocation of the required budget provision for the rehabilitation and maintenance of infrastructure.
- Maintaining electricity and water losses at acceptable levels.
- Maintaining revenue collection rates at the targeted levels; and
- Maintaining an acceptable cost coverage ratio.

The multi-year budget is therefore underpinned by the following assumptions:

| | 2026/27 | 2027/28 | 2028/29 |
|---|---|---|---|
| **Income** | **%** | **%** | **%** |
| Tariff Increases for water | 6.5 | 6.5 | 6.5 |
| Tariff Increases for sanitation | 5 | 5 | 5 |
| Tariff Increases for refuse | 5 | 5 | 5 |
| Property rates increase | 4.5 | 4.5 | 4.5 |
| Electricity tariff increase (on average) | 9.01 | 8.83 | 10 |
| Environmental Management Fee increase | 5 | 5 | 5 |
| Revenue collection rates (Property Rates and Service Charges) | 95 | 95 | 95 |
| **Expenditure increases allowed** | 3.7 | 3.3 | 3.2 |
| Salary increases | 4.75 | 5.25 | 5.25 |
| Increase in bulk purchase of electricity costs | 9.01 | 8.83 | 10 |
| Increase in bulk purchase of water costs | 6 | 6 | 6 |

## 2.6 OVERVIEW OF BUDGET FUNDING

### 2.6.1 Medium-term outlook: operating revenue

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

**Table 18 (Breakdown of the operating revenue over the medium-term)**

The following graph is a breakdown of the operational revenue per main category for the 2026/27 financial year.

| Description | Current Year 2025/26 | | 2026/27 Medium Term Revenue & Expenditure Framework | | | | | |
|---|---|---|---|---|---|---|---|---|
| R thousand | Adjusted Budget | % | Budget Year 2026/27 | % | Budget Year 2027/28 | % | Budget Year 2028/29 | % |
| **Revenue** | | | | | | | | |
| Property rates | 307 899 | 21,06% | 326 717 | 21,04% | 343 053 | 20,81% | 360 206 | 20,52% |
| Service charges | 723 457 | 49,49% | 780 192 | 50,25% | 840 333 | 50,97% | 911 918 | 51,94% |
| Transfer and subsidies - Operational | 214 697 | 14,69% | 222 542 | 14,33% | 230 643 | 13,99% | 236 697 | 13,48% |
| Other revenue | 215 812 | 14,76% | 223 025 | 14,37% | 234 582 | 14,23% | 246 942 | 14,06% |
| **Total Revenue (excluding capital transfers and contributions)** | **1 461 865** | **100,00%** | **1 552 476** | **100,00%** | **1 648 612** | **100,00%** | **1 755 763** | 100,00% |

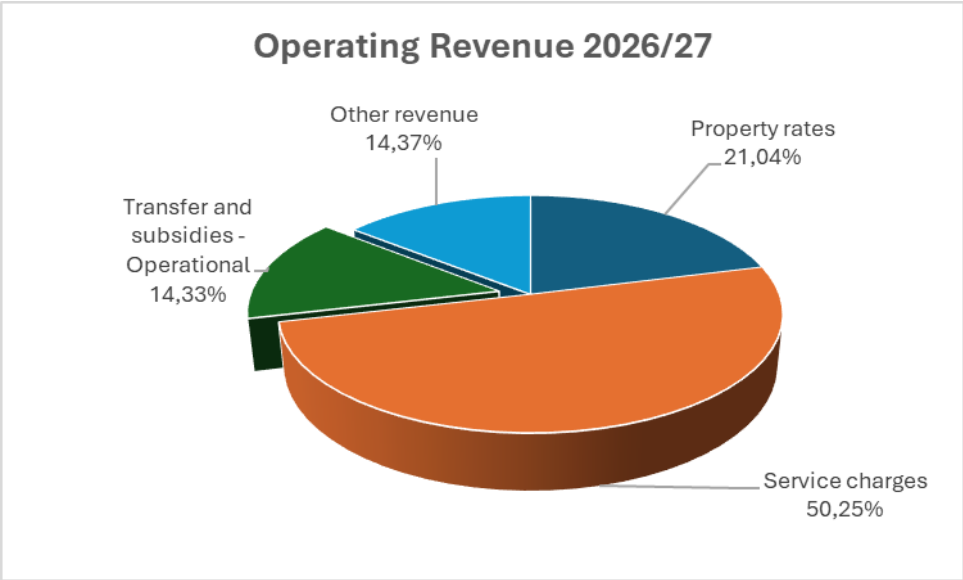



**Figure 3 Breakdown of operating revenue over the 2026/27 MTRE**

Tariff determination is important in ensuring appropriate levels of revenue, to achieve a credible and funded budget. Operating revenue is mainly derived from service charges, such as water, electricity, sanitation and refuse collection and disposal, property rates and operating grants.

The revenue management strategy includes the following key components:

- National Treasury's guidelines in this regard.
- The Property Rates Policy.
- The level of property rates and tariffs increases must ensure financially sustainable service delivery.
- The level of property rates and tariff increases to consider maintenance and replacement of infrastructure, including the expansion of services.
- Determining fully cost reflective tariffs for trading services.
- Electricity bulk tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Water bulk tariff increases as approved by the Nelson Mandela Bay Metropolitan Municipality.
- Efficient revenue management, targeting a 95% annual collection rate for property rates and service charges.
- Growth in the revenue base.

The principles guided the annual increases in property rates and tariffs charged to the consumer.

Property rates amount to R 326,717 million in the 2026/27 financial year and increase to R 360,206 million in 2028/29, representing 21.04% of the total operating revenue for the 2026/27 budget.

Services charges relating to electricity, water, sanitation and refuse collection constitute the largest component of the revenue base, amounting to R 780,192 million in the 2026/27 financial year and increasing to R 911,918 million in 2028/29. For the 2026/27 financial year, services charges amount to 50.25% of the total revenue base.

Operational grants and subsidies amount to R 222,542 million, R 230,643 million and R 236,697 million for each of the respective financial years of the MTREF, or 14.33% of total operating revenue for 2026/27.

The table below provides investment particulars by type.

**Table 19 (SA15 – Detail Investment Information)**

| Investment type | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **R thousand** | | | | |
| **Parent municipality** | | | | |
| Securities - National Government | | | | |
| Listed Corporate Bonds | | | | |
| Deposits - Bank | 120,562 | 136,576 | 166,821 | 220,330 |
| Deposits - Public Investment Commissioners | | | | |
| Deposits - Corporation for Public Deposits | | | | |
| Bankers' Acceptance Certificates | | | | |
| Negotiable Certificates of Deposit - Banks | | | | |
| Guaranteed Endowment Policies (sinking) | | | | |
| Repurchase Agreements - Banks | | | | |
| Municipal Bonds | | | | |
| | | | | |
| **Municipality sub-total** | **120,562** | **136,576** | **166,821** | **220,330** |
| | | | | |
| **Entities** | | | | |
| Securities - National Government | | | | |
| Listed Corporate Bonds | | | | |
| Deposits - Bank | | | | |
| Deposits - Public Investment Commissioners | | | | |
| Deposits - Corporation for Public Deposits | | | | |
| Bankers' Acceptance Certificates | | | | |
| Negotiable Certificates of Deposit - Banks | | | | |
| Guaranteed Endowment Policies (sinking) | | | | |
| Repurchase Agreements - Banks | | | | |
| **Entities sub-total** | – | – | – | – |
| | | | | |
| **Consolidated total:** | **120,562** | **136,576** | **166,821** | **220,330** |

Investments and cash equivalents are anticipated to increase from R 136,576 million in 2026/27 to R 220,330 million in 2028/29.

### 2.6.2 Medium-term outlook: capital revenue

The following table provides a breakdown of the funding components of the 2026/27 medium-term capital programme:

**Table 20 (Sources of capital revenue over the MTREF)**

| Vote Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| Funded by: | | | | |
| National Government | 54 860 | 48 404 | 50 188 | 50 483 |
| Provincial Government | 55 588 | 19 079 | 1 435 | 1 435 |
| District Municipality | 955 | 955 | 955 | 955 |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | – | – | – | – |
| **Transfers recognised - capital** | **111 403** | **68 438** | **52 578** | **52 873** |
| | | | | |
| **Borrowing** | 153 003 | – | – | – |
| **Internally generated funds** | 58 159 | 12 223 | – | – |
| **Total Capital Funding** | **322 565** | **80 660** | **52 578** | **52 873** |

The above table is graphically represented as follows for the 2026/27 financial year.

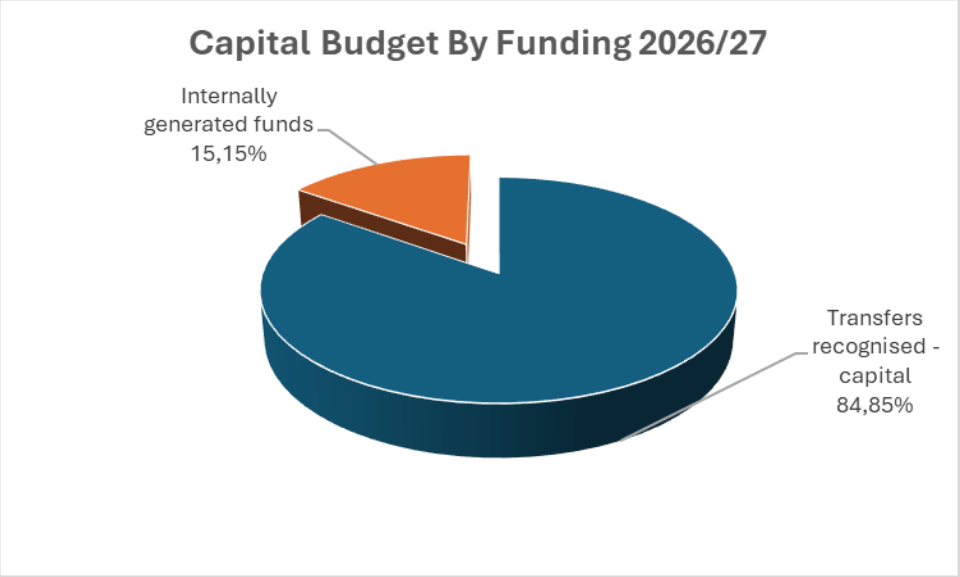



**Figure 4 Sources of Capital Revenue for the 2026/27 financial year**

Capital Grants constitute 84.85% of the total funding sources, amounting to R 68,438 million and internally generated funds constitute 15.15% of the funding sources, amounting to R 12,223 million.

No borrowing has been planned for the 2026/27 MTREF. It must be noted that the municipality took a R 200 million loan with the Development Bank of South Africa for the rehabilitation of roads within the Kouga region. The table below graphically illustrates the debt service cost over MTREF.

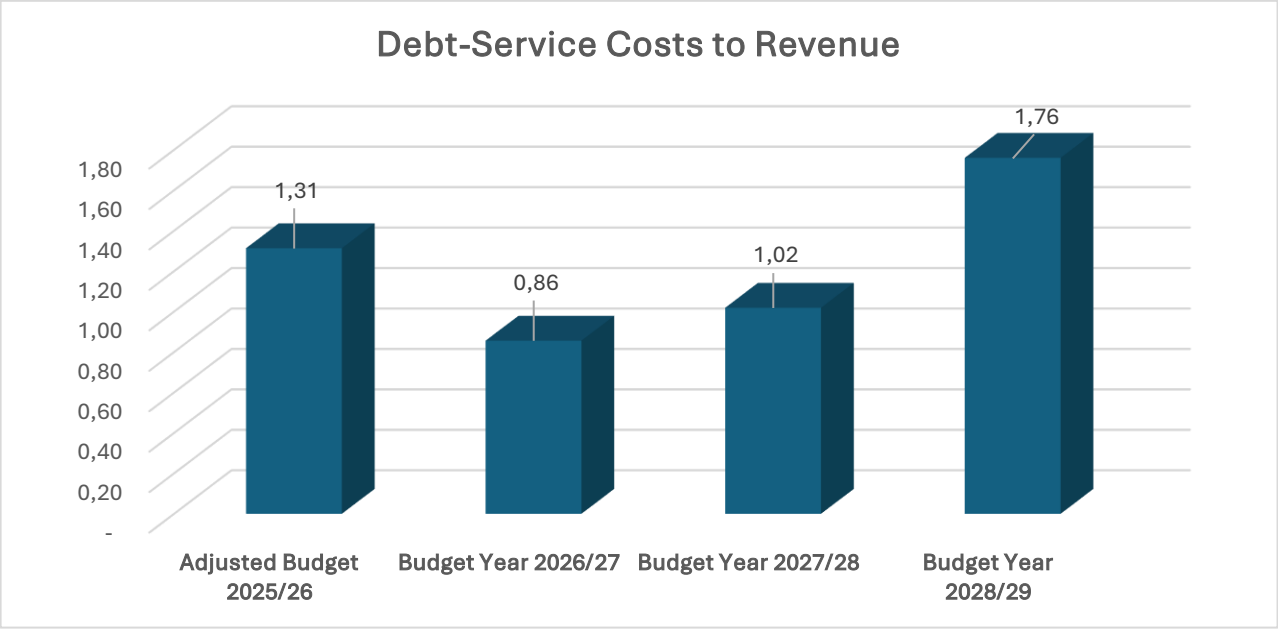



**Figure 5 Debt Service Costs over the 2026/27 MTERF**

The debt service cost calculation methodology used above is the net cash from operating activities, less capital grants over the total debt service cost repayment.

## The following table indicates capital transfers and grant receipts:
### Table 21 (Table SA 18 - Transfers and grant receipts)

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **RECEIPTS:** | | | | |
| - | | | | |
| **Operating Transfers and Grants** | | | | |
| **National Government:** | **209 308** | **218 548** | **226 649** | **232 703** |
| Operational Revenue: General Revenue: Equitable Share | 203 533 | 212 694 | 222 318 | 228 081 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2 081 | 2 006 | – | – |
| Local Government Financial Management Grant [Schedule 5B] | 1 785 | 1 917 | 2 201 | 2 429 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 909 | 1 931 | 2 130 | 2 193 |
| **Provincial Government:** | **3 034** | **1 384** | **1 384** | **1 384** |
| Libraries, Archives and Museums | 3 034 | 1 384 | 1 384 | 1 384 |
| **District Municipality:** | **2 503** | **2 610** | **2 610** | **2 610** |
| *All Grants* | 2 503 | 2 610 | 2 610 | 2 610 |
| **Total Operating Transfers and Grants** | **214 845** | **222 542** | **230 643** | **236 697** |
| | | | | |
| **Capital Transfers and Grants** | | | | |
| **National Government:** | **51 334** | **55 664** | **57 716** | **58 056** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 5 440 | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | 36 265 | 36 688 | 40 472 | 41 674 |
| Water Services Infrastructure Grant [Schedule 5B] | 9 629 | 13 196 | 9 344 | 8 125 |
| **Provincial Government:** | **51 858** | **21 941** | **1 650** | **1 650** |
| Infrastructure | 51 858 | 20 291 | – | – |
| Libraries, Archives and Museums | – | 1 650 | 1 650 | 1 650 |
| **District Municipality:** | **1 098** | **1 098** | **1 098** | **1 098** |
| *Fire Subsidy* | 1 098 | 1 098 | 1 098 | 1 098 |
| **Total Capital Transfers and Grants** | **104 291** | **78 704** | **60 464** | **60 804** |
| | | | | |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | **319 135** | **301 246** | **291 107** | **297 502** |

### 2.6.3 Cash Flow Management

Cash flow management and forecasting are critical steps in determining whether the budget is funded over the medium term. The table includes some specific features:

- Clear separation of receipts and payments within each cash flow category.
- Clear separation of capital and operating receipts from government; and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long-term borrowing (debt).

**Table 22 (Table A7 - Budgeted cash flow statement)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Property rates | 296 352 | 313 755 | 329 443 | 345 915 |
| Service charges | 846 520 | 901 563 | 970 422 | 1 052 170 |
| Other revenue | 146 022 | 116 877 | 117 285 | 118 360 |
| Transfers and Subsidies - Operational | 214 845 | 222 542 | 230 643 | 236 697 |
| Transfers and Subsidies - Capital | 104 291 | 78 704 | 60 464 | 60 804 |
| Interest | 16 273 | 17 086 | 17 941 | 18 838 |
| Dividends | – | – | – | – |
| **Payments** | | | | |
| Suppliers and employees | (1 422 023) | (1 495 047) | (1 597 724) | (1 689 634) |
| Interest | (19 267) | (26 308) | (21 523) | (18 375) |
| Transfers and Subsidies | (950) | (930) | (950) | (970) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **182 062** | **128 241** | **106 000** | **123 806** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Proceeds on disposal of PPE | – | – | – | – |
| Decrease (increase) in non-current receivables | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – |
| Insurance Refund - Capital | – | – | – | – |
| Interest on Short Term Investment (Greater than 90 days) and Long-Term Investments | – | – | – | – |
| **Payments** | | | | |
| Capital assets | (318 092) | (80 660) | (52 578) | (52 873) |
| Retention (Capital) | – | – | – | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | **(318 092)** | **(80 660)** | **(52 578)** | **(52 873)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Short term loans | – | – | – | – |
| Borrowing long term/refinancing | 100 000 | – | – | – |
| Increase (decrease) in consumer deposits | – | – | – | – |
| **Payments** | | | | |
| **Repayment of borrowing** | (23 990) | (31 566) | (23 178) | (17 424) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | **76 010** | **(31 566)** | **(23 178)** | **(17 424)** |
| | | | | |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | **(60 020)** | **16 014** | **30 245** | **53 509** |
| **Cash/cash equivalents at the year begin:** | 180 582 | **120 562** | **136 576** | **166 821** |
| **Cash/cash equivalents at the year-end:** | **120 562** | **136 576** | **166 821** | **220 330** |

For the 2026/27 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R 136,576 million in 2026/27 million to R 220,330 million in 2028/29.

**Table 23 (Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation)**

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Cash and investments available** | | | | |
| Cash/cash equivalents at the year end | 120 562 | 136 576 | 166 821 | 220 330 |
| Other current investments > 90 days | – | – | – | – |
| Non-current Investments | – | – | – | – |
| **Cash and investments available:** | **120 562** | **136 576** | **166 821** | **220 330** |
| | | | | |
| **Application of cash and investments** | | | | |
| Trade payables from non-exchange transactions: Unspent conditional Grants | 0 | – | – | – |
| Unspent borrowing | – | – | – | – |
| Statutory requirements | 1 582 | (9 623) | (9 670) | (9 623) |
| Other working capital requirements | 53 856 | 79 003 | 79 050 | 79 003 |
| Other provisions | 39 509 | 39 189 | 39 189 | 39 189 |
| Long term investments committed | – | – | – | – |
| Reserves to be backed by cash/investments | 19 500 | 23 500 | 27 500 | 31 500 |
| **Total Application of cash and investments:** | **114 447** | **132 069** | **136 069** | **140 069** |
| **Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits** | **6 115** | **4 507** | **30 752** | **80 261** |
| **Creditors transferred to Debt Relief - Non-Current portion** | **–** | **–** | **–** | **–** |
| **Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits** | **6 115** | **4 507** | **30 752** | **80 261** |

The purpose of Table A8 is to reflect the predicted cash and investments that are available at the end of a particular budget year and how these funds were used. A surplus would indicate that sufficient cash and investments were available to meet commitments, whilst a shortfall would indicate inadequate cash and investments were available to meet commitments.

The available cash and investments amount to R 136,576 million in the 2026/27 financial year and increases to R 220,330 million in 2028/29. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) – no unspent grant funding is anticipated over the 2026/27 MTREF.

- The main purpose of the other working capital requirements is to ensure that sufficient funds are available to meet commitments as and when they fall due. A key challenge is often the mismatch between the timing of receipts from debtors and payments due to employees and creditors. High levels of non-payment by debtors will result in a greater requirement for working capital, ultimately causing cash flow challenges.

- The current provision relates to the employee-benefits liability for the pensions, long-service awards and leave which have been provided for.

It is concluded that the Municipality's cash backed, and accumulated surpluses reconciliation reflects surpluses of R 4,507 million, R 30,752 million and R 80,261 million for the 2026/27, 2027/28 and 2028/29 financial years, respectively.

It is to be noted that the 2026/27 MTREF is funded, when considering the funding requirements of section 18 and 19 of the MFMA. The cost coverage ratio is, 1.2 months, 1.4 months, and 1.7 months for the 2026/27, 2027/28 and 2028/29 financial years, respectively.

### 2.6.5 Funding Compliance Measurement

The National Treasury requires the Municipality to assess its financial sustainability against the different measures outlined below.

| Description | MFMA section | Ref | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|
| | | | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Funding measures** | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | 120 562 | 136 576 | 166 821 | 220 330 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 6 115 | 4 507 | 30 752 | 80 261 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 1,0 | 1,0 | 1,1 | 1,5 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 41 953 | 10 602 | (15 707) | (2 589) |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | (9,2%) | 1,3% | 0,9% | 1,5% |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 95,0% | 95,0% | 95,0% | 95,0% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 6,2% | 9,2% | 9,1% | 8,9% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 100,0% | 100,0% | 100,0% | 100,0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 47,4% | 0,0% | 0,0% | 0,0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | 100,0% | 100,0% | 100,0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | 64,9% | 10,9% | 0,0% | 0,0% |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | 0,0% | 0,0% | 0,0% | 0,0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 7,2% | 8,0% | 9,3% | 9,7% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 4,9% | 9,2% | 6,6% | 1,1% |

Below is a discussion of the different measures.

### *2.6.5.1 Cash/cash equivalent position.*

The forecasted cash and cash equivalents for the 2026/27 MTREF amounts to R 136,576 million, R 166,821 million and R 220,330 million for the respective financial years.

### *2.6.5.2 Cash plus investments less application of funds.*

For the 2026/27, 2027/28 and 2028/29 budgets, the available cash and investments exceed the application of funds by an amount of R 4,507 million, R 30,752 million and R 80,261 million, respectively.

### *2.6.5.3 Monthly average payments covered by cash or cash equivalents.*

As part of the 2026/27 MTREF, the projected cash position causes the ratio to increase from 1.0 months to 1.5 months.

### *2.6.5.4 Surplus/deficit excluding depreciation offsets.*

For the 2026/27 MTREF the indicative outcome is a surplus of R 10,602 million, deficit of R 15,707 million and R 2,589 million, respectively. This is made up as follows:

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| | | | | |
| **Surplus/(Deficit)** | **(83 308)** | **(68 101)** | **(76 171)** | **(63 394)** |
| Transfers and subsidies - capital (monetary allocations) | 125 262 | 78 704 | 60 464 | 60 804 |
| **Surplus/(Deficit) after capital transfers & contributions** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective, and therefore the first two measures in the table are critical.

### *2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target*

This is calculated by deducting the maximum macro-economic inflation target (which is currently 3.3%), to determine the real increase in revenue. The percentage growth totals 1.3%, 0.9% and 1.3% for the respective financial years of 2026/27 MTREF.

### *2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue.*

The outcome is approximately 95.0% for the 2026/27 and 95.0% for the 2027/28 and 95.0% for the 2028/29 financial years.

### *2.6.5.7 Debt impairment expense as a percentage of billable revenue*

The provision has been set at 5% for property rates and services, for 2026/27 and 5% for 2027/28 and 5% for the 2028/29 financial years, in line with the revenue collection trends.

#### *2.6.5.8 Capital payments percentage of capital expenditure.*

The purpose of this measure is to determine whether the timing of payments has been considered in forecasting the cash position.

#### *2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants, and contributions)*

No borrowing has been planned for the 2026/27 MTREF.

#### *2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available*

The purpose of this measure is mainly to ensure that all available transfers from national and provincial government have been budgeted for. All transfers are included in the budget.

#### *2.6.5.11 Repairs and maintenance expenditure level*

The expenditure constitutes 8.0%, 9.3% and 9.7% of Property, Plant and Equipment respectively, over the 2026/27 MTREF, whilst National Treasury has suggested an 8% level

## 2.7 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

## GRANTS RECEIVED

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **RECEIPTS:** | | | | |
| | | | | |
| **Operating Transfers and Grants** | | | | |
| **National Government:** | **209 308** | **218 548** | **226 649** | **232 703** |
| Operational Revenue: General Revenue: Equitable Share | 203 533 | 212 694 | 222 318 | 228 081 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2 081 | 2 006 | – | – |
| Local Government Financial Management Grant [Schedule 5B] | 1 785 | 1 917 | 2 201 | 2 429 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 909 | 1 931 | 2 130 | 2 193 |
| **Provincial Government:** | **3 034** | **1 384** | **1 384** | **1 384** |
| Libraries, Archives and Museums | 3 034 | 1 384 | 1 384 | 1 384 |
| **District Municipality:** | **2 503** | **2 610** | **2 610** | **2 610** |
| *All Grants* | 2 503 | 2 610 | 2 610 | 2 610 |
| **Total Operating Transfers and Grants** | **214 845** | **222 542** | **230 643** | **236 697** |
| | | | | |
| **Capital Transfers and Grants** | | | | |
| **National Government:** | **51 334** | **55 664** | **57 716** | **58 056** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 5 440 | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | 36 265 | 36 688 | 40 472 | 41 674 |
| Water Services Infrastructure Grant [Schedule 5B] | 9 629 | 13 196 | 9 344 | 8 125 |
| **Provincial Government:** | **51 858** | **21 941** | **1 650** | **1 650** |
| Infrastructure | 51 858 | 20 291 | – | – |
| Libraries, Archives and Museums | – | 1 650 | 1 650 | 1 650 |
| **District Municipality:** | **1 098** | **1 098** | **1 098** | **1 098** |
| *Fire Subsidy* | 1 098 | 1 098 | 1 098 | 1 098 |
| **Total Capital Transfers and Grants** | **104 291** | **78 704** | **60 464** | **60 804** |
| | | | | |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | **319 135** | **301 246** | **291 107** | **297 502** |

## GRANTS EXPENDITURE

## GRANTS RECONCILIATION

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **EXPENDITURE:** | | | | |
| | | | | |
| **Operating expenditure of Transfers and Grants** | | | | |
| **National Government:** | **209 308** | **218 548** | **226 649** | **232 703** |
| Operational Revenue: General Revenue: Equitable Share | 203 533 | 212 694 | 222 318 | 228 081 |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | 2 081 | 2 006 | – | – |
| Local Government Financial Management Grant [Schedule 5B] | 1 785 | 1 917 | 2 201 | 2 429 |
| Municipal Infrastructure Grant [Schedule 5B] | 1 909 | 1 931 | 2 130 | 2 193 |
| **Provincial Government:** | **3 034** | **1 384** | **1 384** | **1 384** |
| Libraries, Archives and Museums | 3 034 | 1 384 | 1 384 | 1 384 |
| **District Municipality:** | **2 503** | **2 610** | **2 610** | **2 610** |
| *All Grants* | 2 503 | 2 610 | 2 610 | 2 610 |
| **Total Operating Transfers and Grants** | **214 845** | **222 542** | **230 643** | **236 697** |
| | | | | |
| **Capital Transfers and Grants** | | | | |
| **National Government:** | **51 334** | **55 664** | **57 716** | **58 056** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 5 440 | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | 36 265 | 36 688 | 40 472 | 41 674 |
| Water Services Infrastructure Grant [Schedule 5B] | 9 629 | 13 196 | 9 344 | 8 125 |
| **Provincial Government:** | **51 858** | **21 941** | **1 650** | **1 650** |
| Infrastructure | 51 858 | 20 291 | – | – |
| Libraries, Archives and Museums | – | 1 650 | 1 650 | 1 650 |
| **District Municipality:** | **1 098** | **1 098** | **1 098** | **1 098** |
| *Fire Subsidy* | 1 098 | 1 098 | 1 098 | 1 098 |
| **Total Capital expenditure of Transfers and Grants** | **104 291** | **78 704** | **60 464** | **60 804** |
| | | | | |
| **TOTAL EXPENDITURE OF TRANSFERS & GRANTS** | **319 135** | **301 246** | **291 107** | **297 502** |

## 2.8 ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

The table below reflects the grants and allocations made by the Municipality. It includes grants-in-aid made in accordance with the Municipality's grants-in-aid policy and transfers to entities and other organisations to primarily support their operational expenditure.

### ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

| Description | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Cash Transfers to Entities/Other External Mechanisms** | | | | |
| *Various Organisations* | *950* | *930* | *950* | *970* |
| **Total Cash Transfers to Entities/Ems'** | ***950*** | ***930*** | ***950*** | ***970*** |
| **TOTAL CASH TRANSFERS AND GRANTS** | ***950*** | ***930*** | ***950*** | ***970*** |
| **TOTAL TRANSFERS AND GRANTS** | ***950*** | ***930*** | ***950*** | ***970*** |

## 2.9 COUNCILLORS AND EMPLOYEE BENEFITS

## DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS

| Summary of Employee and Councillor remuneration | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| - | | | | |
| **Councillors (Political Office Bearers plus Other)** | | | | |
| **Allowances and Service-Related Benefits** | | | | |
| Basic Salary | 10 761 | 10 729 | 13 411 | 16 764 |
| Cell phone Allowance | 1 637 | 1 462 | 1 828 | 2 285 |
| Motor Vehicle Allowance | 4 153 | 3 576 | 4 470 | 5 588 |
| **Total Allowances and Service-Related Benefits** | **16 550** | **15 767** | **19 709** | **24 636** |
| **Total Councillors** | **16 550** | **15 767** | **19 709** | **24 636** |
| **Senior Managers of the Municipality** | | | | |
| **Salaries and Allowances** | | | | |
| Basic Salary | 10 393 | 10 283 | 10 823 | 11 391 |
| Bonuses | 472 | 1 082 | 1 139 | 1 198 |
| Cellular and Telephone | 96 | 96 | 101 | 106 |
| Travel or Motor Vehicle | 1 085 | 1 080 | 1 137 | 1 196 |
| **Total Allowance** | **1 181** | **1 176** | **1 238** | **1 303** |
| **Service-Related Benefits** | | | | |
| Acting | 27 | 84 | 88 | 93 |
| **Total Service-Related Benefits** | **27** | **84** | **88** | **93** |
| **Total Salaries and Allowances** | **12 073** | **12 625** | **13 287** | **13 985** |
| **Social Contributions** | | | | |
| Bargaining Council | 1 | 1 | 1 | 1 |
| Unemployment Insurance | 13 | 13 | 13 | 14 |
| **Total Social Contributions** | **14** | **14** | **15** | **15** |
| **Sub Total - Senior Managers of Municipality** | **12 087** | **12 638** | **13 302** | **14 000** |

| Summary of Employee and Councillor remuneration | Current Year 2025/26 | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|
| R thousand | Adjusted Budget | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Other Municipal Staff** | | | | |
| **Salaries and Allowances** | | | | |
| Basic Salary | 268 337 | 305 281 | 321 313 | 338 188 |
| Bonuses | 1 010 | 1 573 | 1 656 | 1 743 |
| **Allowance** | | | | |
| Cellular and Telephone | 120 | 114 | 120 | 127 |
| Housing Benefits | 865 | 884 | 930 | 979 |
| Travel or Motor Vehicle | 12 181 | 12 171 | 12 810 | 13 484 |
| **Total Allowance** | **13 166** | **13 169** | **13 861** | **14 590** |
| **Service Related Benefits** | | | | |
| Acting | 3 284 | 2 652 | 2 792 | 2 938 |
| Bonus | 19 160 | 20 775 | 21 866 | 23 014 |
| Long Service Award | 2 002 | 3 650 | 3 841 | 4 042 |
| Overtime | 28 771 | 14 971 | 15 754 | 16 579 |
| Scarcity | 137 | – | – | – |
| Standby Allowance | 10 802 | 10 729 | 11 292 | 11 885 |
| **Total Service Related Benefits** | **64 156** | **52 777** | **55 545** | **58 458** |
| **Total Salaries and Allowances** | **346 669** | **372 800** | **392 375** | **412 978** |
| **Social Contributions** | | | | |
| Bargaining Council | 136 | 175 | 184 | 194 |
| Group Life Insurance | 15 161 | 14 700 | 15 471 | 16 284 |
| Medical | 20 946 | 21 977 | 23 131 | 24 345 |
| Pension | 43 299 | 46 979 | 49 445 | 52 041 |
| Unemployment Insurance | 2 084 | 2 475 | 2 605 | 2 742 |
| **Total Social Contributions** | **81 627** | **86 306** | **90 837** | **95 606** |
| **Post-retirement Benefit** | | | | |
| Medical | – | 5 216 | 5 216 | 5 216 |
| **Total Post-retirement Benefit** | **-** | **5 216** | **5 216** | **5 216** |
| **Sub Total - Other Municipal Staff** | **428 296** | **464 322** | **488 428** | **513 800** |
| **Total Parent Municipality** | **456 933** | **492 728** | **521 439** | **552 437** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | **456 933** | **492 728** | **521 439** | **552 437** |
| **TOTAL MANAGERS AND STAFF** | **440 383** | **476 961** | **501 730** | **527 801** |

## 2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND 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 |
| **Cash Receipts By Source** | | | | | | | | | | | | | |
| Property rates | 37 432 | 17 698 | 19 166 | 18 954 | 50 584 | 50 605 | 19 272 | 19 915 | 19 600 | 20 779 | 19 501 | 20 249 | 313 755 |
| Service charges - electricity revenue | 59 745 | 40 406 | 59 367 | 45 607 | 48 585 | 101 647 | 21 282 | 42 147 | 45 097 | 48 362 | 48 640 | 19 409 | 580 294 |
| Service charges - water revenue | 14 827 | 5 716 | 12 383 | 13 275 | 11 018 | 12 023 | 17 585 | 11 899 | 15 038 | 16 160 | 15 135 | 5 439 | 150 498 |
| Service charges - sanitation revenue | 8 805 | 7 384 | 7 014 | 6 912 | 7 182 | 6 873 | 8 116 | 7 157 | 9 291 | 7 793 | 9 694 | 4 920 | 91 140 |
| Service charges - refuse revenue | 8 368 | 6 479 | 6 568 | 6 484 | 6 495 | 6 465 | 6 482 | 6 465 | 6 462 | 6 478 | 6 460 | 6 425 | 79 630 |
| Rental of facilities and equipment | 287 | 245 | 245 | 305 | 283 | 1 015 | 840 | 392 | 517 | 436 | 370 | 270 | 5 207 |
| Interest earned - external investments | 421 | 504 | 686 | 652 | 914 | 639 | 2 891 | 1 268 | 1 845 | 2 717 | 2 422 | 2 126 | 17 086 |
| Interest earned - outstanding debtors | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Dividends received | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 563 | 679 | 772 | 638 | 2 721 | 3 604 | 2 511 | 496 | 3 622 | 2 075 | 3 299 | 1 380 | 22 359 |
| Licences and permits | 4 684 | 2 673 | 1 862 | 2 003 | 1 835 | 1 462 | 3 741 | 2 245 | 1 265 | 826 | 1 391 | 1 101 | 25 089 |
| Agency services | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 607 | 4 782 |
| Transfers and Subsidies - Operational | 90 111 | 2 418 | | 2 254 | 1 419 | 71 196 | 870 | 602 | 53 671 | | | (0) | 222 542 |
| Other revenue | 2 904 | 7 648 | 1 697 | 4 468 | 7 572 | 3 674 | 3 509 | 5 316 | 4 437 | 2 311 | 1 399 | 14 504 | 59 440 |
| **Cash Receipts by Source** | **228 527** | **92 230** | **110 141** | **101 932** | **138 988** | **259 582** | **87 478** | **98 283** | **161 225** | **108 316** | **108 690** | **76 431** | **1 571 823** |
| | | | | | | | | | | | | | |
| **Other Cash Flows by Source** | | | | | | | | | | | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 23 574 | 2 601 | | 6 584 | 9 817 | 15 413 | 6 764 | 2 601 | 10 252 | 1 098 | | 0 | 78 704 |
| **Total Cash Receipts by Source** | **252 101** | **94 831** | **110 141** | **108 516** | **148 805** | **274 995** | **94 241** | **100 884** | **171 477** | **109 414** | **108 690** | **76 431** | **1 650 526** |

| 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 |
| **Cash Payments by Type** | | | | | | | | | | | | | |
| Employee related costs | (38 140) | (38 140) | (38 140) | (38 140) | (61 570) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (481 115) |
| Remuneration of councillors | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (15 767) |
| Finance charges | (248) | (248) | (5 224) | (248) | (248) | (5 224) | (248) | (248) | (5 224) | (248) | (248) | (8 656) | (26 308) |
| Bulk purchases – Electricity | (63 114) | (62 949) | (52 362) | (41 575) | (40 824) | (40 783) | (43 092) | (40 839) | (37 094) | (40 221) | (37 932) | (56 168) | (556 952) |
| Bulk purchases - Water & Sewer | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other materials | (4 374) | (16 408) | (3 708) | (27 216) | (6 735) | (7 088) | (3 677) | (14 215) | (11 622) | (9 900) | (10 257) | (7 388) | (122 588) |
| Contracted services | (2 659) | (6 613) | (10 218) | (15 374) | (15 926) | (14 398) | (9 235) | (11 540) | (12 530) | (19 198) | (22 273) | (33 665) | (173 629) |
| Transfers and grants - other municipalities | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and grants – other | | | | | (400) | | | (530) | | | | – | (930) |
| Other expenditure | (4 974) | (8 428) | (21 303) | (7 731) | (13 570) | (10 545) | (9 495) | (8 597) | (12 129) | (10 066) | (12 285) | (25 873) | (144 996) |
| **Cash Payments by Type** | **(114 822)** | **(134 100)** | **(132 270)** | **(131 597)** | **(140 586)** | **(117 493)** | **(105 202)** | **(115 422)** | **(118 054)** | **(119 086)** | **(122 449)** | **(171 204)** | **(1 522 285)** |
| | | | | | | | | | | | | | |
| **Other Cash Flows/Payments by Type** | | | | | | | | | | | | | |
| Capital assets | (406) | (10 060) | (2 151) | (8 683) | (5 756) | (8 721) | (1 551) | (12 608) | (7 342) | (13 415) | (4 488) | (5 480) | (80 660) |
| Retention (Capital) | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Repayment of borrowing | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (31 566) |
| **Total Cash Payments by Type** | **(116 407)** | **(145 338)** | **(139 956)** | **(141 458)** | **(147 520)** | **(131 748)** | **(107 932)** | **(129 208)** | **(130 931)** | **(133 680)** | **(128 115)** | **(182 218)** | **(1 634 512)** |
| | | | | | | | | | | | | | |
| **NET INCREASE/(DECREASE) IN CASH HELD** | **135 694** | **(50 507)** | **(29 814)** | **(32 942)** | **1 285** | **143 248** | **(13 690)** | **(28 325)** | **40 546** | **(24 266)** | **(19 426)** | **(105 786)** | **16 014** |
| Cash/cash equivalents at the month/year begin: | 120 562 | 256 256 | 205 749 | 175 934 | 142 992 | 144 277 | 287 524 | 273 834 | 245 509 | 286 055 | 261 788 | 242 363 | 120 562 |
| Cash/cash equivalents at the month/year end: | 256 256 | 205 749 | 175 934 | 142 992 | 144 277 | 287 524 | 273 834 | 245 509 | 286 055 | 261 788 | 242 363 | 136 576 | 136 576 |

| MONTHLY CASH FLOWS | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|
| R thousand | Budget Year 2026/27 | Budget Year 2027/28 | Budget Year 2028/29 |
| **Cash Receipts By Source** | | | |
| Property rates | 313 755 | 329 443 | 345 915 |
| Service charges - electricity revenue | 580 294 | 631 534 | 694 688 |
| Service charges - water revenue | 150 498 | 159 579 | 169 208 |
| Service charges - sanitation revenue | 91 140 | 95 697 | 100 482 |
| Service charges - refuse revenue | 79 630 | 83 612 | 87 792 |
| | – | – | – |
| Rental of facilities and equipment | 5 207 | 5 467 | 5 741 |
| Interest earned - external investments | 17 086 | 17 941 | 18 838 |
| Interest earned - outstanding debtors | – | – | – |
| Dividends received | – | – | – |
| Fines, penalties and forfeits | 22 359 | 23 477 | 24 651 |
| Licences and permits | 25 089 | 25 450 | 25 830 |
| Agency services | 4 782 | 5 021 | 5 272 |
| Transfers and Subsidies - Operational | 222 542 | 230 643 | 236 697 |
| Other revenue | 59 440 | 57 869 | 56 866 |
| **Cash Receipts by Source** | **1 571 823** | **1 665 734** | **1 771 981** |
| | | | |
| **Other Cash Flows by Source** | | | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 78 704 | 60 464 | 60 804 |
| **Total Cash Receipts by Source** | **1 650 526** | **1 726 198** | **1 832 785** |
| | | | |
| **Cash Payments by Type** | | | |
| Employee related costs | (481 115) | (506 114) | (532 425) |
| Remuneration of councillors | (15 767) | (19 709) | (24 636) |
| Finance charges | (26 308) | (21 523) | (18 375) |
| Bulk purchases - Electricity | (556 952) | (606 130) | (666 743) |
| Bulk purchases - Water & Sewer | – | – | – |
| Other materials | (122 588) | (141 484) | (148 227) |
| Contracted services | (173 629) | (178 248) | (166 613) |
| Transfers and grants - other municipalities | – | – | – |
| Transfers and grants - other | (930) | (950) | (970) |
| Other expenditure | (144 996) | (146 039) | (150 989) |
| **Cash Payments by Type** | **(1 522 285)** | **(1 620 198)** | **(1 708 979)** |
| | | | |
| **Other Cash Flows/Payments by Type** | | | |
| Capital assets | (80 660) | (52 578) | (52 873) |
| Retention (Capital) | – | – | – |
| Repayment of borrowing | (31 566) | (23 178) | (17 424) |
| Other Cash Flows/Payments | – | – | – |
| **Total Cash Payments by Type** | **(1 634 512)** | **(1 695 953)** | **(1 779 276)** |
| | | | |
| **NET INCREASE/(DECREASE) IN CASH HELD** | **16 014** | **30 245** | **53 509** |
| Cash/cash equivalents at the month/year begin: | 120 562 | 136 576 | 166 821 |
| Cash/cash equivalents at the month/year end: | 136 576 | 166 821 | 220 330 |

## 2.11 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS –DIRECTORATES

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

(a) Monthly projections for

- Revenue to be collected, by source; and
- Operational and capital expenditure, by vote.

(b) Service delivery targets and performance indicators for each quarter.

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

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

The SDBIP relating to the 2026/27 financial year will be approved by the Executive Mayor during July 2026, following the approval of the Budget.

## 2.12 LEGISLATION COMPLIANCE STATUS

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

IDP

A revised 2026/27 IDP has been developed, which will be considered at a Council meeting to be held on 26 March 2026. The IDP includes specific deliverables that form the basis for the Budget and SDBIP. The final version of the revised 2026/27 IDP will be considered at a Council meeting scheduled for 28 May 2026.

Budget

The draft annual budget document has been developed taking the MFMA and National Treasury (NT) requirements into account. Budgets are being tabled and approved within the required legislated timeframes.

Annual Report

The Annual Report has been developed taking the MFMA and NT requirements into account. The 2024/25 Annual Report will be considered at a Council meeting scheduled for 30 March 2026.

Oversight Report

The Municipal Public Accounts Committee has considered the 2024/25 Annual report. Its Oversight Report will be considered at a Council meeting scheduled for 30 March 2026.

In-Year Reporting

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

Supply Chain Management Policy (SCM)

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

All the required committee structures are in place. Whilst the municipality is working on making these new processes operate more efficiently and effectively, it is considered that the municipality is currently complying with the MFMA and NT guidelines.

Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

Audit Committee

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

Internal Audit Function

The Municipality's Internal Audit Function reports to the Municipal Manager and is operating in accordance with an audit plan.

In relation to the 2026/27 financial year and beyond, the municipality plans to focus on the following high priority areas:

- Maintaining its unqualified audit with no findings (Clean Audit Status).
- Further strengthening of the integration and linkages between the IDP, Budget, SDBIP and Annual Report.

Internship Programme

The municipality has a total of four Interns on the Municipal Financial Management Internship programme and is in the process of appointing the fifth intern before the end of May 2026 as required by the National Treasury.

Municipal Standard Chart of Accounts (mSCOA)

In accordance with the Municipal Regulations relating to mSCOA, municipalities were required to be compliant with the mSCOA classification framework by 1 July 2017. It is to be noted that the Municipality has been transacting on the mSCOA compliant financial system since July 2017.

## 2.13 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr. Charl du Plessis, Municipal Manager of Kouga Municipality, hereby certify that the Draft Annual Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Draft Annual Budget and Supporting Documents are consistent with the Integrated Development Plan of the Municipality.

Print Name : Charl Du Plessis

Municipal Manager of Kouga Local Municipality (EC108)

Signature……  …….

Date:……24 March 2026……

# ANNEXURE “B”

# Municipal annual budgets and MTREF & supporting tables

mSCOA Version 7.1

Click for Instructions!

Accountability

Transparency

Information & service delivery

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Kgomotso Baloyi
National Treasury
Tel: (012) 315-5866
Electronic submissions:
LG Upload Portal

## Preparation Instructions

| | |
|---|---|
| Municipality Name: | EC108 Kouga |
| CFO Name: | Riaaz Naziem Lorgat |
| Tel: | 042 200 2045 |
| Fax: | 0 |
| E-Mail: | rlorgat@kouga.gov.za |
| Budget for MTREF starting: | 2026 |
| Budget Year: | 2026/27 |
| Does this municipality have Entities? | No |
| If YES: Identify type of report: | Consolidated Informati |

LGDB Export

Name Votes & Sub-Votes

### Printing Instructions

**Showing / Hiding Columns**

Hide Pre-audit columns on all

Hide Reference columns on all

**Showing / Clearing Highlights**

Clear Highlights on all sheets

### Important documents which provide essential assistance

| | |
|---|---|
| MFMA Budget Circulars | Click to view |
| MBRR Budget Formats Guide | Click to view |
| Dummy Budget Guide | Click to view |
| Funding Compliance Guide | Click to view |
| MFMA Return Forms | Click to view |

| Organisational Structure Votes | Complete Votes & Sub-Votes | | Select Org. Structure |
|---|---|---|---|
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | Vote 1 | OFFICE OF THE MUNICIPAL MANAGER | |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGE | 1,1 | Municipal Manager | 1.1 - Municipal Manager |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | 1,2 | Performance Management | 1.2 - Performance Management |
| Vote 4 - COMMUNITY SERVICES | 1,3 | Integrated Development | 1.3 - Integrated Development |
| Vote 5 - CIVIL AND WATER SERVICES | 1,4 | Risk and Internal Audit | 1.4 - Risk and Internal Audit |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | 1,5 | [Name of sub-vote] | |
| Vote 7 - PLANNING AND DEVELOPMENT | 1,6 | [Name of sub-vote] | |
| Vote 8 - [NAME OF VOTE 8] | 1,7 | [Name of sub-vote] | |
| Vote 9 - [NAME OF VOTE 9] | 1,8 | [Name of sub-vote] | |
| Vote 10 - [NAME OF VOTE 10] | 1,9 | [Name of sub-vote] | |
| Vote 11 - [NAME OF VOTE 11] | 1.10 | [Name of sub-vote] | |
| Vote 12 - [NAME OF VOTE 12] | Vote 2 | OFFICE OF THE DEPUTY MUNICIPAL MANAGER | |
| Vote 13 - [NAME OF VOTE 13] | 2,1 | Deputy Municipal Manager | 2.1 - Deputy Municipal Manager |
| Vote 14 - [NAME OF VOTE 14] | 2,2 | Executive Council | 2.2 - Executive Council |
| Vote 15 - [NAME OF VOTE 15] | 2,3 | Administrative Office Of The Executive Mayor / Speaker | 2.3 - Administrative Office Of The Executive Mayor / Speaker |
| | 2,4 | Administration and Auxiliary Services | 2.4 - Administration and Auxiliary Services |
| | 2,5 | Communications | 2.5 - Communications |
| | 2,6 | Human Resources Management | 2.6 - Human Resources Management |
| | 2,7 | Information Communication Technology (Ict) | 2.7 - Information Communication Technology (Ict) |
| | 2,8 | Legal Services | 2.8 - Legal Services |
| | 2,9 | Strategic Projects | 2.9 - Strategic Projects |
| | Vote 3 | FINANCE AND ECONOMIC DEVELOPMENT | |
| | 3,1 | Chief Financial Officer | 3.1 - Chief Financial Officer |
| | 3,2 | Assets; Funding And Investments Management | 3.2 - Assets; Funding And Investments Management |
| | 3,3 | Budget And Treasury | 3.3 - Budget And Treasury |
| | 3,4 | Expenditure | 3.4 - Expenditure |
| | 3,5 | Revenue | 3.5 - Revenue |
| | 3,6 | Supply Chain Management | 3.6 - Supply Chain Management |
| | 3,7 | Economic Development And Tourism | 3.7 - Economic Development And Tourism |
| | Vote 4 | COMMUNITY SERVICES | |
| | 4,1 | Director:Community Services | 4.1 - Director:Community Services |
| | 4,2 | Disaster Management And Fire Services | 4.2 - Disaster Management And Fire Services |
| | 4,3 | Parks And Community Amenities | 4.3 - Parks And Community Amenities |
| | 4,4 | Safety And Security | 4.4 - Safety And Security |
| | 4,5 | Waste And Environmental Management | 4.5 - Waste And Environmental Management |
| | Vote 5 | CIVIL AND WATER SERVICES | |
| | 5,1 | Director:Civil and Water Services | 5.1 - Director:Civil and Water Services |
| | 5,2 | Management and Administration | 5.2 - Management and Administration |
| | 5,3 | Roads and Stormwater | 5.3 - Roads and Stormwater |
| | 5,4 | Project Management Unit (PMU) | 5.4 - Project Management Unit (PMU) |
| | 5,5 | Sanitation | 5.5 - Sanitation |
| | 5,6 | Sewerage | 5.6 - Sewerage |
| | 5,7 | Wastewater Treatment Works (WWTW) | 5.7 - Wastewater Treatment Works (WWTW) |
| | 5,8 | Water | 5.8 - Water |
| | 5,9 | Water Treatment Works (WTW) | 5.9 - Water Treatment Works (WTW) |
| | 5.10 | Water Services Authority (WSA) | 5.10 - Water Services Authority (WSA) |
| | Vote 6 | ELECTRO/MECHANICAL SERVICES | |
| | 6,1 | Director:Electro/Mechanical Services | 6.1 - Director:Electro/Mechanical Services |
| | 6,2 | Management and Administration | 6.2 - Management and Administration |
| | 6,3 | Electrical:Jeffreys Bay | 6.3 - Electrical:Jeffreys Bay |
| | 6,4 | Electrical:Humansdorp | 6.4 - Electrical:Humansdorp |
| | 6,5 | Electrical:St Francis Bay / Cape St Francis / Oyster Bay | 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay |
| | 6,6 | Renewable, Control and Special Projects | 6.6 - Renewable, Control and Special Projects |
| | 6,7 | Fleet and Workshop | 6.7 - Fleet and Workshop |
| | 6,8 | Mechanical | 6.8 - Mechanical |
| | Vote 7 | PLANNING AND DEVELOPMENT | |
| | 7,1 | Director:Planning and Development | 7.1 - Director:Planning and Development |
| | 7,2 | Building Control | 7.2 - Building Control |
| | 7,3 | Human Settlement | 7.3 - Human Settlement |
| | 7,4 | Land and Property Administration | 7.4 - Land and Property Administration |
| | 7,5 | Town and Regional Planning | 7.5 - Town and Regional Planning |

## EC108 Kouga - Contact Information

### A. GENERAL INFORMATION

| | |
|---|---|
| **Municipality** | EC108 Kouga |
| **Grade** | 0 |
| **Province** | EC EASTERN CAPE |
| **Web Address** | www.kouga.gov.za |
| **E-mail Address** | 0 |

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

### B. CONTACT INFORMATION

| **Postal address:** | |
|---|---|
| P.O. Box | P O Box 21 |
| City / Town | JEFFREYS BAY |
| Postal Code | 6330 |

| **Street address** | |
|---|---|
| Building | Kouga Municipality |
| Street No. & Name | 33 Da Gama Road |
| City / Town | JEFFREYS BAY |
| Postal Code | 6330 |

| **General Contacts** | |
|---|---|
| Telephone number | 042 200 2200 |
| Fax number | 042 200 8606 |

### C. POLITICAL LEADERSHIP

| **Speaker:** | |
|---|---|
| ID Number | 771121 0121 088 |
| Title | Mr |
| Name | Lorraine Maree |
| Telephone number | 042 200 2021 |
| Cell number | 082 892 4664 |
| Fax number | 086 529 7923 |
| E-mail address | paspeaker@kouga.gov.za |

| **Secretary/PA to the Speaker:** | |
|---|---|
| ID Number | 740829 0025 087 |
| Title | Ms |
| Name | Donne Klopper |
| Telephone number | 042 200 2021 |
| Cell number | 082 769 2002 |
| Fax number | 086 529 7923 |
| E-mail address | paspeaker@kouga.gov.za |

| **Mayor/Executive Mayor:** | |
|---|---|
| ID Number | 820209 5010 082 |
| Title | Mr |
| Name | Chris Hattingh Bornman |
| Telephone number | 042 200 2021 |
| Cell number | 084 240 5226 |
| Fax number | 086 529 7923 |
| E-mail address | pamayor@kouga.gov.za |

| **Secretary/PA to the Mayor/Executive Mayor:** | |
|---|---|
| ID Number | 950126 0851 082 |
| Title | Ms |
| Name | Yolanda Jordan |
| Telephone number | 042 200 2021 |
| Cell number | 079 4514 211 |
| Fax number | 086 529 7923 |
| E-mail address | pamayor@kouga.gov.za |

| **Deputy Mayor/Executive Mayor:** | |
|---|---|
| ID Number | 0 |
| Title | 0 |
| Name | 0 |
| Telephone number | 0 |
| Cell number | 0 |
| Fax number | 0 |
| E-mail address | 0 |

| **Secretary/PA to the Deputy Mayor/Executive Mayor:** | |
|---|---|
| ID Number | 0 |
| Title | 0 |
| Name | 0 |
| Telephone number | 0 |
| Cell number | 0 |
| Fax number | 0 |
| E-mail address | 0 |

### D. MANAGEMENT LEADERSHIP

| **Municipal Manager:** | |
|---|---|
| ID Number | 671015 5014 085 |
| Title | Mr |
| Name | Charl du Plessis |
| Telephone number | 042 200 2046 |
| Cell number | 083 300 0126 |
| Fax number | 086 521 4099 |
| E-mail address | cduplessis@kouga.gov.za |

| **Secretary/PA to the Municipal Manager:** | |
|---|---|
| ID Number | 830923 0220 086 |
| Title | Mrs |
| Name | Joezay Reed |
| Telephone number | 042 200 2046 |
| Cell number | 067 106 2225 |
| Fax number | 086 521 4099 |
| E-mail address | jreed@kouga.gov.za |

| **Chief Financial Officer** | |
|---|---|
| ID Number | 820217 5222 086 |
| Title | Mr |
| Name | Riaaz Nazlem Lorgat |
| Telephone number | 042 200 2045 |
| Cell number | 084 845 4470 |
| Fax number | 0 |
| E-mail address | rlorgat@kouga.gov.za |

| **Secretary/PA to the Chief Financial Officer** | |
|---|---|
| ID Number | 970725 0195 089 |
| Title | Ms |
| Name | Bronwyn Africa |
| Telephone number | 042 200 2045 |
| Cell number | 072 997 9189 |
| Fax number | 0 |
| E-mail address | bafrica@kouga.gov.za |

| **Official responsible for submitting financial information** | |
|---|---|
| ID Number | 830303 5059 088 |
| Title | Mr |
| Name | Shukree Abrahams |
| Telephone number | 042 200 2200 |
| Cell number | 083 265 4372 |
| Fax number | 0 |
| E-mail address | sabrahams@kouga.gov.za |

| **Official responsible for submitting financial information** | |
|---|---|
| ID Number | 800520 5376 081 |
| Title | Mr |
| Name | Zandisile Gongqoba |
| Telephone number | 042 200 2200 |
| Cell number | 081 219 9498 |
| Fax number | 0 |
| E-mail address | zgongqoba@kouga.gov.za |

| **Official responsible for submitting financial information** | |
|---|---|
| ID Number | 930111 0322 081 |
| Title | Mrs |
| Name | Leletnu Swapi |
| Telephone number | 042 200 2200 |
| Cell number | 078 951 7178 |

| **Official responsible for submitting financial information** | |
|---|---|
| ID Number | 931211 5353 088 |
| Title | Mr |
| Name | Nkosinathi Mbangi |
| Telephone number | 042 200 2200 |
| Cell number | 078 906 6894 |

| | | | |
|---|---|---|---|
| Fax number | 0 | Fax number | 0 |
| E-mail address | iswapi@kouga.gov.za | E-mail address | nmbangi@kouga.gov.za |

| Official responsible for submitting financial information | | Official responsible for submitting financial information | |
|---|---|---|---|
| ID Number | 951027 0452 088 | ID Number | 0 |
| Title | Ms | Title | 0 |
| Name | Asiphe Bontshi | Name | 0 |
| Telephone number | 042 200 2200 | Telephone number | 0 |
| Cell number | 082 781 3293 | Cell number | 0 |
| Fax number | 0 | Fax number | 0 |
| E-mail address | abontshi@kouga.gov.za | E-mail address | 0 |

## EC108 Kouga - 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 | 249 284 | 280 203 | 298 334 | 304 484 | 307 899 | 307 899 | 217 564 | 326 717 | 343 053 | 360 206 |
| Service charges | 547 619 | 585 321 | 629 997 | 761 356 | 723 457 | 723 457 | 490 255 | 780 192 | 840 333 | 911 918 |
| Investment revenue | 6 824 | 12 962 | 13 689 | 16 273 | 16 273 | 16 273 | 8 582 | 17 086 | 17 941 | 18 838 |
| Transfer and subsidies - Operational | 177 339 | 198 630 | 205 382 | 214 766 | 214 697 | 214 697 | 214 067 | 222 542 | 230 643 | 236 697 |
| Other own revenue | 172 936 | 132 581 | 174 612 | 171 808 | 199 539 | 199 539 | 84 870 | 205 938 | 216 642 | 228 104 |
| **Total Revenue (excluding capital transfers and** | 1 154 001 | 1 209 697 | 1 322 015 | 1 468 686 | 1 461 865 | 1 461 865 | 1 015 337 | 1 552 476 | 1 648 612 | 1 755 763 |
| Employee costs | 359 826 | 394 417 | 422 489 | 519 287 | 440 383 | 440 383 | 297 494 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | 13 700 | 14 850 | 15 443 | 15 988 | 16 550 | 16 550 | 9 959 | 15 767 | 19 709 | 24 636 |
| Depreciation and amortisation | 124 718 | 101 469 | 115 298 | 142 422 | 142 422 | 142 422 | 72 119 | 108 376 | 112 885 | 117 574 |
| Interest | 8 059 | 10 038 | 13 825 | 20 106 | 39 542 | 39 542 | 8 378 | 27 357 | 23 196 | 20 458 |
| Inventory consumed and bulk purchases | 382 970 | 448 649 | 521 483 | 555 432 | 553 233 | 553 233 | 391 164 | 587 114 | 646 467 | 705 194 |
| Transfers and subsidies | 709 | 920 | 447 | 950 | 950 | 950 | 474 | 930 | 950 | 970 |
| Other expenditure | 254 652 | 276 171 | 333 344 | 320 959 | 352 092 | 352 092 | 154 875 | 404 072 | 419 845 | 422 523 |
| **Total Expenditure** | 1 144 633 | 1 246 514 | 1 422 329 | 1 575 143 | 1 545 173 | 1 545 173 | 934 463 | 1 620 577 | 1 724 783 | 1 819 156 |
| **Surplus/(Deficit)** | 9 368 | (36 817) | (100 314) | (106 457) | (83 308) | (83 308) | 80 874 | (68 101) | (76 171) | (63 394) |
| Transfers and subsidies - capital (monetary allocations) | 102 222 | 85 140 | 109 313 | 82 934 | 125 262 | 125 262 | 40 442 | 78 704 | 60 464 | 60 804 |
| Transfers and subsidies - capital (in-kind) | – | 18 000 | 15 000 | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| **Capital expenditure & funds sources** | | | | | | | | | | |
| **Capital expenditure** | 21 480 | 93 161 | 151 442 | 265 462 | 322 565 | 322 565 | 66 008 | 80 660 | 52 578 | 52 873 |
| Transfers recognised - capital | (6 807) | 2 860 | 103 754 | 72 117 | 111 403 | 111 403 | 40 095 | 68 438 | 52 578 | 52 873 |
| Borrowing | 8 786 | – | 69 882 | 152 174 | 153 003 | 153 003 | 10 413 | – | – | – |
| Internally generated funds | 19 348 | 90 105 | 44 891 | 41 172 | 58 159 | 58 159 | 15 501 | 12 223 | – | – |
| **Total sources of capital funds** | 21 327 | 92 965 | 218 527 | 265 462 | 322 565 | 322 565 | 66 008 | 80 660 | 52 578 | 52 873 |
| **Financial position** | | | | | | | | | | |
| Total current assets | 96 441 | 255 094 | 365 675 | 266 780 | 318 531 | 318 531 | 440 507 | 334 758 | 365 002 | 418 511 |
| Total non current assets | 2 263 385 | 2 264 526 | 2 364 279 | 2 577 825 | 2 592 388 | 2 592 388 | 2 406 112 | 2 560 031 | 2 495 381 | 2 426 339 |
| Total current liabilities | 177 751 | 277 034 | 341 855 | 285 984 | 326 018 | 326 018 | 295 999 | 336 462 | 330 709 | 330 709 |
| Total non current liabilities | 143 345 | 136 653 | 256 825 | 465 849 | 473 581 | 473 581 | 237 051 | 424 507 | 411 923 | 405 092 |
| Community wealth/Equity | 2 038 240 | 2 030 931 | 2 058 459 | 2 092 771 | 2 111 322 | 2 111 322 | 2 058 459 | 2 133 819 | 2 117 752 | 2 109 049 |
| **Cash flows** | | | | | | | | | | |
| Net cash from (used) operating | 939 330 | 1 129 342 | 139 640 | 139 042 | 182 062 | 182 062 | – | 128 241 | 106 000 | 123 806 |
| Net cash from (used) investing | 17 505 | 4 889 | (17 764) | (265 462) | (318 092) | (318 092) | – | (80 660) | (52 578) | (52 873) |
| Net cash from (used) financing | (10 582) | (12 169) | (143 418) | 76 010 | 76 010 | 76 010 | – | (31 566) | (23 178) | (17 424) |
| **Cash/cash equivalents at the year end** | 974 104 | 1 226 997 | 122 117 | 143 991 | 120 562 | 120 562 | – | 136 576 | 166 821 | 220 330 |
| **Cash backing/surplus reconciliation** | | | | | | | | | | |
| Cash and investments available | 974 104 | 1 226 997 | 122 117 | 143 991 | 120 562 | 120 562 | – | 136 576 | 166 821 | 220 330 |
| Application of cash and investments | 28 994 | 38 791 | 20 944 | 137 541 | 114 447 | 114 447 | 37 467 | 132 069 | 136 069 | 140 069 |
| **Balance - surplus (shortfall)** | 945 111 | 1 188 206 | 101 173 | 6 451 | 6 115 | 6 115 | (37 467) | 4 507 | 30 752 | 80 261 |
| **Asset management** | | | | | | | | | | |
| Asset register summary (WDV) | 2 263 385 | 2 264 526 | 2 364 279 | 2 577 825 | 2 592 388 | 2 592 388 | | 2 560 031 | 2 495 381 | 2 426 339 |
| Depreciation | 124 718 | 101 469 | 115 298 | 142 422 | 142 422 | 142 422 | | 108 376 | 112 885 | 117 574 |
| Renewal and Upgrading of Existing Assets | 5 502 | 63 623 | 72 284 | 47 361 | 94 083 | 94 083 | | 34 991 | 14 997 | 32 065 |
| Repairs and Maintenance | 47 672 | 52 306 | 171 410 | 231 646 | 187 336 | 187 336 | | 206 135 | 233 744 | 236 287 |
| **Free services** | | | | | | | | | | |
| Cost of Free Basic Services provided | (28 956) | 4 161 | 1 772 | (65 676) | (65 676) | (65 676) | | 69 188 | (73 459) | (77 771) |
| Revenue cost of free services provided | (7 953) | 7 850 | 17 603 | (4 207) | (4 207) | (4 207) | | 17 989 | (1 836) | (1 927) |
| **Households below minimum service level** | | | | | | | | | | |
| Water: | – | – | – | – | – | – | | – | – | – |
| Sanitation/sewerage: | – | – | – | – | – | – | | – | – | – |
| Energy: | – | – | – | – | – | – | | – | – | – |
| Refuse: | – | – | – | – | – | – | | – | – | – |

## EC108 Kouga - 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*** | | **541 615** | **489 668** | **551 646** | **530 621** | **576 997** | **576 997** | **602 509** | **631 104** | **656 540** |
| Executive and council | | 2 464 | 46 | 53 | 142 | 165 | 165 | 174 | 182 | 191 |
| Finance and administration | | 539 150 | 489 622 | 551 593 | 530 479 | 576 831 | 576 831 | 602 335 | 630 922 | 656 349 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **22 893** | **51 001** | **68 805** | **50 121** | **81 763** | **81 763** | **40 638** | **21 026** | **21 741** |
| Community and social services | | 2 427 | 2 415 | 3 335 | 3 385 | 3 464 | 3 464 | 3 485 | 3 508 | 3 532 |
| Sport and recreation | | 8 640 | 7 682 | 7 349 | 12 255 | 13 245 | 13 245 | 12 755 | 13 393 | 14 062 |
| Public safety | | 2 748 | 1 792 | 1 535 | 1 870 | 1 368 | 1 368 | 1 382 | 1 396 | 1 411 |
| Housing | | 5 849 | 35 790 | 53 075 | 30 000 | 61 074 | 61 074 | 20 291 | – | – |
| Health | | 3 230 | 3 322 | 3 511 | 2 612 | 2 612 | 2 612 | 2 724 | 2 730 | 2 736 |
| ***Economic and environmental services*** | | **30 911** | **48 168** | **49 967** | **40 955** | **58 069** | **58 069** | **43 696** | **43 797** | **45 864** |
| Planning and development | | 6 504 | 8 375 | 8 979 | 10 838 | 11 675 | 11 675 | 12 391 | 13 113 | 13 726 |
| Road transport | | 7 002 | 16 518 | 21 204 | 10 185 | 23 787 | 23 787 | 12 111 | 10 531 | 10 977 |
| Environmental protection | | 17 404 | 23 276 | 19 784 | 19 932 | 22 608 | 22 608 | 19 193 | 20 153 | 21 161 |
| ***Trading services*** | | **660 805** | **723 999** | **775 911** | **929 924** | **870 298** | **870 298** | **944 337** | **1 013 149** | **1 092 422** |
| Energy sources | | 313 432 | 397 438 | 417 937 | 501 093 | 494 194 | 494 194 | 549 083 | 599 062 | 658 404 |
| Water management | | 195 564 | 156 102 | 165 405 | 203 581 | 169 130 | 169 130 | 177 047 | 183 048 | 192 277 |
| Waste water management | | 99 252 | 106 410 | 121 149 | 141 631 | 128 457 | 128 457 | 136 290 | 145 032 | 151 438 |
| Waste management | | 52 557 | 64 049 | 71 420 | 83 619 | 78 517 | 78 517 | 81 916 | 86 007 | 90 303 |
| ***Other*** | 4 | – | – | – | – | – | – | – | – | – |
| **Total Revenue - Functional** | 2 | **1 256 224** | **1 312 836** | **1 446 328** | **1 551 621** | **1 587 126** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure - Functional** | | | | | | | | | | |
| ***Governance and administration*** | | **352 978** | **338 373** | **310 795** | **402 672** | **376 867** | **376 867** | **379 252** | **393 009** | **412 184** |
| Executive and council | | 54 956 | 57 438 | 49 885 | 66 561 | 60 963 | 60 963 | 49 879 | 54 531 | 60 651 |
| Finance and administration | | 297 949 | 280 878 | 260 774 | 332 893 | 312 685 | 312 685 | 325 562 | 334 470 | 347 314 |
| Internal audit | | 73 | 57 | 136 | 3 218 | 3 219 | 3 219 | 3 811 | 4 009 | 4 219 |
| ***Community and public safety*** | | **98 183** | **104 281** | **109 518** | **141 482** | **119 944** | **119 944** | **129 014** | **134 104** | **139 567** |
| Community and social services | | 8 230 | 9 188 | 12 638 | 12 289 | 13 480 | 13 480 | 14 734 | 15 407 | 16 130 |
| Sport and recreation | | 50 682 | 52 608 | 60 815 | 73 671 | 62 665 | 62 665 | 69 434 | 71 828 | 74 238 |
| Public safety | | 26 680 | 28 701 | 29 230 | 35 167 | 31 428 | 31 428 | 33 627 | 35 300 | 37 245 |
| Housing | | 5 444 | 5 817 | 1 253 | 11 626 | 9 446 | 9 446 | 9 226 | 9 547 | 9 924 |
| Health | | 7 146 | 7 968 | 5 583 | 8 729 | 2 924 | 2 924 | 1 993 | 2 022 | 2 030 |
| ***Economic and environmental services*** | | **122 555** | **125 943** | **207 757** | **206 880** | **251 754** | **251 754** | **252 603** | **267 261** | **279 653** |
| Planning and development | | 24 223 | 27 163 | 33 240 | 39 914 | 33 922 | 33 922 | 40 861 | 41 659 | 43 582 |
| Road transport | | 86 899 | 86 543 | 162 100 | 158 635 | 198 503 | 198 503 | 192 345 | 205 888 | 215 510 |
| Environmental protection | | 11 434 | 12 237 | 12 417 | 8 331 | 19 329 | 19 329 | 19 397 | 19 714 | 20 561 |
| ***Trading services*** | | **656 621** | **744 754** | **790 138** | **830 084** | **796 244** | **796 244** | **859 259** | **929 921** | **987 225** |
| Energy sources | | 333 372 | 426 260 | 467 394 | 527 947 | 528 425 | 528 425 | 590 489 | 637 583 | 688 871 |
| Water management | | 154 971 | 163 228 | 177 229 | 121 164 | 126 271 | 126 271 | 133 960 | 148 040 | 149 846 |
| Waste water management | | 92 623 | 103 926 | 86 800 | 109 169 | 80 603 | 80 603 | 69 734 | 77 543 | 79 164 |
| Waste management | | 75 655 | 51 341 | 58 714 | 71 803 | 60 945 | 60 945 | 65 076 | 66 756 | 69 344 |
| ***Other*** | 4 | **6 236** | **6 775** | **363** | – | **363** | **363** | **450** | **486** | **528** |
| **Total Expenditure - Functional** | 3 | **1 236 572** | **1 320 125** | **1 418 571** | **1 581 117** | **1 545 173** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) for the year** | | **19 651** | **(7 289)** | **27 757** | **(29 497)** | **41 953** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

## EC108 Kouga - 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*** | | **541 615** | **489 668** | **551 646** | **530 621** | **576 997** | **576 997** | **602 509** | **631 104** | **656 540** |
| Executive and council | | 2 464 | 46 | 53 | 142 | 165 | 165 | 174 | 182 | 191 |
| *Mayor and Council* | | 2 368 | 10 | – | – | – | – | – | – | – |
| *Municipal Manager, Town Secretary and Chief Executive* | | 97 | 36 | 53 | 142 | 165 | 165 | 174 | 182 | 191 |
| Finance and administration | | 539 150 | 489 622 | 551 593 | 530 479 | 576 831 | 576 831 | 602 335 | 630 922 | 656 349 |
| *Administrative and Corporate Support* | | 10 433 | 36 | 684 | 473 | 473 | 473 | 499 | 524 | 550 |
| *Asset Management* | | 1 034 | 5 328 | 4 196 | 1 000 | 1 130 | 1 130 | 1 000 | 1 000 | 1 000 |
| *Finance* | | 425 713 | 439 792 | 454 915 | 483 342 | 484 718 | 484 718 | 505 821 | 529 650 | 550 078 |
| *Fleet Management* | | 1 | – | 102 | 2 | 178 | 178 | 192 | 208 | 229 |
| *Human Resources* | | 686 | 454 | 1 068 | 500 | 500 | 500 | 500 | 500 | 500 |
| *Information Technology* | | – | – | 58 | – | – | – | – | – | – |
| *Legal Services* | | – | – | – | – | – | – | – | – | – |
| *Marketing, Customer Relations, Publicity and Media Co-ordination* | | – | – | – | – | – | – | – | – | – |
| *Property Services* | | 0 | 4 289 | 547 | – | – | – | – | – | – |
| *Risk Management* | | – | – | – | – | – | – | – | – | – |
| *Security Services* | | 101 284 | 39 723 | 90 023 | 45 162 | 89 832 | 89 832 | 94 324 | 99 040 | 103 992 |
| *Supply Chain Management* | | – | – | – | – | – | – | – | – | – |
| *Valuation Service* | | – | – | – | – | – | – | – | – | – |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| *Governance Function* | | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **22 893** | **51 001** | **68 805** | **50 121** | **81 763** | **81 763** | **40 638** | **21 026** | **21 741** |
| Community and social services | | **2 427** | **2 415** | **3 335** | **3 385** | **3 464** | **3 464** | **3 485** | **3 508** | **3 532** |
| *Aged Care* | | – | – | – | – | – | – | – | – | – |
| *Agricultural* | | – | – | – | – | – | – | – | – | – |
| *Animal Care and Diseases* | | – | – | – | – | – | – | – | – | – |
| *Cemeteries, Funeral Parlours and Crematoriums* | | 372 | 361 | 367 | 429 | 429 | 429 | 451 | 473 | 497 |
| *Child Care Facilities* | | – | – | – | – | – | – | – | – | – |
| *Community Halls and Facilities* | | – | – | – | – | – | – | – | – | – |
| *Consumer Protection* | | – | – | – | – | – | – | – | – | – |
| *Cultural Matters* | | – | – | – | – | – | – | – | – | – |
| *Disaster Management* | | – | – | – | – | – | – | – | – | – |
| *Education* | | – | – | – | – | – | – | – | – | – |
| *Indigenous and Customary Law* | | – | – | – | – | – | – | – | – | – |
| *Industrial Promotion* | | – | – | – | – | – | – | – | – | – |
| *Language Policy* | | – | – | – | – | – | – | – | – | – |
| *Libraries and Archives* | | 2 055 | 2 055 | 2 968 | 2 956 | 3 035 | 3 035 | 3 035 | 3 035 | 3 035 |
| *Literacy Programmes* | | – | – | – | – | – | – | – | – | – |
| *Media Services* | | – | – | – | – | – | – | – | – | – |
| *Museums and Art Galleries* | | – | – | – | – | – | – | – | – | – |
| *Population Development* | | – | – | – | – | – | – | – | – | – |
| *Provincial Cultural Matters* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *Theatres* | | – | – | – | – | – | – | – | – | – |
| *Zoo's* | | – | – | – | – | – | – | – | – | – |
| Sport and recreation | | **8 640** | **7 682** | **7 349** | **12 255** | **13 245** | **13 245** | **12 755** | **13 393** | **14 062** |
| *Beaches and Jetties* | | 6 570 | 5 258 | 4 135 | 9 406 | 9 406 | 9 406 | 8 719 | 9 155 | 9 613 |
| *Casinos, Racing, Gambling, Wagering* | | – | – | – | – | – | – | – | – | – |
| *Community Parks (including Nurseries)* | | 15 | (56) | 44 | – | – | – | 5 | 5 | 5 |
| *Recreational Facilities* | | 2 039 | 2 480 | 3 169 | 2 849 | 3 839 | 3 839 | 4 031 | 4 233 | 4 444 |
| *Sports Grounds and Stadiums* | | 15 | – | – | – | – | – | – | – | – |
| Public safety | | **2 748** | **1 792** | **1 535** | **1 870** | **1 368** | **1 368** | **1 382** | **1 396** | **1 411** |
| *Civil Defence* | | – | – | – | – | – | – | – | – | – |
| *Cleansing* | | – | – | – | – | – | – | – | – | – |
| *Control of Public Nuisances* | | – | – | – | – | – | – | – | – | – |
| *Fencing and Fences* | | – | – | – | – | – | – | – | – | – |
| *Fire Fighting and Protection* | | 2 748 | 1 792 | 1 535 | 1 870 | 1 368 | 1 368 | 1 382 | 1 396 | 1 411 |
| *Licensing and Control of Animals* | | – | – | – | – | – | – | – | – | – |
| *Police Forces, Traffic and Street Parking Control* | | – | – | – | – | – | – | – | – | – |
| *Pounds* | | – | – | – | – | – | – | – | – | – |
| Housing | | **5 849** | **35 790** | **53 075** | **30 000** | **61 074** | **61 074** | **20 291** | **–** | **–** |
| *Housing* | | 5 849 | 35 790 | 53 075 | 30 000 | 61 074 | 61 074 | 20 291 | – | – |
| *Informal Settlements* | | – | – | – | – | – | – | – | – | – |
| Health | | **3 230** | **3 322** | **3 511** | **2 612** | **2 612** | **2 612** | **2 724** | **2 730** | **2 736** |
| *Ambulance* | | – | – | – | – | – | – | – | – | – |
| *Health Services* | | 3 230 | 3 322 | 3 511 | 2 612 | 2 612 | 2 612 | 2 724 | 2 730 | 2 736 |
| *Laboratory Services* | | – | – | – | – | – | – | – | – | – |
| *Food Control* | | – | – | – | – | – | – | – | – | – |
| *Health Surveillance and Prevention of Communicable Diseases* | | – | – | – | – | – | – | – | – | – |
| *Vector Control* | | – | – | – | – | – | – | – | – | – |
| *Chemical Safety* | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **30 911** | **48 168** | **49 967** | **40 955** | **58 069** | **58 069** | **43 696** | **43 797** | **45 864** |
| Planning and development | | **6 504** | **8 375** | **8 979** | **10 838** | **11 675** | **11 675** | **12 391** | **13 113** | **13 726** |
| *Billboards* | | – | – | – | – | – | – | – | – | – |
| *Corporate Wide Strategic Planning (IDPs, LEDs)* | | – | – | – | – | – | – | – | – | – |
| *Central City Improvement District* | | – | – | – | – | – | – | – | – | – |
| *Development Facilitation* | | – | – | – | – | – | – | – | – | – |
| *Economic Development/Planning* | | – | – | – | – | – | – | – | – | – |
| *Regional Planning and Development* | | – | – | – | – | – | – | – | – | – |
| *Town Planning, Building Regulations and Enforcement, and City* | | 4 710 | 6 631 | 7 156 | 8 929 | 9 766 | 9 766 | 10 460 | 10 983 | 11 532 |
| *Project Management Unit* | | 1 795 | 1 743 | 1 822 | 1 909 | 1 909 | 1 909 | 1 931 | 2 130 | 2 193 |
| *Provincial Planning* | | – | – | – | – | – | – | – | – | – |
| *Support to Local Municipalities* | | – | – | – | – | – | – | – | – | – |
| Road transport | | **7 002** | **16 518** | **21 204** | **10 185** | **23 787** | **23 787** | **12 111** | **10 531** | **10 977** |
| *Public Transport* | | – | – | – | – | – | – | – | – | – |
| *Road and Traffic Regulation* | | 5 798 | 6 485 | 8 576 | 8 104 | 8 104 | 8 104 | 8 509 | 8 935 | 9 381 |
| *Roads* | | 1 204 | 10 032 | 12 628 | 2 081 | 15 683 | 15 683 | 3 602 | 1 596 | 1 596 |

| 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 |
| *Taxi Ranks* | | – | – | – | – | – | – | – | – | – |
| Environmental protection | | **17 404** | **23 276** | **19 784** | **19 932** | **22 608** | **22 608** | **19 193** | **20 153** | **21 161** |
| *Biodiversity and Landscape* | | – | – | – | – | – | – | – | – | – |
| *Coastal Protection* | | – | – | – | – | – | – | – | – | – |
| *Indigenous Forests* | | – | – | – | – | – | – | – | – | – |
| *Nature Conservation* | | – | 1 546 | 2 165 | 2 394 | 2 394 | 2 394 | 2 513 | 2 639 | 2 771 |
| *Pollution Control* | | 17 404 | 21 730 | 17 619 | 17 538 | 20 214 | 20 214 | 16 680 | 17 514 | 18 389 |
| *Soil Conservation* | | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **660 805** | **723 999** | **775 911** | **929 924** | **870 298** | **870 298** | **944 337** | **1 013 149** | **1 092 422** |
| Energy sources | | **313 432** | **397 438** | **417 937** | **501 093** | **494 194** | **494 194** | **549 083** | **599 062** | **658 404** |
| *Electricity* | | 313 432 | 397 438 | 417 937 | 501 093 | 494 194 | 494 194 | 549 083 | 599 062 | 658 404 |
| *Street Lighting and Signal Systems* | | – | – | – | – | – | – | – | – | – |
| *Nonelectric Energy* | | – | – | – | – | – | – | – | – | – |
| Water management | | **195 564** | **156 102** | **165 405** | **203 581** | **169 130** | **169 130** | **177 047** | **183 048** | **192 277** |
| *Water Treatment* | | – | – | – | – | – | – | – | – | – |
| *Water Distribution* | | 195 564 | 156 102 | 165 405 | 203 581 | 169 130 | 169 130 | 177 047 | 183 048 | 192 277 |
| *Water Storage* | | – | – | – | – | – | – | – | – | – |
| Waste water management | | **99 252** | **106 410** | **121 149** | **141 631** | **128 457** | **128 457** | **136 290** | **145 032** | **151 438** |
| *Public Toilets* | | – | – | – | – | – | – | – | – | – |
| *Sewerage* | | 99 252 | 106 410 | 121 149 | 141 631 | 128 457 | 128 457 | 136 290 | 145 032 | 151 438 |
| *Storm Water Management* | | – | – | – | – | – | – | – | – | – |
| *Waste Water Treatment* | | – | – | – | – | – | – | – | – | – |
| Waste management | | **52 557** | **64 049** | **71 420** | **83 619** | **78 517** | **78 517** | **81 916** | **86 007** | **90 303** |
| *Recycling* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Disposal (Landfill Sites)* | | 52 557 | 64 049 | 71 420 | 83 619 | 78 517 | 78 517 | 81 916 | 86 007 | 90 303 |
| *Solid Waste Removal* | | – | – | – | – | – | – | – | – | – |
| *Street Cleaning* | | – | – | – | – | – | – | – | – | – |
| ***Other*** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Abattoirs | | – | – | – | – | – | – | – | – | – |
| Air Transport | | – | – | – | – | – | – | – | – | – |
| Forestry | | – | – | – | – | – | – | – | – | – |
| Licensing and Regulation | | – | – | – | – | – | – | – | – | – |
| Markets | | – | – | – | – | – | – | – | – | – |
| Tourism | | – | – | – | – | – | – | – | – | – |
| **Total Revenue - Functional** | 2 | **1 256 224** | **1 312 836** | **1 446 328** | **1 551 621** | **1 587 126** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure - Functional** | | | | | | | | | | |
| ***Municipal governance and administration*** | | **352 978** | **338 373** | **310 795** | **402 672** | **376 867** | **376 867** | **379 252** | **393 009** | **412 184** |
| Executive and council | | 54 956 | 57 438 | 49 885 | 66 561 | 60 963 | 60 963 | 49 879 | 54 531 | 60 651 |
| *Mayor and Council* | | 30 038 | 27 553 | 27 021 | 37 505 | 27 558 | 27 558 | 30 133 | 34 090 | 39 472 |
| *Municipal Manager, Town Secretary and Chief Executive* | | 24 918 | 29 885 | 22 864 | 29 056 | 33 405 | 33 405 | 19 747 | 20 441 | 21 179 |
| Finance and administration | | 297 949 | 280 878 | 260 774 | 332 893 | 312 685 | 312 685 | 325 562 | 334 470 | 347 314 |
| *Administrative and Corporate Support* | | 47 182 | 43 536 | 59 553 | 61 315 | 52 075 | 52 075 | 43 566 | 45 623 | 47 826 |
| *Asset Management* | | 6 225 | 7 782 | 8 412 | 12 011 | 11 133 | 11 133 | 12 167 | 12 572 | 13 018 |

| 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 |
| *Finance* | | 154 596 | 117 400 | 85 667 | 115 819 | 105 052 | 105 052 | 111 777 | 112 346 | 116 652 |
| *Fleet Management* | | 11 579 | 16 488 | 14 123 | 25 634 | 22 216 | 22 216 | 18 964 | 19 755 | 20 704 |
| *Human Resources* | | 15 253 | 21 163 | (3 149) | 26 063 | 21 892 | 21 892 | 24 943 | 25 915 | 26 939 |
| *Information Technology* | | 12 341 | 18 057 | 23 560 | 27 632 | 24 518 | 24 518 | 33 463 | 34 425 | 34 842 |
| *Legal Services* | | 3 580 | 4 450 | 6 175 | 10 233 | 7 937 | 7 937 | 8 091 | 8 318 | 8 559 |
| *Marketing, Customer Relations, Publicity and Media Co-ordination* | | 1 298 | 1 015 | 7 559 | 3 864 | 6 897 | 6 897 | 3 918 | 4 054 | 4 199 |
| *Property Services* | | – | – | – | – | – | – | – | – | – |
| *Risk Management* | | 226 | 198 | 6 | – | 14 | 14 | – | – | – |
| *Security Services* | | 37 926 | 42 371 | 50 254 | 39 195 | 51 637 | 51 637 | 57 383 | 59 569 | 62 038 |
| *Supply Chain Management* | | 7 744 | 8 417 | 8 615 | 11 128 | 9 313 | 9 313 | 11 288 | 11 893 | 12 537 |
| *Valuation Service* | | – | – | – | – | – | – | – | – | – |
| Internal audit | | 73 | 57 | 136 | 3 218 | 3 219 | 3 219 | 3 811 | 4 009 | 4 219 |
| *Governance Function* | | 73 | 57 | 136 | 3 218 | 3 219 | 3 219 | 3 811 | 4 009 | 4 219 |
| ***Community and public safety*** | | **98 183** | **104 281** | **109 518** | **141 482** | **119 944** | **119 944** | **129 014** | **134 104** | **139 567** |
| Community and social services | | **8 230** | **9 188** | **12 638** | **12 289** | **13 480** | **13 480** | **14 734** | **15 407** | **16 130** |
| *Aged Care* | | – | – | – | – | – | – | – | – | – |
| *Agricultural* | | – | – | – | – | – | – | – | – | – |
| *Animal Care and Diseases* | | – | – | – | – | – | – | – | – | – |
| *Cemeteries, Funeral Parlours and Crematoriums* | | 695 | 953 | 1 992 | 935 | 1 979 | 1 979 | 2 011 | 2 078 | 2 149 |
| *Child Care Facilities* | | – | – | – | – | – | – | – | – | – |
| *Community Halls and Facilities* | | 3 | 4 | 4 | – | 2 | 2 | – | – | – |
| *Consumer Protection* | | – | – | – | – | – | – | – | – | – |
| *Cultural Matters* | | – | – | – | – | – | – | – | – | – |
| *Disaster Management* | | 338 | 688 | 2 538 | 2 669 | 2 659 | 2 659 | 2 005 | 2 092 | 2 191 |
| *Education* | | – | – | – | – | – | – | – | – | – |
| *Indigenous and Customary Law* | | – | – | – | – | – | – | – | – | – |
| *Industrial Promotion* | | – | – | – | – | – | – | – | – | – |
| *Language Policy* | | – | – | – | – | – | – | – | – | – |
| *Libraries and Archives* | | 7 187 | 7 543 | 7 955 | 8 527 | 8 688 | 8 688 | 10 719 | 11 237 | 11 789 |
| *Literacy Programmes* | | – | – | – | – | – | – | – | – | – |
| *Media Services* | | 7 | – | 150 | 157 | 153 | 153 | – | – | – |
| *Museums and Art Galleries* | | – | – | – | – | – | – | – | – | – |
| *Population Development* | | – | – | – | – | – | – | – | – | – |
| *Provincial Cultural Matters* | | – | – | – | – | – | – | – | – | – |
| *Theatres* | | – | – | – | – | – | – | – | – | – |
| *Zoo's* | | – | – | – | – | – | – | – | – | – |
| Sport and recreation | | **50 682** | **52 608** | **60 815** | **73 671** | **62 665** | **62 665** | **69 434** | **71 828** | **74 238** |
| *Beaches and Jetties* | | 10 965 | 12 109 | 14 792 | 15 318 | 12 002 | 12 002 | 16 071 | 16 401 | 16 777 |
| *Casinos, Racing, Gambling, Wagering* | | – | – | – | – | – | – | – | – | – |
| *Community Parks (including Nurseries)* | | 29 942 | 30 401 | 30 681 | 35 813 | 31 683 | 31 683 | 30 646 | 32 019 | 33 314 |
| *Recreational Facilities* | | 3 623 | 3 665 | 6 590 | 2 787 | 6 208 | 6 208 | 11 600 | 11 868 | 12 154 |
| *Sports Grounds and Stadiums* | | 6 152 | 6 433 | 8 752 | 19 753 | 12 771 | 12 771 | 11 117 | 11 541 | 11 993 |
| Public safety | | **26 680** | **28 701** | **29 230** | **35 167** | **31 428** | **31 428** | **33 627** | **35 300** | **37 245** |
| *Civil Defence* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *Cleansing* | | – | – | – | – | – | – | – | – | – |
| *Control of Public Nuisances* | | – | – | – | – | – | – | – | – | – |
| *Fencing and Fences* | | – | – | – | – | – | – | – | – | – |
| *Fire Fighting and Protection* | | 26 680 | 28 701 | 29 230 | 35 167 | 31 428 | 31 428 | 33 627 | 35 300 | 37 245 |
| *Licensing and Control of Animals* | | – | – | – | – | – | – | – | – | – |
| *Police Forces, Traffic and Street Parking Control* | | – | – | – | – | – | – | – | – | – |
| *Pounds* | | – | – | – | – | – | – | – | – | – |
| Housing | | **5 444** | **5 817** | **1 253** | **11 626** | **9 446** | **9 446** | **9 226** | **9 547** | **9 924** |
| *Housing* | | 5 444 | 5 817 | 1 253 | 11 626 | 9 446 | 9 446 | 9 226 | 9 547 | 9 924 |
| *Informal Settlements* | | – | – | – | – | – | – | – | – | – |
| Health | | **7 146** | **7 968** | **5 583** | **8 729** | **2 924** | **2 924** | **1 993** | **2 022** | **2 030** |
| *Ambulance* | | – | – | – | – | – | – | – | – | – |
| *Health Services* | | 7 146 | 7 968 | 5 583 | 8 729 | 2 924 | 2 924 | 1 993 | 2 022 | 2 030 |
| *Laboratory Services* | | – | – | – | – | – | – | – | – | – |
| *Food Control* | | – | – | – | – | – | – | – | – | – |
| *Health Surveillance and Prevention of Communicable Diseases* | | – | – | – | – | – | – | – | – | – |
| *Vector Control* | | – | – | – | – | – | – | – | – | – |
| *Chemical Safety* | | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **122 555** | **125 943** | **207 757** | **206 880** | **251 754** | **251 754** | **252 603** | **267 261** | **279 653** |
| Planning and development | | **24 223** | **27 163** | **33 240** | **39 914** | **33 922** | **33 922** | **40 861** | **41 659** | **43 582** |
| *Billboards* | | – | – | – | – | – | – | – | – | – |
| *Corporate Wide Strategic Planning (IDPs, LEDs)* | | 1 051 | 1 893 | 1 433 | 2 192 | 1 699 | 1 699 | 2 281 | 2 388 | 2 501 |
| *Central City Improvement District* | | – | – | – | – | – | – | – | – | – |
| *Development Facilitation* | | – | – | – | – | – | – | – | – | – |
| *Economic Development/Planning* | | 2 836 | 4 670 | 4 105 | 7 709 | 4 896 | 4 896 | 5 096 | 4 131 | 4 169 |
| *Regional Planning and Development* | | – | – | – | – | – | – | – | – | – |
| *Town Planning, Building Regulations and Enforcement, and City* | | 18 461 | 18 614 | 23 557 | 24 233 | 23 060 | 23 060 | 28 544 | 29 894 | 31 344 |
| *Project Management Unit* | | 1 875 | 1 987 | 4 144 | 5 779 | 4 267 | 4 267 | 4 939 | 5 245 | 5 568 |
| *Provincial Planning* | | – | – | – | – | – | – | – | – | – |
| *Support to Local Municipalities* | | – | – | – | – | – | – | – | – | – |
| Road transport | | **86 899** | **86 543** | **162 100** | **158 635** | **198 503** | **198 503** | **192 345** | **205 888** | **215 510** |
| *Public Transport* | | – | – | – | – | – | – | – | – | – |
| *Road and Traffic Regulation* | | 11 836 | 11 716 | 73 510 | 55 943 | 86 185 | 86 185 | 86 977 | 91 011 | 95 357 |
| *Roads* | | 75 063 | 74 827 | 88 590 | 102 692 | 112 318 | 112 318 | 105 368 | 114 877 | 120 153 |
| *Taxi Ranks* | | – | – | – | – | – | – | – | – | – |
| Environmental protection | | **11 434** | **12 237** | **12 417** | **8 331** | **19 329** | **19 329** | **19 397** | **19 714** | **20 561** |
| *Biodiversity and Landscape* | | – | – | – | – | – | – | – | – | – |
| *Coastal Protection* | | – | – | – | – | – | – | – | – | – |
| *Indigenous Forests* | | – | – | – | – | – | – | – | – | – |
| *Nature Conservation* | | 6 | 0 | 23 | 80 | 70 | 70 | 70 | 70 | 70 |
| *Pollution Control* | | 11 428 | 12 236 | 12 395 | 8 251 | 19 259 | 19 259 | 19 327 | 19 644 | 20 491 |
| *Soil Conservation* | | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **656 621** | **744 754** | **790 138** | **830 084** | **796 244** | **796 244** | **859 259** | **929 921** | **987 225** |
| Energy sources | | **333 372** | **426 260** | **467 394** | **527 947** | **528 425** | **528 425** | **590 489** | **637 583** | **688 871** |

| 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 |
| *Electricity* | | 333 372 | 426 260 | 467 394 | 527 947 | 528 425 | 528 425 | 590 489 | 637 583 | 688 871 |
| *Street Lighting and Signal Systems* | | – | – | – | – | – | – | – | – | – |
| *Nonelectric Energy* | | – | – | – | – | – | – | – | – | – |
| Water management | | **154 971** | **163 228** | **177 229** | **121 164** | **126 271** | **126 271** | **133 960** | **148 040** | **149 846** |
| *Water Treatment* | | – | – | – | – | – | – | 13 414 | 20 267 | 16 171 |
| *Water Distribution* | | 154 971 | 163 228 | 177 229 | 121 164 | 126 271 | 126 271 | 120 546 | 127 773 | 133 675 |
| *Water Storage* | | – | – | – | – | – | – | – | – | – |
| Waste water management | | **92 623** | **103 926** | **86 800** | **109 169** | **80 603** | **80 603** | **69 734** | **77 543** | **79 164** |
| *Public Toilets* | | – | – | – | – | – | – | – | – | – |
| *Sewerage* | | 92 623 | 103 926 | 86 800 | 109 169 | 80 603 | 80 603 | 69 734 | 77 543 | 79 164 |
| *Storm Water Management* | | – | – | – | – | – | – | – | – | – |
| *Waste Water Treatment* | | – | – | – | – | – | – | – | – | – |
| Waste management | | **75 655** | **51 341** | **58 714** | **71 803** | **60 945** | **60 945** | **65 076** | **66 756** | **69 344** |
| *Recycling* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Disposal (Landfill Sites)* | | 75 639 | 51 330 | 58 714 | 71 803 | 60 945 | 60 945 | 65 076 | 66 756 | 69 344 |
| *Solid Waste Removal* | | 15 | 11 | – | – | – | – | – | – | – |
| *Street Cleaning* | | – | – | – | – | – | – | – | – | – |
| ***Other*** | | **6 236** | **6 775** | **363** | **–** | **363** | **363** | **450** | **486** | **528** |
| Abattoirs | | – | – | – | – | – | – | – | – | – |
| Air Transport | | – | – | – | – | – | – | – | – | – |
| Forestry | | – | – | – | – | – | – | – | – | – |
| Licensing and Regulation | | – | – | – | – | – | – | – | – | – |
| Markets | | – | – | – | – | – | – | – | – | – |
| Tourism | | 6 236 | 6 775 | 363 | – | 363 | 363 | 450 | 486 | 528 |
| **Total Expenditure - Functional** | 3 | **1 236 572** | **1 320 125** | **1 418 571** | **1 581 117** | **1 545 173** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) for the year** | | **19 651** | **(7 289)** | **27 757** | **(29 497)** | **41 953** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

**EC108 Kouga - 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 | | – | – | – | – | – | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 12 321 | 1 697 | 2 268 | 1 115 | 1 138 | 1 138 | 1 172 | 1 206 | 1 241 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 163 167 | 158 510 | 459 109 | 484 342 | 485 848 | 485 848 | 506 821 | 530 650 | 551 078 |
| Vote 4 - COMMUNITY SERVICES | | 194 079 | 148 611 | 205 341 | 176 939 | 219 749 | 219 749 | 224 289 | 235 161 | 246 578 |
| Vote 5 - CIVIL AND WATER SERVICES | | 297 814 | 274 288 | 301 230 | 349 202 | 315 179 | 315 179 | 318 871 | 331 806 | 347 505 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 313 433 | 397 439 | 418 360 | 501 094 | 494 372 | 494 372 | 549 275 | 599 270 | 658 633 |
| Vote 7 - PLANNING AND DEVELOPMENT | | 11 828 | 41 392 | 60 017 | 38 929 | 70 840 | 70 840 | 30 751 | 10 983 | 11 532 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Revenue by Vote** | 2 | **992 643** | **1 021 938** | **1 446 326** | **1 551 621** | **1 587 126** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure by Vote** ***to be appropriated*** | 1 | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 25 446 | 27 222 | 12 834 | 18 128 | 17 968 | 17 968 | 18 677 | 19 324 | 20 012 |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 106 479 | 116 913 | 117 926 | 167 613 | 152 894 | 152 894 | 143 290 | 151 556 | 160 920 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 78 424 | 115 634 | 101 376 | 139 445 | 126 048 | 126 048 | 135 684 | 137 298 | 142 737 |
| Vote 4 - COMMUNITY SERVICES | | 231 773 | 218 138 | 305 104 | 314 436 | 331 157 | 331 157 | 350 869 | 363 962 | 379 407 |
| Vote 5 - CIVIL AND WATER SERVICES | | 329 004 | 348 054 | 363 474 | 341 894 | 326 236 | 326 236 | 316 755 | 348 581 | 357 747 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 344 951 | 439 463 | 483 211 | 555 517 | 552 576 | 552 576 | 611 240 | 659 224 | 711 567 |
| Vote 7 - PLANNING AND DEVELOPMENT | | 22 885 | 23 509 | 34 502 | 44 085 | 38 295 | 38 295 | 44 062 | 44 837 | 46 766 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
| **Total Expenditure by Vote** | 2 | **1 138 963** | **1 288 933** | **1 418 428** | **1 581 117** | **1 545 173** | **1 545 173** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) for the year** | 2 | **(146 319)** | **(266 995)** | **27 898** | **(29 497)** | **41 953** | **41 953** | **10 602** | **(15 707)** | **(2 589)** |

## EC108 Kouga - 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** | | – | – | – | – | – | – | – | – | – |
| 1.1 - Municipal Manager | | – | – | – | – | – | – | – | – | – |
| 1.2 - Performance Management | | – | – | – | – | – | – | – | – | – |
| 1.3 - Integrated Development | | – | – | – | – | – | – | – | – | – |
| 1.4 - Risk and Internal Audit | | – | – | – | – | – | – | – | – | – |
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| **Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER** | | **12 321** | **1 697** | **2 268** | **1 115** | **1 138** | **1 138** | **1 172** | **1 206** | **1 241** |
| 2.1 - Deputy Municipal Manager | | 97 | 36 | 53 | 142 | 165 | 165 | 174 | 182 | 191 |
| 2.2 - Executive Council | | (104) | – | – | – | – | – | – | – | – |
| 2.3 - Administrative Office Of The Executive Mayor / Speaker | | 2 471 | 10 | – | – | – | – | – | – | – |
| 2.4 - Administration and Auxiliary Services | | 9 171 | 1 197 | 1 090 | 473 | 473 | 473 | 499 | 524 | 550 |
| 2.5 - Communications | | – | – | – | – | – | – | – | – | – |
| 2.6 - Human Resources Management | | 686 | 454 | 1 068 | 500 | 500 | 500 | 500 | 500 | 500 |
| 2.7 - Information Communication Technology (Ict) | | – | – | 58 | – | – | – | – | – | – |
| 2.8 - Legal Services | | – | – | – | – | – | – | – | – | – |
| 2.9 - Strategic Projects | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| **Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT** | | **163 167** | **158 510** | **459 109** | **484 342** | **485 848** | **485 848** | **506 821** | **530 650** | **551 078** |
| 3.1 - Chief Financial Officer | | 148 613 | 128 693 | 130 887 | 133 650 | 133 650 | 133 650 | 137 400 | 142 620 | 143 578 |
| 3.2 - Assets; Funding And Investments Management | | 1 034 | 5 328 | 4 196 | 1 000 | 1 130 | 1 130 | 1 000 | 1 000 | 1 000 |
| 3.3 - Budget And Treasury | | 10 897 | 22 015 | 21 281 | 18 058 | 18 058 | 18 058 | 19 003 | 20 142 | 21 267 |
| 3.4 - Expenditure | | 351 | 304 | 283 | 313 | 313 | 313 | 329 | 345 | 362 |
| 3.5 - Revenue | | 2 272 | 2 170 | 302 463 | 331 322 | 332 697 | 332 697 | 349 089 | 366 544 | 384 871 |
| 3.6 - Supply Chain Management | | – | – | – | – | – | – | – | – | – |
| 3.7 - Economic Development And Tourism | | – | – | – | – | – | – | – | – | – |
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| **Vote 4 - COMMUNITY SERVICES** | | **194 079** | **148 611** | **205 341** | **176 939** | **219 749** | **219 749** | **224 289** | **235 161** | **246 578** |
| 4.1 - Director:Community Services | | – | – | – | – | – | – | – | – | – |
| 4.2 - Disaster Management And Fire Services | | 2 748 | 1 792 | 1 535 | 1 870 | 1 368 | 1 368 | 1 382 | 1 396 | 1 411 |
| 4.3 - Parks And Community Amenities | | 11 067 | 11 644 | 12 849 | 18 034 | 19 103 | 19 103 | 18 754 | 19 540 | 20 365 |
| 4.4 - Safety And Security | | 107 073 | 46 075 | 98 408 | 53 266 | 97 936 | 97 936 | 102 833 | 107 975 | 113 373 |
| 4.5 - Waste And Environmental Management | | 73 191 | 89 101 | 92 550 | 103 769 | 101 342 | 101 342 | 101 320 | 106 251 | 111 428 |
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## EC108 Kouga - 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 5 - CIVIL AND WATER SERVICES** | | **297 814** | **274 288** | **301 230** | **349 202** | **315 179** | **315 179** | **318 871** | **331 806** | **347 505** |
| 5.1 - Director:Civil and Water Services | | – | – | – | – | – | – | – | – | – |
| 5.2 - Management and Administration | | – | – | – | – | – | – | – | – | – |
| 5.3 - Roads and Stormwater | | 1 204 | 10 032 | 12 628 | 2 081 | 15 683 | 15 683 | 3 602 | 1 596 | 1 596 |
| 5.4 - Project Management Unit (PMU) | | 1 795 | 1 743 | 1 822 | 1 909 | 1 909 | 1 909 | 1 931 | 2 130 | 2 193 |
| 5.5 - Sanitation | | – | – | – | – | – | – | – | – | – |
| 5.6 - Sewerage | | 99 252 | 106 410 | 121 375 | 141 631 | 128 457 | 128 457 | 136 290 | 145 032 | 151 438 |
| 5.7 - Wastewater Treatment Works (WWTW) | | – | – | – | – | – | – | – | – | – |
| 5.8 - Water | | 195 564 | 156 102 | 165 405 | 203 581 | 169 130 | 169 130 | 177 047 | 183 048 | 192 277 |
| 5.9 - Water Treatment Works (WTW) | | – | – | – | – | – | – | – | – | – |
| 5.10 - Water Services Authority (WSA) | | – | – | – | – | – | – | – | – | – |
| **Vote 6 - ELECTRO/MECHANICAL SERVICES** | | **313 433** | **397 439** | **418 360** | **501 094** | **494 372** | **494 372** | **549 275** | **599 270** | **658 633** |
| 6.1 - Director:Electro/Mechanical Services | | – | – | – | – | – | – | – | – | – |
| 6.2 - Management and Administration | | – | – | – | – | – | – | – | – | – |
| 6.3 - Electrical:Jeffreys Bay | | 313 432 | 397 438 | 418 258 | 501 093 | 494 194 | 494 194 | 549 083 | 599 062 | 658 404 |
| 6.4 - Electrical:Humansdorp | | – | – | – | – | – | – | – | – | – |
| 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay | | – | – | – | – | – | – | – | – | – |
| 6.6 - Renewable, Control and Special Projects | | – | – | – | – | – | – | – | – | – |
| 6.7 - Fleet and Workshop | | 1 | 1 | 102 | 2 | 178 | 178 | 192 | 208 | 229 |
| 6.8 - Mechanical | | – | – | – | – | – | – | – | – | – |
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| **Vote 7 - PLANNING AND DEVELOPMENT** | | **11 828** | **41 392** | **60 017** | **38 929** | **70 840** | **70 840** | **30 751** | **10 983** | **11 532** |
| 7.1 - Director:Planning and Development | | – | – | – | – | – | – | – | – | – |
| 7.2 - Building Control | | – | – | – | – | 837 | 837 | 879 | 923 | 969 |
| 7.3 - Human Settlement | | 5 849 | 35 790 | 53 075 | 30 000 | 61 074 | 61 074 | 20 291 | – | – |
| 7.4 - Land and Property Administration | | – | – | – | – | – | – | – | – | – |
| 7.5 - Town and Regional Planning | | 5 980 | 5 602 | 6 942 | 8 929 | 8 929 | 8 929 | 9 581 | 10 060 | 10 563 |
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| **Vote 8 - [NAME OF VOTE 8]** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
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## EC108 Kouga - 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 |
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| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – |
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| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
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| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
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| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
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## EC108 Kouga - 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 |
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| **Vote 13 - [NAME OF VOTE 13]** | | – | – | – | – | – | – | – | – | – |
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| **Vote 14 - [NAME OF VOTE 14]** | | – | – | – | – | – | – | – | – | – |
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| **Vote 15 - [NAME OF VOTE 15]** | | – | – | – | – | – | – | – | – | – |
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| **Total Revenue by Vote** | 2 | **992 643** | **1 021 938** | **1 446 326** | **1 551 621** | **1 587 126** | **1 587 126** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure by Vote** | 1 | | | | | | | | | |
| **Vote 1 - OFFICE OF THE MUNICIPAL MANAGER** | | **25 446** | **27 222** | **12 834** | **18 128** | **17 968** | **17 968** | **18 677** | **19 324** | **20 012** |
| 1.1 - Municipal Manager | | 20 637 | 22 793 | 9 563 | 10 055 | 9 760 | 9 760 | 9 624 | 9 805 | 9 995 |
| 1.2 - Performance Management | | 3 459 | 2 281 | (530) | 2 663 | 3 219 | 3 219 | 2 941 | 3 099 | 3 268 |

## EC108 Kouga - 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 |
| 1.3 - Integrated Development | | 1 051 | 1 893 | 1 472 | 2 192 | 1 712 | 1 712 | 2 300 | 2 412 | 2 531 |
| 1.4 - Risk and Internal Audit | | 298 | 255 | 2 329 | 3 218 | 3 277 | 3 277 | 3 811 | 4 009 | 4 219 |
| | | – | – | – | – | – | – | – | – | – |
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| **Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER** | | **106 479** | **116 913** | **117 926** | **167 613** | **152 894** | **152 894** | **143 290** | **151 556** | **160 920** |
| 2.1 - Deputy Municipal Manager | | 238 | 3 401 | (1 087) | 3 488 | 13 585 | 13 585 | 2 747 | 2 890 | 3 044 |
| 2.2 - Executive Council | | 27 508 | 25 085 | 26 739 | 24 839 | 25 444 | 25 444 | 22 474 | 26 426 | 31 450 |
| 2.3 - Administrative Office Of The Executive Mayor / Speaker | | 2 529 | 2 457 | 5 900 | 12 666 | 7 350 | 7 350 | 7 659 | 7 664 | 8 023 |
| 2.4 - Administration and Auxiliary Services | | 43 709 | 40 984 | 53 829 | 58 502 | 45 062 | 45 062 | 36 521 | 38 205 | 40 010 |
| 2.5 - Communications | | 1 320 | 1 308 | 3 023 | 4 172 | 3 866 | 3 866 | 4 078 | 4 214 | 4 359 |
| 2.6 - Human Resources Management | | 15 253 | 21 163 | (3 149) | 26 063 | 21 892 | 21 892 | 24 943 | 25 915 | 26 939 |
| 2.7 - Information Communication Technology (Ict) | | 12 341 | 18 057 | 23 560 | 27 632 | 24 518 | 24 518 | 33 463 | 34 425 | 34 842 |
| 2.8 - Legal Services | | 3 580 | 4 457 | 6 214 | 10 233 | 7 937 | 7 937 | 8 091 | 8 318 | 8 559 |
| 2.9 - Strategic Projects | | – | – | 2 899 | 18 | 3 240 | 3 240 | 3 314 | 3 498 | 3 695 |
| | | – | – | – | – | – | – | – | – | – |
| **Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT** | | **78 424** | **115 634** | **101 376** | **139 445** | **126 048** | **126 048** | **135 684** | **137 298** | **142 737** |
| 3.1 - Chief Financial Officer | | 2 823 | 11 920 | 3 813 | 2 543 | 2 724 | 2 724 | 2 887 | 3 019 | 3 160 |
| 3.2 - Assets; Funding And Investments Management | | 6 225 | 7 951 | 8 412 | 12 011 | 11 133 | 11 133 | 12 167 | 12 572 | 13 018 |
| 3.3 - Budget And Treasury | | 24 405 | 47 565 | 30 724 | 16 418 | 16 923 | 16 923 | 13 232 | 14 023 | 14 802 |
| 3.4 - Expenditure | | 6 081 | 6 874 | 6 507 | 9 925 | 8 014 | 8 014 | 9 333 | 9 822 | 10 343 |
| 3.5 - Revenue | | 23 823 | 23 623 | 31 904 | 68 730 | 61 585 | 61 585 | 68 656 | 68 226 | 70 653 |
| 3.6 - Supply Chain Management | | 7 744 | 8 417 | 8 615 | 11 128 | 9 313 | 9 313 | 11 288 | 11 893 | 12 537 |
| 3.7 - Economic Development And Tourism | | 7 324 | 9 284 | 11 402 | 18 690 | 16 356 | 16 356 | 18 121 | 17 744 | 18 223 |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – |
| **Vote 4 - COMMUNITY SERVICES** | | **231 773** | **218 138** | **305 104** | **314 436** | **331 157** | **331 157** | **350 869** | **363 962** | **379 407** |
| 4.1 - Director:Community Services | | 2 423 | 2 381 | 5 742 | 2 184 | 6 210 | 6 210 | 6 582 | 6 927 | 7 295 |
| 4.2 - Disaster Management And Fire Services | | 27 018 | 29 389 | 32 130 | 38 185 | 34 386 | 34 386 | 35 932 | 37 692 | 39 737 |
| 4.3 - Parks And Community Amenities | | 58 343 | 60 736 | 68 975 | 90 146 | 71 480 | 71 480 | 77 601 | 80 340 | 83 116 |
| 4.4 - Safety And Security | | 49 761 | 54 087 | 123 764 | 95 138 | 137 822 | 137 822 | 144 360 | 150 580 | 157 395 |
| 4.5 - Waste And Environmental Management | | 94 229 | 71 545 | 74 493 | 88 783 | 81 259 | 81 259 | 86 395 | 88 423 | 91 865 |
| | | – | – | – | – | – | – | – | – | – |
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| **Vote 5 - CIVIL AND WATER SERVICES** | | **329 004** | **348 054** | **363 474** | **341 894** | **326 236** | **326 236** | **316 755** | **348 581** | **357 747** |
| 5.1 - Director:Civil and Water Services | | 577 | 1 849 | 2 518 | 2 087 | 3 018 | 3 018 | 3 586 | 3 772 | 3 971 |

## EC108 Kouga - 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 |
| 5.2 - Management and Administration | | 3 896 | 3 622 | 440 | 1 002 | 687 | 687 | 680 | 702 | 733 |
| 5.3 - Roads and Stormwater | | 75 063 | 74 827 | 88 590 | 102 692 | 112 318 | 112 318 | 105 368 | 114 877 | 120 153 |
| 5.4 - Project Management Unit (PMU) | | 1 875 | 1 987 | 4 144 | 5 779 | 4 267 | 4 267 | 4 939 | 5 245 | 5 568 |
| 5.5 - Sanitation | | 3 460 | 5 850 | 6 384 | 6 084 | 5 524 | 5 524 | 5 645 | 6 361 | 6 670 |
| 5.6 - Sewerage | | 89 162 | 97 486 | 81 677 | 103 085 | 75 079 | 75 079 | 57 918 | 63 147 | 63 877 |
| 5.7 - Wastewater Treatment Works (WWTW) | | – | – | – | – | – | – | 6 170 | 8 035 | 8 617 |
| 5.8 - Water | | 154 971 | 162 432 | 179 721 | 121 164 | 125 343 | 125 343 | 119 034 | 126 176 | 131 987 |
| 5.9 - Water Treatment Works (WTW) | | – | – | – | – | – | – | 13 414 | 20 267 | 16 171 |
| 5.10 - Water Services Authority (WSA) | | – | – | – | – | – | – | – | – | – |
| **Vote 6 - ELECTRO/MECHANICAL SERVICES** | | **344 951** | **439 463** | **483 211** | **555 517** | **552 576** | **552 576** | **611 240** | **659 224** | **711 567** |
| 6.1 - Director:Electro/Mechanical Services | | – | – | 2 328 | 3 578 | 2 737 | 2 737 | 2 003 | 2 115 | 2 235 |
| 6.2 - Management and Administration | | – | – | – | 227 | 48 | 48 | – | – | – |
| 6.3 - Electrical:Jeffreys Bay | | 333 372 | 422 957 | 464 147 | 525 128 | 525 055 | 525 055 | 584 310 | 631 060 | 681 981 |
| 6.4 - Electrical:Humansdorp | | – | – | – | 950 | 201 | 201 | 844 | 888 | 935 |
| 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay | | – | – | – | – | – | – | – | – | – |
| 6.6 - Renewable, Control and Special Projects | | – | – | – | – | – | – | – | – | – |
| 6.7 - Fleet and Workshop | | 11 579 | 16 507 | 14 122 | 20 448 | 21 708 | 21 708 | 18 964 | 19 755 | 20 704 |
| 6.8 - Mechanical | | – | – | 2 614 | 5 185 | 2 826 | 2 826 | 5 120 | 5 407 | 5 714 |
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| **Vote 7 - PLANNING AND DEVELOPMENT** | | **22 885** | **23 509** | **34 502** | **44 085** | **38 295** | **38 295** | **44 062** | **44 837** | **46 766** |
| 7.1 - Director:Planning and Development | | 1 128 | 562 | 6 641 | 2 510 | 2 315 | 2 315 | 2 445 | 2 576 | 2 715 |
| 7.2 - Building Control | | – | – | 223 | 8 337 | 1 174 | 1 174 | 235 | 235 | 235 |
| 7.3 - Human Settlement | | 5 444 | 5 817 | 1 253 | 11 626 | 9 446 | 9 446 | 9 226 | 9 547 | 9 924 |
| 7.4 - Land and Property Administration | | 1 748 | 2 170 | 3 956 | 6 718 | 4 201 | 4 201 | 4 569 | 3 575 | 3 581 |
| 7.5 - Town and Regional Planning | | 14 565 | 14 960 | 22 429 | 14 894 | 21 159 | 21 159 | 27 587 | 28 905 | 30 311 |
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| **Vote 8 - [NAME OF VOTE 8]** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
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| **Vote 9 - [NAME OF VOTE 9]** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

## EC108 Kouga - 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 |
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| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – |
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| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – |
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| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – |
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## EC108 Kouga - 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 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – |
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| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – |
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| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – |
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| | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 1 138 963 | 1 288 933 | 1 418 428 | 1 581 117 | 1 545 173 | 1 545 173 | 1 620 577 | 1 724 783 | 1 819 156 |
| Surplus/(Deficit) for the year | 2 | (146 319) | (266 995) | 27 898 | (29 497) | 41 953 | 41 953 | 10 602 | (15 707) | (2 589) |

## EC108 Kouga - 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 | 306 477 | 369 018 | 400 468 | 479 524 | 473 955 | 473 955 | 327 389 | 518 755 | 564 561 | 621 017 |
| Service charges - Water | 2 | 117 400 | 102 795 | 104 737 | 147 583 | 123 885 | 123 885 | 78 856 | 126 386 | 133 969 | 142 007 |
| Service charges - Waste Water Management | 2 | 61 797 | 56 020 | 66 111 | 81 259 | 71 792 | 71 792 | 49 052 | 78 477 | 82 400 | 86 520 |
| Service charges - Waste Management | 2 | 61 945 | 57 488 | 58 681 | 52 990 | 53 826 | 53 826 | 34 959 | 56 574 | 59 403 | 62 373 |
| Sale of Goods and Rendering of Services | 2 | 9 189 | 5 941 | 6 687 | 10 044 | 10 044 | 10 044 | 6 176 | 10 710 | 11 245 | 11 808 |
| Agency services | 2 | 2 678 | 3 615 | 6 045 | 4 554 | 4 554 | 4 554 | 1 120 | 4 782 | 5 021 | 5 272 |
| Interest | | - | – | – | – | – | – | – | – | – | – |
| Interest earned from Receivables | 2 | 20 845 | 21 854 | 22 366 | 34 661 | 11 618 | 11 618 | 9 466 | 11 337 | 12 085 | 12 908 |
| Interest earned from Current and Non Current Assets | 2 | 6 824 | 12 962 | 13 689 | 16 273 | 16 273 | 16 273 | 8 582 | 17 086 | 17 941 | 18 838 |
| Dividends | 2 | - | – | – | – | – | – | – | – | – | – |
| Rent on Land | 2 | - | – | – | – | – | – | – | – | – | – |
| Rental from Fixed Assets | 2 | 2 613 | 3 550 | 4 068 | 3 322 | 4 312 | 4 312 | 4 093 | 4 528 | 4 754 | 4 992 |
| Licence and permits | 2 | 2 677 | 2 368 | 2 137 | 2 856 | 2 856 | 2 856 | 2 300 | 2 998 | 3 148 | 3 306 |
| Special rating levies | 2 | - | – | – | 15 436 | 15 436 | 15 436 | 9 831 | 15 956 | 16 753 | 17 591 |
| Construction Contract Revenue | 2 | - | – | – | – | – | – | – | – | – | – |
| Development Charges | 2 | - | – | – | – | – | – | – | 4 000 | 4 000 | 4 000 |
| Operational Revenue | 2 | 1 200 | 12 016 | 8 061 | 1 955 | 8 122 | 8 122 | 4 062 | 3 066 | 3 152 | 3 244 |
| **Non-Exchange Revenue** | | | | | | | | | | | |
| Property rates | 2 | 249 284 | 280 203 | 298 334 | 304 484 | 307 899 | 307 899 | 217 564 | 326 717 | 343 053 | 360 206 |
| Surcharges and Taxes | 2 | 10 231 | – | – | 22 602 | 25 277 | 25 277 | 15 857 | 25 399 | 26 669 | 28 002 |
| Fines, penalties and forfeits | 2 | 101 636 | 41 582 | 96 016 | 45 795 | 90 465 | 90 465 | 12 504 | 94 988 | 99 738 | 104 725 |
| Licences or permits | 2 | 7 195 | 7 421 | 6 849 | 3 139 | 3 139 | 3 139 | 2 924 | 3 296 | 3 461 | 3 634 |
| Transfer and subsidies - Operational | 2 | 177 339 | 198 630 | 205 382 | 214 766 | 214 697 | 214 697 | 214 067 | 222 542 | 230 643 | 236 697 |
| Interest | 2 | 3 729 | 5 519 | 3 214 | 5 841 | 4 050 | 4 050 | 2 750 | 3 551 | 3 729 | 3 916 |
| Fuel Levy | 2 | - | – | – | – | – | – | – | – | – | – |
| Operational Revenue | 2 | - | 21 452 | 19 241 | 21 605 | 19 666 | 19 666 | 13 766 | 21 327 | 22 887 | 24 707 |
| Gains on disposal of Assets | 2 | 31 | (56) | (689) | – | – | – | 20 | – | – | – |
| Other Gains | 2 | 10 913 | 7 318 | 617 | – | – | – | – | – | – | – |
| Discontinued Operations | | - | – | – | – | – | – | – | – | – | – |
| **Total Revenue (excluding capital transfers and contributions)** | | **1 154 001** | **1 209 697** | **1 322 015** | **1 468 686** | **1 461 865** | **1 461 865** | **1 015 337** | **1 552 476** | **1 648 612** | **1 755 763** |
| **Expenditure** | | | | | | | | | | | |
| Employee related costs | 2 | 359 826 | 394 417 | 422 489 | 519 287 | 440 383 | 440 383 | 297 494 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | 2 | 13 700 | 14 850 | 15 443 | 15 988 | 16 550 | 16 550 | 9 959 | 15 767 | 19 709 | 24 636 |
| Bulk purchases - electricity | 2 | 291 888 | 351 702 | 427 467 | 441 010 | 440 010 | 440 010 | 313 722 | 484 306 | 527 070 | 579 777 |
| Inventory consumed | 2,8 | 91 082 | 96 947 | 94 016 | 114 422 | 113 224 | 113 224 | 77 442 | 102 809 | 119 397 | 125 417 |
| Debt impairment | 2,3 | 88 659 | 87 369 | (68 470) | 65 115 | 64 219 | 64 219 | – | 102 023 | 107 670 | 113 815 |
| Depreciation and amortisation | 2 | 124 718 | 101 469 | 115 298 | 142 422 | 142 422 | 142 422 | 72 119 | 108 376 | 112 885 | 117 574 |
| Interest | 2 | 8 059 | 10 038 | 13 825 | 20 106 | 39 542 | 39 542 | 8 378 | 27 357 | 23 196 | 20 458 |
| Contracted services | 2 | 87 298 | 93 876 | 92 976 | 142 734 | 121 287 | 121 287 | 75 582 | 155 497 | 159 297 | 149 236 |
| Transfers and subsidies | 2 | 709 | 920 | 447 | 950 | 950 | 950 | 474 | 930 | 950 | 970 |
| Irrecoverable debts written off | 2 | - | – | 173 925 | 11 487 | 54 197 | 54 197 | 8 633 | 29 394 | 31 409 | 33 741 |
| Operational costs | 2 | 76 926 | 82 298 | 93 868 | 101 623 | 97 338 | 97 338 | 70 655 | 101 540 | 105 853 | 110 115 |
| Losses on disposal of Assets | 2 | 1 345 | 1 713 | 13 672 | – | – | – | 5 | – | – | – |
| Other Losses | 2 | 425 | 10 915 | 27 372 | – | 15 051 | 15 051 | – | 15 617 | 15 617 | 15 617 |
| **Total Expenditure** | | **1 144 633** | **1 246 514** | **1 422 329** | **1 575 143** | **1 545 173** | **1 545 173** | **934 463** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit)** | | **9 368** | **(36 817)** | **(100 314)** | **(106 457)** | **(83 308)** | **(83 308)** | **80 874** | **(68 101)** | **(76 171)** | **(63 394)** |
| Transfers and subsidies - capital (monetary allocations) | 6 | 102 222 | 85 140 | 109 313 | 82 934 | 125 262 | 125 262 | 40 442 | 78 704 | 60 464 | 60 804 |
| Transfers and subsidies - capital (in-kind) | 6 | – | 18 000 | 15 000 | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **111 590** | 66 323 | 23 999 | **(23 523)** | **41 953** | **41 953** | 121 315 | **10 602** | **(15 707)** | **(2 589)** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **111 590** | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **111 590** | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Share of Surplus/Deficit attributable to Associate | 7 | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | 1 | **111 590** | **66 323** | **23 999** | **(23 523)** | **41 953** | **41 953** | **121 315** | **10 602** | **(15 707)** | **(2 589)** |

## EC108 Kouga - 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 - Vote** | | | | | | | | | | | |
| **Multi-year expenditure** ***to be appropriated*** | 2 | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 12 | 71 | – | – | 5 | 5 | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 2 688 | 1 503 | 1 623 | 1 050 | 2 660 | 2 660 | 1 022 | 1 500 | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 7 334 | 871 | 2 001 | 621 | 1 335 | 1 335 | 225 | – | – | – |
| Vote 4 - COMMUNITY SERVICES | | 10 420 | 4 079 | 861 | 4 891 | 4 890 | 4 890 | 1 928 | 1 999 | 1 999 | 1 999 |
| Vote 5 - CIVIL AND WATER SERVICES | | (2 139) | 49 773 | 61 676 | 206 142 | 247 075 | 247 075 | 39 900 | 67 217 | 37 092 | 43 303 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 3 051 | 192 | 85 369 | 49 509 | 42 935 | 42 935 | 18 852 | 9 374 | 13 096 | 7 180 |
| Vote 7 - PLANNING AND DEVELOPMENT | | 19 | (23) | (112) | 3 250 | 23 666 | 23 666 | 4 081 | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| **Capital multi-year expenditure sub-total** | | **21 387** | **56 466** | **151 419** | **265 462** | **322 565** | **322 565** | **66 008** | **80 089** | **52 186** | **52 482** |
| **Single-year expenditure** ***to be appropriated*** | 2 | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 23 | 39 | 23 | – | – | – | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 56 | 12 | – | – | – | – | – | – | – | – |
| Vote 4 - COMMUNITY SERVICES | | – | 1 474 | – | – | – | – | – | 391 | 391 | 391 |
| Vote 5 - CIVIL AND WATER SERVICES | | 14 | 35 111 | – | – | – | – | – | 180 | – | – |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | – | 58 | – | – | – | – | – | – | – | – |
| Vote 7 - PLANNING AND DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
| **Capital single-year expenditure sub-total** | | **93** | **36 695** | **23** | **–** | **–** | **–** | **–** | **571** | **391** | **391** |
| **Total Capital Expenditure - Vote** | 3,7 | **21 480** | **93 161** | **151 442** | **265 462** | **322 565** | **322 565** | **66 008** | **80 660** | **52 578** | **52 873** |
| **Capital Expenditure - Functional** | | | | | | | | | | | |
| ***Governance and administration*** | | **18 542** | **3 080** | **51 929** | **2 621** | **4 911** | **4 911** | **2 238** | **1 500** | **–** | **–** |
| Executive and council | | 307 | 470 | 293 | – | – | – | – | – | – | – |
| Finance and administration | | 18 212 | 2 572 | 51 613 | 2 621 | 4 906 | 4 906 | 2 238 | 1 500 | – | – |
| Internal audit | | 23 | 39 | 23 | – | 5 | 5 | – | – | – | – |
| ***Community and public safety*** | | **339** | **9 879** | **520** | **2 441** | **21 456** | **21 456** | **5 512** | **2 390** | **2 390** | **2 390** |

## EC108 Kouga - 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 |
| Community and social services | | – | 6 562 | – | 50 | 50 | 50 | 29 | 1 435 | 1 435 | 1 435 |
| Sport and recreation | | 339 | 506 | – | – | – | – | – | – | – | – |
| Public safety | | – | 2 810 | 632 | 2 391 | 2 390 | 2 390 | 1 402 | 955 | 955 | 955 |
| Housing | | – | – | (112) | – | 19 016 | 19 016 | 4 081 | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **(161)** | **28 614** | **20 298** | **173 232** | **191 012** | **191 012** | **23 380** | **23 416** | **12 850** | **11 238** |
| Planning and development | | (161) | 97 | 2 143 | 6 580 | 8 276 | 8 276 | 2 945 | 7 987 | 6 887 | 3 741 |
| Road transport | | – | 28 275 | 18 155 | 166 652 | 182 736 | 182 736 | 20 435 | 15 429 | 5 962 | 7 497 |
| Environmental protection | | – | 242 | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **2 760** | **51 588** | **78 695** | **87 169** | **105 186** | **105 186** | **34 879** | **53 355** | **37 338** | **39 245** |
| Energy sources | | 3 051 | 5 728 | 36 398 | 49 509 | 42 935 | 42 935 | 18 358 | 9 374 | 13 096 | 7 180 |
| Water management | | (5 687) | 21 197 | 14 419 | 18 289 | 30 749 | 30 749 | 5 527 | 16 142 | 5 019 | 600 |
| Waste water management | | 3 563 | 23 106 | 27 878 | 17 872 | 30 002 | 30 002 | 10 994 | 27 839 | 19 224 | 31 465 |
| Waste management | | 1 833 | 1 557 | – | 1 500 | 1 500 | 1 500 | – | – | – | – |
| ***Other*** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total Capital Expenditure - Functional** | 3,7 | **21 480** | **93 161** | **151 442** | **265 462** | **322 565** | **322 565** | **66 008** | **80 660** | **52 578** | **52 873** |
| **Funded by:** | | | | | | | | | | | |
| National Government | | (6 807) | 50 | 67 436 | 44 639 | 54 860 | 54 860 | 29 613 | 48 404 | 50 188 | 50 483 |
| Provincial Government | | – | – | 35 687 | 26 087 | 55 588 | 55 588 | 9 092 | 19 079 | 1 435 | 1 435 |
| District Municipality | | – | 2 810 | 632 | 1 391 | 955 | 955 | 1 390 | 955 | 955 | 955 |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm | | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | 4 | **(6 807)** | **2 860** | **103 754** | **72 117** | **111 403** | **111 403** | **40 095** | **68 438** | **52 578** | **52 873** |
| **Borrowing** | 6 | 8 786 | – | 69 882 | 152 174 | 153 003 | 153 003 | 10 413 | – | – | – |
| **Internally generated funds** | | 19 348 | 90 105 | 44 891 | 41 172 | 58 159 | 58 159 | 15 501 | 12 223 | – | – |
| **Total Capital Funding** | 7 | **21 327** | **92 965** | **218 527** | **265 462** | **322 565** | **322 565** | **66 008** | **80 660** | **52 578** | **52 873** |

**EC108 Kouga - 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** | | **12** | **71** | **–** | **–** | **5** | **5** | **–** | **–** | **–** | **–** |
| 1.1 - Municipal Manager | | 12 | 33 | – | – | – | – | – | – | – | – |
| 1.2 - Performance Management | | – | – | – | – | – | – | – | – | – | – |
| 1.3 - Integrated Development | | – | 37 | – | – | – | – | – | – | – | – |
| 1.4 - Risk and Internal Audit | | – | – | – | – | 5 | 5 | – | – | – | – |
| **Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER** | | **2 688** | **1 503** | **1 623** | **1 050** | **2 660** | **2 660** | **1 022** | **1 500** | **–** | **–** |
| 2.1 - Deputy Municipal Manager | | – | – | 145 | – | – | – | – | – | – | – |
| 2.2 - Executive Council | | 295 | 408 | 148 | – | – | – | – | – | – | – |
| 2.3 - Administrative Office Of The Executive Mayor / Speaker | | – | – | – | – | – | – | – | – | – | – |
| 2.4 - Administration and Auxiliary Services | | 819 | 240 | 88 | – | 480 | 480 | 5 | – | – | – |
| 2.5 - Communications | | – | – | – | 50 | 50 | 50 | 29 | – | – | – |
| 2.6 - Human Resources Management | | – | – | 77 | – | 80 | 80 | – | – | – | – |
| 2.7 - Information Communication Technology (Ict) | | 1 574 | 856 | 1 116 | 1 000 | 2 000 | 2 000 | 988 | 1 500 | – | – |
| 2.8 - Legal Services | | – | – | 50 | – | 50 | 50 | – | – | – | – |
| 2.9 - Strategic Projects | | – | – | – | – | – | – | – | – | – | – |
| **Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT** | | **7 334** | **871** | **2 001** | **621** | **1 335** | **1 335** | **225** | **–** | **–** | **–** |
| 3.1 - Chief Financial Officer | | – | – | – | – | – | – | – | – | – | – |
| 3.2 - Assets; Funding And Investments Management | | 7 171 | 409 | 657 | – | 150 | 150 | 35 | – | – | – |
| 3.3 - Budget And Treasury | | 157 | 275 | – | – | 129 | 129 | 129 | – | – | – |
| 3.4 - Expenditure | | – | – | – | – | 107 | 107 | – | – | – | – |
| 3.5 - Revenue | | 6 | 148 | 66 | 621 | 745 | 745 | 23 | – | – | – |
| 3.6 - Supply Chain Management | | 0 | 39 | 360 | – | 165 | 165 | 38 | – | – | – |
| 3.7 - Economic Development And Tourism | | – | – | 918 | – | 39 | 39 | – | – | – | – |
| **Vote 4 - COMMUNITY SERVICES** | | **10 420** | **4 079** | **861** | **4 891** | **4 890** | **4 890** | **1 928** | **1 999** | **1 999** | **1 999** |
| 4.1 - Director:Community Services | | – | 28 | – | – | – | – | – | – | – | – |
| 4.2 - Disaster Management And Fire Services | | – | 2 810 | 632 | 2 391 | 2 390 | 2 390 | 1 402 | **955** | **955** | **955** |
| 4.3 - Parks And Community Amenities | | 158 | 672 | – | – | – | – | – | **1 043** | **1 043** | **1 043** |
| 4.4 - Safety And Security | | 8 429 | 327 | 229 | 1 000 | 1 000 | 1 000 | 526 | – | – | – |
| 4.5 - Waste And Environmental Management | | 1 833 | 242 | – | 1 500 | 1 500 | 1 500 | – | – | – | – |
| **Vote 5 - CIVIL AND WATER SERVICES** | | **(2 139)** | **49 773** | **61 676** | **206 142** | **247 075** | **247 075** | **39 900** | **67 217** | **37 092** | **43 303** |
| 5.1 - Director:Civil and Water Services | | – | – | – | – | – | – | – | – | – | – |
| 5.2 - Management and Administration | | – | – | – | – | – | – | – | – | – | – |
| 5.3 - Roads and Stormwater | | – | 23 | 19 100 | 166 652 | 182 736 | 182 736 | 20 435 | **15 429** | **5 962** | **7 497** |
| 5.4 - Project Management Unit (PMU) | | (0) | – | 1 225 | 3 330 | 3 587 | 3 587 | 2 945 | **7 807** | **6 887** | **3 741** |
| 5.5 - Sanitation | | – | – | – | – | – | – | – | – | – | – |
| 5.6 - Sewerage | | 3 563 | 148 | 26 933 | 17 872 | 30 002 | 30 002 | 10 994 | **26 912** | **19 224** | **31 465** |
| 5.7 - Wastewater Treatment Works (WWTW) | | – | – | – | – | – | – | – | **926** | – | – |
| 5.8 - Water | | (5 701) | 49 602 | 14 419 | 18 289 | 30 749 | 30 749 | 5 527 | **15 508** | **5 019** | **600** |
| 5.9 - Water Treatment Works (WTW) | | – | – | – | – | – | – | – | **634** | – | – |
| 5.10 - Water Services Authority (WSA) | | – | – | – | – | – | – | – | – | – | – |
| **Vote 6 - ELECTRO/MECHANICAL SERVICES** | | **3 051** | **192** | **85 369** | **49 509** | **42 935** | **42 935** | **18 852** | **9 374** | **13 096** | **7 180** |
| 6.1 - Director:Electro/Mechanical Services | | – | – | – | – | – | – | – | – | – | – |
| 6.2 - Management and Administration | | – | – | – | – | – | – | – | – | – | – |
| 6.3 - Electrical:Jeffreys Bay | | 3 051 | 192 | 36 398 | 49 509 | 42 935 | 42 935 | 18 358 | **9 374** | **13 096** | **7 180** |
| 6.4 - Electrical:Humansdorp | | – | – | – | – | – | – | – | – | – | – |
| 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay | | – | – | – | – | – | – | – | – | – | – |
| 6.6 - Renewable, Control and Special Projects | | – | – | – | – | – | – | – | – | – | – |
| 6.7 - Fleet and Workshop | | – | – | 48 971 | – | – | – | 494 | – | – | – |
| 6.8 - Mechanical | | – | – | – | – | – | – | – | – | – | – |
| **Vote 7 - PLANNING AND DEVELOPMENT** | | **19** | **(23)** | **(112)** | **3 250** | **23 666** | **23 666** | **4 081** | **–** | **–** | **–** |
| 7.1 - Director:Planning and Development | | – | – | – | – | – | – | – | – | – | – |
| 7.2 - Building Control | | – | – | – | – | – | – | – | – | – | – |
| 7.3 - Human Settlement | | – | – | (112) | – | 19 016 | 19 016 | 4 081 | – | – | – |
| 7.4 - Land and Property Administration | | – | – | – | 3 250 | 4 650 | 4 650 | – | – | – | – |
| 7.5 - Town and Regional Planning | | 19 | (23) | – | – | – | – | – | – | – | – |

| Vote Description | 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 | 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** | | | | | | | | | | | |
| **Vote 1 - OFFICE OF THE MUNICIPAL MANAGER** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 1.1 - Municipal Manager | | | | – | | | | – | – | – | – |
| 1.2 - Performance Management | | | | – | | | | – | – | – | – |
| 1.3 - Integrated Development | | | | – | | | | – | – | – | – |
| 1.4 - Risk and Internal Audit | | | | – | | | | – | – | – | – |
| **Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **1 500** | **–** | **–** |
| 2.1 - Deputy Municipal Manager | | | | – | | | | – | – | – | – |
| 2.2 - Executive Council | | | | – | | | | – | – | – | – |
| 2.3 - Administrative Office Of The Executive Mayor / Speaker | | | | – | | | | – | – | – | – |
| 2.4 - Administration and Auxiliary Services | | | | – | | | | – | – | – | – |
| 2.5 - Communications | | | | – | | | | – | – | – | – |
| 2.6 - Human Resources Management | | | | – | | | | – | – | – | – |
| 2.7 - Information Communication Technology (Ict) | | | | – | | | | – | 1 500 | – | – |
| 2.8 - Legal Services | | | | – | | | | – | – | – | – |
| 2.9 - Strategic Projects | | | | – | | | | – | – | – | – |
| **Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 3.1 - Chief Financial Officer | | | | – | | | | – | – | – | – |
| 3.2 - Assets; Funding And Investments Management | | | | – | | | | – | – | – | – |
| 3.3 - Budget And Treasury | | | | – | | | | – | – | – | – |
| 3.4 - Expenditure | | | | – | | | | – | – | – | – |
| 3.5 - Revenue | | | | – | | | | – | – | – | – |
| 3.6 - Supply Chain Management | | | | – | | | | – | – | – | – |
| 3.7 - Economic Development And Tourism | | | | – | | | | – | – | – | – |
| **Vote 4 - COMMUNITY SERVICES** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **1 999** | **1 999** | **1 999** |
| 4.1 - Director:Community Services | | | | – | | | | – | – | – | – |
| 4.2 - Disaster Management And Fire Services | | | | – | | | | – | 955 | 955 | 955 |
| 4.3 - Parks And Community Amenities | | | | – | | | | – | 1 043 | 1 043 | 1 043 |
| 4.4 - Safety And Security | | | | – | | | | – | – | – | – |
| 4.5 - Waste And Environmental Management | | | | – | | | | – | – | – | – |
| **Vote 5 - CIVIL AND WATER SERVICES** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **67 217** | **37 092** | **43 303** |
| 5.1 - Director:Civil and Water Services | | | | – | | | | – | – | – | – |
| 5.2 - Management and Administration | | | | – | | | | – | – | – | – |
| 5.3 - Roads and Stormwater | | | | – | | | | – | 15 429 | 5 962 | 7 497 |
| 5.4 - Project Management Unit (PMU) | | | | – | | | | – | 7 807 | 6 887 | 3 741 |
| 5.5 - Sanitation | | | | – | | | | – | – | – | – |
| 5.6 - Sewerage | | | | – | | | | – | 26 912 | 19 224 | 31 465 |
| 5.7 - Wastewater Treatment Works (WWTW) | | | | – | | | | – | 926 | – | – |
| 5.8 - Water | | | | – | | | | – | 15 508 | 5 019 | 600 |
| 5.9 - Water Treatment Works (WTW) | | | | – | | | | – | 634 | – | – |
| 5.10 - Water Services Authority (WSA) | | | | – | | | | – | – | – | – |
| **Vote 6 - ELECTRO/MECHANICAL SERVICES** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **9 374** | **13 096** | **7 180** |
| 6.1 - Director:Electro/Mechanical Services | | | | – | | | | – | – | – | – |
| 6.2 - Management and Administration | | | | – | | | | – | – | – | – |
| 6.3 - Electrical:Jeffreys Bay | | | | – | | | | – | 9 374 | 13 096 | 7 180 |
| 6.4 - Electrical:Humansdorp | | | | – | | | | – | – | – | – |
| 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay | | | | – | | | | – | – | – | – |
| 6.6 - Renewable, Control and Special Projects | | | | – | | | | – | – | – | – |
| 6.7 - Fleet and Workshop | | | | – | | | | – | – | – | – |
| 6.8 - Mechanical | | | | – | | | | – | – | – | – |
| **Vote 7 - PLANNING AND DEVELOPMENT** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| 7.1 - Director:Planning and Development | | | | – | | | | – | – | – | – |
| 7.2 - Building Control | | | | – | | | | – | – | – | – |
| 7.3 - Human Settlement | | | | – | | | | – | – | – | – |
| 7.4 - Land and Property Administration | | | | – | | | | – | – | – | – |
| 7.5 - Town and Regional Planning | | | | – | | | | – | – | – | – |

| Vote Description | Ref | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | | 2026/27 Medium Term Revenue & Expenditure Framework | | | 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) | | |
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| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
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| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
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| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
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| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
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| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
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| Vote Description | Ref | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
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| 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 |
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| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
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| Capital multi-year expenditure sub-total | | 21 387 | 56 466 | 151 419 | 265 462 | 322 565 | 322 565 | 66 008 | 80 089 | 52 186 | 52 482 |
| Capital expenditure - Municipal Vote | | | | | | | | | | | |
| Single-year expenditure appropriation | 2 | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 23 | 39 | 23 | – | – | – | – | – | – | – |
| 1.1 - Municipal Manager | | – | – | – | – | – | – | – | – | – | – |
| 1.2 - Performance Management | | – | – | – | – | – | – | – | – | – | – |
| 1.3 - Integrated Development | | – | – | – | – | – | – | – | – | – | – |
| 1.4 - Risk and Internal Audit | | 23 | 39 | 23 | – | – | – | – | – | – | – |
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| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – |
| 2.1 - Deputy Municipal Manager | | – | – | – | – | – | – | – | – | – | – |
| 2.2 - Executive Council | | – | – | – | – | – | – | – | – | – | – |
| 2.3 - Administrative Office Of The Executive Mayor / Speaker | | – | – | – | – | – | – | – | – | – | – |
| 2.4 - Administration and Auxiliary Services | | – | – | – | – | – | – | – | – | – | – |
| 2.5 - Communications | | – | – | – | – | – | – | – | – | – | – |
| 2.6 - Human Resources Management | | – | – | – | – | – | – | – | – | – | – |
| 2.7 - Information Communication Technology (Ict) | | – | – | – | – | – | – | – | – | – | – |
| 2.8 - Legal Services | | – | – | – | – | – | – | – | – | – | – |
| 2.9 - Strategic Projects | | – | – | – | – | – | – | – | – | – | – |
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| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 56 | 12 | – | – | – | – | – | – | – | – |
| 3.1 - Chief Financial Officer | | – | – | – | – | – | – | – | – | – | – |
| 3.2 - Assets; Funding And Investments Management | | 26 | 11 | – | – | – | – | – | – | – | – |
| 3.3 - Budget And Treasury | | – | 1 | – | – | – | – | – | – | – | – |
| 3.4 - Expenditure | | 29 | – | – | – | – | – | – | – | – | – |
| 3.5 - Revenue | | – | – | – | – | – | – | – | – | – | – |
| 3.6 - Supply Chain Management | | – | – | – | – | – | – | – | – | – | – |
| 3.7 - Economic Development And Tourism | | – | – | – | – | – | – | – | – | – | – |
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| Vote 4 - COMMUNITY SERVICES | | – | 1 474 | – | – | – | – | – | 391 | 391 | 391 |
| 4.1 - Director:Community Services | | – | – | – | – | – | – | – | – | – | – |
| 4.2 - Disaster Management And Fire Services | | – | – | – | – | – | – | – | – | – | – |
| 4.3 - Parks And Community Amenities | | – | (83) | – | – | – | – | – | 391 | 391 | 391 |
| 4.4 - Safety And Security | | – | – | – | – | – | – | – | – | – | – |
| 4.5 - Waste And Environmental Management | | – | 1 557 | – | – | – | – | – | – | – | – |
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| Vote 5 - CIVIL AND WATER SERVICES | | 14 | 35 111 | – | – | – | – | – | 180 | – | – |
| 5.1 - Director:Civil and Water Services | | – | – | – | – | – | – | – | – | – | – |
| 5.2 - Management and Administration | | – | – | – | – | – | – | – | – | – | – |
| 5.3 - Roads and Stormwater | | – | – | – | – | – | – | – | – | – | – |
| 5.4 - Project Management Unit (PMU) | | – | – | – | – | – | – | – | 180 | – | – |
| 5.5 - Sanitation | | – | – | – | – | – | – | – | – | – | – |
| 5.6 - Sewerage | | – | – | – | – | – | – | – | – | – | – |
| 5.7 - Wastewater Treatment Works (WWTW) | | – | – | – | – | – | – | – | – | – | – |
| 5.8 - Water | | 14 | 35 111 | – | – | – | – | – | – | – | – |
| 5.9 - Water Treatment Works (WTW) | | – | – | – | – | – | – | – | – | – | – |
| 5.10 - Water Services Authority (WSA) | | – | – | – | – | – | – | – | – | – | – |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | – | 58 | – | – | – | – | – | – | – | – |
| 6.1 - Director:Electro/Mechanical Services | | – | – | – | – | – | – | – | – | – | – |
| 6.2 - Management and Administration | | – | – | – | – | – | – | – | – | – | – |
| 6.3 - Electrical:Jeffreys Bay | | – | (208) | – | – | – | – | – | – | – | – |
| 6.4 - Electrical:Humansdorp | | – | – | – | – | – | – | – | – | – | – |
| 6.5 - Electrical:St Francis Bay / Cape St Francis / Oyster Bay | | – | – | – | – | – | – | – | – | – | – |
| 6.6 - Renewable, Control and Special Projects | | – | – | – | – | – | – | – | – | – | – |

| 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) | | |
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| 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 |
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| Vote Description | Ref | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
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| 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 |
| 6.7 - Fleet and Workshop | | – | 266 | – | – | – | – | – | – | – | – |
| 6.8 - Mechanical | | – | – | – | – | – | – | – | – | – | – |
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| Vote 7 - PLANNING AND DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – |
| 7.1 - Director:Planning and Development | | – | – | – | – | – | – | – | – | – | – |
| 7.2 - Building Control | | – | – | – | – | – | – | – | – | – | – |
| 7.3 - Human Settlement | | – | – | – | – | – | – | – | – | – | – |
| 7.4 - Land and Property Administration | | – | – | – | – | – | – | – | – | – | – |
| 7.5 - Town and Regional Planning | | – | – | – | – | – | – | – | – | – | – |
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| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – |
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| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – |
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| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – |
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| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – |
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| 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) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 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 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – |
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| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – |
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| | | – | – | – | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – | – | – | – |
| Capital single-year expenditure sub-total | | 93 | 36 695 | 23 | – | – | – | – | 571 | 391 | 391 |
| Total Capital Expenditure | | 21 480 | 93 161 | 151 442 | 265 462 | 322 565 | 322 565 | 66 008 | 80 660 | 52 578 | 52 873 |

| 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) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 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 |

## EC108 Kouga - 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 | 104 935 | 143 659 | 180 582 | 143 991 | 120 562 | 120 562 | 243 374 | 136 576 | 166 821 | 220 330 |
| Short term Investments | 2 | – | – | – | – | – | – | – | – | – | – |
| Trade and other receivables from exchange transactior | 3 | 73 917 | 57 507 | 63 211 | 59 899 | 63 211 | 63 211 | 78 550 | 79 549 | 79 589 | 79 631 |
| Receivables from non-exchange transactions | 3 | 17 884 | 28 411 | 79 492 | 26 651 | 79 496 | 79 496 | 41 020 | 78 695 | 78 655 | 78 613 |
| Current portion of non-current receivables | 4 | – | – | – | – | – | – | – | – | – | – |
| Inventory | 5 | 18 598 | 21 144 | 24 825 | 22 450 | 24 610 | 24 610 | 26 752 | 24 825 | 24 825 | 24 825 |
| VAT | 6 | (121 435) | 3 117 | 14 419 | 12 790 | 27 507 | 27 507 | 49 317 | 11 967 | 11 967 | 11 967 |
| Other current assets | 7 | 2 542 | 1 255 | 3 145 | 999 | 3 145 | 3 145 | 1 493 | 3 145 | 3 145 | 3 145 |
| **Total current assets** | | **96 441** | **255 094** | **365 675** | **266 780** | **318 531** | **318 531** | **440 507** | **334 758** | **365 002** | **418 511** |
| **Non current assets** | | | | | | | | | | | |
| Investments | 8 | – | – | – | – | – | – | – | – | – | – |
| Investment property | 9 | 251 673 | 250 794 | 246 427 | 250 794 | 246 427 | 246 427 | 246 427 | 246 427 | 246 427 | 246 427 |
| Property, plant and equipment | 10 | 2 011 109 | 2 013 314 | 2 117 640 | 2 326 613 | 2 345 450 | 2 345 450 | 2 159 304 | 2 313 392 | 2 248 743 | 2 179 700 |
| Biological assets | 11 | – | – | – | – | – | – | – | – | – | – |
| Living and non-living resources | 12 | – | – | – | – | – | – | – | – | – | – |
| Heritage assets | 13 | – | – | – | – | – | – | – | – | – | – |
| Intangible assets | 14 | 603 | 419 | 212 | 419 | 512 | 512 | 381 | 212 | 212 | 212 |
| Trade and other receivables from exchange transactior | 15 | – | – | – | – | – | – | – | – | – | – |
| Non-current receivables from non-exchange transactior | 15 | – | – | – | – | – | – | – | – | – | – |
| Other non-current assets | 16 | – | – | – | – | – | – | – | – | – | – |
| **Total non current assets** | | **2 263 385** | **2 264 526** | **2 364 279** | **2 577 825** | **2 592 388** | **2 592 388** | **2 406 112** | **2 560 031** | **2 495 381** | **2 426 339** |
| **TOTAL ASSETS** | | **2 359 826** | **2 519 620** | **2 729 954** | **2 844 605** | **2 910 920** | **2 910 920** | **2 846 618** | **2 894 788** | **2 860 384** | **2 844 850** |
| **LIABILITIES** | | | | | | | | | | | |
| **Current liabilities** | | | | | | | | | | | |
| Bank overdraft | 17 | – | – | – | – | – | – | – | – | – | – |
| Financial liabilities | 18 | 12 169 | 11 144 | 29 869 | 31 944 | 23 538 | 23 538 | 8 244 | 23 178 | 17 424 | 17 424 |
| Consumer deposits | 19 | 29 060 | 31 272 | 34 505 | 31 660 | 34 505 | 34 505 | 37 097 | 34 505 | 34 505 | 34 505 |
| Trade and other payables from exchange transactions | 20 | 126 197 | 153 547 | 210 501 | 143 222 | 199 377 | 199 377 | 139 265 | 237 247 | 237 294 | 237 247 |
| Trade and other payables from non-exchange transacti | 21 | 28 994 | 38 791 | 20 944 | – | 0 | 0 | 37 467 | – | – | – |
| Provision | 22 | 40 097 | 48 005 | 31 654 | 64 451 | 39 509 | 39 509 | 31 256 | 31 256 | 31 256 | 31 256 |
| VAT | 23 | (58 766) | (5 726) | 14 382 | 14 707 | 29 089 | 29 089 | 42 669 | 2 344 | 2 297 | 2 344 |
| Other current liabilities | 24 | – | – | – | – | – | – | – | 7 933 | 7 933 | 7 933 |
| **Total current liabilities** | | **177 751** | **277 034** | **341 855** | **285 984** | **326 018** | **326 018** | **295 999** | **336 462** | **330 709** | **330 709** |
| **Non current liabilities** | | | | | | | | | | | |
| Financial liabilities | 25 | 23 375 | 12 231 | 119 060 | 203 183 | 201 401 | 201 401 | 116 237 | 170 195 | 153 131 | 141 820 |
| Provision | 26 | 116 850 | 119 389 | 120 860 | 139 560 | 140 339 | 140 339 | 120 814 | 125 734 | 130 214 | 134 694 |
| Long term portion of trade payables | 27 | – | – | – | – | – | – | – | – | – | – |
| Other non-current liabilities | 28 | 3 119 | 5 033 | 16 905 | 123 106 | 131 841 | 131 841 | – | 128 578 | 128 578 | 128 578 |
| **Total non current liabilities** | | **143 345** | **136 653** | **256 825** | **465 849** | **473 581** | **473 581** | **237 051** | **424 507** | **411 923** | **405 092** |
| **TOTAL LIABILITIES** | | **321 095** | **413 687** | **598 679** | **751 834** | **799 598** | **799 598** | **533 050** | **760 969** | **742 631** | **735 801** |
| **NET ASSETS** | | **2 038 731** | **2 105 934** | **2 131 275** | **2 092 771** | **2 111 322** | **2 111 322** | **2 313 569** | **2 133 819** | **2 117 752** | **2 109 049** |
| **COMMUNITY WEALTH/EQUITY** | | | | | | | | | | | |
| Accumulated surplus/(deficit) | 29 | 2 038 240 | 2 025 172 | 2 056 273 | 2 078 271 | 2 091 822 | 2 091 822 | 2 054 468 | 2 110 319 | 2 090 252 | 2 077 549 |
| Reserves and funds | 30 | – | 5 759 | 2 186 | 14 500 | 19 500 | 19 500 | 3 991 | 23 500 | 27 500 | 31 500 |
| Other | 31 | – | – | – | – | – | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 10 | **2 038 240** | **2 030 931** | **2 058 459** | **2 092 771** | **2 111 322** | **2 111 322** | **2 058 459** | **2 133 819** | **2 117 752** | **2 109 049** |

## EC108 Kouga - 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 | | 87 984 | 362 726 | 263 763 | 294 809 | 296 352 | 296 352 | | 313 755 | 329 443 | 345 915 |
| Service charges | | 249 926 | 255 325 | 719 038 | 908 343 | 846 520 | 846 520 | | 901 563 | 970 422 | 1 052 170 |
| Other revenue | | 105 301 | 6 288 | 27 734 | 127 258 | 146 022 | 146 022 | | 116 877 | 117 285 | 118 360 |
| Transfers and Subsidies - Operational | 1 | 166 622 | 184 436 | 201 325 | 214 766 | 214 845 | 214 845 | | 222 542 | 230 643 | 236 697 |
| Transfers and Subsidies - Capital | 1 | 79 951 | 1 586 | 57 409 | 82 934 | 104 291 | 104 291 | | 78 704 | 60 464 | 60 804 |
| Interest | | – | – | – | 16 273 | 16 273 | 16 273 | | 17 086 | 17 941 | 18 838 |
| Dividends | | – | – | – | – | – | – | | – | – | – |
| **Payments** | | | | | | | | | | | |
| Suppliers and employees | | 249 546 | 318 980 | (1 129 628) | (1 485 124) | (1 422 023) | (1 422 023) | | (1 495 047) | (1 597 724) | (1 689 634) |
| Interest | | – | – | – | (19 267) | (19 267) | (19 267) | | (26 308) | (21 523) | (18 375) |
| Transfers and Subsidies | 1 | – | – | – | (950) | (950) | (950) | | (930) | (950) | (970) |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **939 330** | **1 129 342** | **139 640** | **139 042** | **182 062** | **182 062** | **–** | **128 241** | **106 000** | **123 806** |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Proceeds on disposal of PPE | | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current receivables | | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | | – | – | – | – | – | – | – | – | – | – |
| Insurance Refund - Capital | | – | – | – | – | – | – | – | – | – | – |
| Interest on Short Term Investment (Greater | | – | – | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| Capital assets | | 17 505 | 4 889 | (17 764) | (265 462) | (318 092) | (318 092) | | (80 660) | (52 578) | (52 873) |
| Retention (Capital) | | – | – | – | – | – | – | – | – | – | – |
| **NET CASH FROM/(USED) OPERATING ACTIVITIES** | | **17 505** | **4 889** | **(17 764)** | **(265 462)** | **(318 092)** | **(318 092)** | **–** | **(80 660)** | **(52 578)** | **(52 873)** |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | | | | | | | |
| **Receipts** | | | | | | | | | | | |
| Short term loans | | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | | – | – | (120 000) | 100 000 | 100 000 | 100 000 | | – | – | – |
| Increase (decrease) in consumer deposits | | – | (0) | – | – | – | – | – | – | – | – |
| **Payments** | | | | | | | | | | | |
| **Repayment of borrowing** | | (10 582) | (12 169) | (23 418) | (23 990) | (23 990) | (23 990) | | (31 566) | (23 178) | (17 424) |
| **NET CASH FROM/(USED) FINANCING ACTIVITIES** | | **(10 582)** | **(12 169)** | **(143 418)** | **76 010** | **76 010** | **76 010** | **–** | **(31 566)** | **(23 178)** | **(17 424)** |
| **NET INCREASE/ (DECREASE) IN CASH HELD** | | **946 254** | **1 122 062** | **(21 542)** | **(50 411)** | **(60 020)** | **(60 020)** | **–** | **16 014** | **30 245** | **53 509** |
| **Cash/cash equivalents at the year begin:** | 2 | **27 851** | **104 935** | **143 659** | 194 402 | 180 582 | 180 582 | | **120 562** | **136 576** | **166 821** |
| **Cash/cash equivalents at the year end:** | 2 | **974 104** | **1 226 997** | **122 117** | **143 991** | **120 562** | **120 562** | **–** | **136 576** | **166 821** | **220 330** |

***References***

***1. Local/District municipalities to include transfers from/to District/Local Municipalities***

***2. Cash equivalents includes investments with maturities of 3 months or less***

***3. The MTREF is populated directly from SA30.***

## EC108 Kouga - 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 | | | | | A8 | Check Import Sheet | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | Exclude "Nil" | | | | |
| **Cash and investments available** | | | | | | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 974 104 | 1 226 997 | 122 117 | 143 991 | 120 562 | 120 562 | – | 136 576 | 166 821 | 220 330 | | | | Link from A7 (Sum) | |
| Other current investments > 90 days | | – | – | – | – | – | – | – | – | – | – | Nil | | | Link from A6 (Sum) | |
| Non current Investments | 1 | – | – | – | – | – | – | – | – | – | – | Nil | | | Link from A6 0210 | |
| **Cash and investments available:** | | **974 104** | **1 226 997** | **122 117** | **143 991** | **120 562** | **120 562** | **–** | **136 576** | **166 821** | **220 330** | | | | **Link to A1** | |
| **Application of cash and investments** | | | | | | | | | | | | | | | | |
| Trade payables from Non-exchange transactions: Unspent co | | 28 994 | 38 791 | 20 944 | – | 0 | 0 | 37 467 | – | – | – | | | 0365 | A8 0365 | Link from SA3 0363 |
| Unspent borrowing | | – | – | – | – | – | – | | – | – | – | | | 5000 | A8 5000 | Link from SA17 5000 |
| Statutory requirements | 2 | – | – | – | 1 917 | 1 582 | 1 582 | – | (9 623) | (9 670) | (9 623) | | | 1003 | #N/A | |
| Other working capital requirements | 3 | – | – | – | 56 672 | 53 856 | 53 856 | – | 79 003 | 79 050 | 79 003 | | | 1500 | A8 1500 | Sum |
| Other provisions | | – | – | – | 64 451 | 39 509 | 39 509 | – | 39 189 | 39 189 | 39 189 | | | 1005 | #N/A | |
| Long term investments committed | 4 | – | – | – | – | – | – | – | – | – | – | Nil | | 2500 | A8 2500 | Sum |
| Reserves to be backed by cash/investments | 5 | – | – | – | 14 500 | 19 500 | 19 500 | – | 23 500 | 27 500 | 31 500 | | | 1007 | #N/A | |
| **Total Application of cash and investments:** | | **28 994** | **38 791** | **20 944** | **137 541** | **114 447** | **114 447** | **37 467** | **132 069** | **136 069** | **140 069** | | | | **Link to A1** | |
| **Surplus(shortfall) - Excluding Non-Current Creditors Trf to De** | | **945 111** | **1 188 206** | **101 173** | **6 451** | **6 115** | **6 115** | **(37 467)** | **4 507** | **30 752** | **80 261** | | | | | |
| **Creditors transferred to Debt Relief - Non-Current portion** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | | | | | |
| **Surplus(shortfall) - Including Non-Current Creditors Trf to De** | | **945 111** | **1 188 206** | **101 173** | **6 451** | **6 115** | **6 115** | **(37 467)** | **4 507** | **30 752** | **80 261** | | | | | |

*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*

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Other working capital requirements | | | | | | | | | | | | | | | | |
| Debtors | | 14 568 | 19 260 | 44 694 | 86 550 | 145 736 | 145 736 | – | 158 243 | 158 243 | 158 243 | | | | | |
| Creditors due | | 126 197 | 153 547 | 210 501 | 143 222 | 199 592 | 199 592 | 139 265 | 237 247 | 237 294 | 237 247 | | | | Link from SA3 0361 | |
| **Total** | | **(111 629)** | **(134 287)** | **(165 807)** | **(56 672)** | **(53 856)** | **(53 856)** | **(139 265)** | **(79 003)** | **(79 050)** | **(79 003)** | | | **1500** | **A8 1500** | |
| Debtors collection assumptions | | | | | | | | | | | | | | | | |
| Balance outstanding - debtors | | 91 801 | 85 919 | 142 703 | 86 550 | 142 707 | 142 707 | 119 571 | 158 243 | 158 243 | 158 243 | | | | Link from A6 (Sum) | |
| Estimate of debtors collection rate | | 15,9% | 22,4% | 31,3% | 41,7% | 37,0% | 37,0% | 0,0% | 36,4% | 36,6% | 37,0% | | | | | |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Long term investments committed | | | | | | | | | | | | | | | | |
| Balance (*Insert description; eg sinking fund*) | | | | | | | | | | | | | | | | |
| Bankers Acceptance Certificate | | – | – | – | – | – | – | – | – | – | – | Nil | | 2505 | A8 2505 | Opening Balances (Budget and Transactions) Included |
| Deposit Taking Institutions | | – | – | – | – | – | – | – | – | – | – | Nil | | 2510 | A8 2510 | Opening Balances (Budget and Transactions) Included |
| Bank Repurchase Agreements | | – | – | – | – | – | – | – | – | – | – | Nil | | 2515 | A8 2515 | Opening Balances (Budget and Transactions) Included |
| Derivative Financial Assets | | – | – | – | – | – | – | – | – | – | – | Nil | | 2520 | A8 2520 | Opening Balances (Budget and Transactions) Included |
| Guaranteed Endowment Policies (Sinking) | | – | – | – | – | – | – | – | – | – | – | Nil | | 2525 | A8 2525 | Opening Balances (Budget and Transactions) Included |
| Listed/Unlisted Bonds and Stocks | | – | – | – | – | – | – | – | – | – | – | Nil | | 2530 | A8 2530 | Opening Balances (Budget and Transactions) Included |
| Municipal Bonds | | – | – | – | – | – | – | – | – | – | – | Nil | | 2535 | A8 2535 | Opening Balances (Budget and Transactions) Included |
| National Government Securities | | – | – | – | – | – | – | – | – | – | – | Nil | | 2540 | A8 2540 | Opening Balances (Budget and Transactions) Included |
| Negotiable Certificate of Deposits: Banks | | – | – | – | – | – | – | – | – | – | – | Nil | | 2545 | A8 2545 | Opening Balances (Budget and Transactions) Included |
| Unamortised Debt Expense | | – | – | – | – | – | – | – | – | – | – | Nil | | 2550 | A8 2550 | Opening Balances (Budget and Transactions) Included |
| Unamortised Preference Share Expense | | – | – | – | – | – | – | – | – | – | – | Nil | | 2555 | A8 2555 | Opening Balances (Budget and Transactions) Included |
| Interest Rate Swaps | | – | – | – | – | – | – | – | – | – | – | Nil | | 2560 | A8 2560 | Opening Balances (Budget and Transactions) Included |
| | | – | – | – | – | – | – | – | – | – | – | | | **2500** | | |
| Reserves to be backed by cash/investments | | | | | | | | | | | | | | | | |
| Housing Development Fund | | – | – | – | – | – | – | – | – | – | – | Nil | FIX THIS FROM | 0471 | A8 0471 | Link from SA3 0471 |
| Capital replacement | | – | 5 759 | 2 186 | 14 500 | 19 500 | 19 500 | 3 991 | 23 500 | 27 500 | 31 500 | | SA3 | 0472 | A8 0472 | Link from SA3 0472 |
| Self-insurance | | – | – | – | – | – | – | – | – | – | – | Nil | | 0473 | A8 0473 | Link from SA3 0473 |
| Compensation for Occupational Injuries and Diseases | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-1 | A8 0474-1 | Link from SA3 0474-1 |
| Employee Benefit | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-2 | A8 0474-2 | Link from SA3 0474-2 |
| Non-current Provisions | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-3 | A8 0474-3 | Link from SA3 0474-3 |
| Valuation | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-4 | A8 0474-4 | Link from SA3 0474-4 |
| Investment in associate account | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-5 | A8 0474-5 | Link from SA3 0474-5 |
| Capitalisation | | – | – | – | – | – | – | – | – | – | – | Nil | | 0474-6 | A8 0474-6 | Link from SA3 0474-6 |
| | 6 | – | 5 759 | 2 186 | 14 500 | 19 500 | 19 500 | 3 991 | 23 500 | 27 500 | 31 500 | | | **0470** | | |

Note:

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

## EC108 Kouga - 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 | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year +1 | Budget Year +2 |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| **Total New Assets** | 1 | **15 978** | **29 537** | **79 159** | **218 101** | **228 482** | **228 482** | **45 669** | **37 581** | **20 808** |
| *Roads Infrastructure* | | – | 308 | 12 644 | 165 652 | 166 925 | 166 925 | 10 717 | 5 962 | 7 497 |
| *Storm water Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | (1 519) | (81) | 2 984 | 37 817 | 41 317 | 41 317 | 9 374 | 13 096 | 7 180 |
| *Water Supply Infrastructure* | | (3 846) | 21 197 | 9 741 | 1 795 | 2 885 | 2 885 | 12 293 | 4 219 | – |
| *Sanitation Infrastructure* | | 164 | – | 310 | 870 | 1 699 | 1 699 | 7 214 | 8 174 | – |
| *Solid Waste Infrastructure* | | 23 | (49) | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***(5 177)*** | ***21 374*** | ***25 679*** | ***206 134*** | ***212 826*** | ***212 826*** | ***39 598*** | ***31 450*** | ***14 677*** |
| Community Facilities | | – | – | – | – | 1 400 | 1 400 | – | – | – |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **–** | **–** | **–** | **–** | ***1 400*** | ***1 400*** | **–** | **–** | **–** |
| **Heritage Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Biological or Cultivated Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | 300 | 300 | – | – | – |
| **Intangible Assets** | | **–** | **–** | **–** | **–** | ***300*** | ***300*** | **–** | **–** | **–** |
| **Computer Equipment** | | **1 677** | **1 638** | **1 705** | **2 050** | **3 738** | **3 738** | **2 543** | **1 043** | **1 043** |
| **Furniture and Office Equipment** | | **1 591** | **1 095** | **1 253** | **–** | **741** | **741** | **571** | **391** | **391** |
| **Machinery and Equipment** | | **975** | **1 061** | **918** | **50** | **300** | **300** | **470** | **–** | **–** |
| **Transport Assets** | | **16 912** | **4 368** | **49 603** | **5 168** | **4 777** | **4 777** | **2 486** | **4 696** | **4 696** |
| **Land** | | **–** | **–** | **–** | **4 700** | **4 400** | **4 400** | **–** | **–** | **–** |
| **Zoo's, Marine and Non-biological Animals** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Renewal of Existing Assets** | 2 | **131** | **40 558** | **4 433** | **2 370** | **15 927** | **15 927** | **7 448** | **3 488** | **600** |
| *Roads Infrastructure* | | – | 28 252 | – | – | – | – | 160 | – | – |
| *Storm water Infrastructure* | | – | – | (292) | – | 11 320 | 11 320 | 1 330 | – | – |
| *Electrical Infrastructure* | | – | 5 744 | 4 545 | – | 1 560 | 1 560 | – | – | – |
| *Water Supply Infrastructure* | | 131 | – | 180 | 2 313 | 2 785 | 2 785 | 984 | 800 | 600 |
| *Sanitation Infrastructure* | | – | – | – | 57 | 262 | 262 | 4 624 | 2 688 | – |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***131*** | ***33 996*** | ***4 433*** | ***2 370*** | ***15 927*** | ***15 927*** | ***7 098*** | ***3 488*** | ***600*** |
| Community Facilities | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | 6 562 | – | – | – | – | – | – | – |
| **Community Assets** | | **–** | ***6 562*** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Heritage Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Operational Buildings | | – | – | – | – | – | – | 300 | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | ***300*** | **–** | **–** |
| **Biological or Cultivated Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Computer Equipment** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Furniture and Office Equipment** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Machinery and Equipment** | | **–** | **–** | **–** | **–** | **–** | **–** | **50** | **–** | **–** |
| **Transport Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Land** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Zoo's, Marine and Non-biological Animals** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| **Total Upgrading of Existing Assets** | 6 | **5 371** | **23 065** | **67 851** | **44 991** | **78 155** | **78 155** | **27 543** | **11 509** | **31 465** |
| *Roads Infrastructure* | | – | (23) | 6 456 | 1 000 | 4 536 | 4 536 | 2 477 | – | – |
| *Storm water Infrastructure* | | – | (0) | 424 | – | – | – | – | – | – |
| *Electrical Infrastructure* | | 2 004 | – | 28 869 | 11 300 | 58 | 58 | – | – | – |
| *Water Supply Infrastructure* | | – | 240 | 4 386 | 14 181 | 43 795 | 43 795 | 350 | 3 007 | 6 065 |
| *Sanitation Infrastructure* | | 3 367 | 22 848 | 26 622 | 17 336 | 28 040 | 28 040 | 17 990 | 5 356 | 25 400 |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***5 371*** | ***23 065*** | ***66 758*** | ***43 817*** | ***76 429*** | ***76 429*** | ***20 817*** | ***8 362*** | ***31 465*** |
| Community Facilities | | – | – | – | 1 000 | 1 000 | 1 000 | – | – | – |
| Sport and Recreation Facilities | | (0) | – | 1 093 | 174 | 726 | 726 | 6 276 | 3 146 | – |
| **Community Assets** | | ***(0)*** | **–** | ***1 093*** | ***1 174*** | ***1 726*** | ***1 726*** | ***6 276*** | ***3 146*** | **–** |
| **Heritage Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Operational Buildings | | 0 | – | – | – | – | – | 320 | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |

| Description | Ref | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year +1 | Budget Year +2 |
| **Other Assets** | | ***0*** | **–** | **–** | **–** | **–** | **–** | ***320*** | **–** | **–** |
| **Biological or Cultivated Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Computer Equipment** | | **–** | **–** | **–** | **–** | **–** | **–** | **131** | **–** | **–** |
| **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 | **21 480** | **93 161** | **151 442** | **265 462** | **322 565** | **322 565** | **80 660** | **52 578** | **52 873** |
| *Roads Infrastructure* | | – | 28 537 | 19 100 | 166 652 | 171 461 | 171 461 | 13 354 | 5 962 | 7 497 |
| *Storm water Infrastructure* | | – | (0) | 132 | – | 11 320 | 11 320 | 1 330 | – | – |
| *Electrical Infrastructure* | | 485 | 5 663 | 36 398 | 49 117 | 42 935 | 42 935 | 9 374 | 13 096 | 7 180 |
| *Water Supply Infrastructure* | | (3 715) | 21 437 | 14 307 | 18 289 | 49 465 | 49 465 | 13 626 | 8 025 | 6 665 |
| *Sanitation Infrastructure* | | 3 531 | 22 848 | 26 933 | 18 263 | 30 002 | 30 002 | 29 829 | 16 217 | 25 400 |
| *Solid Waste Infrastructure* | | 23 | (49) | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***325*** | ***78 436*** | ***96 870*** | ***252 321*** | ***305 183*** | ***305 183*** | ***67 513*** | ***43 300*** | ***46 742*** |
| Community Facilities | | – | – | – | 1 000 | 2 400 | 2 400 | – | – | – |
| Sport and Recreation Facilities | | (0) | 6 562 | 1 093 | 174 | 726 | 726 | 6 276 | 3 146 | – |
| **Community Assets** | | ***(0)*** | ***6 562*** | ***1 093*** | ***1 174*** | ***3 126*** | ***3 126*** | ***6 276*** | ***3 146*** | **–** |
| **Heritage Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Operational Buildings | | 0 | – | – | – | – | – | 620 | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***0*** | **–** | **–** | **–** | **–** | **–** | ***620*** | **–** | **–** |
| **Biological or Cultivated Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | 300 | 300 | – | – | – |
| **Intangible Assets** | | **–** | **–** | **–** | **–** | ***300*** | ***300*** | **–** | **–** | **–** |
| **Computer Equipment** | | **1 677** | **1 638** | **1 705** | **2 050** | **3 738** | **3 738** | **2 674** | **1 043** | **1 043** |
| **Furniture and Office Equipment** | | **1 591** | **1 095** | **1 253** | **–** | **741** | **741** | **571** | **391** | **391** |
| **Machinery and Equipment** | | **975** | **1 061** | **918** | **50** | **300** | **300** | **520** | **–** | **–** |
| **Transport Assets** | | **16 912** | **4 368** | **49 603** | **5 168** | **4 777** | **4 777** | **2 486** | **4 696** | **4 696** |
| **Land** | | **–** | **–** | **–** | **4 700** | **4 400** | **4 400** | **–** | **–** | **–** |
| **Zoo's, Marine and Non-biological Animals** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| **TOTAL CAPITAL EXPENDITURE - Asset class** | | **21 480** | **93 161** | **151 442** | **265 462** | **322 565** | **322 565** | **80 660** | **52 578** | **52 873** |
| **ASSET REGISTER SUMMARY - PPE (WDV)** | 5 | 2 263 385 | 2 264 526 | 2 364 279 | 2 577 825 | 2 592 388 | 2 592 388 | 2 560 031 | 2 495 381 | 2 426 339 |
| *Roads Infrastructure* | | 570 217 | 544 768 | 532 057 | 483 751 | 489 163 | 489 163 | 498 109 | 464 693 | 398 632 |
| *Storm water Infrastructure* | | 53 661 | 52 143 | 51 040 | 50 079 | 48 976 | 48 976 | 49 406 | 49 341 | 49 273 |
| *Electrical Infrastructure* | | 173 406 | 174 471 | 166 759 | 182 312 | 152 282 | 152 282 | 155 302 | 186 901 | 154 367 |
| *Water Supply Infrastructure* | | 362 572 | 365 639 | 364 010 | 623 057 | 362 049 | 362 049 | 347 167 | 346 493 | 345 792 |
| *Sanitation Infrastructure* | | 422 277 | 400 668 | 391 275 | 366 652 | 354 505 | 354 505 | 362 174 | 361 010 | 359 799 |
| *Solid Waste Infrastructure* | | 21 078 | 13 699 | 6 595 | 11 048 | 3 944 | 3 944 | 4 497 | 4 413 | 4 325 |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***1 603 212*** | ***1 551 388*** | ***1 511 736*** | ***1 716 899*** | ***1 410 920*** | ***1 410 920*** | ***1 416 654*** | ***1 412 851*** | ***1 312 189*** |
| **Community Assets** | | 42 314 | 51 043 | 50 015 | 98 525 | 96 800 | 96 800 | 49 642 | 17 569 | 49 611 |
| **Heritage Assets** | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | 251 673 | 250 794 | 246 427 | 250 794 | 246 427 | 246 427 | 246 427 | 246 427 | 246 427 |
| Operational Buildings | | – | – | – | – | – | – | | – | – |
| Housing | | – | – | – | – | – | – | | – | – |
| **Other Assets** | | 63 884 | 97 733 | 193 029 | 222 179 | 481 954 | 481 954 | 495 648 | 469 610 | 469 849 |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | | – | – |
| Licences and Rights | | – | – | – | – | – | – | | – | – |
| **Intangible Assets** | | 603 | 419 | 212 | 419 | 512 | 512 | 212 | 212 | 212 |
| **Computer Equipment** | | 3 631 | 3 801 | 3 844 | 524 | 7 000 | 7 000 | 5 923 | 4 405 | 4 385 |
| **Furniture and Office Equipment** | | 6 708 | 5 879 | 5 359 | 1 141 | 1 466 | 1 466 | 2 266 | 1 940 | 1 787 |
| **Machinery and Equipment** | | 7 567 | 6 996 | 6 364 | 5 913 | 6 974 | 6 974 | 5 551 | 5 082 | 5 030 |
| **Transport Assets** | | 67 197 | 62 300 | 98 667 | 44 292 | 88 810 | 88 810 | 89 082 | 88 661 | 88 222 |
| **Land** | | 216 597 | 234 174 | 248 626 | 237 139 | 251 526 | 251 526 | 248 626 | 248 626 | 248 626 |
| **Zoo's, Marine and Non-biological Animals** | | – | – | – | – | – | – | – | – | – |
| **Living Resources** | | – | – | – | – | – | – | – | – | – |
| **TOTAL ASSET REGISTER SUMMARY - PPE (WDV)** | 5 | **2 263 385** | **2 264 526** | **2 364 279** | **2 577 825** | **2 592 388** | **2 592 388** | **2 560 031** | **2 495 381** | **2 426 339** |
| **EXPENDITURE OTHER ITEMS** | | | | | | | | | | |
| **Depreciation** | 7 | 124 718 | 101 469 | 115 298 | 142 422 | 142 422 | 142 422 | 108 376 | 112 885 | 117 574 |
| **Repairs and Maintenance by Asset Class** | 3 | **47 672** | **52 306** | **171 410** | **231 646** | **187 336** | **187 336** | **206 135** | **233 744** | **236 287** |
| *Roads Infrastructure* | | 12 861 | 6 367 | 29 464 | 30 189 | 29 237 | 29 237 | 31 835 | 39 269 | 45 251 |
| *Storm water Infrastructure* | | 876 | 730 | 207 | 1 620 | 1 427 | 1 427 | 3 450 | 7 650 | 6 850 |
| *Electrical Infrastructure* | | 8 178 | 9 370 | 29 428 | 38 638 | 36 210 | 36 210 | 47 046 | 49 586 | 45 011 |
| *Water Supply Infrastructure* | | 5 193 | 5 014 | 36 027 | 36 498 | 47 197 | 47 197 | 52 159 | 60 413 | 58 370 |
| *Sanitation Infrastructure* | | 4 559 | 12 863 | 35 126 | 55 160 | 25 771 | 25 771 | 24 543 | 28 473 | 29 532 |

| Description | Ref | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year +1 | Budget Year +2 |
| *Solid Waste Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Rail Infrastructure* | | – | – | – | – | – | – | – | – | – |
| *Coastal Infrastructure* | | – | – | 1 220 | 3 005 | 2 743 | 2 743 | 2 893 | 2 893 | 2 893 |
| *Information and Communication Infrastructure* | | – | – | – | – | – | – | – | – | – |
| **Infrastructure** | | ***31 666*** | ***34 345*** | ***131 472*** | ***165 110*** | ***142 585*** | ***142 585*** | ***161 926*** | ***188 284*** | ***187 907*** |
| Community Facilities | | 1 728 | 1 823 | 24 136 | 30 433 | 22 549 | 22 549 | 20 848 | 21 850 | 22 904 |
| Sport and Recreation Facilities | | 1 500 | 1 441 | 1 332 | 4 200 | 3 627 | 3 627 | 2 750 | 2 750 | 2 750 |
| **Community Assets** | | ***3 228*** | ***3 264*** | ***25 467*** | ***34 633*** | ***26 176*** | ***26 176*** | ***23 598*** | ***24 600*** | ***25 654*** |
| **Heritage Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| **Investment properties** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Operational Buildings | | 3 712 | 3 718 | 2 364 | 3 494 | 2 809 | 2 809 | 4 385 | 4 385 | 4 385 |
| Housing | | – | – | – | – | – | – | – | – | – |
| **Other Assets** | | ***3 712*** | ***3 718*** | ***2 364*** | ***3 494*** | ***2 809*** | ***2 809*** | ***4 385*** | ***4 385*** | ***4 385*** |
| **Biological or Cultivated Assets** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | 165 | 96 | 96 | 646 | 646 | 646 |
| **Intangible Assets** | | **–** | **–** | **–** | ***165*** | ***96*** | ***96*** | ***646*** | ***646*** | ***646*** |
| **Computer Equipment** | | **–** | **–** | **–** | **335** | **189** | **189** | **170** | **170** | **170** |
| **Furniture and Office Equipment** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Machinery and Equipment** | | **594** | **659** | **595** | **1 367** | **1 256** | **1 256** | **1 316** | **1 316** | **1 316** |
| **Transport Assets** | | **8 472** | **10 321** | **11 511** | **26 543** | **14 225** | **14 225** | **14 095** | **14 344** | **16 209** |
| **Libraries** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Zoo's, Marine and Non-biological Animals** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Mature | | – | - | - | - | - | - | - | - | - |
| Immature | | – | - | - | - | - | - | - | - | - |
| **Living Resources** | | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | |
| **TOTAL EXPENDITURE OTHER ITEMS** | | **172 391** | **153 775** | **286 708** | **374 068** | **329 758** | **329 758** | **314 512** | **346 629** | **353 861** |
| ***Renewal and upgrading of Existing Assets as % of total capex*** | | *25,6%* | *68,3%* | *47,7%* | *17,8%* | *29,2%* | *29,2%* | *43,4%* | *28,5%* | *60,6%* |
| ***Renewal and upgrading of Existing Assets as % of deprecn*** | | *4,4%* | *62,7%* | *62,7%* | *33,3%* | *66,1%* | *66,1%* | *32,3%* | *13,3%* | *27,3%* |
| ***R&M as a % of PPE & Investment Property*** | | *2,1%* | *2,3%* | *7,3%* | *9,0%* | *7,2%* | *7,2%* | *8,0%* | *9,3%* | *9,7%* |
| ***Renewal and upgrading and R&M as a % of PPE and Investment Prop*** | | *2,3%* | *5,1%* | *10,3%* | *10,8%* | *10,9%* | *10,9%* | *9,4%* | *9,9%* | *11,0%* |

*References*

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

## EC108 Kouga - 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 | – | – | – | – | – | – | – | – | – |

| 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 |
| **Households receiving Free Basic Service** | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 13 470 867 | (5 128 924) | (11 088 107) | 22 969 668 | 22 969 668 | 22 969 668 | 24 629 121 | 26 106 869 | 27 673 281 |
| Sanitation (free minimum level service) | | 9 997 134 | (2 062 647) | (7 166 044) | 14 616 538 | 14 616 538 | 14 616 538 | 15 410 356 | 16 180 874 | 16 989 917 |
| Electricity/other energy (50kwh per household per month) | | 5 488 401 | 3 030 532 | 2 191 734 | 2 243 199 | 2 243 199 | 2 243 199 | 10 264 877 | 11 171 265 | 12 288 392 |
| Refuse (removed at least once a week) | | – | – | 14 290 501 | 25 846 752 | 25 846 752 | 25 846 752 | 23 154 395 | 24 312 115 | 25 527 720 |
| Informal Settlements | | – | – | – | – | – | – | – | – | – |
| **Cost of Free Basic Services provided - Formal Settlements (R'000)** | 8 | | | | | | | | | |
| Water (6 kilolitres per **indigent** household per month) | | (13 471) | 5 129 | 11 088 | (22 970) | (22 970) | (22 970) | 33 420 | (24 629) | (26 107) |
| Sanitation (free sanitation service to **indigent households**) | | (9 997) | 2 063 | 7 166 | (14 617) | (14 617) | (14 617) | 22 102 | (15 410) | (16 181) |
| Electricity/other energy (50kwh per **indigent** household per month) | | (5 488) | (3 031) | (2 192) | (2 243) | (2 243) | (2 243) | 1 439 | (10 265) | (11 171) |
| Refuse (removed once a week **for indigent households**) | | – | – | (14 291) | (25 847) | (25 847) | (25 847) | 12 227 | (23 154) | (24 312) |
| **Cost of Free Basic Services provided - Informal Formal Settlements (R'000)** | | – | – | – | – | – | – | – | – | – |
| **Total cost of FBS provided** | | **(28 956)** | **4 161** | **1 772** | **(65 676)** | **(65 676)** | **(65 676)** | **69 188** | **(73 459)** | **(77 771)** |
| **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** | | (7 953) | 7 850 | 17 603 | (4 207) | (4 207) | (4 207) | 17 989 | (1 836) | (1 927) |
| 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** | | **(7 953)** | **7 850** | **17 603** | **(4 207)** | **(4 207)** | **(4 207)** | **17 989** | **(1 836)** | **(1 927)** |

*References*

*1. Include services provided by another entity; e.g. Eskom*
*2. Stand distance <= 200m from dwelling*
*3. Stand distance > 200m from dwelling*
*4. Borehole, spring, rain-water tank etc.*
*5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)*
*6. Include value of subsidy provided by municipality above provincial subsidy level*
*7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)*
*8. Must reflect the cost to the municipality of providing the Free Basic Service*
*9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)*

## EC108 Kouga - 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 | | 2 775 | 2 398 | 2 967 | 3 766 | 3 766 | 3 766 | 2 395 | 2 978 | 3 241 | 3 565 |
| Availability Charges | | 9 494 | (0) | – | – | – | – | – | – | – | – |
| Connection/Reconnection | | 454 | 337 | 377 | 528 | 528 | 528 | 287 | 340 | 370 | 407 |
| Electricity Distribution Revenue for Services | | 61 401 | 87 880 | 85 104 | 91 647 | 91 647 | 91 647 | 66 653 | 109 990 | 119 702 | 131 672 |
| Electricity Sales | | 237 842 | 281 434 | 314 212 | 385 826 | 380 258 | 380 258 | 256 615 | 415 712 | 452 420 | 497 662 |
| Joint Pole Usage | | – | – | – | – | – | – | – | – | – | – |
| Meter Compliance Testing | | – | – | – | – | – | – | – | – | – | – |
| Meter Reading Fees | | – | – | – | – | – | – | – | – | – | – |
| Notice Revenues | | – | – | – | – | – | – | – | – | – | – |
| Temporary Service Plant | | – | – | – | – | – | – | – | – | – | – |
| **Total Service charges - Electricity** | | **311 965** | **372 049** | **402 660** | **481 767** | **476 198** | **476 198** | **325 950** | **529 020** | **575 733** | **633 306** |
| *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)* | | (5 488) | (3 031) | (2 192) | (2 243) | (2 243) | (2 243) | 1 439 | (10 265) | (11 171) | (12 288) |
| **Net Service charges - Electricity** | | **306 477** | **369 018** | **400 468** | **479 524** | **473 955** | **473 955** | **327 389** | **518 755** | **564 561** | **621 017** |
| **Service charges - Water** | 6 | | | | | | | | | | |
| Agricultural and Rural Water Service | | – | – | – | – | – | – | – | – | – | – |
| Availability Charges | | 43 264 | (0) | (0) | – | – | – | – | – | – | – |
| Connection/Disconnection | | 1 826 | 805 | 465 | 721 | 721 | 721 | 467 | 356 | 378 | 400 |
| Industrial Water | | – | – | – | – | – | – | – | – | – | – |
| Meter Reading Fees | | – | – | – | – | – | – | – | – | – | – |
| Sale | | 85 780 | 96 860 | 93 183 | 169 832 | 146 134 | 146 134 | 44 969 | 150 659 | 159 698 | 169 280 |
| Urban Higher Level Service | | – | – | – | – | – | – | – | – | – | – |
| **Total Service charges - Water** | | **130 871** | **97 666** | **93 649** | **170 553** | **146 855** | **146 855** | **45 436** | **151 015** | **160 076** | **169 680** |
| *month)* | | – | – | – | – | – | – | – | – | – | – |
| *Less Cost of Free Basis Services (6 kilolitres per indigent household per month)* | | (13 471) | 5 129 | 11 088 | (22 970) | (22 970) | (22 970) | 33 420 | (24 629) | (26 107) | (27 673) |
| **Net Service charges - Water** | | **117 400** | **102 795** | **104 737** | **147 583** | **123 885** | **123 885** | **78 856** | **126 386** | **133 969** | **142 007** |
| **Service charges - Waste Water Management** | 6 | | | | | | | | | | |
| Agricultural and Rural | | – | – | – | – | – | – | – | – | – | – |
| Availability Charges | | 3 123 | 0 | – | – | – | – | – | – | – | – |
| Connection/Reconnection | | 1 476 | 300 | 227 | 412 | 412 | 412 | 138 | 18 | 18 | 19 |
| Higher Level Service | | – | – | – | – | – | – | – | – | – | – |
| Industrial Effluent | | – | – | – | – | – | – | – | – | – | – |
| Industrial Waste Water | | – | – | – | – | – | – | – | – | – | – |
| Pump/Removal of Waste Water | | 85 | 1 561 | 1 807 | 977 | 977 | 977 | 1 610 | 2 862 | 3 005 | 3 155 |
| Sanitation Charges | | 67 110 | 52 097 | 56 911 | 94 487 | 85 019 | 85 019 | 25 202 | 91 008 | 95 558 | 100 336 |
| Treatment of Effluent | | – | – | – | – | – | – | – | – | – | – |
| **Total Service charges - Waste Water Management** | | **71 794** | **53 957** | **58 945** | **95 876** | **86 408** | **86 408** | **26 950** | **93 887** | **98 581** | **103 510** |

| 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 |
| *Less Revenue Foregone (in excess of free sanitation service to indigent households)* | | – | – | – | – | – | – | – | – | – | – |
| *Less Cost of Free Basis Services (free sanitation service to indigent households)* | | (9 997) | 2 063 | 7 166 | (14 617) | (14 617) | (14 617) | 22 102 | (15 410) | (16 181) | (16 990) |
| **Net Service charges - Waste Water Management** | | **61 797** | **56 020** | **66 111** | **81 259** | **71 792** | **71 792** | **49 052** | **78 477** | **82 400** | **86 520** |
| **Service charges - Waste Management** | 6 | | | | | | | | | | |
| Availability Charges | | – | – | – | – | – | – | – | – | – | – |
| Carrier Bags | | – | – | – | – | – | – | – | – | – | – |
| Disposal Facilities | | 15 665 | 15 470 | 13 042 | – | – | – | – | 1 889 | 1 983 | 2 082 |
| Refuse Bags | | – | – | – | – | – | – | – | – | – | – |
| Refuse Removal | | 46 280 | 42 018 | 59 930 | 78 837 | 79 672 | 79 672 | 22 732 | 77 840 | 81 732 | 85 818 |
| Skip | | – | – | – | – | – | – | – | – | – | – |
| Waste Bins | | – | – | – | – | – | – | – | – | – | – |
| **Total refuse removal revenue** | | **61 945** | **57 488** | **72 972** | **78 837** | **79 672** | **79 672** | **22 732** | **79 728** | **83 715** | **87 901** |
| *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)* | | – | – | (14 291) | (25 847) | (25 847) | (25 847) | 12 227 | (23 154) | (24 312) | (25 528) |
| **Net Service charges - Waste Management** | | **61 945** | **57 488** | **58 681** | **52 990** | **53 826** | **53 826** | **34 959** | **56 574** | **59 403** | **62 373** |
| **Sales of Goods and Rendering of Services** | | | | | | | | | | | |
| Academic Services | | – | – | – | – | – | – | – | – | – | – |
| Advertisements | | – | 1 | 8 | 3 | 3 | 3 | 5 | 3 | 4 | 4 |
| Amendment Fees | | – | – | – | – | – | – | – | – | – | – |
| Application Fees for Land Usage | | 328 | 247 | 141 | 780 | 780 | 780 | 365 | 819 | 860 | 903 |
| Building Plan Approval | | 4 777 | 4 350 | 5 230 | 6 721 | 6 721 | 6 721 | 4 648 | 7 057 | 7 410 | 7 780 |
| Building Plan Clause Levy | | – | – | – | – | – | – | – | – | – | – |
| Buyers Card | | – | – | – | – | – | – | – | – | – | – |
| Camping Fees | | 13 | – | – | – | – | – | – | – | – | – |
| Cemetery and Burial | | 372 | 361 | 367 | 429 | 429 | 429 | 304 | 451 | 473 | 497 |
| Cleaning and Removal | | 15 | 3 | 14 | 9 | 9 | 9 | 7 | 14 | 15 | 16 |
| Clearance Certificates | | – | – | – | – | – | – | – | – | – | – |
| Computer Services | | – | – | – | – | – | – | – | – | – | – |
| Day Care Fees | | – | – | – | – | – | – | – | – | – | – |
| Demolition Application Fees | | – | – | – | – | – | – | – | – | – | – |
| Development Charges | | – | – | – | – | – | – | – | – | – | – |
| Domestic Services | | – | – | – | – | – | – | – | – | – | – |
| Drainage Fees | | – | – | – | – | – | – | – | – | – | – |
| Encroachment Fees | | 0 | – | – | – | – | – | 2 | 2 | 2 | 2 |
| Entrance Fees | | – | – | – | – | – | – | – | – | – | – |
| Escort Fees | | – | – | – | – | – | – | – | – | – | – |
| Exempted Parking | | – | – | – | – | – | – | – | – | – | – |
| Fire Services | | 15 | 16 | 37 | 270 | 270 | 270 | 65 | 283 | 298 | 312 |
| Health Services | | – | – | – | – | – | – | – | – | – | – |
| Housing (Boarding Services) | | – | – | – | – | – | – | – | – | – | – |
| Immunisation Fees | | – | – | – | – | – | – | – | – | – | – |
| Laboratory Services | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Legal Fees | | 1 935 | 371 | 188 | 884 | 884 | 884 | 61 | 928 | 975 | 1 023 |
| Library Fees | | – | – | – | – | – | – | – | – | – | – |
| Management Fees | | – | – | – | – | – | – | – | – | – | – |
| Meal and Refreshment | | – | – | – | – | – | – | – | – | – | – |
| Membership Fees | | – | – | – | – | – | – | – | – | – | – |
| Objections and Appeals | | – | – | – | – | – | – | – | – | – | – |
| Occupation Certificates | | – | – | – | – | – | – | – | – | – | – |
| Parking Fees | | – | – | – | – | – | – | – | – | – | – |
| Photo copies, Faxes and Telephone charges | | 9 | 13 | 9 | 16 | 16 | 16 | 10 | 19 | 20 | 21 |
| Removal of Restrictions | | 534 | 543 | 661 | 850 | 850 | 850 | 703 | 1 097 | 1 152 | 1 209 |
| Sale of Carbon Credits | | – | – | – | – | – | – | – | – | – | – |
| Sale of Goods | | 1 007 | – | – | – | – | – | – | – | – | – |
| Scrap, Waste & Other Goods | | 1 | 1 | 3 | 2 | 2 | 2 | 5 | 6 | 7 | 7 |
| Shared Services | | – | – | – | – | – | – | – | – | – | – |
| Squatter Re-allocation | | – | – | – | – | – | – | – | – | – | – |
| Stone and Gravel | | – | – | – | – | – | – | – | – | – | – |
| Streets/Street Markets (Informal Traders) | | – | – | – | – | – | – | – | – | – | – |
| Town Planning and Servitudes | | – | – | – | – | – | – | – | – | – | – |
| Traffic Control | | – | – | – | – | – | – | – | – | – | – |
| Transport Fees | | – | – | – | – | – | – | – | – | – | – |
| Valuation Services | | 183 | 35 | 31 | 79 | 79 | 79 | 3 | 29 | 31 | 32 |
| Water Meter Protectors | | – | – | – | – | – | – | – | – | – | – |
| Weighbridge Fees | | – | – | – | – | – | – | – | – | – | – |
| **Total Sales of Goods and Rendering of Services** | | **9 189** | **5 941** | **6 687** | **10 044** | **10 044** | **10 044** | **6 176** | **10 710** | **11 245** | **11 808** |
| **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 | | 2 678 | 3 615 | 6 045 | 4 554 | 4 554 | 4 554 | 1 120 | 4 782 | 5 021 | 5 272 |
| Free State | | – | – | – | – | – | – | – | – | – | – |
| Gauteng | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| KwazuluNatal | | – | – | – | – | – | – | – | – | – | – |
| Limpopo | | – | – | – | – | – | – | – | – | – | – |
| Mpumalanga | | – | – | – | – | – | – | – | – | – | – |
| Northern Cape | | – | – | – | – | – | – | – | – | – | – |
| Northwest | | – | – | – | – | – | – | – | – | – | – |
| Western Cape | | – | – | – | – | – | – | – | – | – | – |
| **Total Provincial** | | **2 678** | **3 615** | **6 045** | **4 554** | **4 554** | **4 554** | **1 120** | **4 782** | **5 021** | **5 272** |
| **Total Agency Services** | | **2 678** | **3 615** | **6 045** | **4 554** | **4 554** | **4 554** | **1 120** | **4 782** | **5 021** | **5 272** |
| **Interest - Deemed Interest** | | – | – | – | – | – | – | – | – | – | – |
| **Interest earned from Receivables** | | | | | | | | | | | |
| Affiliates/Related Parties/Associated Companies | | | | | | | | | | | |
| Electricity | | 1 750 | 2 428 | 2 272 | 2 496 | 837 | 837 | 1 499 | 1 888 | 2 054 | 2 260 |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Housing Land Sales | | – | – | – | – | – | – | – | – | – | – |
| Housing Selling Schemes | | – | – | – | – | – | – | – | – | – | – |
| Merchandising, Jobbing and Contracts | | – | – | – | – | – | – | – | – | – | – |
| Property Rental Debtors | | – | – | – | – | – | – | – | – | – | – |
| SARS | | – | – | – | – | – | – | – | – | – | – |
| Service Charges | | 329 | 297 | 335 | 375 | 126 | 126 | 83 | 54 | 57 | 60 |
| Sporting and Other Bodies | | – | – | – | – | – | – | – | – | – | – |
| Staff | | – | – | – | – | – | – | – | – | – | – |
| Waste Management | | 6 261 | 6 938 | 5 589 | 9 116 | 3 056 | 3 056 | 1 826 | 2 081 | 2 185 | 2 295 |
| Waste Water Management | | 3 359 | 3 643 | 3 840 | 6 065 | 2 033 | 2 033 | 1 546 | 1 887 | 1 981 | 2 080 |
| Water | | 9 146 | 8 550 | 10 329 | 16 609 | 5 567 | 5 567 | 4 513 | 5 427 | 5 807 | 6 213 |
| Shared Services | | – | – | – | – | – | – | – | – | – | – |
| **Total Interest earned from Receivables** | | **20 845** | **21 854** | **22 366** | **34 661** | **11 618** | **11 618** | **9 466** | **11 337** | **12 085** | **12 908** |
| **Interest earned from Current and Non Current Assets** | | | | | | | | | | | |
| Bank Accounts | | 2 909 | 4 761 | 4 080 | 4 424 | 4 424 | 4 424 | 1 609 | 4 645 | 4 877 | 5 121 |
| Financial Assets | | – | – | – | – | – | – | – | – | – | – |
| Short Term Investments and Call Accounts | | 3 915 | 8 202 | 9 609 | 11 849 | 11 849 | 11 849 | 6 972 | 12 442 | 13 064 | 13 717 |
| **Total Interest earned from Current and Non Current Assets** | | **6 824** | **12 962** | **13 689** | **16 273** | **16 273** | **16 273** | **8 582** | **17 086** | **17 941** | **18 838** |
| **Dividends** | | | | | | | | | | | |
| External Investment | | – | – | – | – | – | – | – | – | – | – |
| Municipal Entities | | – | – | – | – | – | – | – | – | – | – |
| **Total Dividends** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Rent on Land** | | | | | | | | | | | |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Prospecting, Mining, Royalties | | – | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – | – |
| **Total Rent on Land** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Rental from Fixed Assets** | | | | | | | | | | | |
| **Market Related** | | | | | | | | | | | |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Property Plant and Equipment | | 177 | 233 | 240 | 317 | 317 | 317 | 675 | 332 | 349 | 367 |
| **Total Market Related** | | **177** | **233** | **240** | **317** | **317** | **317** | **675** | **332** | **349** | **367** |
| **Non-market Related** | | | | | | | | | | | |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | 2 026 | 2 486 | 3 169 | 2 849 | 3 839 | 3 839 | 3 084 | 4 031 | 4 233 | 4 444 |
| Property Plant and Equipment | | 410 | 831 | 658 | 156 | 156 | 156 | 334 | 164 | 172 | 181 |
| **Total Non-market Related** | | **2 436** | **3 316** | **3 828** | **3 006** | **3 996** | **3 996** | **3 418** | **4 195** | **4 405** | **4 625** |
| **Total Rental from Fixed Assets** | | **2 613** | **3 550** | **4 068** | **3 322** | **4 312** | **4 312** | **4 093** | **4 528** | **4 754** | **4 992** |
| **Licences or Permits** | | | | | | | | | | | |
| Angling/Fishing | | – | – | – | – | – | – | – | – | – | – |
| Atmospheric Emissions | | – | – | – | – | – | – | – | – | – | – |
| Boat | | – | – | – | – | – | – | – | – | – | – |
| Dog | | – | – | – | – | – | – | – | – | – | – |
| Fauna and Flora | | – | – | – | – | – | – | – | – | – | – |
| Filming Fees | | – | – | – | – | – | – | – | – | – | – |
| Game | | – | – | – | – | – | – | – | – | – | – |
| Health Certificates | | – | – | – | – | – | – | – | – | – | – |
| Hiking Trails | | – | – | – | – | – | – | – | – | – | – |
| Hoarding (Collecting/Storing) | | – | – | – | – | – | – | – | – | – | – |
| Market Porters | | – | – | – | – | – | – | – | – | – | – |
| Road and Transport | | 2 487 | 2 229 | 1 966 | 2 764 | 2 764 | 2 764 | 2 133 | 2 902 | 3 047 | 3 200 |
| Threatened and Protected Species | | – | – | – | – | – | – | – | – | – | – |
| Trading | | 190 | 139 | 171 | 92 | 92 | 92 | 167 | 96 | 101 | 106 |
| **Total Licences or Permits** | | **2 677** | **2 368** | **2 137** | **2 856** | **2 856** | **2 856** | **2 300** | **2 998** | **3 148** | **3 306** |
| **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 | | – | – | – | 15 436 | 15 436 | 15 436 | 9 831 | 15 956 | 16 753 | 17 591 |
| Residential Sectional Title Garages | | – | – | – | – | – | – | – | – | – | – |
| Sport Clubs and Fields | | – | – | – | – | – | – | – | – | – | – |
| Vacant Land | | – | – | – | – | – | – | – | – | – | – |
| **Total Special Rating Levies** | | **-** | **-** | **-** | **15 436** | **15 436** | **15 436** | **9 831** | **15 956** | **16 753** | **17 591** |
| **Construction Contract Revenue** | | – | – | – | – | – | – | – | – | – | – |
| **Development Charges** | | – | – | – | – | – | – | – | 4 000 | 4 000 | 4 000 |
| **Operational Revenue** | | | | | | | | | | | |
| Administrative Handling Fees | | – | – | – | – | – | – | – | – | – | – |
| Arbor City Awards Competition | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Bad Debts Recovered | | – | – | – | – | – | – | – | – | – | – |
| Bontle Ke Botho Cleaning and Greening Award | | 29 | 5 759 | 2 186 | – | 5 000 | 5 000 | 2 376 | – | – | – |
| Breakages and Losses Recovered | | – | – | – | – | – | – | – | – | – | – |
| Bursary Repayment | | – | – | – | – | – | – | – | – | – | – |
| Collection Charges | | – | – | 99 | – | 177 | 177 | 117 | 185 | 202 | 222 |
| Commission | | 351 | 304 | 283 | 313 | 313 | 313 | 191 | 329 | 345 | 362 |
| Discounts and Early Settlements | | 0 | 2 | 0 | – | – | – | 93 | – | – | – |
| Incidental Cash Surpluses | | – | – | – | – | – | – | – | – | – | – |
| Inspection Fees | | – | – | – | – | 837 | 837 | 539 | 879 | 923 | 969 |
| Insurance Refund | | 29 | – | 124 | 1 000 | 1 000 | 1 000 | 83 | 1 000 | 1 000 | 1 000 |
| Merchandising, Jobbing and Contracts | | – | – | – | – | – | – | – | – | – | – |
| Recovery Maintenance | | – | – | – | – | – | – | – | – | – | – |
| Registration Fees | | – | – | – | – | – | – | – | – | – | – |
| Request for Information | | – | – | – | – | – | – | 5 | – | – | – |
| Sale of Property | | – | 5 328 | 4 057 | – | 130 | 130 | 130 | – | – | – |
| Skills Development Levy Refund | | 686 | 454 | 1 068 | 500 | 500 | 500 | 417 | 500 | 500 | 500 |
| Staff and Councillors Recoveries | | 105 | 169 | 244 | 142 | 165 | 165 | 110 | 174 | 182 | 191 |
| **Total Operational Revenue** | | **1 200** | **12 016** | **8 061** | **1 955** | **8 122** | **8 122** | **4 062** | **3 066** | **3 152** | **3 244** |
| **Non-Exchange revenue** | | | | | | | | | | | |
| **Property Rates** | | | | | | | | | | | |
| Agricultural Properties | | 8 843 | 9 132 | 9 602 | 10 222 | 10 222 | 10 222 | 8 366 | 10 671 | 11 204 | 11 765 |
| Business and Commercial Properties | | 26 425 | 27 962 | 28 335 | 30 877 | 30 877 | 30 877 | 21 270 | 32 279 | 33 893 | 35 588 |
| Industrial Properties | | 4 786 | 5 766 | 6 155 | 6 585 | 6 585 | 6 585 | 4 811 | 6 819 | 7 160 | 7 518 |
| Mining Properties | | – | 11 975 | 12 717 | – | – | – | – | – | – | – |
| Public Benefit Organisations | | 205 | 152 | 252 | 217 | 217 | 217 | 207 | 263 | 277 | 290 |
| Public Service Infrastructure Properties | | – | – | 0 | – | – | – | – | – | – | – |
| Public Service Purposes Properties | | 2 522 | 3 165 | 3 424 | 3 630 | 3 630 | 3 630 | 2 417 | 3 829 | 4 021 | 4 222 |
| Residential Properties | | 192 777 | 193 469 | 197 799 | 233 216 | 236 631 | 236 631 | 145 711 | 250 492 | 263 016 | 276 167 |
| Residential Sectional Title Garages | | – | – | – | – | – | – | – | – | – | – |
| Sport Clubs and Fields | | – | – | – | – | – | – | – | – | – | – |
| Vacant Land | | 21 679 | 20 731 | 22 448 | 23 943 | 23 943 | 23 943 | 16 793 | 24 200 | 25 410 | 26 680 |
| **Total Property Rates** | | **257 236** | **272 353** | **280 731** | **308 691** | **312 106** | **312 106** | **199 575** | **328 553** | **344 980** | **362 230** |
| *Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)* | | (7 953) | 7 850 | 17 603 | (4 207) | (4 207) | (4 207) | 17 989 | (1 836) | (1 927) | (2 024) |
| **Net Property Rates** | | **249 284** | **280 203** | **298 334** | **304 484** | **307 899** | **307 899** | **217 564** | **326 717** | **343 053** | **360 206** |
| **Surcharges and Taxes** | | | | | | | | | | | |
| Surcharges | | 10 231 | – | – | 13 196 | 15 872 | 15 872 | 9 706 | 16 680 | 17 514 | 18 389 |
| Taxes | | – | – | – | 9 406 | 9 406 | 9 406 | 6 151 | 8 719 | 9 155 | 9 613 |
| **Total Surcharges and Taxes** | | **10 231** | **-** | **-** | **22 602** | **25 277** | **25 277** | **15 857** | **25 399** | **26 669** | **28 002** |
| **Fines, Penalties and Forfeits** | | | | | | | | | | | |
| Fines | | 101 636 | 40 084 | 90 764 | 45 795 | 90 465 | 90 465 | 12 504 | 94 988 | 99 738 | 104 725 |
| Forfeits | | – | 1 498 | 5 252 | – | – | – | – | – | – | – |
| Penalties | | – | – | – | – | – | – | – | – | – | – |
| **Total Fines, Penalties and Forfeits** | | **101 636** | **41 582** | **96 016** | **45 795** | **90 465** | **90 465** | **12 504** | **94 988** | **99 738** | **104 725** |

| 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 |
| **Licences or Permits** | | | | | | | | | | | |
| Angling/Fishing | | – | – | – | – | – | – | – | – | – | – |
| Atmospheric Emission | | – | – | – | – | – | – | – | – | – | – |
| Boat | | 6 570 | 6 805 | 6 301 | 2 394 | 2 394 | 2 394 | 2 464 | 2 513 | 2 639 | 2 771 |
| Dog | | – | – | – | – | – | – | – | – | – | – |
| Fauna and Flora | | – | – | – | – | – | – | – | – | – | – |
| Filming Fees | | – | – | – | – | – | – | – | – | – | – |
| Game | | – | – | – | – | – | – | – | – | – | – |
| Health Certificates | | 11 | 12 | 10 | 17 | 17 | 17 | 8 | 18 | 19 | 20 |
| Hiking Trails | | – | – | – | – | – | – | – | – | – | – |
| Hoarding (Collecting/Storing) | | – | – | – | – | – | – | – | – | – | – |
| Market Porters | | – | – | – | – | – | – | – | – | – | – |
| Road and Transport | | 614 | 604 | 538 | 728 | 728 | 728 | 452 | 764 | 803 | 843 |
| Threatened and Protected Species | | – | – | – | – | – | – | – | – | – | – |
| Trading | | – | – | – | – | – | – | – | – | – | – |
| **Total Licences or Permits** | | **7 195** | **7 421** | **6 849** | **3 139** | **3 139** | **3 139** | **2 924** | **3 296** | **3 461** | **3 634** |
| **Transfer and subsidies - Operational** | | | | | | | | | | | |
| **Allocations In-kind** | | | | | | | | | | | |
| Departmental Agencies and Accounts | | – | – | – | – | – | – | – | – | – | – |
| District Municipalities | | – | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisations | | – | – | – | – | – | – | – | – | – | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | – | – | – |
| Households | | – | – | – | – | – | – | – | – | – | – |
| National Government | | – | – | – | – | – | – | – | – | – | – |
| Non-Profit Institutions | | – | – | – | – | – | – | – | – | – | – |
| Parent Municipality | | – | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – | – |
| Provincial Government | | – | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – | – |
| **Total Allocations In-kind** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Monetary Allocations** | | | | | | | | | | | |
| Departmental Agencies and Accounts | | – | – | – | – | – | – | – | – | – | – |
| District Municipalities | | 3 029 | 3 171 | 3 330 | 2 503 | 2 503 | 2 503 | 2 610 | 2 610 | 2 610 | 2 610 |
| Foreign Government and International Organisations | | 2 471 | 10 | – | – | – | – | – | – | – | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | – | – | – |
| Households | | – | – | – | – | – | – | – | – | – | – |
| National Governments | | 4 705 | 9 634 | 5 040 | 5 775 | 5 627 | 5 627 | 5 011 | 5 854 | 4 331 | 4 622 |
| National Revenue Fund | | 163 292 | 180 506 | 192 656 | 203 533 | 203 533 | 203 533 | 203 412 | 212 694 | 222 318 | 228 081 |
| Non-Profit Institutions | | – | – | – | – | – | – | – | – | – | – |
| Parent Municipality | | – | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | 50 | – | – | – | – | – | – | – | – | – |
| Provincial Government | | 3 792 | 5 308 | 4 356 | 2 955 | 3 034 | 3 034 | 3 034 | 1 384 | 1 384 | 1 384 |
| Public Corporations | | – | – | – | – | – | – | – | – | – | – |
| **Total Monetary Allocations** | | **177 339** | **198 630** | **205 382** | **214 766** | **214 697** | **214 697** | **214 067** | **222 542** | **230 643** | **236 697** |

| 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 Transfer and subsidies - Operational** | | **177 339** | **198 630** | **205 382** | **214 766** | **214 697** | **214 697** | **214 067** | **222 542** | **230 643** | **236 697** |
| **Interest Receivables** | | | | | | | | | | | |
| Property Rates | | 3 729 | 5 519 | 3 214 | 5 841 | 4 050 | 4 050 | 2 750 | 3 551 | 3 729 | 3 916 |
| **Service Charges** | | | | | | | | | | | |
| Electricity | | – | – | – | – | – | – | – | – | – | – |
| Waste Management | | – | – | – | – | – | – | – | – | – | – |
| Waste Water Management | | – | – | – | – | – | – | – | – | – | – |
| Water | | – | – | – | – | – | – | – | – | – | – |
| **Total Service Charges** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Interest Receivables** | | **3 729** | **5 519** | **3 214** | **5 841** | **4 050** | **4 050** | **2 750** | **3 551** | **3 729** | **3 916** |
| **Fuel Levy (RSC Replacement Grant)** | | – | – | – | – | – | – | – | – | – | – |
| **Operational Revenue - Service Charges** | | | | | | | | | | | |
| Electricity - Availability Charges | | – | 10 761 | 9 887 | 11 390 | 10 089 | 10 089 | 7 057 | 11 091 | 12 070 | 13 277 |
| Waste Management - Availability Charges | | – | – | – | – | – | – | – | – | – | – |
| Waste Water Management - Availability Charges | | – | 3 613 | 3 127 | 3 425 | 3 179 | 3 179 | 2 203 | 3 371 | 3 540 | 3 717 |
| Water - Availability Charges | | – | 7 078 | 6 226 | 6 790 | 6 398 | 6 398 | 4 505 | 6 865 | 7 276 | 7 713 |
| **Total Operational Revenue - Service Charges** | | **-** | **21 452** | **19 241** | **21 605** | **19 666** | **19 666** | **13 766** | **21 327** | **22 887** | **24 707** |
| **Gains on Disposal of Fixed and Intangible Assets** | | | | | | | | | | | |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| Property, Plant and Equipment | | 31 | (56) | (689) | – | – | – | 20 | – | – | – |
| **Total Disposal of Fixed and Intangible Assets** | | **31** | **(56)** | **(689)** | **-** | **-** | **-** | **20** | **-** | **-** | **-** |
| **Other Gains** | | | | | | | | | | | |
| **Debt waived** | | – | – | – | – | – | – | – | – | – | – |
| **Discontinued Operations and Disposals of Non-current Assets** | | – | – | – | – | – | – | – | – | – | – |
| **Inventory** | | | | | | | | | | | |
| Fair value assessment - Water stock | | – | 691 | – | – | – | – | – | – | – | – |
| Increase to net-realisable Value | | – | – | 173 | – | – | – | – | – | – | – |
| **Total Inventory** | | **-** | **691** | **173** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Fair Value Adjustment** | | | | | | | | | | | |
| **Actuarial Assessments** | | | | | | | | | | | |
| Leave Gratuity | | – | – | – | – | – | – | – | – | – | – |
| Long Service Awards | | 2 375 | 631 | 444 | – | – | – | – | – | – | – |
| Medical | | 8 538 | 5 996 | – | – | – | – | – | – | – | – |
| Pension Funds | | – | – | – | – | – | – | – | – | – | – |
| **Total Actuarial Assessments** | | **10 913** | **6 627** | **444** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Interest rate Swaps | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Investments | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| **Total Fair Value Adjustment** | | **10 913** | **6 627** | **444** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Foreign Exchange** | | – | – | – | – | – | – | – | – | – | – |
| **Contributions to Provisions for landfill sites** | | – | – | – | – | – | – | – | – | – | – |
| **Total Other Gains** | | **10 913** | **7 318** | **617** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Discontinued Operations** | | | | | | | | | | | |
| **Total Revenue** | | **1 154 001** | **1 209 697** | **1 322 015** | **1 468 686** | **1 461 865** | **1 461 865** | **1 015 337** | **1 552 476** | **1 648 612** | **1 755 763** |
| **EXPENDITURE ITEMS:** | | | | | | | | | | | |
| **Employee related costs** | | | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | | |
| Basic Salary | 2 | 219 611 | 235 811 | 264 414 | 319 142 | 278 729 | 278 729 | 184 304 | 315 564 | 332 136 | 349 579 |
| Bonuses | | 348 | 10 444 | 2 636 | 622 | 1 482 | 1 482 | 1 030 | 2 655 | 2 794 | 2 941 |
| **Allowance** | | | | | | | | | | | |
| Accommodation, Travel and Incidental | | – | – | – | – | – | – | – | – | – | – |
| Cellular and Telephone | | 30 | 40 | 127 | – | 216 | 216 | 179 | 210 | 222 | 233 |
| Housing Benefits | | 722 | 711 | 677 | 951 | 865 | 865 | 534 | 884 | 930 | 979 |
| Non-pensionable | | – | – | – | – | – | – | – | – | – | – |
| Travel or Motor Vehicle | | 10 898 | 11 678 | 11 070 | 14 014 | 13 267 | 13 267 | 9 099 | 13 251 | 13 947 | 14 680 |
| Voluntary Work | | – | – | – | – | – | – | – | – | – | – |
| **Total Allowance** | | **11 651** | **12 430** | **11 875** | **14 965** | **14 347** | **14 347** | **9 812** | **14 345** | **15 099** | **15 892** |
| **Service Related Benefits** | | | | | | | | | | | |
| Acting | | 6 470 | 6 147 | 3 835 | 3 111 | 3 311 | 3 311 | 1 861 | 2 736 | 2 880 | 3 031 |
| Bonus | | 14 537 | 15 543 | 16 960 | 24 180 | 19 160 | 19 160 | 16 899 | 20 775 | 21 866 | 23 014 |
| Danger Allowance | | – | – | – | – | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – | – |
| Fire Brigade | | – | – | – | – | – | – | – | – | – | – |
| In-kind Benefits | | – | – | – | – | – | – | – | – | – | – |
| Leave Pay | | 4 711 | 6 159 | 4 253 | – | – | – | – | – | – | – |
| Lifeguard/Duty Squads | | – | – | – | – | – | – | – | – | – | – |
| Long Service Award | | – | – | – | 1 583 | 2 002 | 2 002 | 1 208 | 3 650 | 3 841 | 4 042 |
| Overtime | | 19 088 | 20 794 | 27 695 | 27 276 | 28 771 | 28 771 | 22 547 | 14 971 | 15 754 | 16 579 |
| Scarcity | | – | – | 71 | – | 137 | 137 | 91 | – | – | – |
| Standby Allowance | | 8 899 | 9 533 | 9 887 | 10 466 | 10 802 | 10 802 | 7 197 | 10 729 | 11 292 | 11 885 |
| Tools Allowance | | – | – | – | – | – | – | – | – | – | – |
| Uniform-Special-Protective Clothing | | – | – | – | – | – | – | – | – | – | – |
| Leave gratuity | | – | – | – | – | – | – | – | – | – | – |
| Long Term Service Award | | – | – | – | – | – | – | – | – | – | – |
| **Total Service Related Benefits** | | **53 704** | **58 176** | **62 701** | **66 615** | **64 183** | **64 183** | **49 803** | **52 861** | **55 633** | **58 551** |
| **Total Salaries and Allowances** | | **285 314** | **316 861** | **341 626** | **401 345** | **358 742** | **358 742** | **244 950** | **385 425** | **405 663** | **426 963** |
| Social Contributions | | | | | | | | | | | |
| Bargaining Council | | 179 | 187 | 99 | 136 | 138 | 138 | 79 | 176 | 186 | 195 |
| Group Life Insurance | | 11 038 | 11 335 | 11 225 | 18 202 | 15 161 | 15 161 | 8 876 | 14 700 | 15 471 | 16 284 |
| Medical | | 17 777 | 19 147 | 16 734 | 28 847 | 20 946 | 20 946 | 12 344 | 21 977 | 23 131 | 24 345 |

| 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 |
| Pension | | 31 575 | 33 261 | 34 695 | 50 350 | 43 299 | 43 299 | 27 014 | 46 979 | 49 445 | 52 041 |
| Unemployment Insurance | | 1 808 | 1 824 | 1 858 | 2 297 | 2 097 | 2 097 | 1 272 | 2 488 | 2 618 | 2 756 |
| **Total Social Contributions** | | **62 376** | **65 754** | **64 611** | **99 832** | **81 641** | **81 641** | **49 586** | **86 320** | **90 852** | **95 622** |
| Post-retirement Benefit | | | | | | | | | | | |
| Medical | | 12 141 | 11 800 | 16 248 | 18 106 | – | – | 2 953 | 5 216 | 5 216 | 5 216 |
| Other Benefits | | – | – | – | – | – | – | – | – | – | – |
| Pension | | (5) | 1 | 5 | 4 | – | – | 6 | – | – | – |
| **Total Post-retirement Benefit** | 4 | **12 136** | **11 801** | **16 253** | **18 110** | **-** | **-** | **2 959** | **5 216** | **5 216** | **5 216** |
| **Sub-Total** | | **359 826** | **394 417** | **422 489** | **519 287** | **440 383** | **440 383** | **297 494** | **476 961** | **501 730** | **527 801** |
| Less: Employees costs capitalised to PPE | | – | – | – | – | – | – | – | – | – | – |
| **Total Employee Related Cost** | 1,5 | **359 826** | **394 417** | **422 489** | **519 287** | **440 383** | **440 383** | **297 494** | **476 961** | **501 730** | **527 801** |
| **Remuneration of Councillors** | | | | | | | | | | | |
| **Allowances and Service Related Benefits** | | | | | | | | | | | |
| Basic Salary | | 9 305 | 9 997 | 10 607 | 10 879 | 10 761 | 10 761 | 6 763 | 10 729 | 13 411 | 16 764 |
| Cell phone Allowance | | 1 328 | 1 489 | 1 409 | 1 483 | 1 637 | 1 637 | 924 | 1 462 | 1 828 | 2 285 |
| Housing Allowance | | – | – | – | – | – | – | – | – | – | – |
| In-kind Benefits | | – | – | – | – | – | – | – | – | – | – |
| Market Related Non-pensionable Allowance | | – | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | 3 066 | 3 363 | 3 427 | 3 626 | 4 153 | 4 153 | 2 272 | 3 576 | 4 470 | 5 588 |
| Office-bearer Allowance | | – | – | – | – | – | – | – | – | – | – |
| Out of pocket Expenses | | – | – | – | – | – | – | – | – | – | – |
| Travelling Allowance | | – | – | – | – | – | – | – | – | – | – |
| Use of Personal Facilities | | – | – | – | – | – | – | – | – | – | – |
| **Total Allowances and Service Related Benefits** | | **13 700** | **14 850** | **15 443** | **15 988** | **16 550** | **16 550** | **9 959** | **15 767** | **19 709** | **24 636** |
| **Social Contributions** | | | | | | | | | | | |
| Medial Aid Benefits | | – | – | – | – | – | – | – | – | – | – |
| Pension Fund Contributions | | – | – | – | – | – | – | – | – | – | – |
| **Total Social Contributions** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Remuneration of Councillors** | 1,5 | **13 700** | **14 850** | **15 443** | **15 988** | **16 550** | **16 550** | **9 959** | **15 767** | **19 709** | **24 636** |
| **Bulk Purchases - Electricity** | | | | | | | | | | | |
| ESKOM | | 291 888 | 351 702 | 427 467 | 441 010 | 440 010 | 440 010 | 313 722 | 484 306 | 527 070 | 579 777 |
| **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 | **291 888** | **351 702** | **427 467** | **441 010** | **440 010** | **440 010** | **313 722** | **484 306** | **527 070** | **579 777** |
| **Inventory Consumed** | | | | | | | | | | | |
| Agricultural | | – | – | – | – | – | – | – | – | – | – |
| Consumables | | 26 664 | 27 632 | 21 694 | 29 545 | 25 608 | 25 608 | 16 590 | 22 220 | 22 251 | 22 276 |

| 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 |
| Finished Goods | | – | – | – | – | – | – | – | – | – | – |
| Housing Stock | | – | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Materials and Supplies | | 21 907 | 30 470 | 31 547 | 36 878 | 46 922 | 46 922 | 30 495 | 40 579 | 53 740 | 56 069 |
| Water | | 42 511 | 38 845 | 40 775 | 48 000 | 40 694 | 40 694 | 30 357 | 40 010 | 43 406 | 47 073 |
| ***Sub-total*** | | **91 082** | **96 947** | **94 016** | **114 422** | **113 224** | **113 224** | **77 442** | **102 809** | **119 397** | **125 417** |
| Less: Capitalisation of inventory consumed | | – | – | – | – | – | – | – | – | – | – |
| **Total Inventory Consumed** | 1 | **91 082** | **96 947** | **94 016** | **114 422** | **113 224** | **113 224** | **77 442** | **102 809** | **119 397** | **125 417** |
| **Debt Impairment** | | | | | | | | | | | |
| **Trade and Other Receivables from Exchange Transactions** | | | | | | | | | | | |
| Electricity | | 2 695 | 17 769 | (9 741) | 14 306 | 13 198 | 13 198 | – | 13 016 | 14 165 | 15 582 |
| Shared Services | | – | – | – | – | – | – | – | – | – | – |
| Waste Management | | 16 565 | (6 125) | (39 952) | 2 290 | (8 580) | (8 580) | – | 1 466 | 1 540 | 1 617 |
| Waste Water Management | | 12 545 | 25 055 | (18 375) | 3 371 | (3 610) | (3 610) | – | 2 009 | 2 110 | 2 215 |
| Water | | 47 487 | 23 772 | (48 918) | 6 350 | (14 313) | (14 313) | – | 3 297 | 3 496 | 3 707 |
| Non Specific Accounts | | – | – | – | 602 | (165 567) | (165 567) | – | – | – | – |
| **Total Trade and Other Receivables from Exchange Transactions** | | **79 291** | **60 471** | **(116 985)** | **26 920** | **(178 871)** | **(178 871)** | **-** | **19 788** | **21 310** | **23 121** |
| **Other Receivables from Non-exchange Revenue** | | | | | | | | | | | |
| **Property Rates** | | | | | | | | | | | |
| Property Rates General | | – | – | – | – | – | – | – | – | – | – |
| Agricultural Properties | | – | – | – | – | – | – | – | – | – | – |
| Business and Commercial Properties | | 9 367 | 22 189 | (8 967) | 12 103 | 7 668 | 7 668 | – | 8 656 | 9 088 | 9 543 |
| 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** | | **9 367** | **22 189** | **(8 967)** | **12 103** | **7 668** | **7 668** | **-** | **8 656** | **9 088** | **9 543** |
| **Service Charges** | | | | | | | | | | | |
| Service Charges General | | – | – | – | – | – | – | – | – | – | – |
| Electricity | | – | 4 709 | (6 025) | 558 | (65) | (65) | – | 277 | 302 | 332 |
| Waste Management | | – | – | – | 647 | 714 | 714 | – | 417 | 438 | 460 |
| Waste Water Management | | – | – | – | 168 | (109) | (109) | – | 84 | 88 | 93 |
| Water | | – | – | – | 333 | (341) | (341) | – | 172 | 182 | 193 |
| **Total Service Charges** | | **-** | **4 709** | **(6 025)** | **1 705** | **199** | **199** | **-** | **950** | **1 010** | **1 077** |
| **Non Specific Accounts** | | – | – | 63 507 | 24 387 | 235 223 | 235 223 | – | 72 629 | 76 261 | 80 074 |
| **Total Other Receivables from Non-exchange Revenue** | | **9 367** | **26 898** | **48 516** | **38 195** | **243 090** | **243 090** | **-** | **82 235** | **86 359** | **90 694** |
| **Total Debt Impairment** | 1 | **88 659** | **87 369** | **(68 470)** | **65 115** | **64 219** | **64 219** | **-** | **102 023** | **107 670** | **113 815** |
| **Depreciation, Amortisation and Impairment** | | | | | | | | | | | |
| **Amortisation** | | | | | | | | | | | |

| 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 |
| Intangible Assets | | 266 | 201 | 207 | 586 | 586 | 586 | 40 | 464 | 483 | 502 |
| **Total Amortisation** | | **266** | **201** | **207** | **586** | **586** | **586** | **40** | **464** | **483** | **502** |
| **Depreciation** | | | | | | | | | | | |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Community Assets | | 621 | 681 | 1 134 | 472 | 472 | 472 | 663 | 374 | 389 | 404 |
| Computer Equipment | | – | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 7 316 | 7 333 | 8 385 | 14 477 | 14 477 | 14 477 | 5 535 | 11 457 | 11 916 | 12 392 |
| Furniture and Office Equipment | | 829 | 788 | 3 082 | 4 630 | 4 630 | 4 630 | 2 096 | 3 664 | 3 811 | 3 963 |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Libraries | | – | – | – | – | – | – | – | – | – | – |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | 1 156 | 1 052 | 1 497 | 1 558 | 1 558 | 1 558 | 869 | 1 233 | 1 282 | 1 333 |
| Other Assets | | 6 629 | 3 339 | 624 | 1 721 | 1 721 | 1 721 | 430 | 1 362 | 1 416 | 1 473 |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Roads Infrastructure | | 30 567 | 30 869 | 30 953 | 42 893 | 42 893 | 42 893 | 18 127 | 33 948 | 35 306 | 36 718 |
| Sanitation Infrastructure | | 21 936 | 21 571 | 29 909 | 36 770 | 36 770 | 36 770 | 19 407 | 29 101 | 30 265 | 31 476 |
| Solid Waste Infrastructure | | 5 167 | 3 609 | 1 174 | 2 651 | 2 651 | 2 651 | 783 | 2 098 | 2 182 | 2 270 |
| Storm water Infrastructure | | 1 985 | 1 815 | 1 550 | 2 064 | 2 064 | 2 064 | 1 035 | 1 633 | 1 699 | 1 767 |
| Transport Assets | | 5 988 | 9 326 | 12 569 | 13 317 | 13 317 | 13 317 | 9 630 | 10 540 | 10 961 | 11 400 |
| Water Supply Infrastructure | | 18 830 | 19 205 | 22 578 | 21 282 | 21 282 | 21 282 | 13 504 | 12 502 | 13 175 | 13 876 |
| Zoo, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – | – |
| **Total Depreciation** | | **101 024** | **99 589** | **113 457** | **141 835** | **141 835** | **141 835** | **72 079** | **107 912** | **112 402** | **117 072** |
| **Capital Impairment Losses and Reversals** | | | | | | | | | | | |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – | – |
| Construction Work-in-progress | | 6 623 | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | 1 127 | – | – | – | – | – | – | – |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| Contributions to Provisions for landfill sites | | – | – | – | – | – | – | – | – | – | – |
| **Property, Plant and Equipment** | | | | | | | | | | | |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Community Assets | | – | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | 18 | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 1 221 | 638 | 238 | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | 47 | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | 38 | – | – | – | – | – | – | – | – |

| 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 |
| Operational Buildings | | – | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | – | – | – | – |
| Rails Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Roads Infrastructure | | – | – | 225 | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | 10 787 | 293 | 42 | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | 21 | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | 4 797 | 622 | 2 | – | – | – | – | – | – | – |
| Zoo, Marine and Non-biological Assets | | – | – | – | – | – | – | – | – | – | – |
| **Total Property, Plant and Equipment** | | **16 805** | **1 679** | **508** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Capital Impairment Losses and Reversals** | | **23 428** | **1 679** | **1 635** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Depreciation, Amortisation and Impairment** | 1 | **124 718** | **101 469** | **115 298** | **142 422** | **142 422** | **142 422** | **72 119** | **108 376** | **112 885** | **117 574** |
| **Interest, Dividends and Rent on Land** | | | | | | | | | | | |
| Dividends Paid | | – | – | – | – | – | – | – | – | – | – |
| Interest Paid | | 8 059 | 10 038 | 13 825 | 20 106 | 39 542 | 39 542 | 8 378 | 27 357 | 23 196 | 20 458 |
| Rent on Land | | – | – | – | – | – | – | – | – | – | – |
| **Total Interest, Dividends and Rent on Land** | 1 | **8 059** | **10 038** | **13 825** | **20 106** | **39 542** | **39 542** | **8 378** | **27 357** | **23 196** | **20 458** |
| **Contracted Services** | | | | | | | | | | | |
| Consultants and Professional Services | | 20 654 | 26 110 | 26 459 | 39 731 | 24 687 | 24 687 | 20 544 | 44 824 | 45 787 | 43 574 |
| Contractors | | 33 314 | 29 606 | 33 297 | 50 288 | 43 141 | 43 141 | 22 273 | 51 847 | 60 114 | 52 774 |
| Outsourced Services | | 33 330 | 38 161 | 33 220 | 52 715 | 53 459 | 53 459 | 32 764 | 58 826 | 53 395 | 52 888 |
| **Total Contracted Services** | 1 | **87 298** | **93 876** | **92 976** | **142 734** | **121 287** | **121 287** | **75 582** | **155 497** | **159 297** | **149 236** |
| **Transfers and Subsidies** | | | | | | | | | | | |
| **Capital** | | | | | | | | | | | |
| Allocations In-kind | | – | – | 99 | – | – | – | – | – | – | – |
| Monetary Allocations | | – | – | – | – | – | – | – | – | – | – |
| **Total Capital** | | **-** | **-** | **99** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Operational** | | | | | | | | | | | |
| Allocations In-kind | | 325 | 320 | – | – | – | – | – | – | – | – |
| Monetary Allocations | | 384 | 600 | 347 | 950 | 950 | 950 | 474 | 930 | 950 | 970 |
| **Total Operational** | | **709** | **920** | **347** | **950** | **950** | **950** | **474** | **930** | **950** | **970** |
| **Total Transfers and Subsidies** | 1 | **709** | **920** | **447** | **950** | **950** | **950** | **474** | **930** | **950** | **970** |
| **Irrecoverable Debts Written Off** | | | | | | | | | | | |
| **Bad debt written off** | | – | – | – | – | – | – | – | – | – | – |
| **Exchange** | | | | | | | | | | | |
| Electricity | | – | – | 1 843 | 4 181 | 5 004 | 5 004 | 488 | 13 016 | 14 165 | 15 582 |
| Non Specific Accounts | | – | – | 160 | 170 | 170 | 170 | – | – | – | – |
| Waste Management | | – | – | 49 815 | 815 | 11 424 | 11 424 | 2 553 | 1 466 | 1 540 | 1 617 |
| Waste Water Management | | – | – | 29 394 | 995 | 7 301 | 7 301 | 1 600 | 2 009 | 2 110 | 2 215 |
| Water | | – | – | 90 768 | 1 878 | 20 792 | 20 792 | 3 646 | 3 297 | 3 496 | 3 707 |
| **Total Exchange** | | **-** | **-** | **171 980** | **8 039** | **44 690** | **44 690** | **8 287** | **19 788** | **21 310** | **23 121** |
| **Non-exchange** | | | | | | | | | | | |
| Non Specific Accounts | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Property Rates | | – | – | 1 945 | 3 414 | 7 929 | 7 929 | 346 | 8 656 | 9 088 | 9 543 |
| Service Charges | | – | – | – | 35 | 1 578 | 1 578 | – | 950 | 1 010 | 1 077 |
| **Total Non-exchange** | | **-** | **-** | **1 945** | **3 448** | **9 507** | **9 507** | **346** | **9 606** | **10 098** | **10 620** |
| **Total Irrecoverable Debts Written Off** | 1 | **-** | **-** | **173 925** | **11 487** | **54 197** | **54 197** | **8 633** | **29 394** | **31 409** | **33 741** |
| **Operational Cost and Other Cost** | | | | | | | | | | | |
| **Operational Cost** | | | | | | | | | | | |
| Achievements and Awards | | 3 831 | 1 517 | 2 560 | 3 600 | 3 732 | 3 732 | 1 471 | 2 070 | 2 070 | 2 070 |
| Advertising, Publicity and Marketing | | 3 157 | 2 526 | 3 720 | 4 235 | 5 136 | 5 136 | 2 938 | 4 034 | 4 004 | 4 004 |
| Assets less than the Capitalisation Threshold | | – | – | – | – | – | – | – | – | – | – |
| Atmospheric Emission Licence | | – | – | – | – | – | – | – | – | – | – |
| Bank Charges, Facility and Card Fees | | 1 108 | 1 182 | 2 006 | 600 | 1 100 | 1 100 | 2 658 | 1 000 | 1 000 | 1 000 |
| Bargaining Council | | 3 553 | 3 974 | 4 299 | 5 246 | 5 246 | 5 246 | 4 833 | 5 333 | 5 509 | 5 685 |
| Bond Issue Amortisation Costs | | – | – | – | – | – | – | – | – | – | – |
| Brokers Fees | | – | – | – | – | – | – | – | – | – | – |
| Bursaries (Employees) | | – | – | – | – | – | – | – | – | – | – |
| Cash Discount | | – | – | – | – | – | – | – | – | – | – |
| Cleaning Services | | – | – | – | – | – | – | – | – | – | – |
| Commission | | 4 948 | 4 374 | 2 969 | 3 510 | 3 510 | 3 510 | 2 312 | 3 510 | 3 610 | 3 610 |
| Communication | | 4 541 | 4 043 | 5 112 | 6 255 | 5 497 | 5 497 | 3 616 | 5 763 | 6 092 | 6 334 |
| Contribution to Provisions | | (778) | (53) | 307 | 441 | 441 | 441 | 121 | 576 | 135 | 135 |
| Copy Right Fees | | – | – | – | – | – | – | – | – | – | – |
| Cost relating to the Sale of Houses | | – | – | – | – | – | – | – | – | – | – |
| Courier and Delivery Services | | 5 | 6 | 0 | 20 | 15 | 15 | 0 | 17 | 17 | 17 |
| Deeds | | – | – | – | 500 | 125 | 125 | (2) | 500 | 500 | 500 |
| Drivers Licences and Permits | | – | – | – | – | – | – | – | – | – | – |
| Dumping Fees (District Council) | | – | – | – | – | – | – | – | – | – | – |
| Electricity Compliance Certificate | | – | – | – | – | – | – | – | – | – | – |
| Entertainment | | – | – | – | – | – | – | – | – | – | – |
| Entrance Fees | | – | – | – | – | – | – | – | – | – | – |
| Environmental Levy | | – | – | – | – | – | – | – | – | – | – |
| Eskom Connection Fees | | – | – | – | – | – | – | – | – | – | – |
| External Audit Fees | | 3 995 | 4 526 | 4 462 | 4 500 | 4 500 | 4 500 | 4 393 | 4 500 | 4 500 | 4 500 |
| External Computer Service | | 7 380 | 12 069 | 19 702 | 19 885 | 17 663 | 17 663 | 11 285 | 21 627 | 22 527 | 22 527 |
| Fines and Penalties | | – | – | – | – | – | – | – | – | – | – |
| Firearm Handling Fees | | – | – | – | 11 | 9 | 9 | – | 9 | 9 | 9 |
| Freight Services | | – | – | – | – | – | – | – | – | – | – |
| Full Time Union Representative | | – | – | – | – | – | – | – | – | – | – |
| Hire Charges | | 8 255 | 10 844 | 7 768 | 5 751 | 5 304 | 5 304 | 2 670 | 5 256 | 5 604 | 5 842 |
| Honoraria (Voluntarily Workers) | | – | – | – | – | – | – | – | – | – | – |
| Indigent Relief | | – | – | – | – | – | – | – | – | – | – |
| Insurance Underwriting | | 4 628 | 4 814 | 4 216 | 5 044 | 4 484 | 4 484 | 4 060 | 4 976 | 5 175 | 5 383 |
| Capitalisation of Wet Fuel Costs (Credit Account) | | – | – | – | – | – | – | – | – | – | – |
| Land Alienation Costs | | – | – | – | – | – | – | – | – | – | – |
| Learnerships and Internships | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Levies Paid - Water Resource Management Charges | | – | – | – | – | – | – | – | – | – | – |
| Licences | | 1 029 | 1 026 | 1 143 | 1 761 | 1 741 | 1 741 | 685 | 1 487 | 1 487 | 1 487 |
| Management Fee | | 6 348 | 7 057 | 7 937 | 8 615 | 8 592 | 8 592 | 7 433 | 8 615 | 8 615 | 8 615 |
| Municipal Services | | – | 38 | 47 | 106 | 95 | 95 | 47 | 102 | 102 | 102 |
| Office Decorations | | – | – | – | – | – | – | – | – | – | – |
| Parking Fees | | – | – | – | – | – | – | – | – | – | – |
| Permits | | – | – | – | – | – | – | – | – | – | – |
| Personnel Agency Fees [Personnel Recruitment Costs] | | – | – | – | – | – | – | – | 100 | 100 | 100 |
| Printing, Publications and Books | | 978 | 11 | – | – | – | – | – | – | – | – |
| Professional Bodies, Membership and Subscription | | 14 | 11 | 159 | 384 | 379 | 379 | 29 | 379 | 389 | 389 |
| Registration Fees | | 1 763 | 1 828 | 1 620 | 2 726 | 1 973 | 1 973 | 899 | 2 530 | 2 576 | 2 616 |
| Remuneration to Section 79 Committee Members | | – | – | – | – | – | – | – | – | – | – |
| Repayment of Forfeited Deposits | | – | – | – | – | – | – | – | – | – | – |
| Resettlement Cost | | 134 | 38 | 45 | 80 | 120 | 120 | 106 | 80 | 80 | 80 |
| Rewards Incentives | | – | – | – | – | – | – | – | – | – | – |
| Road Worthy Test | | – | – | – | – | – | – | – | – | – | – |
| Samples and Specimens | | – | – | – | – | – | – | – | – | – | – |
| Search Fees | | 52 | 145 | 33 | 300 | 255 | 255 | 50 | 350 | 350 | 350 |
| Seating Allowance for Traditional Leaders | | – | – | – | – | – | – | – | – | – | – |
| Servitudes and Land Surveys | | – | – | – | – | – | – | – | – | – | – |
| Signage | | 454 | 377 | 534 | 669 | 626 | 626 | 378 | 468 | 488 | 508 |
| Skills Development Fund Levy | | 3 473 | 3 711 | 4 094 | 4 696 | 4 782 | 4 782 | 3 027 | 5 390 | 6 743 | 8 436 |
| Small Differences Tolerances | | – | – | – | – | – | – | – | – | – | – |
| Storage of Assets and Goods | | – | – | – | – | – | – | – | – | – | – |
| Storage of Files (Archiving) | | 53 | 84 | 79 | 600 | 330 | 330 | 31 | 200 | 200 | 200 |
| Supplier Development Programme | | 24 | – | 69 | – | – | – | – | – | – | – |
| System Access and Information Fees | | – | – | – | – | – | – | – | – | – | – |
| Taking over Contractual Obligations | | – | – | – | – | – | – | – | – | – | – |
| Toll Gate Fees | | – | – | – | – | – | – | – | – | – | – |
| Transport Provided as Part of Departmental Activities | | – | – | – | – | – | – | – | – | – | – |
| Travel Agency and Visas | | 3 | – | 5 | 10 | 9 | 9 | 1 | 10 | 10 | 10 |
| Travel and Subsistence | | 1 993 | 2 004 | 3 718 | 4 785 | 4 542 | 4 542 | 2 353 | 5 321 | 5 323 | 5 396 |
| Uniform and Protective Clothing | | 3 336 | 3 647 | 4 249 | 4 284 | 4 017 | 4 017 | 2 905 | 3 830 | 4 038 | 4 047 |
| Vehicle Tracking | | 894 | 866 | 1 024 | 895 | 895 | 895 | 733 | 915 | 932 | 1 230 |
| Ward Committees | | 2 963 | 2 058 | 1 999 | 2 160 | 1 980 | 1 980 | 1 322 | 2 000 | 2 000 | 2 000 |
| Warrantees and Guarantees | | – | – | – | – | – | – | – | – | – | – |
| Wet Fuel | | – | – | – | – | – | – | – | – | – | – |
| Witness Fees | | – | – | – | – | – | – | – | – | – | – |
| Workmens Compensation Fund | | 1 978 | 2 047 | 2 611 | 2 434 | 2 678 | 2 678 | 1 602 | 2 693 | 3 368 | 4 213 |
| **Total Operational Cost** | | **70 112** | **74 769** | **86 486** | **94 103** | **89 774** | **89 774** | **61 958** | **93 637** | **97 550** | **101 392** |
| **Operating Leases** | | | | | | | | | | | |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Community Assets | | – | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | 390 | – | – | – | – | – | – | – | – |

| 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 |
| Furniture and Office Equipment | | 3 033 | 3 166 | 2 548 | 2 650 | 2 640 | 2 640 | 1 787 | 2 738 | 2 828 | 2 919 |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – | – |
| Investment Properties | | – | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Libraries | | – | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – | – |
| Other Assets | | 3 781 | 3 974 | 4 834 | 4 870 | 4 924 | 4 924 | 3 706 | 5 165 | 5 475 | 5 804 |
| Transport Assets | | – | – | – | – | – | – | 3 204 | – | – | – |
| Zoo, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – | – |
| **Total Operational Leases** | | **6 814** | **7 530** | **7 383** | **7 520** | **7 564** | **7 564** | **8 697** | **7 903** | **8 303** | **8 722** |
| **Discontinued Operations** | | – | – | – | – | – | – | – | – | – | – |
| **Statutory Payments other than Income Taxes** | | – | – | – | – | – | – | – | – | – | – |
| **Total Operational Cost and Other Cost** | 1 | **76 926** | **82 298** | **93 868** | **101 623** | **97 338** | **97 338** | **70 655** | **101 540** | **105 853** | **110 115** |
| **Disposal of Fixed and Intangible Assets** | | | | | | | | | | | |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| Property, Plant and Equipment | | 1 345 | 1 713 | 13 672 | – | – | – | 5 | – | – | – |
| **Total Disposal of Fixed and Intangible Assets** | 1 | **1 345** | **1 713** | **13 672** | **-** | **-** | **-** | **5** | **-** | **-** | **-** |
| **Other Losses** | | | | | | | | | | | |
| **Inventory** | | | | | | | | | | | |
| Decrease in net-realisable Value | | 425 | – | 644 | – | – | – | – | – | – | – |
| **Total Inventory** | | **425** | **-** | **644** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Water Losses** | | | | | | | | | | | |
| **Apparent Losses** | | | | | | | | | | | |
| Customer Meter Inaccuracies | | – | – | – | – | – | – | – | – | – | – |
| Unauthoried Consumption | | – | 2 380 | 4 934 | – | 3 417 | 3 417 | – | 3 246 | 3 246 | 3 246 |
| **Total Apparent Losses** | | **-** | **2 380** | **4 934** | **-** | **3 417** | **3 417** | **-** | **3 246** | **3 246** | **3 246** |
| Data Transfer and Management Errors | | – | 567 | 16 301 | – | – | – | – | (169) | (169) | (169) |
| **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 | | – | 7 968 | 215 | – | 11 635 | 11 635 | – | 12 539 | 12 539 | 12 539 |
| **Total Real Losses** | | **-** | **7 968** | **215** | **-** | **11 635** | **11 635** | **-** | **12 539** | **12 539** | **12 539** |
| Unavoidable Annual Real Losses | | – | – | (171) | – | – | – | – | – | – | – |
| **Total Water Losses** | | **-** | **10 915** | **21 279** | **-** | **15 051** | **15 051** | **-** | **15 617** | **15 617** | **15 617** |
| **Fair Value Adjustment** | | | | | | | | | | | |
| **Actuarial Assessments** | | | | | | | | | | | |
| Leave Gratuity | | – | – | – | – | – | – | – | – | – | – |
| Long Service Awards | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Medical | | – | – | 5 444 | – | – | – | – | – | – | – |
| Pension Funds | | – | – | 5 | – | – | – | – | – | – | – |
| **Total Actuarial Assessments** | | - | - | 5 449 | - | - | - | - | - | - | - |
| Biological Assets | | – | – | – | – | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – | – |
| Interest rate Swaps | | – | – | – | – | – | – | – | – | – | – |
| Investment Property | | – | – | – | – | – | – | – | – | – | – |
| Investments | | – | – | – | – | – | – | – | – | – | – |
| Living resources | | – | – | – | – | – | – | – | – | – | – |
| **Total Fair Value Adjustment** | | - | - | 5 449 | - | - | - | - | - | - | - |
| **Foreign Exchange** | | – | – | – | – | – | – | – | – | – | – |
| **Discontinued Operations and Disposals of Non-current Assets** | | – | – | – | – | – | – | – | – | – | – |
| **Contributions to Provisions for landfill sites** | | – | – | – | – | – | – | – | – | – | – |
| **Total Other Losses** | 1 | 425 | 10 915 | 27 372 | - | 15 051 | 15 051 | - | 15 617 | 15 617 | 15 617 |
| **Total Expenditure** | | 1 144 633 | 1 246 514 | 1 422 329 | 1 575 143 | 1 545 173 | 1 545 173 | 934 463 | 1 620 577 | 1 724 783 | 1 819 156 |
| **Surplus/(Deficit)** | | 9 368 | (36 817) | (100 314) | (106 457) | (83 308) | (83 308) | 80 874 | (68 101) | (76 171) | (63 394) |
| **Transfers and subsidies - capital (monetary allocations)** | | | | | | | | | | | |
| Departmental Agencies and Accounts | | – | – | – | – | – | – | – | – | – | – |
| District Municipalities | | 2 733 | 1 776 | 1 498 | 1 600 | 1 098 | 1 098 | – | 1 098 | 1 098 | 1 098 |
| Foreign Government and International Organisations | | – | – | – | – | – | – | – | – | – | – |
| Higher Educational Institutions | | – | – | – | – | – | – | – | – | – | – |
| Households | | – | – | – | – | – | – | – | – | – | – |
| National Government | | 93 641 | 65 574 | 69 838 | 51 334 | 63 089 | 63 089 | 31 172 | 55 664 | 57 716 | 58 056 |
| Non-Profit Institutions | | – | – | – | – | – | – | – | – | – | – |
| Parent Municipality | | – | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – | – |
| Provincial Governments | | 5 849 | 17 790 | 37 977 | 30 000 | 61 074 | 61 074 | 9 270 | 21 941 | 1 650 | 1 650 |
| Public Corporations | | – | – | – | – | – | – | – | – | – | – |
| **Total Transfers and subsidies - capital (monetary allocations)** | | 102 222 | 85 140 | 109 313 | 82 934 | 125 262 | 125 262 | 40 442 | 78 704 | 60 464 | 60 804 |
| **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 | | – | – | – | – | – | – | – | – | – | – |
| Provincial Governments | | – | 18 000 | 15 000 | – | – | – | – | – | – | – |

| 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 |
| Public Corporations | | – | – | – | – | – | – | – | – | – | – |
| **Total Transfers and subsidies - capital (in-kind)** | | - | 18 000 | 15 000 | - | - | - | - | - | - | - |
| **Surplus/(Deficit) after capital transfers and contributions** | | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| **Income Tax** | | | | | | | | | | | |
| Continuing Operations | | – | – | – | – | – | – | – | – | – | – |
| Discontinued Operations | | – | – | – | – | – | – | – | – | – | – |
| **Total Income Tax** | | - | - | - | - | - | - | - | - | - | - |
| **Surplus/(Deficit) after income tax** | | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) for the year** | | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| **Repairs and Maintenance by Expenditure Item** | 8 | | | | | | | | | | |
| Employee related costs | | – | – | 117 864 | – | 110 081 | 110 081 | 72 245 | – | – | – |
| Inventory Consumed (Project Maintenance) | | 14 807 | 19 022 | 21 006 | – | 33 684 | 33 684 | 22 956 | – | – | – |
| Contracted Services | | 30 921 | 26 575 | 26 840 | – | 39 673 | 39 673 | 21 553 | – | – | – |
| Operational Costs | | 1 944 | 6 709 | 5 699 | – | 3 899 | 3 899 | 2 376 | – | – | – |
| **Total Repairs and Maintenance Expenditure** | 9 | 47 672 | 52 306 | 171 410 | - | 187 336 | 187 336 | 119 129 | - | - | - |

**EC108 Kouga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

| R thousand | 1 | Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | Vote 4 - COMMUNITY SERVICES | Vote 5 - CIVIL AND WATER SERVICES | Vote 6 - ELECTRO/MECHANICAL SERVICES | Vote 7 - PLANNING AND DEVELOPMENT | Vote 8 - [NAME OF VOTE 8] | Vote 9 - [NAME OF VOTE 9] | Vote 10 - [NAME OF VOTE 10] | Vote 11 - [NAME OF VOTE 11] | Vote 12 - [NAME OF VOTE 12] | Vote 13 - [NAME OF VOTE 13] | Vote 14 - [NAME OF VOTE 14] | Vote 15 - [NAME OF VOTE 15] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | | | | | | | | |
| **Exchange Revenue** | | | | | | | | | | | | | | | | | |
| Service charges - Electricity | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - Water | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - Waste Water Management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges - Waste Management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Sale of Goods and Rendering of Services | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Agency services | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest earned from Receivables | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest earned from Current and Non Current Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Dividends | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Rent on Land | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Rental from Fixed Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Licence and permits | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Special rating levies | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Construction Contract Revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Development Charges | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Operational Revenue | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Non-Exchange Revenue** | | | | | | | | | | | | | | | | | |
| Property rates | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Surcharges and Taxes | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Licences or permits | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfer and subsidies - Operational | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fuel Levy | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Service charges | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Gains on disposal of Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Gains | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Discontinued Operations | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue (excluding capital transfers and contribution** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Expenditure** | | | | | | | | | | | | | | | | | |
| Employee related costs | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Remuneration of councillors | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Bulk purchases - electricity | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Inventory consumed | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Debt impairment | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Depreciation and amortisation | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Contracted services | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Irrecoverable debts written off | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Operational costs | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Losses on disposal of Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Losses | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Expenditure** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (in-kind) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers &** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |

## EC108 Kouga - 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 | | 83 334 | 117 412 | 161 092 | 160 501 | 172 941 | 172 941 | 160 157 | 119 992 | 120 614 | 121 267 |
| Cash at Bank | | 21 600 | 26 246 | 19 489 | (16 510) | (52 379) | (52 379) | 83 217 | 16 585 | 46 207 | 99 063 |
| Cash on Hand | | 0 | 0 | 0 | – | – | – | 0 | – | – | – |
| **Total Cash and Cash Equivalents** | | **104 935** | **143 659** | **180 582** | **143 991** | **120 562** | **120 562** | **243 374** | **136 576** | **166 821** | **220 330** |
| **Short term Investments** | | | | | | | | | | | |
| Deposit Taking Institutions | | – | – | – | – | – | – | – | – | – | – |
| **Trade and other receivables from exchange transactions** | | | | | | | | | | | |
| Electricity | | 56 507 | 73 156 | 60 006 | 100 303 | 78 722 | 78 722 | 45 922 | 76 977 | 78 476 | 80 323 |
| Waste Management | | 91 663 | 103 836 | 61 819 | 106 623 | 108 766 | 108 766 | 61 102 | 63 709 | 63 804 | 63 903 |
| Waste Water Management | | 60 207 | 60 647 | 39 627 | 67 567 | 69 200 | 69 200 | 45 990 | 42 246 | 42 377 | 42 515 |
| Water | | 161 873 | 173 183 | 112 991 | 186 843 | 200 884 | 200 884 | 142 466 | 117 217 | 117 473 | 117 744 |
| Other trade receivables from exchange transactions | | 12 917 | 14 915 | 18 540 | 16 354 | 19 418 | 19 418 | 12 842 | 19 392 | 19 435 | 19 479 |
| VAT Receivable Input Tax Accrual | | – | – | – | – | – | – | – | 15 540 | 15 540 | 15 540 |
| **Gross: Trade and other receivables from exchange transact** | | **383 167** | **425 738** | **292 983** | **477 690** | **476 991** | **476 991** | **308 322** | **335 083** | **337 105** | **339 504** |
| **Less: Impairment for debt** | | | | | | | | | | | |
| Impairment for Electricity | | (24 045) | (40 711) | (29 947) | (66 266) | (48 663) | (48 663) | (29 947) | (46 918) | (48 417) | (50 264) |
| Impairment for Waste Management | | (86 660) | (102 214) | (56 270) | (105 001) | (103 217) | (103 217) | (56 270) | (58 161) | (58 255) | (58 355) |
| Impairment for Waste Water Management | | (54 904) | (58 964) | (36 698) | (65 804) | (66 271) | (66 271) | (36 698) | (39 317) | (39 448) | (39 585) |
| Impairment for Water | | (137 899) | (159 736) | (100 088) | (173 684) | (188 107) | (188 107) | (100 088) | (104 369) | (104 627) | (104 901) |
| Impairment for other trade receivalbes from exchange transactio | | (5 742) | (6 605) | (6 769) | (7 037) | (7 522) | (7 522) | (6 769) | (6 769) | (6 769) | (6 769) |
| **Total Less: Impairment for debt** | | **(309 251)** | **(368 231)** | **(229 772)** | **(417 791)** | **(413 780)** | **(413 780)** | **(229 772)** | **(255 534)** | **(257 516)** | **(259 874)** |
| **Total net Trade and other receivables from Exchange Transacti** | | **73 917** | **57 507** | **63 211** | **59 899** | **63 211** | **63 211** | **78 550** | **79 549** | **79 589** | **79 631** |
| **Receivables from non-exchange transactions** | | | | | | | | | | | |
| **Property rates** | | | | | | | | | | | |
| Agricultural Properties | | (664) | 6 617 | 7 566 | 6 180 | 7 184 | 7 184 | 7 522 | 7 833 | 7 846 | 7 860 |
| Business and Commercial Properties | | 1 451 | 6 833 | 7 136 | 9 253 | 7 654 | 7 654 | 4 777 | 7 943 | 7 983 | 8 026 |
| Industrial Properties | | 110 | 1 108 | 1 515 | 1 161 | 1 607 | 1 607 | 1 289 | 1 685 | 1 694 | 1 703 |
| Mining Properties | | – | 1 506 | 1 335 | 499 | 1 335 | 1 335 | 785 | 1 335 | 1 335 | 1 335 |
| Public Benefit Organisations | | 30 | 83 | 198 | 37 | 754 | 754 | 229 | 205 | 205 | 205 |
| Public Service Infrastructure Properties | | 0 | 0 | 0 | 190 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Service Purposes Properties | | 846 | 3 178 | 3 761 | 1 778 | 3 505 | 3 505 | 5 233 | 3 852 | 3 856 | 3 861 |
| Residential Properties | | 9 139 | 44 210 | 45 189 | 67 836 | 54 449 | 54 449 | 33 216 | 51 096 | 51 391 | 51 701 |
| Residential Sectional Title Garages | | – | – | – | – | – | – | – | – | – | – |
| Sports Clubs and Fields | | – | – | – | – | – | – | – | – | – | – |
| Vacant Land | | – | 12 623 | 13 211 | 6 379 | 13 103 | 13 103 | 13 230 | 13 816 | 13 846 | 13 878 |
| Property Rates General | | – | – | – | – | – | – | – | – | – | – |
| **Gross: Property rates** | | **10 912** | **76 159** | **79 912** | **93 314** | **89 590** | **89 590** | **66 282** | **87 764** | **88 157** | **88 570** |
| Less: Impairment of Property rates | | (113 383) | (204 390) | (179 624) | (185 648) | (320 785) | (320 785) | (179 618) | (261 854) | (265 978) | (270 313) |
| **Net Property rates** | | **(102 471)** | **(128 231)** | **(99 712)** | **(92 334)** | **(231 195)** | **(231 195)** | **(113 336)** | **(174 089)** | **(177 820)** | **(181 743)** |
| Other receivables from non-exchange transactions | | 120 355 | 156 642 | 179 204 | 118 985 | 310 691 | 310 691 | 154 357 | 252 784 | 256 475 | 260 356 |
| Less:Impairment for other receivables from non-exchange transa | | – | – | – | – | – | – | – | – | – | – |
| **Net other receivables from non-exchange transactions** | | **120 355** | **156 642** | **179 204** | **118 985** | **310 691** | **310 691** | **154 357** | **252 784** | **256 475** | **260 356** |
| **Total net Receivables from non-exchange transactions** | | **17 884** | **28 411** | **79 492** | **26 651** | **79 496** | **79 496** | **41 020** | **78 695** | **78 655** | **78 613** |
| **Current Portion of Non-current Receivables** | | | | | | | | | | | |
| Associates | | – | – | – | – | – | – | – | – | – | – |
| Bursary Obligations | | – | – | – | – | – | – | – | – | – | – |
| Car | | – | – | – | – | – | – | – | – | – | – |
| Computer and Electronic Equipment | | – | – | – | – | – | – | – | – | – | – |
| Employee Benefits | | – | – | – | – | – | – | – | – | – | – |
| 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** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Inventory** | | | | | | | | | | | |
| Agricultural | | – | – | – | – | – | – | – | – | – | – |
| Consumables | | – | – | 3 250 | – | 3 204 | 3 204 | 2 719 | 3 250 | 3 250 | 3 250 |
| Finished Goods | | – | – | – | – | – | – | – | – | – | – |
| Housing Stock | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Land | | – | – | – | – | – | – | – | – | – | – |
| Materials and Supplies | | 17 404 | 20 785 | 20 887 | 20 785 | 20 717 | 20 717 | 20 887 | 20 887 | 20 887 | 20 887 |
| Water | | 1 194 | 359 | 689 | 1 665 | 689 | 689 | 3 146 | 689 | 689 | 689 |
| Work-in-progress | | – | – | – | – | – | – | – | – | – | – |
| **Total Inventory** | | **18 598** | **21 144** | **24 825** | **22 450** | **24 610** | **24 610** | **26 752** | **24 825** | **24 825** | **24 825** |
| **VAT Receivable** | | | | | | | | | | | |
| Input Tax Capital | | – | 298 | 5 896 | (142) | 6 071 | 6 071 | 1 145 | 6 194 | 6 194 | 6 194 |
| Input Tax General | | (112 097) | 2 099 | 7 245 | 35 124 | 43 923 | 43 923 | 53 048 | 2 943 | 2 943 | 2 943 |
| VAT Control (Receivable) | | (9 337) | 720 | 1 278 | (22 192) | (22 487) | (22 487) | (4 876) | 2 830 | 2 830 | 2 830 |
| **Total VAT Receivable** | | **(121 435)** | **3 117** | **14 419** | **12 790** | **27 507** | **27 507** | **49 317** | **11 967** | **11 967** | **11 967** |
| **Other current assets** | | | | | | | | | | | |
| Construction Contracts and Receivables | | – | – | – | – | – | – | – | – | – | – |
| Control, Clearing and Interface Accounts | | 1 539 | 1 150 | 3 029 | – | 3 029 | 3 029 | 1 376 | 3 029 | 3 029 | 3 029 |
| Deposits | | 894 | – | – | 894 | – | – | – | – | – | – |
| Fair Value Adjustments | | – | – | – | – | – | – | – | – | – | – |
| Income Tax Receivable | | – | – | – | – | – | – | – | – | – | – |
| Operating Lease - Straight Lining | | 109 | 106 | 117 | 106 | 117 | 117 | 117 | 117 | 117 | 117 |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| **Total Other current assets** | | **2 542** | **1 255** | **3 145** | **999** | **3 145** | **3 145** | **1 493** | **3 145** | **3 145** | **3 145** |
| **Total Current Assets** | | **96 441** | **255 094** | **365 675** | **266 780** | **318 531** | **318 531** | **440 507** | **334 758** | **365 002** | **418 511** |
| **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 | | – | – | – | – | – | – | – | – | – | – |
| Municipal Bonds | | – | – | – | – | – | – | – | – | – | – |
| National Government Securities | | – | – | – | – | – | – | – | – | – | – |
| Negotiable Certificate of Deposits | | – | – | – | – | – | – | – | – | – | – |
| Unamortised Debt Expense | | – | – | – | – | – | – | – | – | – | – |
| Unamortised Preference Share Expense | | – | – | – | – | – | – | – | – | – | – |
| **Total Investments** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Investment Property** | | | | | | | | | | | |
| Investment Property at Cost / Fair Value | | 251 673 | 250 794 | 247 554 | 250 794 | 246 427 | 246 427 | 247 554 | 247 554 | 247 554 | 247 554 |
| Less: Accumulated Depreciation | | – | – | – | – | – | – | – | – | – | – |
| Less: Accumulated Impairment | | – | – | (1 127) | – | – | – | (1 127) | (1 127) | (1 127) | (1 127) |
| **Total Investment Property** | | **251 673** | **250 794** | **246 427** | **250 794** | **246 427** | **246 427** | **246 427** | **246 427** | **246 427** | **246 427** |
| **Property, Plant and Equipment** | | | | | | | | | | | |
| Property, Plant and Equipment at Cost / Revaluation | | 2 938 229 | 3 001 770 | 3 093 685 | 3 361 047 | 3 181 464 | 3 181 464 | 3 156 372 | 3 152 994 | 3 150 894 | 3 150 894 |
| Leases recognised as Property, Plant and Equipment | 3 | 38 786 | 38 325 | 36 845 | 38 325 | 36 845 | 36 845 | 36 845 | 36 845 | 36 845 | 36 845 |
| Less: Accumulated Depreciation | | (1 014 240) | (1 111 142) | (1 195 219) | (1 280 558) | (1 341 384) | (1 341 384) | (1 271 940) | (1 312 620) | (1 317 128) | (1 418 524) |
| Less: Accumulated Impairment | | (13 610) | (13 929) | (12 040) | (16 100) | (15 150) | (15 150) | (14 211) | (14 211) | (46 269) | (14 211) |
| **Total Property, Plant and Equipment** | 2 | **1 949 164** | **1 915 024** | **1 923 272** | **2 102 713** | **1 861 776** | **1 861 776** | **1 907 066** | **1 863 009** | **1 824 343** | **1 755 004** |
| **Construction Work-in-progress** | | | | | | | | | | | |
| Acquisitions | | 91 429 | 84 713 | 164 657 | 223 899 | 289 306 | 289 306 | 57 870 | 76 171 | 50 188 | 50 483 |
| Opening Balance | | 135 016 | 82 170 | 118 516 | – | 194 369 | 194 369 | 214 594 | 394 437 | 394 437 | 394 437 |
| Prior period corrections | | – | – | – | – | – | – | – | – | – | – |
| Transfer to Heritage asset | | – | – | – | – | – | – | – | – | – | – |
| Transfer to Intangible Assets | | – | – | – | – | – | – | – | – | – | – |
| Transfer to Investment property | | – | – | – | – | – | – | – | – | – | – |
| Transfer to PPE | | (144 275) | (48 367) | (68 579) | – | – | – | – | – | – | – |
| Less: Accumulated Impairment | | (20 225) | (20 225) | (20 225) | – | – | – | (20 225) | (20 225) | (20 225) | (20 225) |
| **Total Construction Work-in-progress** | 2 | **61 945** | **98 291** | **194 369** | **223 899** | **483 674** | **483 674** | **252 238** | **450 383** | **424 400** | **424 696** |
| **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** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |

| 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 |
| **Intangible Assets** | | | | | | | | | | | |
| Heritage Assets at Cost / Revaluation | | 2 117 | 2 134 | 2 130 | 419 | 2 430 | 2 430 | 2 338 | 2 130 | 2 130 | 2 130 |
| Less: Accumulated Amortisation | | (1 514) | (1 716) | (1 918) | – | (1 918) | (1 918) | (1 957) | (1 918) | (1 918) | (1 918) |
| Less: Accumulated Impairment | | – | – | – | – | – | – | – | – | – | – |
| **Total Intangible Assets** | | **603** | **419** | **212** | **419** | **512** | **512** | **381** | **212** | **212** | **212** |
| **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** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Non-current Receivables from Non-exchange Transactions** | | | | | | | | | | | |
| Associates | | – | – | – | – | – | – | – | – | – | – |
| Bursary Obligations | | – | – | – | – | – | – | – | – | – | – |
| Car | | – | – | – | – | – | – | – | – | – | – |
| Computer and Electronic Equipment | | – | – | – | – | – | – | – | – | – | – |
| Employee Benefits | | – | – | – | – | – | – | – | – | – | – |
| 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 Transaction** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **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** | | **2 263 385** | **2 264 526** | **2 364 279** | **2 577 825** | **2 592 388** | **2 592 388** | **2 406 112** | **2 560 031** | **2 495 381** | **2 426 339** |
| **TOTAL ASSETS** | | **2 359 826** | **2 519 620** | **2 729 954** | **2 844 605** | **2 910 920** | **2 910 920** | **2 846 618** | **2 894 788** | **2 860 384** | **2 844 850** |
| **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 | | – | – | – | – | – | – | – | – | – | – |
| Current portion of Finance Lease Liabilities | | 12 169 | 11 144 | 19 263 | 24 890 | 5 879 | 5 879 | 5 971 | 12 932 | 12 932 | 12 932 |
| Current portion of Non-current Borrowings | | – | – | 10 606 | 7 054 | 17 660 | 17 660 | 2 273 | 10 246 | 4 492 | 4 492 |
| Current portion of Operating Lease Liabilities | | – | – | – | – | – | – | – | – | – | – |
| Unamortised Premium on Long-term Debts | | – | – | – | – | – | – | – | – | – | – |
| **Total Financial Liabilities** | | **12 169** | **11 144** | **29 869** | **31 944** | **23 538** | **23 538** | **8 244** | **23 178** | **17 424** | **17 424** |
| **Consumer Deposits** | | | | | | | | | | | |
| Building Plans | | 11 570 | 13 237 | 14 978 | 13 237 | 14 978 | 14 978 | 16 383 | 14 978 | 14 978 | 14 978 |
| Buying Card | | – | – | – | – | – | – | – | – | – | – |
| Electricity | | 14 302 | 15 142 | 16 338 | 15 142 | 16 338 | 16 338 | 17 215 | 16 338 | 16 338 | 16 338 |
| Hiring of Decorative Items | | – | – | – | – | – | – | – | – | – | – |
| Library Books | | – | – | – | – | – | – | – | – | – | – |
| Posters | | – | – | – | – | – | – | 8 | – | – | – |
| Refuse | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Rental Properties | | 105 | 257 | 367 | 51 | 367 | 367 | 498 | 367 | 367 | 367 |
| Sewer | | – | – | – | – | – | – | – | – | – | – |
| Street Closure | | – | – | – | – | – | – | – | – | – | – |
| Valuation Appeal | | – | – | – | – | – | – | – | – | – | – |
| Water | | 2 987 | 2 636 | 2 821 | 3 135 | 2 821 | 2 821 | 2 955 | 2 821 | 2 821 | 2 821 |
| Wayleave | | 96 | – | – | 96 | – | – | 37 | – | – | – |
| **Total Consumer Deposits** | | **29 060** | **31 272** | **34 505** | **31 660** | **34 505** | **34 505** | **37 097** | **34 505** | **34 505** | **34 505** |
| **Trade and Other Payable Exchange Transactions** | | | | | | | | | | | |
| Accrued Interest | | – | – | – | (0) | – | – | (2 747) | – | – | – |
| Advance Payments | | 30 037 | 33 150 | 37 409 | 27 375 | 37 409 | 37 409 | 39 340 | 37 409 | 37 409 | 37 409 |
| Affiliates, Related Parties and Associated Companies | | (18) | (0) | (0) | – | – | – | (0) | – | – | – |
| Agency Fees Payable | | – | – | – | – | – | – | – | – | – | – |
| Auditor-General of South Africa | | 13 | 0 | 0 | – | – | – | 0 | (0) | (0) | (0) |
| Bonus | | – | 9 163 | 10 909 | – | – | – | 10 909 | 10 909 | 10 909 | 10 909 |
| Compensation Commission (COID) | | 1 149 | 1 117 | 1 117 | 1 117 | 1 117 | 1 117 | 1 117 | 1 117 | 1 117 | 1 117 |
| Control, Clearing and Interface Accounts | | 4 987 | 440 | 4 341 | 52 512 | 4 341 | 4 341 | 6 041 | 11 425 | 13 477 | 13 918 |
| Deferred Revenue | | – | – | – | – | – | – | – | – | – | – |
| Dividends Declared | | – | – | – | – | – | – | – | – | – | – |
| Electricity Bulk Purchase | | 35 045 | 44 452 | 49 017 | 44 452 | 49 017 | 49 017 | 40 642 | 49 017 | 49 017 | 49 017 |
| Fair Value Adjustment | | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| Leave Accrual | | – | – | – | – | – | – | – | – | – | – |
| Long Service Award | | – | – | – | – | – | – | 1 701 | 0 | 0 | 0 |
| Municipal Debt Relief | | – | – | – | – | – | – | – | – | – | – |
| Overtime | | – | – | – | – | – | – | – | – | – | – |
| Payables and Accruals | | 26 564 | 36 381 | 66 966 | (11 254) | 66 750 | 66 750 | 5 208 | 59 882 | 57 830 | 57 389 |
| PAYE Deductions | | 0 | 0 | 5 418 | – | 5 418 | 5 418 | 517 | 5 418 | 5 418 | 5 418 |
| Pension and Retirement Contributions | | – | – | – | – | – | – | – | – | – | – |
| Retentions | | 7 068 | 6 457 | 8 172 | 6 457 | 8 172 | 8 172 | 9 124 | 8 172 | 8 172 | 8 172 |
| Standby | | – | – | – | – | – | – | – | – | – | – |
| Tender documentation | | – | – | – | – | – | – | – | – | – | – |
| Unallocated Deposits | | 19 785 | 20 728 | 24 449 | 20 728 | 24 449 | 24 449 | 24 821 | 24 449 | 24 449 | 24 449 |
| Water Inventory Bulk Purchases | | 1 567 | 1 660 | 2 704 | 1 837 | 2 704 | 2 704 | 2 592 | 2 704 | 2 704 | 2 704 |
| VAT Payables Output Tax Accrual | | – | – | – | – | – | – | – | 49 775 | 50 283 | 50 783 |
| VAT Payables Output Tax Provision for Doubtful Debt Impairmer | | – | – | – | – | – | – | – | (23 030) | (23 490) | (24 038) |
| **Total Trade and Other Payable Exchange Transactions** | 2, 5 | **126 197** | **153 547** | **210 501** | **143 222** | **199 377** | **199 377** | **139 265** | **237 247** | **237 294** | **237 247** |
| **Trade and Other Payable Non-exchange Transactions** | | | | | | | | | | | |
| **Transfers and Subsidies Payable** | | | | | | | | | | | |
| Capital | | – | – | – | – | – | – | – | – | – | – |
| Operational | | – | – | – | – | – | – | – | – | – | – |
| **Total Transfers and Subsidies Payable** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Transfers and Subsidies Unspent** | | | | | | | | | | | |
| Capital | | 25 736 | 38 791 | 20 944 | – | 0 | 0 | 37 071 | – | – | – |
| Operational | | 3 258 | 0 | (0) | – | – | – | 397 | – | – | – |
| **Total Transfers and Subsidies Unspent** | | **28 994** | **38 791** | **20 944** | **-** | **0** | **0** | **37 467** | **-** | **-** | **-** |
| VAT Payables Output Tax Accrual | | – | – | – | – | – | – | – | – | – | – |
| VAT Payables Output Tax Provision for Doubtful Debt Impairmer | | – | – | – | – | – | – | – | – | – | – |
| **Total Trade and Other Payable Non-exchange Transactions** | 2 | **28 994** | **38 791** | **20 944** | **-** | **0** | **0** | **37 467** | **-** | **-** | **-** |
| **Provision** | | | | | | | | | | | |
| Alien Vegetation | | – | – | – | – | – | – | – | – | – | – |
| Bonus | | 2 435 | 1 677 | 1 718 | 4 354 | 4 739 | 4 739 | 1 603 | 1 603 | 1 603 | 1 603 |
| Decommissioning, Restoration and Similar Liabilities | | 1 147 | 1 000 | 1 200 | 1 441 | 1 520 | 1 520 | 1 200 | 1 200 | 1 200 | 1 200 |
| Ex-gratia Pension | | – | – | – | – | – | – | – | – | – | – |
| Insurance Claims | | 482 | 769 | 283 | 9 430 | 4 788 | 4 788 | – | – | – | – |
| Leave | | 36 033 | 44 559 | 28 453 | 48 332 | 28 453 | 28 453 | 28 453 | 28 453 | 28 453 | 28 453 |
| Litigation | | – | – | – | – | – | – | – | – | – | – |
| Pension Fund Investment Return Shortfall | | (1) | (0) | (0) | 895 | 8 | 8 | – | – | – | – |
| Staff Parity | | – | – | – | – | – | – | – | – | – | – |
| Impairment | | – | – | – | – | – | – | – | – | – | – |
| **Total Provision** | | **40 097** | **48 005** | **31 654** | **64 451** | **39 509** | **39 509** | **31 256** | **31 256** | **31 256** | **31 256** |
| **VAT Payable** | | | | | | | | | | | |
| VAT Payable: Output Tax | | 22 032 | (5 726) | 14 382 | 14 707 | 23 510 | 23 510 | 42 647 | 2 344 | 2 344 | 2 344 |
| VAT Payable: VAT Control | | (80 798) | – | – | (0) | 5 579 | 5 579 | 22 | (0) | (47) | (0) |
| **Total VAT Payable** | | **(58 766)** | **(5 726)** | **14 382** | **14 707** | **29 089** | **29 089** | **42 669** | **2 344** | **2 297** | **2 344** |
| **Other current liabilities** | | | | | | | | | | | |
| **Employee Benefits** | | | | | | | | | | | |
| Post-employment Benefits | | – | – | – | – | – | – | – | 4 797 | 4 797 | 4 797 |
| Other Long-Term Benefits | | – | – | – | – | – | – | – | 3 136 | 3 136 | 3 136 |
| Termination Benefits | | – | – | – | – | – | – | – | – | – | – |
| **Total Employee Benefits** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **7 933** | **7 933** | **7 933** |
| Deferred Tax Liabilities | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Income Tax Payable | | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| **Total Other current liabilities** | | - | - | - | - | - | - | - | 7 933 | 7 933 | 7 933 |
| **Total Current Liabilities** | | 177 751 | 277 034 | 341 855 | 285 984 | 326 018 | 326 018 | 295 999 | 336 462 | 330 709 | 330 709 |
| **Non-current Liabilities** | | | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | | | |
| **Borrowings** | | | | | | | | | | | |
| Annuity and Bullet Loans | | – | – | 87 311 | 82 340 | 169 651 | 169 651 | 84 488 | 123 134 | 153 131 | 141 820 |
| Bankers Acceptance Certificate | | – | – | – | – | – | – | – | – | – | – |
| Concessionary Loan | | – | – | – | – | – | – | – | – | – | – |
| Derivative Financial Liability | | – | – | – | – | – | – | – | – | – | – |
| Finance Lease Liability | | 23 375 | 12 231 | 31 750 | 120 843 | 31 750 | 31 750 | 31 750 | 47 060 | – | – |
| Government Loans | | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| Local Registered Stock | | – | – | – | – | – | – | – | – | – | – |
| Marketable Bonds | | – | – | – | – | – | – | – | – | – | – |
| Non-annuity Loans | | – | – | – | – | – | – | – | – | – | – |
| Non-marketable Bonds | | – | – | – | – | – | – | – | – | – | – |
| PPP Liabilities | | – | – | – | – | – | – | – | – | – | – |
| Securities | | – | – | – | – | – | – | – | – | – | – |
| Interest Rate Swaps | | – | – | – | – | – | – | – | – | – | – |
| **Total Borrowings** | 4 | 23 375 | 12 231 | 119 060 | 203 183 | 201 401 | 201 401 | 116 237 | 170 195 | 153 131 | 141 820 |
| Operating Lease Liability | | – | – | – | – | – | – | – | – | – | – |
| **Total Financial Liabilities** | | 23 375 | 12 231 | 119 060 | 203 183 | 201 401 | 201 401 | 116 237 | 170 195 | 153 131 | 141 820 |
| **Provisions** | | | | | | | | | | | |
| Alien Vegetation | | – | – | – | – | – | – | – | – | – | – |
| Bonus | | – | – | – | – | – | – | – | – | – | – |
| Decommissioning, Restoration and Similar Liabilities | | 118 827 | 119 433 | 120 814 | 112 138 | 124 166 | 124 166 | 120 814 | 125 734 | 130 214 | 134 694 |
| Ex-gratia Pension | | – | – | – | – | – | – | – | – | – | – |
| Impairment | | – | – | – | – | – | – | – | – | – | – |
| Insurance Claims | | – | – | – | – | – | – | – | – | – | – |
| Leave | | (1 977) | (44) | 46 | 27 422 | 16 173 | 16 173 | – | – | – | – |
| Litigation | | – | – | – | – | – | – | – | – | – | – |
| Pension Fund Investment Return Shortfall | | – | – | – | – | – | – | – | – | – | – |
| Staff Parity | | – | – | – | – | – | – | – | – | – | – |
| **Total Provisions** | | 116 850 | 119 389 | 120 860 | 139 560 | 140 339 | 140 339 | 120 814 | 125 734 | 130 214 | 134 694 |
| **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 | | 3 119 | 5 033 | 16 905 | 123 106 | 131 841 | 131 841 | – | 113 970 | 113 970 | 113 970 |
| Other Long-Term Benefits | | – | – | – | – | – | – | – | 14 608 | 14 608 | 14 608 |
| Termination Benefits | | – | – | – | – | – | – | – | – | – | – |
| **Total Employee Benefits** | | 3 119 | 5 033 | 16 905 | 123 106 | 131 841 | 131 841 | - | 128 578 | 128 578 | 128 578 |
| Deferred Tax Liabilities | | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent-subsidiary Transactions | | – | – | – | – | – | – | – | – | – | – |
| **Total Other non-current liabilities** | | 3 119 | 5 033 | 16 905 | 123 106 | 131 841 | 131 841 | - | 128 578 | 128 578 | 128 578 |
| **Total non current liabilities** | | 143 345 | 136 653 | 256 825 | 465 849 | 473 581 | 473 581 | 237 051 | 424 507 | 411 923 | 405 092 |
| **TOTAL LIABILITIES** | | 321 095 | 413 687 | 598 679 | 751 834 | 799 598 | 799 598 | 533 050 | 760 969 | 742 631 | 735 801 |
| **CHANGES IN NET ASSETS** | | 2 038 731 | 2 105 934 | 2 131 275 | 2 092 771 | 2 111 322 | 2 111 322 | 2 313 569 | 2 133 819 | 2 117 752 | 2 109 049 |
| **COMMUNITY WEALTH/EQUITY** | | | | | | | | | | | |
| **Accumulated Surplus/(Deficit)** | | | | | | | | | | | |
| Changes in Accounting Policy | | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior Period Error | | (62 868) | (20) | (229) | – | 10 909 | 10 909 | – | – | – | – |
| Depreciation Offsets | | – | – | – | – | – | – | – | – | – | – |
| Opening Balance | | 2 081 457 | 2 038 240 | 2 025 172 | 2 122 268 | 2 056 273 | 2 056 273 | 2 056 273 | 2 103 717 | 2 109 959 | 2 084 138 |
| Transfers to/from operating revenue and expenditure | | 19 651 | (7 289) | 27 757 | (29 497) | 41 953 | 41 953 | – | 10 602 | (15 707) | (2 589) |
| Transfers to/from Reserves | | – | (5 759) | 3 573 | (14 500) | (17 314) | (17 314) | (1 804) | (4 000) | (4 000) | (4 000) |
| **Total Accumulated Surplus/(Deficit)** | 1 | 2 038 240 | 2 025 172 | 2 056 273 | 2 078 271 | 2 091 822 | 2 091 822 | 2 054 468 | 2 110 319 | 2 090 252 | 2 077 549 |
| **Reserves and Funds** | | | | | | | | | | | |
| Capital Replacement Reserve | | – | 5 759 | 2 186 | 14 500 | 19 500 | 19 500 | 3 991 | 23 500 | 27 500 | 31 500 |
| Capitalisation Reserve | | – | – | – | – | – | – | – | – | – | – |
| Compensation for Occupational Injuries and Diseases | | – | – | – | – | – | – | – | – | – | – |
| Employee Benefit Reserve | | – | – | – | – | – | – | – | – | – | – |
| Housing Development Fund | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Investment in associate account | | – | – | – | – | – | – | – | – | – | – |
| Non-current Provisions Reserve | | – | – | – | – | – | – | – | – | – | – |
| Revaluation Reserve | | – | – | – | – | – | – | – | – | – | – |
| Self Insurance Reserve | | – | – | – | – | – | – | – | – | – | – |
| Valuation Reserve | | – | – | – | – | – | – | – | – | – | – |
| **Total Reserves and Funds** | 2 | - | 5 759 | 2 186 | 14 500 | 19 500 | 19 500 | 3 991 | 23 500 | 27 500 | 31 500 |
| **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 | 2 038 240 | 2 030 931 | 2 058 459 | 2 092 771 | 2 111 322 | 2 111 322 | 2 058 459 | 2 133 819 | 2 117 752 | 2 109 049 |

*References*

*1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)*

*2. Must reconcile with Table A6 Budgeted Financial Position*

*3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases*

*4. Borrowing must reconcile to Table A17*

*5. Trade Payable should only include Trade Payables from Exchance Transactions ("True Creditors")*

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ~~**ASSETS**~~ | | | | | | | | | | | |
| ~~**Trade and other receivables from exchange transactions**~~ | | | | | | | | | | | |
| ~~Electricity~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Water~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Waste~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Waste Water~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Other trade receivables from exchange transactions~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~**Gross: Trade and other receivables from exchange transactions**~~ | | - | - | - | - | - | - | - | - | - | - |
| ~~**Less: Impairment for debt**~~ | | - | - | - | - | - | - | - | - | - | - |
| ~~Impairment for Electricity~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Impairment for Water~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Impairment for Waste~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Impairment for Waste Water~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Impairment for other trade receivalbes from exchange transactions~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~**Total net Trade and other receivables from Exchange Trx**~~ | | - | - | - | - | - | - | - | - | - | - |
| ~~**:**~~ | | | | | | | | | | | |
| ~~**Receivables from non-exchange transactions**~~ | | | | | | | | | | | |
| ~~Property rates~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Less: Impairment of Property rates~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~**Net Property rates**~~ | | - | - | - | - | - | - | - | - | - | - |
| ~~Other receivables from non-exchange transactions~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~Impairment for other receivalbes from non-exchange transactions~~ | | – | – | – | – | – | – | – | – | – | – |
| ~~**Net other receivables from non-exchange transactions**~~ | | - | - | - | - | - | - | - | - | - | - |
| ~~**Total net Receivables from non-exchange transactions**~~ | | - | - | - | - | - | - | - | - | - | - |

| 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 |
| **Inventory** | | | | | | | | | | | |
| **Water** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| System Input Volume | | – | – | – | – | – | – | – | – | – | – |
| Water Treatment Works | | – | – | – | – | – | – | – | – | – | – |
| Bulk Purchases | | – | – | – | – | – | – | – | – | – | – |
| Natural Sources | | – | – | – | – | – | – | – | – | – | – |
| Authorised Consumption | 6 | – | – | – | – | – | – | – | – | – | – |
| Billed Authorised Consumption | | – | – | – | – | – | – | – | – | – | – |
| Billed Metered Consumption | | – | – | – | – | – | – | – | – | – | – |
| Free Basic Water | | – | – | – | – | – | – | – | – | – | – |
| Subsidised Water | | – | – | – | – | – | – | – | – | – | – |
| Revenue Water | | – | – | – | – | – | – | – | – | – | – |
| Billed Unmetered Consumption | | – | – | – | – | – | – | – | – | – | – |
| Free Basic Water | | – | – | – | – | – | – | – | – | – | – |
| Subsidised Water | | – | – | – | – | – | – | – | – | – | – |
| Revenue Water | | – | – | – | – | – | – | – | – | – | – |
| UnBilled Authorised Consumption | | – | – | – | – | – | – | – | – | – | – |
| Unbilled Metered Consumption | | – | – | – | – | – | – | – | – | – | – |
| Unbilled Unmetered Consumption | | – | – | – | – | – | – | – | – | – | – |
| Water Losses | | – | – | – | – | – | – | – | – | – | – |
| Apparent losses | | – | – | – | – | – | – | – | – | – | – |
| Unauthorised Consumption | | – | – | – | – | – | – | – | – | – | – |
| Customer Meter Inaccuracies | | – | – | – | – | – | – | – | – | – | – |
| Real losses | | – | – | – | – | – | – | – | – | – | – |
| Leakage on Transmission and Distribution Mains | | – | – | – | – | – | – | – | – | – | – |
| Leakage and Overflows at Storage Tanks/Reservoirs | | – | – | – | – | – | – | – | – | – | – |
| Leakage on Service Connections up to the point of Customer Meter | | – | – | – | – | – | – | – | – | – | – |
| Data Transfer and Management Errors | | – | – | – | – | – | – | – | – | – | – |
| Unavoidable Annual Real Losses | | – | – | – | – | – | – | – | – | – | – |
| Non-revenue Water | | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing Balance Water | | – | – | – | – | – | – | – | – | – | – |
| **Agricultural** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Issues | 7 | – | – | – | – | – | – | – | – | – | – |
| Adjustments | 8 | – | – | – | – | – | – | – | – | – | – |
| Write-offs | 9 | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Agricultural | | – | – | – | – | – | – | – | – | – | – |
| **Consumables** | | | | | | | | | | | |
| **Standard Rated** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Issues | 7 | – | – | – | – | – | – | – | – | – | – |
| Adjustments | 8 | – | – | – | – | – | – | – | – | – | – |
| Write-offs | 9 | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Consumables Standard Rated | | – | – | – | – | – | – | – | – | – | – |
| **Zero Rated** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Issues | 7 | – | – | – | – | – | – | – | – | – | – |
| Adjustments | 8 | – | – | – | – | – | – | – | – | – | – |
| Write-offs | 9 | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Consumables Zero Rated | | – | – | – | – | – | – | – | – | – | – |
| **Finished Goods** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Issues | 7 | – | – | – | – | – | – | – | – | – | – |
| Adjustments | 8 | – | – | – | – | – | – | – | – | – | – |
| Write-offs | 9 | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Finished Goods | | – | – | – | – | – | – | – | – | – | – |
| **Materials and Supplies** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Issues | 7 | – | – | – | – | – | – | – | – | – | – |
| Adjustments | 8 | – | – | – | – | – | – | – | – | – | – |
| Write-offs | 9 | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Materials and Supplies | | – | – | – | – | – | – | – | – | – | – |
| **Work-in-progress** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Materials | | – | – | – | – | – | – | – | – | – | – |
| Transfers | | – | – | – | – | – | – | – | – | – | – |
| Closing balance - Work-in-progress | | – | – | – | – | – | – | – | – | – | – |
| **Housing Stock** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Transfers | | – | – | – | – | – | – | – | – | – | – |

| 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 |
| Sales | | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| **Closing Balance - Housing Stock** | | – | – | – | – | – | – | – | – | – | – |
| **Land** | | | | | | | | | | | |
| Opening Balance | | – | – | – | – | – | – | – | – | – | – |
| Acquisitions | | – | – | – | – | – | – | – | – | – | – |
| Sales | | – | – | – | – | – | – | – | – | – | – |
| Adjustments | | – | – | – | – | – | – | – | – | – | – |
| Correction of Prior period errors | | – | – | – | – | – | – | – | – | – | – |
| Transfers | | – | – | – | – | – | – | – | – | – | – |
| **Closing Balance - Land** | | – | – | – | – | – | – | – | – | – | – |
| **Closing Balance - Inventory & Consumables** | | – | – | – | – | – | – | – | – | – | – |
| **Property, plant and equipment (PPE)** | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | – | – | – | – | – | – | – | – | – | – |
| Leases recognised as PPE | 3 | – | – | – | – | – | – | – | – | – | – |
| Less: Accumulated depreciation | | – | – | – | – | – | – | – | – | – | – |
| **Total Property, plant and equipment (PPE)** | 2 | – | – | – | – | – | – | – | – | – | – |
| **LIABILITIES** | | | | | | | | | | | |
| **Current liabilities - Financial liabilities** | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | – | – | – | – | – | – | – | – | – | – |
| Current portion of long-term liabilities | | – | – | – | – | – | – | – | – | – | – |
| **Total Current liabilities - Financial liabilities** | | – | – | – | – | – | – | – | – | – | – |
| **Trade and other payables** | | | | | | | | | | | |
| Trade and other payables from exchange transactions | | – | – | – | – | – | – | – | – | – | – |
| Other trade payables from exchange transactions | | – | – | – | – | – | – | – | – | – | – |
| Trade payables from Non-exchange transactions: Unspent conditional | | – | – | – | – | – | – | – | – | – | – |
| Trade payables from Non-exchange transactions: Other | | – | – | – | – | – | – | – | – | – | – |
| VAT | | – | – | – | – | – | – | – | – | – | – |
| **Total Trade and other payables** | 2 | – | – | – | – | – | – | – | – | – | – |
| **Non current liabilities - Financial liabilities** | | | | | | | | | | | |
| Borrowing | 4 | – | – | – | – | – | – | – | – | – | – |
| Other financial liabilities | | – | – | – | – | – | – | – | – | – | – |
| **Total Non current liabilities - Financial liabilities** | | – | – | – | – | – | – | – | – | – | – |
| **Non current liabilities - Long Term portion of trade payables** | | | | | | | | | | | |
| Elelctricty Bulk Purchases | | – | – | – | – | – | – | – | – | – | – |
| Payables and Accruals - General | | – | – | – | – | – | – | – | – | – | – |
| Water Bulk Purchases | | – | – | – | – | – | – | – | – | – | – |
| Municipal Debt Relief | | – | – | – | – | – | – | – | – | – | – |
| **Total Non current liabilities - Long Term portion of trade payables** | | – | – | – | – | – | – | – | – | – | – |
| **Provisions** | | | | | | | | | | | |
| Retirement benefits | | – | – | – | – | – | – | – | – | – | – |
| *List other major provision items* | | | | | | | | | | | |
| Refuse landfill site rehabilitation | | – | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – | – |
| **Total Provisions** | | – | – | – | – | – | – | – | – | – | – |
| **CHANGES IN NET ASSETS** | | | | | | | | | | | |
| **Accumulated surplus/(deficit)** | | | | | | | | | | | |
| Accumulated surplus/(deficit) - opening balance | | – | – | – | – | – | – | – | – | – | – |
| GRAP adjustments | | – | – | – | – | – | – | – | – | – | – |
| Restated balance | | – | – | – | – | – | – | – | – | – | – |
| Surplus/(Deficit) | | – | – | – | – | – | – | – | – | – | – |
| Transfers to/from Reserves | | – | – | – | – | – | – | – | – | – | – |
| Depreciation offsets | | – | – | – | – | – | – | – | – | – | – |
| Other adjustments | | – | – | – | – | – | – | – | – | – | – |
| **Accumulated Surplus/(Deficit)** | 1 | – | – | – | – | – | – | – | – | – | – |
| **Reserves** | | | | | | | | | | | |
| Housing Development Fund | | – | – | – | – | – | – | – | – | – | – |
| Capital replacement | | – | – | – | – | – | – | – | – | – | – |
| Self-insurance | | – | – | – | – | – | – | – | – | – | – |
| Other reserves | | – | – | – | – | – | – | – | – | – | – |
| Revaluation | | – | – | – | – | – | – | – | – | – | – |
| **Total Reserves** | 2 | – | – | – | – | – | – | – | – | – | – |
| **TOTAL COMMUNITY WEALTH/EQUITY** | 2 | – | – | – | – | – | – | – | – | – | – |

*References*

*1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)*
*2. Must reconcile with Table A6 Budgeted Financial Position*
*3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases*
*4. Borrowing must reconcile to Table A17*
*5. Trade Payable should only include Trade Payables from Exchance Transactions ("True Creditors")*
*6. Inventory Consumed - Water - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1*
*7. Inventry Consumed Other - included under "Inventory Consumed" on Table A4 - Detail to be submitted on Table SA1*
*8. Inventory Transfers/Adjustments (Include under gains/losses on Table A4)*
*9. Inventory Write-offs (Include under losses on Table A4)*

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| ***Check Total Community Wealth/Equity (A6)*** | ***(2 038 240)*** | ***(2 030 931)*** | ***(2 058 459)*** | ***(2 092 771)*** | ***(2 111 322)*** | ***(2 111 322)*** | ***(2 058 459)*** | ***(2 133 819)*** | ***(2 117 752)*** | ***(2 109 049)*** |
| ***Check Surplus/Deficit (A6)*** | ***(2 038 240)*** | ***(2 025 172)*** | ***(2 056 273)*** | ***(2 078 271)*** | ***(2 091 822)*** | ***(2 091 822)*** | ***(2 054 468)*** | ***(2 110 319)*** | ***(2 090 252)*** | ***(2 077 549)*** |
| ***Check Total Reserves (A6)*** | – | ***(5 759)*** | ***(2 186)*** | ***(14 500)*** | ***(19 500)*** | ***(19 500)*** | ***(3 991)*** | ***(23 500)*** | ***(27 500)*** | ***(31 500)*** |
| ***Check Total Borrowing (A6)*** | ***23 375*** | ***12 231*** | ***119 060*** | ***203 183*** | ***201 401*** | ***201 401*** | ***116 237*** | ***170 195*** | ***153 131*** | ***141 820*** |
| ***Check Total Borrowing (SA17)*** | – | – | – | – | – | – | | – | – | – |

**EC108 Kouga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

| R thousand | | | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| Allocations to other priorities | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | 1 | – | – | – | – | – | – | – | – | – |

**EC108 Kouga - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

| R thousand | | | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| Allocations to other priorities | | | | | | | | | | | | |
| Total Expenditure | | | 1 | – | – | – | – | – | – | – | – | – |

**EC108 Kouga - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

| R thousand | | | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | |
| Allocations to other priorities | | | 3 | | | | | | | | | |
| Total Capital Expenditure | | | 1 | – | – | – | – | – | – | – | – | – |

**EC108 Kouga - Supporting Table SA7 Measureable performance objectives**

| Description | Unit of measurement | 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** | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| *insert measurables descriptions* | | | | | | | | | | |
| | | | | | | | | | | |
| *Sub-function* | | | | | | | | | | |
| insert measurables descriptions | | | | | | | | | | |
| | | | | | | | | | | |
| Sub-function | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| Function | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| *insert measurables descriptions* | | | | | | | | | | |
| | | | | | | | | | | |
| *Sub-function* | | | | | | | | | | |
| insert measurables descriptions | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| *insert measurables descriptions* | | | | | | | | | | |
| | | | | | | | | | | |
| *Vote 2 - vote name* | | | | | | | | | | |
| Function | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| *insert measurables descriptions* | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Function** | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Vote 3 - vote name** | | | | | | | | | | |
| **Function** | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
| | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
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| **Function** | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
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| **Sub-function** | | | | | | | | | | |
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| **Sub-function** | | | | | | | | | | |
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| **Vote 4 - vote name** | | | | | | | | | | |
| **Function** | | | | | | | | | | |
| **Sub-function** | | | | | | | | | | |
| **insert measurables descriptions** | | | | | | | | | | |
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| **Sub-function** | | | | | | | | | | |
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| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Function**<br>**Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Vote 5 - vote name**<br>**Function**<br>**Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Function**<br>**Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Vote 6 - vote name**<br>**Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Function**<br>**Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Sub-function**<br>**insert measurables descriptions** | | | | | | | | | | | |
| **Function**<br>**And so on for the rest of the Votes** | | | | | | | | | | | |

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*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*

**EC108 Kouga - Entities measureable performance objectives**

| Description | Unit of measurement | 2022/23 | 2023/24 | 2024/25 | Current Year 2025/26 | | | 2026/27 Medium Term Revenue & Expenditure | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Audited | Audited | Audited | Original | Adjusted | Full Year | Budget Year | Budget Year +1 | Budget Year +2 |
| **Entity 1 - (name of entity)** | | | | | | | | | | |
| *Insert measure/s description* | | | | | | | | | | |
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| **Entity 2 - (name of entity)** | | | | | | | | | | |
| *Sub-function* | | | | | | | | | | |
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| **Entity 3 - (name of entity)** | | | | | | | | | | |
| *Sub-function* | | | | | | | | | | |
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| **And so on for the rest of the Entities** | | | | | | | | | | |

*1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))*
*2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s*

## EC108 Kouga - Supporting Table SA8 Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 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 | 1,6% | 1,8% | 2,6% | 2,8% | 4,1% | 4,1% | 0,9% | 3,6% | 2,7% | 2,1% |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 1,6% | 1,8% | 2,8% | 3,0% | 4,3% | 4,3% | 0,8% | 3,8% | 2,8% | 2,2% |
| Borrowed funding of 'own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 0,0% | 0,0% | 540,7% | 242,9% | 171,9% | 171,9% | 0,0% | 0,0% | 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 | 0,5 | 0,9 | 1,1 | 0,9 | 1,0 | 1,0 | 1,5 | 1,0 | 1,1 | 1,3 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0,5 | 0,9 | 1,1 | 0,9 | 1,0 | 1,0 | 1,5 | 1,0 | 1,1 | 1,3 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 1,0 | 0,7 | 0,7 | 0,7 | 0,6 | 0,6 | 1,1 | 0,6 | 0,7 | 0,9 |
| **Revenue Management** | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | 0,0% | 60,7% | 104,5% | 154,4% | 156,0% | 155,8% | 155,8% | 0,0% | 153,7% | 152,6% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | 60,7% | 104,5% | 154,4% | 156,0% | 155,8% | 155,8% | 0,0% | 153,7% | 152,6% | 151,4% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 14,4% | 25,1% | 27,6% | 21,3% | 25,9% | 25,9% | 35,8% | 23,3% | 22,0% | 20,6% |
| 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 | | 13,0% | 12,5% | 172,4% | 99,5% | 165,4% | 165,4% | 0,0% | 173,7% | 142,2% | 107,7% |
| **Other Indicators** | | | | | | | | | | | |
| Electricity Distribution Losses (2) | Total Volume Losses (kW) technical<br>Total Volume Losses (kW) non technical<br>Total Cost of Losses (Rand '000)<br>% Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |
| Water Volumes :System input | Bulk Purchase<br>Water treatment works<br>Natural sources | | | | | | | | | | |
| Water Distribution Losses (2) | Total Volume Losses (kℓ)<br>Total Cost of Losses (Rand '000)<br>% Volume (units purchased and generated less units sold)/units purchased and generated | | | | | | | | | | |

| Description of financial indicator | Basis of calculation | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Employee costs | Employee costs/(Total Revenue - capital revenue) | 31,2% | 32,6% | 32,0% | 35,4% | 30,1% | 30,1% | 29,3% | 30,7% | 30,4% | 30,1% |
| Remuneration | Total remuneration/(Total Revenue - capital revenue) | 32,4% | 33,8% | 33,1% | 36,4% | 31,3% | 31,3% | | 31,7% | 31,6% | 31,5% |
| Repairs & Maintenance | R&M/(Total Revenue excluding capital revenue) | 4,1% | 4,3% | 13,0% | 15,8% | 12,8% | 12,8% | | 13,3% | 14,2% | 13,5% |
| Finance charges & Depreciation | FC&D/(Total Revenue - capital revenue) | 11,5% | 9,2% | 9,8% | 11,1% | 12,4% | 12,4% | 7,9% | 8,7% | 8,3% | 7,9% |
| **IDP regulation financial viability indicators** | | | | | | | | | | | |
| i. Debt coverage | (Total Operating Revenue - Operating Grants)/Debt service payments due within financial year) | 94,8 | 51,7 | 32,9 | 36,5 | 36,3 | – | 20,9 | 37,8 | 45,5 | – |
| ii.O/S Service Debtors to Revenue | Total outstanding service debtors/annual revenue received for services | -15,2% | 8,9% | 18,5% | 8,0% | 17,8% | 17,8% | 23,5% | 14,5% | 13,5% | 12,4% |
| iii. Cost coverage | (Available cash + Investments)/monthly fixed operational expenditure | 10,8 | 12,2 | 1,3 | 1,2 | 1,0 | 1,0 | – | 1,1 | 1,2 | 1,5 |

*References*

*1. Consumer debtors > 12 months old are excluded from current assets*

*2. Only include if services provided by the municipality*

Calculation data

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Debtors > 90 days | | | | | | | | | | |
| Monthly fixed operational expenditure | 90 282 | 100 868 | 96 737 | 123 453 | 116 410 | 116 410 | 81 537 | 127 886 | 136 353 | 144 101 |
| Fixed operational expenditure % assumption | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% | 40,0% |
| Own capex | 19 500 | 90 300 | (22 193) | 41 172 | 58 159 | 58 159 | 15 501 | 12 223 | – | – |
| Borrowing | – | – | (120 000) | 100 000 | 100 000 | 100 000 | – | – | – | – |

## EC108 Kouga - 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 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| **Demographics** | | | | | | | | | | | | |
| Population | | 0 | – | – | – | – | – | – | – | – | – | – |
| Females aged 5 - 14 | | 0 | – | – | – | – | – | – | – | – | – | – |
| Males aged 5 - 14 | | 0 | – | – | – | – | – | – | – | – | – | – |
| Females aged 15 - 34 | | 0 | – | – | – | – | – | – | – | – | – | – |
| Males aged 15 - 34 | | 0 | – | – | – | – | – | – | – | – | – | – |
| Unemployment | | 0 | – | – | – | – | – | – | – | – | – | – |
| **Monthly household income (no. of households)** | 1, 12 | | | | | | | | | | | |
| No income | | 0 | – | – | – | – | – | – | – | – | – | – |
| R1 - R1 600 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R1 601 - R3 200 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R3 201 - R6 400 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R6 401 - R12 800 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R12 801 - R25 600 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R25 601 - R51 200 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R52 201 - R102 400 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R102 401 - R204 800 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R204 801 - R409 600 | | 0 | – | – | – | – | – | – | – | – | – | – |
| R409 601 - R819 200 | | 0 | – | – | – | – | – | – | – | – | – | – |
| > R819 200 | | 0 | – | – | – | – | – | – | – | – | – | – |
| **Poverty profiles (no. of households)** | | | | | | | | | | | | |
| < R2 060 per household per month | 13 | 0 | – | – | – | – | – | – | – | – | – | – |
| | 2 | 0 | – | – | – | – | – | – | – | – | – | – |
| **Household/demographics (000)** | | | | | | | | | | | | |
| Number of people in municipal area | | 0 | – | – | – | – | – | – | – | – | – | – |
| Number of poor people in municipal area | | 0 | – | – | – | – | – | – | – | – | – | – |
| Number of households in municipal area | | 0 | – | – | – | – | – | – | – | – | – | – |
| Number of poor households in municipal area | | 0 | – | – | – | – | – | – | – | – | – | – |
| Definition of poor household (R per month) | | 0 | – | – | – | - | - | - | - | - | - | - |
| **Housing statistics** | 3 | | | | | | | | | | | |
| Formal | | 0 | – | – | – | - | - | - | - | - | - | - |
| Informal | | 0 | – | – | – | - | - | - | - | - | - | - |
| **Total number of households** | | | - | - | - | - | - | - | - | - | - | - |
| Dwellings provided by municipality | 4 | 0 | – | – | – | - | - | - | - | - | - | - |
| Dwellings provided by province/s | | 0 | – | – | – | - | - | - | - | - | - | - |
| Dwellings provided by private sector | 5 | 0 | – | – | – | - | - | - | - | - | - | - |
| **Total new housing dwellings** | | | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Economic** | 6 | | | | | | | | | | | | |
| Inflation/inflation outlook (CPIX) | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Interest rate - borrowing | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Interest rate - investment | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Remuneration increases | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Consumption growth (electricity) | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Consumption growth (water) | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| **Collection rates** | 7 | | | | | | | | | | | | |
| Property tax/service charges | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Rental of facilities & equipment | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Interest - external investments | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Interest - debtors | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |
| Revenue from agency services | | | | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | |

## 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** | – | – | – | – | – | – | – | – | – |

| **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 |
| | | **Household service targets (000)** | | | | | | | | | |
| **Names of service providers** | | ***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)** | 5 488 401 | 3 030 532 | 2 191 734 | 2 243 199 | 2 243 199 | 2 243 199 | 10 264 877 | 11 171 265 | 12 288 392 |
| | | *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)** | 13 470 867 | (5 128 924) | (11 088 107) | 22 969 668 | 22 969 668 | 22 969 668 | 24 629 121 | 26 106 869 | 27 673 281 |
| | | *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)** | 9 997 134 | (2 062 647) | (7 166 044) | 14 616 538 | 14 616 538 | 14 616 538 | 15 410 356 | 16 180 874 | 16 989 917 |
| | | *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)** | – | – | 14 290 501 | 25 846 752 | 25 846 752 | 25 846 752 | 23 154 395 | 24 312 115 | 25 527 720 |
| | | *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 - Refuse Removal for informal settlen** | – | – | – | – | – | – | – | – | – |

*References*

*1. Monthly household income threshold. Should include all sources of income.*

*2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services*

*3. Include total of all housing units within the municipality*

*4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province*
*5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality*
*6. Insert actual or estimated % increases assumed as a basis for budget calculations*
*7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group*
*8. Stand distance <= 200m from dwelling*
*9. Stand distance > 200m from dwelling*
*10. Borehole, spring, rain-water tank etc.*
*11. Must agree to total number of households in municipal area*
*12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire*
*13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons*

## EC108 Kouga Supporting Table SA10 Funding measurement

| Description | MFMA section | Ref | 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 | 974 104 | 1 226 997 | 122 117 | 143 991 | 120 562 | 120 562 | – | 136 576 | 166 821 | 220 330 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | 945 111 | 1 188 206 | 101 173 | 6 451 | 6 115 | 6 115 | (37 467) | 4 507 | 30 752 | 80 261 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 10,8 | 12,2 | 1,3 | 1,2 | 1,0 | 1,0 | – | 1,1 | 1,2 | 1,5 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | 111 590 | 66 323 | 23 999 | (23 523) | 41 953 | 41 953 | 121 315 | 10 602 | (15 707) | (2 589) |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | 2,6% | 1,3% | 8,8% | (9,2%) | (6,0%) | (37,4%) | 1,3% | 0,9% | 1,5% |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 15,9% | 22,4% | 31,3% | 41,7% | 37,0% | 37,0% | 0,0% | 36,4% | 36,6% | 37,0% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 11,1% | 10,1% | (7,4%) | 6,1% | 6,2% | 6,2% | 0,0% | 9,2% | 9,1% | 8,9% |
| 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% | 0,0% | (251,6%) | 51,7% | 47,4% | 47,4% | 0,0% | 0,0% | 0,0% | 0,0% |
| Grants % of Govt. legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 100,0% | 100,0% | 100,0% |
| Current consumer debtors % change - incr(decr) | 18(1)a | 11 | N.A. | (6,4%) | 66,1% | (39,3%) | 64,9% | 0,0% | (16,2%) | 10,9% | 0,0% | 0,0% |
| Long term receivables % change - incr(decr) | 18(1)a | 12 | N.A. | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 2,1% | 2,3% | 7,3% | 9,0% | 7,2% | 7,2% | 8,0% | 9,3% | 9,7% | 0,0% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0,6% | 43,5% | 2,9% | 0,9% | 4,9% | 4,9% | 0,0% | 9,2% | 6,6% | 1,1% |

*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*

| Description | MFMA section | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Supporting indicators** | | | | | | | | | | | | |
| % incr *total service charges (incl prop rates)* | 18(1)a | | 0,0% | 8,6% | 7,3% | 14,8% | (3,2%) | 0,0% | (31,4%) | 7,3% | 6,9% | 7,5% |
| % incr Property Tax | 18(1)a | | 0,0% | 12,4% | 6,5% | 2,1% | 1,1% | 0,0% | (29,3%) | 6,1% | 5,0% | 5,0% |
| % incr Service charges - Electricity | 18(1)a | | 0,0% | 20,4% | 8,5% | 19,7% | (1,2%) | 0,0% | (30,9%) | 9,5% | 8,8% | 10,0% |
| % incr Service charges - Water | 18(1)a | | 0,0% | (12,4%) | 1,9% | 40,9% | (16,1%) | 0,0% | (36,3%) | 2,0% | 6,0% | 6,0% |
| % incr Service charges - Waste Water Management | 18(1)a | | 0,0% | (9,3%) | 18,0% | 22,9% | (11,7%) | 0,0% | (31,7%) | 9,3% | 5,0% | 5,0% |
| % incr Service charges - Waste Management | 18(1)a | | 0,0% | (7,2%) | 2,1% | (9,7%) | 1,6% | 0,0% | (35,1%) | 5,1% | 5,0% | 5,0% |
| % 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 | | 796 903 | 865 523 | 928 331 | 1 065 840 | 1 031 356 | 1 031 356 | 707 819 | 1 106 909 | 1 183 387 | 1 272 124 |
| Service charges | | | 796 903 | 865 523 | 928 331 | 1 065 840 | 1 031 356 | 1 031 356 | 707 819 | 1 106 909 | 1 183 387 | 1 272 124 |
| Property rates | | | 249 284 | 280 203 | 298 334 | 304 484 | 307 899 | 307 899 | 217 564 | 326 717 | 343 053 | 360 206 |
| Service charges - electricity revenue | | | 306 477 | 369 018 | 400 468 | 479 524 | 473 955 | 473 955 | 327 389 | 518 755 | 564 561 | 621 017 |
| Service charges - water revenue | | | 117 400 | 102 795 | 104 737 | 147 583 | 123 885 | 123 885 | 78 856 | 126 386 | 133 969 | 142 007 |
| Service charges - sanitation revenue | | | 61 797 | 56 020 | 66 111 | 81 259 | 71 792 | 71 792 | 49 052 | 78 477 | 82 400 | 86 520 |
| Service charges - refuse removal | | | 61 945 | 57 488 | 58 681 | 52 990 | 53 826 | 53 826 | 34 959 | 56 574 | 59 403 | 62 373 |
| Service charges - other | | | | | | | | | | | | |
| Interest | | | 2 678 | 3 615 | 6 045 | 4 554 | 4 554 | 4 554 | 1 120 | 4 782 | 5 021 | 5 272 |
| Capital expenditure excluding capital grant funding | | | 28 287 | 90 300 | 47 688 | 193 346 | 211 162 | 211 162 | 25 913 | 12 223 | – | – |
| Cash receipts from ratepayers | 18(1)a | | 443 212 | 624 340 | 1 010 534 | 1 330 410 | 1 288 893 | 1 288 893 | – | 1 332 194 | 1 417 150 | 1 516 446 |
| Ratepayer & Other revenue | 18(1)a | | 2 792 816 | 2 785 128 | 3 226 557 | 3 190 557 | 3 482 599 | 3 482 599 | 2 111 411 | 3 662 435 | 3 869 242 | 4 095 940 |
| Change in consumer debtors (current and non-current) | | | N/A | (5 882) | 56 785 | (56 153) | 56 157 | – | (23 136) | 38 673 | (0) | 0 |
| Operating and Capital Grant Revenue | 18(1)a | | 279 561 | 283 769 | 314 695 | 297 700 | 339 958 | 339 958 | 254 508 | 301 246 | 291 107 | 297 502 |
| Capital expenditure - total | 20(1)(vi) | | 21 480 | 93 161 | 151 442 | 265 462 | 322 565 | 322 565 | 66 008 | 80 660 | 52 578 | 52 873 |
| Capital expenditure - renewal | 20(1)(vi) | | 131 | 40 558 | 4 433 | 2 370 | 15 927 | 15 927 | | 7 448 | 3 488 | 600 |
| **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 | | | | | | | | | | 218 548 | 226 649 | 232 703 |
| Provincial operating grants | | | | | | | | | | 1 384 | 1 384 | 1 384 |
| Provincial capital grants | | | | | | | | | | 21 941 | 1 650 | 1 650 |
| District Municipality grants | | | | | | | | | | 3 708 | 3 708 | 3 708 |
| Total gazetted/advised national, provincial and district grants | | | | | | | | | | 301 246 | 291 107 | 297 502 |
| Average annual collection rate (arrears inclusive) | | | | | | | | | | | | |

| Description | MFMA section | Ref | 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** | | | | | | | | | | | | |
| Operational Revenue:General Revenue:Equitable Share | | | | | | | | | | 212 694 | 222 318 | 228 081 |
| Operational:Revenue:General Revenue:Fuel Levy | | | | | | | | | | – | – | – |
| 2014 African Nations Championship Host City Operating Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Agriculture Research and Technology | | | | | | | | | | – | – | – |
| Agriculture, Conservation and Environmental | | | | | | | | | | – | – | – |
| Arts and Culture Sustainable Resource Management | | | | | | | | | | – | – | – |
| Community Library | | | | | | | | | | – | – | – |
| Department of Environmental Affairs | | | | | | | | | | – | – | – |
| Department of Tourism | | | | | | | | | | – | – | – |
| Department of Water Affairs and Sanitation Masibambane | | | | | | | | | | – | – | – |
| Emergency Medical Service | | | | | | | | | | – | – | – |
| Energy Efficiency and Demand-side [Schedule 5B] | | | | | | | | | | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | | | | | | | | | 2 006 | – | – |
| HIV and Aids | | | | | | | | | | – | – | – |
| Housing Accreditation | | | | | | | | | | – | – | – |
| Housing Top structure | | | | | | | | | | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Integrated City Development Grant | | | | | | | | | | – | – | – |
| Khayelitsha Urban Renewal | | | | | | | | | | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | | | | | | | | | 1 917 | 2 201 | 2 429 |
| Mitchell's Plain Urban Renewal | | | | | | | | | | – | – | – |
| Municipal Demarcation and Transition Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Municipal Disaster Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Municipal Human Settlement Capacity Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Municipal Systems Improvement Grant | | | | | | | | | | – | – | – |
| Natural Resource Management Project | | | | | | | | | | – | – | – |
| Neighbourhood Development Partnership Grant | | | | | | | | | | – | – | – |
| Operation Clean Audit | | | | | | | | | | – | – | – |
| Municipal Disaster Recovery Grant | | | | | | | | | | – | – | – |
| Public Service Improvement Facility | | | | | | | | | | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Restructuring - Seed Funding | | | | | | | | | | – | – | – |
| Revenue Enhancement Grant Debtors Book | | | | | | | | | | – | – | – |
| Rural Road Asset Management Systems Grant | | | | | | | | | | – | – | – |
| Sport and Recreation | | | | | | | | | | – | – | – |
| Terrestrial Invasive Alien Plants | | | | | | | | | | – | – | – |
| Water Services Operating Subsidy Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Health Hygiene in Informal Settlements | | | | | | | | | | – | – | – |
| Municipal Infrastructure Grant [Schedule 5B] | | | | | | | | | | 1 931 | 2 130 | 2 193 |
| Water Services Infrastructure Grant | | | | | | | | | | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Smart Connect Grant | | | | | | | | | | – | – | – |
| Urban Settlement Development Grant | | | | | | | | | | – | – | – |
| WiFi Grant [Department of Telecommunications and Postal Services | | | | | | | | | | – | – | – |
| Street Lighting | | | | | | | | | | – | – | – |
| Traditional Leaders - Imbizion | | | | | | | | | | – | – | – |
| Department of Water and Sanitation Smart Living Handbook | | | | | | | | | | – | – | – |
| Integrated National Electrification Programme Grant | | | | | | | | | | – | – | – |

| Description | MFMA section | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Municipal Restructuring Grant | | | | | | | | | | – | – | – |
| Regional Bulk Infrastructure Grant | | | | | | | | | | – | – | – |
| Municipal Emergency Housing Grant | | | | | | | | | | – | – | – |
| Metro Informal Settlements Partnership Grant | | | | | | | | | | – | – | – |
| Integrated Urban Development Grant | | | | | | | | | | – | – | – |
| Programme and Project Preparation Support Grant | | | | | | | | | | – | – | – |
| | | | | | | | | | | **218 548** | **226 649** | **232 703** |
| **DoRA Capital** | | | | | | | | | | | | |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | | | | | | | | | | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | | | | | | | | | | 36 688 | 40 472 | 41 674 |
| Municipal Water Infrastructure Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Neighbourhood Development Partnership Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Public Transport Infrastructure Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Rural Household Infrastructure Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Rural Road Asset Management Systems Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Urban Settlement Development Grant [Schedule 4B] | | | | | | | | | | – | – | – |
| Municipal Human Settlement | | | | | | | | | | – | – | – |
| Community Library | | | | | | | | | | – | – | – |
| Integrated City Development Grant [Schedule 4B] | | | | | | | | | | – | – | – |
| Municipal Disaster Recovery Grant | | | | | | | | | | – | – | – |
| Energy Efficiency and Demand Side Management Grant | | | | | | | | | | – | – | – |
| Khayelitsha Urban Renewal | | | | | | | | | | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Municipal Systems Improvement Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Regional Bulk Infrastructure Grant (Schedule 5B) | | | | | | | | | | – | – | – |
| Water Services Infrastructure Grant [Schedule 5B] | | | | | | | | | | 13 196 | 9 344 | 8 125 |
| WIFI Connectivity | | | | | | | | | | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | | | | | | | | | – | – | – |
| Aquaponic Project | | | | | | | | | | – | – | – |
| Restition Settlement | | | | | | | | | | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | | | | | | | | | – | – | – |
| Restructuring Seed Funding | | | | | | | | | | – | – | – |
| Municipal Disaster Relief Grant | | | | | | | | | | – | – | – |
| Municipal Emergency Housing Grant | | | | | | | | | | – | – | – |
| Metro Informal Settlements Partnership Grant | | | | | | | | | | – | – | – |
| Integrated Urban Development Grant | | | | | | | | | | – | – | – |

| Description | MFMA section | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Trend** | | | | | | | | | | | | |
| Change in consumer debtors (current and non-current) | | | N/A | (5 882) | 56 785 | (56 153) | 56 157 | – | (23 136) | 38 673 | (0) | 0 |
| **Total Operating Revenue** | | | 1 154 001 | 1 209 697 | 1 322 015 | 1 468 686 | 1 461 865 | 1 461 865 | 1 015 337 | 1 552 476 | 1 648 612 | 1 755 763 |
| **Total Operating Expenditure** | | | 1 144 633 | 1 246 514 | 1 422 329 | 1 575 143 | 1 545 173 | 1 545 173 | 934 463 | 1 620 577 | 1 724 783 | 1 819 156 |
| **Operating Performance Surplus/(Deficit)** | | | 9 368 | (36 817) | (100 314) | (106 457) | (83 308) | (83 308) | 80 874 | (68 101) | (76 171) | (63 394) |
| **Cash and Cash Equivalents (30 June 2012)** | | | | | | | | | | – | | |
| **Revenue** | | | | | | | | | | | | |
| % Increase in Total Operating Revenue | | | | 4,8% | 9,3% | 11,1% | (0,5%) | 0,0% | (30,5%) | 6,2% | 6,2% | 6,5% |
| % Increase in Property Rates Revenue | | | | 12,4% | 6,5% | 2,1% | 1,1% | 0,0% | (29,3%) | 50,2% | 5,0% | 5,0% |
| % Increase in Electricity Revenue | | | | 20,4% | 8,5% | 19,7% | (1,2%) | 0,0% | (30,9%) | 9,5% | 8,8% | 10,0% |
| % Increase in Property Rates & Services Charges | | | | 8,6% | 7,3% | 14,8% | (3,2%) | 0,0% | (31,4%) | 7,3% | 6,9% | 7,5% |
| **Expenditure** | | | | | | | | | | | | |
| % Increase in Total Operating Expenditure | | | 0,0% | 8,9% | 14,1% | 10,7% | (1,9%) | 0,0% | (39,5%) | 4,9% | 6,4% | 5,5% |
| % Increase in Employee Costs | | | 0,0% | 9,6% | 7,1% | 22,9% | (15,2%) | 0,0% | (32,4%) | 8,3% | 5,2% | 5,2% |
| % 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 | | | 2,1% | 2,3% | 7,3% | 9,0% | 7,2% | 7,2% | | 8,0% | 9,3% | 9,7% |
| Asset Renewal and R&M as a % of PPE | | | 2,3% | 5,1% | 10,3% | 10,8% | 10,9% | 10,9% | | 9,4% | 9,9% | 11,0% |
| Debt Impairment % of Total Billable Revenue | | | 11,1% | 10,1% | (7,4%) | 6,1% | 6,2% | 6,2% | 0,0% | 9,2% | 9,1% | 8,9% |
| **Capital Revenue** | | | | | | | | | | | | |
| Internally Funded & Other (R'000) | | | 19 348 | 90 105 | 44 891 | 41 172 | 58 159 | 58 159 | 15 501 | 12 223 | – | – |
| Borrowing (R'000) | | | 8 786 | – | 69 882 | 152 174 | 153 003 | 153 003 | 10 413 | – | – | – |
| Grant Funding and Other (R'000) | | | (6 807) | 2 860 | 103 754 | 72 117 | 111 403 | 111 403 | 40 095 | 68 438 | 52 578 | 52 873 |
| Internally Generated funds % of Non Grant Funding | | | 68,8% | 100,0% | 39,1% | 21,3% | 27,5% | 27,5% | 59,8% | 100,0% | 0,0% | 0,0% |
| Borrowing % of Non Grant Funding | | | 31,2% | 3,2% | 231,1% | 175,2% | 191,5% | 191,5% | 258,7% | 559,9% | 0,0% | 0,0% |
| Grant Funding % of Total Funding | | | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| **Capital Expenditure** | | | | | | | | | | | | |
| Total Capital Programme (R'000) | | | 21 480 | 93 161 | 151 442 | 265 462 | 322 565 | 322 565 | 66 008 | 80 660 | 52 578 | 52 873 |
| Asset Renewal | | | 5 502 | 63 623 | 72 284 | 47 361 | 94 083 | 94 083 | – | 34 991 | 14 997 | 32 065 |
| Asset Renewal % of Total Capital Expenditure | | | 25,8% | 68,4% | 33,1% | 17,8% | 29,2% | 29,2% | 0,0% | 43,4% | 28,5% | 60,6% |
| **Cash** | | | | | | | | | | | | |
| Cash Receipts % of Rate Payer & Other | | | 15,9% | 22,4% | 31,3% | 41,7% | 37,0% | 37,0% | 0,0% | 36,4% | 36,6% | 37,0% |
| Cash Coverage Ratio | | | 0 | 0 | 0 | 0 | 0 | 0 | – | 0 | 0 | 0 |
| **Borrowing** | | | | | | | | | | | | |
| Credit Rating (2009/10) | | | | | | | | | | 0 | | |
| Capital Charges to Operating | | | 1,6% | 1,8% | 2,6% | 2,8% | 4,1% | 4,1% | 0,9% | 3,6% | 2,7% | 2,1% |
| Borrowing Receipts % of Capital Expenditure | | | 0,0% | 0,0% | (251,6%) | 51,7% | 47,4% | 47,4% | 0,0% | 0,0% | 0,0% | 0,0% |
| **Reserves** | | | | | | | | | | | | |
| Surplus/(Deficit) | | | 945 111 | 1 188 206 | 101 173 | 6 451 | 6 115 | 6 115 | (37 467) | 4 507 | 30 752 | 80 261 |
| **Free Services** | | | | | | | | | | | | |
| Free Basic Services as a % of Equitable Share | | | (17,7%) | 2,3% | 0,9% | (32,3%) | (32,3%) | (32,3%) | 32,5% | (33,0%) | (34,1%) | 0,0% |
| Free Services as a % of Operating Revenue (excl operational transfers) | | | (0,8%) | 0,8% | 1,6% | (0,3%) | (0,3%) | (0,3%) | 2,2% | (0,1%) | (0,1%) | 0,0% |
| Total Operating Revenue | | | 1 154 001 | 1 209 697 | 1 322 015 | 1 468 686 | 1 461 865 | 1 461 865 | 1 015 337 | 1 552 476 | 1 648 612 | 1 755 763 |
| Total Operating Expenditure | | | 1 144 633 | 1 246 514 | 1 422 329 | 1 575 143 | 1 545 173 | 1 545 173 | 934 463 | 1 620 577 | 1 724 783 | 1 819 156 |
| Surplus/(Deficit) Budgeted Operating Statement | | | 9 368 | (36 817) | (100 314) | (106 457) | (83 308) | (83 308) | 80 874 | (68 101) | (76 171) | (63 394) |

| Description | MFMA section | Ref | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Surplus/(Deficit) Considering Reserves and Cash Backing | | | 945 111 | 1 188 206 | 101 173 | 6 451 | 6 115 | 6 115 | (37 467) | 4 507 | 30 752 | 80 261 |
| **MTREF Funded (1) / Unfunded (0)** | | 15 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 1 | 1 | 1 |
| **MTREF Funded ✓ / Unfunded ✗** | | 15 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✗ | ✓ | ✓ | ✓ |

*References*

*15. Subject to figures provided in Schedule.*

## EC108 Kouga - 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? (%) | | 0,0% | 0,0% | 0,0% | 0,0% | | | 0,0% | | |
| **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) | | | | | | | | | | |

*References*

*1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand*
*2. To give effect to rates policy*
*3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff*
*4. Required to implement new system (FTE)*
*5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12*
*6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)*
*7. Included in rate revenue budget*
*8. In favour of the rate-payer*

## EC108 Kouga - 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) | Sum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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) | | | | | | | | | | | | | – |

| 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) | Sum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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)** | | | | | | | | | | | | | **–** |

*References*

*1. Land & Assistance Act, Restitution of Land Rights, Communual Property Associations*
*2. Include value of additional reductions is 'free' value greater than MPRA minimum.*
*3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum*
*4. Include arrears collections*
*5. In favour of the rate-payer*
*6. Provide relevant information for historical comparisons.*

## EC108 Kouga - 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) | Sum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **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 | | | | | | | | | | | | – |

| 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) | Sum |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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)** | | – | – | – | – | – | – | – | – | – | – | – | – |

*References*

*1. Land & Assistance Act, Restitution of Land Rights, Communual Property Associations*
*2. Include value of additional reductions is 'free' value greater than MPRA minimum.*
*3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum*
*4. Include arrears collections*
*5. In favour of the rate-payer*
*6. Provide relevant information for historical comparisons.*

## EC108 Kouga - 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 | | | 15 000,0000 | 15 000,0000 | 15 000,0000 | 15 000,0000 | 15 000,0000 | 15 000,0000 | 15 000,0000 |
| 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 | | | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 |
| 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 | | | | | | | | | |
| Water usage - Block 1 (c/kl) | | | | | | | | | |
| Water usage - Block 2 (c/kl) | | | | | | | | | |
| Water usage - Block 3 (c/kl) | | | | | | | | | |
| Water usage - Block 4 (c/kl) | | | | | | | | | |
| Water usage - Block 5 (c/kl) | | | | | | | | | |
| Water usage - Block 6 (c/kl) | | | | | | | | | |
| ***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) | | | | | | | | | |
| Volumetric charge - Block 2 (c/kl) | | | | | | | | | |
| Volumetric charge - Block 3 (c/kl) | | | | | | | | | |
| Volumetric charge - Block 4 (c/kl) | | | | | | | | | |
| ***Other*** | 2 | | | | | | | | |

| 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 | | | | | | | | | |
| Life-line tariff - meter | | | | | | | | | |
| Life-line tariff - prepaid | | | | | | | | | |
| Flat rate tariff - meter *(c/kwh)* | | | | | | | | | |
| Flat rate tariff - prepaid*(c/kwh)* | | | | | | | | | |
| Meter - IBT Block 1 (c/kwh) | | | | | | | | | |
| Meter - IBT Block 2 (c/kwh) | | | | | | | | | |
| Meter - IBT Block 3 (c/kwh) | | | | | | | | | |
| Meter - IBT Block 4 (c/kwh) | | | | | | | | | |
| Meter - IBT Block 5 (c/kwh) | | | | | | | | | |
| Prepaid - IBT Block 1 (c/kwh) | | | | | | | | | |
| Prepaid - IBT Block 2 (c/kwh) | | | | | | | | | |
| Prepaid - IBT Block 3 (c/kwh) | | | | | | | | | |
| Prepaid - IBT Block 4 (c/kwh) | | | | | | | | | |
| Prepaid - IBT Block 5 (c/kwh) | | | | | | | | | |
| ***Other*** | 2 | | | | | | | | |
| **Waste management tariffs** | | | | | | | | | |
| ***Domestic*** | | | | | | | | | |
| Street cleaning charge | | | | | | | | | |
| Basic charge/fixed fee | | | | | | | | | |
| 80l bin - once a week | | | | | | | | | |
| 250l bin - once a week | | | | | | | | | |

## EC108 Kouga - 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)* | | | | | | | | | |
| Residential properties | | | | | | | | | |
| *Residential properties - vacant land* | | | | | | | | | |
| *Formal/informal settlements* | | | | | | | | | |
| *Small holdings* | | | | | | | | | |
| *Farm properties - used* | | | | | | | | | |
| *Farm properties - not used* | | | | | | | | | |
| *Industrial properties* | | | | | | | | | |
| *Business and commercial properties* | | | | | | | | | |
| **Water tariffs** | | | | | | | | | |
| 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* | | | | | | | | | |
| *Exemptions, reductions and rebates (Rands)* | | | | | | | | | |
| *Residential properties* | | | | | | | | | |
| *R15 000 threshhold rebate* | | | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 | 15 000 |
| **Waste water tariffs** | | | | | | | | | |
| 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)* | | | | | | | | | |
| **Electricity tariffs** | | | | | | | | | |
| Water usage - life line tariff | | | | | | | | | |
| *Water usage - Block 1 (c/kl)* | | | | | | | | | |
| *Water usage - Block 2 (c/kl)* | | | | | | | | | |
| *Water usage - Block 3 (c/kl)* | | | | | | | | | |
| *Water usage - Block 4 (c/kl)* | | | | | | | | | |
| *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)* | | | | | | | | | |
| *Volumetric charge - Block 2 (c/kl)* | | | | | | | | | |
| *Volumetric charge - Block 3 (c/kl)* | | | | | | | | | |

## EC108 Kouga - 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** | | | – | – | – | – | – | | – | – | – |

## EC108 Kouga - Supporting Table SA15 Investment particulars by type

| Investment type<br>R thousand | 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 |
| **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 | | – | – | – | – | – | – | – | – | – |

| Investment type<br>R thousand | 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 |
| Specify 8 | | – | – | – | – | – | – | – | – | – |
| Specify 9 | | – | – | – | – | – | – | – | – | – |
| Specify 10 | | – | – | – | – | – | – | – | – | – |
| Specify 11 | | – | – | – | – | – | – | – | – | – |
| **Total Guaranteed Endowment Policies (Sinking)** | | - | - | - | - | - | - | - | - | - |
| **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 | | – | – | – | – | – | – | – | – | – |

| Investment type<br>R thousand | 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 |
| Specify 5 | | – | – | – | – | – | – | – | – | – |
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| Specify 10 | | – | – | – | – | – | – | – | – | – |
| Specify 11 | | – | – | – | – | – | – | – | – | – |
| **Total Negotiable Certificate of Deposits** | | - | - | - | - | - | - | - | - | - |
| **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** | | - | - | - | - | - | - | - | - | - |

**EC108 Kouga - Supporting Table SA16 Investment particulars by maturity**

| Investments by Maturity<br>Name of institution & investment ID | Ref<br>1 | Period of Investment<br>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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Parent municipality | | | | | | | | | | | | | | |
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| Municipality sub-total | | | | | | | | | | | | | | |
| Entities | | | | | | | | | | | | | | |
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| - | | | | | | | | | | | | | | |
| Entities sub-total | | | | | | | | | | | | | | |
| TOTAL INVESTMENTS AND INTEREST | 1 | | | | | | | | | | | | | |

## EC108 Kouga - 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 | | – | – | – | (35 319) | (35 319) | (35 319) | – | – | – |
| Development Bank of South Africa | | – | – | 174 621 | 200 000 | 374 621 | 374 621 | 245 548 | 294 033 | 271 413 |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Annuity and Bullet Loans** | | **-** | **-** | **174 621** | **164 681** | **339 302** | **339 302** | **245 548** | **294 033** | **271 413** |
| **Bankers Acceptance Certificate** | | | | | | | | | | |
| Banks | | – | – | – | – | – | – | – | – | – |
| Development Bank of South Africa | | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Bankers Acceptance Certificate** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Concessionary Loan | | – | – | – | – | – | – | – | – | – |
| **Derivative Financial Liability** | | | | | | | | | | |
| Banks | | – | – | – | – | – | – | – | – | – |
| Development Bank of South Africa | | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Derivative Financial Liability** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Finance Lease Liability** | | | | | | | | | | |
| Banks | | 46 751 | 24 462 | 122 405 | 241 685 | 63 499 | 63 499 | 122 405 | 11 508 | – |
| Development Bank of South Africa | | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | (58 905) | – | – | – | (28 284) | (11 508) | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Finance Lease Liability** | | **46 751** | **24 462** | **63 499** | **241 685** | **63 499** | **63 499** | **94 121** | **-** | **-** |
| **Government Loans** | | – | – | – | – | – | – | – | – | – |
| **Intercompany/Parent-subsidiary Transactions** | | – | – | – | – | – | – | – | – | – |
| **Local Registered Stock** | | | | | | | | | | |
| Banks | | – | – | – | – | – | – | – | – | – |
| Development Bank of South Africa | | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Registered Stock** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Marketable Bonds** | | | | | | | | | | |

| 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 |
| Banks | | – | – | – | – | – | – | – | – | – |
| Development Bank of South Africa | | – | – | – | – | – | – | – | – | – |
| Foreign Government and International Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| 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 Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| 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 Organisa | | – | – | – | – | – | – | – | – | – |
| 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 Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| 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 Organisa | | – | – | – | – | – | – | – | – | – |
| General Public | | – | – | – | – | – | – | – | – | – |
| Infrastructure Finance Corporation | | – | – | – | – | – | – | – | – | – |
| Insurance Companies and Private Pension Fund | | – | – | – | – | – | – | – | – | – |
| Municipal Pension Funds | | – | – | – | – | – | – | – | – | – |
| Other Public Pension Funds | | – | – | – | – | – | – | – | – | – |
| Private Enterprises | | – | – | – | – | – | – | – | – | – |
| Public Corporations | | – | – | – | – | – | – | – | – | – |
| Public Investments Commissioners | | – | – | – | – | – | – | – | – | – |
| **Total Securities** | | - | - | - | - | - | - | - | - | - |
| **Interest Rate Swaps** | | – | – | – | – | – | – | – | – | – |
| **Total Borrowings** | 1 | **46 751** | **24 462** | **238 121** | **406 366** | **402 801** | **402 801** | **339 669** | **294 033** | **271 413** |

## EC108 Kouga - 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 Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **163 292** | **184 506** | **197 696** | **209 308** | **209 308** | **209 308** | **218 548** | **226 649** | **232 703** |
| Operational Revenue:General Revenue:Equitable Share | | 163 292 | 180 506 | 192 656 | 203 533 | 203 533 | 203 533 | 212 694 | 222 318 | 228 081 |
| Operational:Revenue:General Revenue:Fuel Levy | | – | – | – | – | – | – | – | – | – |
| 2014 African Nations Championship Host City Operating Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Agriculture Research and Technology | | – | – | – | – | – | – | – | – | – |
| Agriculture, Conservation and Environmental | | – | – | – | – | – | – | – | – | – |
| Arts and Culture Sustainable Resource Management | | – | – | – | – | – | – | – | – | – |
| Community Library | | – | – | – | – | – | – | – | – | – |
| Department of Environmental Affairs | | – | – | – | – | – | – | – | – | – |
| Department of Tourism | | – | – | – | – | – | – | – | – | – |
| Department of Water Affairs and Sanitation Masibambane | | – | – | – | – | – | – | – | – | – |
| Emergency Medical Service | | – | – | – | – | – | – | – | – | – |
| Energy Efficiency and Demand-side [Schedule 5B] | | – | 4 000 | – | – | – | – | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | – | – | 1 495 | 2 081 | 2 081 | 2 081 | 2 006 | – | – |
| HIV and Aids | | – | – | – | – | – | – | – | – | – |
| Housing Accreditation | | – | – | – | – | – | – | – | – | – |
| Housing Top structure | | – | – | – | – | – | – | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Integrated City Development Grant | | – | – | – | – | – | – | – | – | – |
| Khayelitsha Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | – | – | 1 723 | 1 785 | 1 785 | 1 785 | 1 917 | 2 201 | 2 429 |
| Mitchell's Plain Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Municipal Demarcation and Transition Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Human Settlement Capacity Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Systems Improvement Grant | | – | – | – | – | – | – | – | – | – |
| Natural Resource Management Project | | – | – | – | – | – | – | – | – | – |
| Neighbourhood Development Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Operation Clean Audit | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Recovery Grant | | – | – | – | – | – | – | – | – | – |
| Public Service Improvement Facility | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Restructuring - Seed Funding | | – | – | – | – | – | – | – | – | – |
| Revenue Enhancement Grant Debtors Book | | – | – | – | – | – | – | – | – | – |
| Rural Road Asset Management Systems Grant | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation | | – | – | – | – | – | – | – | – | – |
| Terrestrial Invasive Alien Plants | | – | – | – | – | – | – | – | – | – |
| Water Services Operating Subsidy Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Health Hygiene in Informal Settlements | | – | – | – | – | – | – | – | – | – |
| Municipal Infrastructure Grant [Schedule 5B] | | – | – | 1 822 | 1 909 | 1 909 | 1 909 | 1 931 | 2 130 | 2 193 |
| Water Services Infrastructure Grant | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Smart Connect Grant | | – | – | – | – | – | – | – | – | – |
| Urban Settlement Development Grant | | – | – | – | – | – | – | – | – | – |
| WiFi Grant [Department of Telecommunications and Postal Services | | – | – | – | – | – | – | – | – | – |
| Street Lighting | | – | – | – | – | – | – | – | – | – |
| Traditional Leaders - Imbizion | | – | – | – | – | – | – | – | – | – |
| Department of Water and Sanitation Smart Living Handbook | | – | – | – | – | – | – | – | – | – |
| Integrated National Electrification Programme Grant | | – | – | – | – | – | – | – | – | – |
| Municipal Restructuring Grant | | – | – | – | – | – | – | – | – | – |
| Regional Bulk Infrastructure Grant | | – | – | – | – | – | – | – | – | – |
| Municipal Emergency Housing Grant | | – | – | – | – | – | – | – | – | – |
| Metro Informal Settlements Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Integrated Urban Development Grant | | – | – | – | – | – | – | – | – | – |
| Programme and Project Preparation Support Grant | | – | – | – | – | – | – | – | – | – |
| Urban Development Financing Grant | | – | – | – | – | – | – | – | – | – |
| **Provincial Government:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Capacity Building | | – | – | – | – | – | – | – | – | – |
| Capacity Building and Other | | – | – | – | – | – | – | – | – | – |
| Disaster and Emergency Services | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | – | – | – | – | – | – | – |
| Libraries, Archives and Museums | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Public Transport | | – | – | – | – | – | – | – | – | – |
| Road Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| Sports and Recreation | | – | – | – | – | – | – | – | – | – |
| Waste Water Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| **District Municipality:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *All Grants* | | – | – | – | – | – | – | – | – | – |
| **Other Grant Providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Departmental Agencies and Accounts* | | – | – | – | – | – | – | – | – | – |
| *Foreign Government and International Organisations* | | – | – | – | – | – | – | – | – | – |
| *Households* | | – | – | – | – | – | – | – | – | – |
| *Non-profit Institutions* | | – | – | – | – | – | – | – | – | – |
| *Private Enterprises* | | – | – | – | – | – | – | – | – | – |
| *Public Corporations* | | – | – | – | – | – | – | – | – | – |
| *Higher Educational Institutions* | | – | – | – | – | – | – | – | – | – |
| *Parent Municipality / Entity* | | – | – | – | – | – | – | – | – | – |
| **Total Operating Transfers and Grants** | 5 | **163 292** | **184 506** | **197 696** | **209 308** | **209 308** | **209 308** | **218 548** | **226 649** | **232 703** |
| **Capital Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **57 339** | **150** | **63 331** | **51 334** | **51 334** | **51 334** | **55 664** | **57 716** | **58 056** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | | – | – | 2 586 | 5 440 | 5 440 | 5 440 | 5 780 | 7 900 | 8 257 |
| Municipal Infrastructure Grant [Schedule 5B] | | – | – | 34 624 | 36 265 | 36 265 | 36 265 | 36 688 | 40 472 | 41 674 |
| Municipal Water Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Neighbourhood Development Partnership Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Rural Household Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Rural Road Asset Management Systems Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |

| 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 |
| Urban Settlement Development Grant [Schedule 4B] | | – | – | – | – | – | – | – | – | – |
| Municipal Human Settlement | | – | – | – | – | – | – | – | – | – |
| Community Library | | – | – | – | – | – | – | – | – | – |
| Integrated City Development Grant [Schedule 4B] | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Recovery Grant [Schedule 4B] | | – | – | 12 180 | – | – | – | – | – | – |
| Energy Efficiency and Demand Side Management Grant | | – | – | – | – | – | – | – | – | – |
| Khayelitsha Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | – | 150 | – | – | – | – | – | – | – |
| Municipal Systems Improvement Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Regional Bulk Infrastructure Grant (Schedule 5B) | | – | – | – | – | – | – | – | – | – |
| Water Services Infrastructure Grant [Schedule 5B] | | 54 339 | – | 13 941 | 9 629 | 9 629 | 9 629 | 13 196 | 9 344 | 8 125 |
| WIFI Connectivity | | – | – | – | – | – | – | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Aquaponic Project | | – | – | – | – | – | – | – | – | – |
| Restition Settlement | | – | – | – | – | – | – | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Restructuring Seed Funding | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Relief Grant | | 3 000 | – | – | – | – | – | – | – | – |
| Municipal Emergency Housing Grant | | – | – | – | – | – | – | – | – | – |
| Metro Informal Settlements Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Integrated Urban Development Grant | | – | – | – | – | – | – | – | – | – |
| Urban Development Financing Grant | | – | – | – | – | – | – | – | – | – |
| **Provincial Government:** | | **25 689** | **361** | **27 538** | **30 000** | **51 858** | **51 858** | **20 291** | **–** | **–** |
| Capacity Building | | – | – | – | – | – | – | – | – | – |
| Capacity Building and Other | | – | – | – | – | – | – | – | – | – |
| Disaster and Emergency Services | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | 25 689 | 361 | 27 538 | 30 000 | 51 858 | 51 858 | 20 291 | – | – |
| Libraries, Archives and Museums | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Public Transport | | – | – | – | – | – | – | – | – | – |
| Road Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sports and Recreation | | – | – | – | – | – | – | – | – | – |
| Waste Water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| **District Municipality:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *All Grants* | | – | – | – | – | – | – | – | – | – |
| **Other Grant Providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Departmental Agencies and Accounts* | | – | – | – | – | – | – | – | – | – |
| *Foreign Government and International Organisations* | | – | – | – | – | – | – | – | – | – |
| *Households* | | – | – | – | – | – | – | – | – | – |
| *Non-Profit Institutions* | | – | – | – | – | – | – | – | – | – |
| *Private Enterprises* | | – | – | – | – | – | – | – | – | – |
| *Public Corporations* | | – | – | – | – | – | – | – | – | – |
| *Higher Educational Institutions* | | – | – | – | – | – | – | – | – | – |
| *Parent Municipality / Entity* | | – | – | – | – | – | – | – | – | – |
| *Transfer from Operational Revenue* | | – | – | – | – | – | – | – | – | – |
| **Total Capital Transfers and Grants** | 5 | **83 029** | **511** | **90 869** | **81 334** | **103 192** | **103 192** | **75 955** | **57 716** | **58 056** |
| | | | | | | | | | | |
| **TOTAL RECEIPTS OF TRANSFERS & GRANTS** | | **246 321** | **185 017** | **288 565** | **290 642** | **312 500** | **312 500** | **294 503** | **284 365** | **290 759** |

## EC108 Kouga - 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 expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **89 175** | **109 497** | **101 287** | **127 589** | **99 969** | **99 969** | **122 461** | **130 242** | **141 060** |
| Operational Revenue:General Revenue:Equitable Share | | 84 774 | 100 560 | 95 707 | 119 294 | 93 281 | 93 281 | 116 755 | 126 059 | 136 575 |
| Operational:Revenue:General Revenue:Fuel Levy | | – | – | – | – | – | – | – | – | – |
| 2014 African Nations Championship Host City Operating Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Agriculture Research and Technology | | – | – | – | – | – | – | – | – | – |
| Agriculture, Conservation and Environmental | | – | – | – | – | – | – | – | – | – |
| Arts and Culture Sustainable Resource Management | | – | – | – | – | – | – | – | – | – |
| Community Library | | – | – | – | – | – | – | – | – | – |
| Department of Environmental Affairs | | – | – | – | – | – | – | – | – | – |
| Department of Tourism | | – | – | – | – | – | – | – | – | – |
| Department of Water Affairs and Sanitation Masibambane | | – | – | – | – | – | – | – | – | – |
| Emergency Medical Service | | – | – | – | – | – | – | – | – | – |
| Energy Efficiency and Demand-side [Schedule 5B] | | – | 3 567 | (145) | – | – | – | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | 1 341 | 2 321 | 611 | 2 081 | 2 081 | 2 081 | 2 006 | – | – |
| HIV and Aids | | – | – | – | – | – | – | – | – | – |
| Housing Accreditation | | – | – | – | – | – | – | – | – | – |
| Housing Top structure | | – | – | – | – | – | – | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Integrated City Development Grant | | – | – | – | – | – | – | – | – | – |
| Khayelitsha Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | 1 557 | 1 443 | 1 586 | 1 643 | 1 428 | 1 428 | 1 770 | 2 054 | 2 292 |
| Mitchell's Plain Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Municipal Demarcation and Transition Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Human Settlement Capacity Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Municipal Systems Improvement Grant | | – | – | – | – | – | – | – | – | – |
| Natural Resource Management Project | | – | – | – | – | – | – | – | – | – |
| Neighbourhood Development Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Operation Clean Audit | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Recovery Grant | | – | – | – | – | – | – | – | – | – |
| Public Service Improvement Facility | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Restructuring - Seed Funding | | – | – | – | – | – | – | – | – | – |
| Revenue Enhancement Grant Debtors Book | | – | – | – | – | – | – | – | – | – |
| Rural Road Asset Management Systems Grant | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation | | – | – | – | – | – | – | – | – | – |
| Terrestrial Invasive Alien Plants | | – | – | – | – | – | – | – | – | – |
| Water Services Operating Subsidy Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Health Hygiene in Informal Settlements | | – | – | – | – | – | – | – | – | – |
| Municipal Infrastructure Grant [Schedule 5B] | | 1 502 | 1 606 | 3 528 | 4 572 | 3 179 | 3 179 | 1 931 | 2 130 | 2 193 |
| Water Services Infrastructure Grant | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Smart Connect Grant | | – | – | – | – | – | – | – | – | – |
| Urban Settlement Development Grant | | – | – | – | – | – | – | – | – | – |
| WiFi Grant [Department of Telecommunications and Postal Services | | – | – | – | – | – | – | – | – | – |
| Street Lighting | | – | – | – | – | – | – | – | – | – |
| Traditional Leaders - Imbizion | | – | – | – | – | – | – | – | – | – |
| Department of Water and Sanitation Smart Living Handbook | | – | – | – | – | – | – | – | – | – |
| Integrated National Electrification Programme Grant | | – | – | – | – | – | – | – | – | – |
| Municipal Restructuring Grant | | – | – | – | – | – | – | – | – | – |
| Regional Bulk Infrastructure Grant | | – | – | – | – | – | – | – | – | – |
| Municipal Emergency Housing Grant | | – | – | – | – | – | – | – | – | – |
| Metro Informal Settlements Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Integrated Urban Development Grant | | – | – | – | – | – | – | – | – | – |
| Programme and Project Preparation Support Grant | | – | – | – | – | – | – | – | – | – |
| Urban Development Financing Grant | | – | – | – | – | – | – | – | – | – |
| **Provincial Government:** | | **3 700** | **5 949** | **1 127** | **–** | **1 376** | **1 376** | **1 203** | **1 203** | **1 203** |
| Capacity Building | | – | – | – | – | – | – | – | – | – |
| Capacity Building and Other | | 3 700 | 5 272 | 443 | – | – | – | 1 203 | 1 203 | 1 203 |
| Disaster and Emergency Services | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | 677 | 684 | – | 1 376 | 1 376 | – | – | – |
| Libraries, Archives and Museums | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Public Transport | | – | – | – | – | – | – | – | – | – |
| Road Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| Sports and Recreation | | – | – | – | – | – | – | – | – | – |
| Waste Water Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure - Maintenance | | – | – | – | – | – | – | – | – | – |
| **District Municipality:** | | **3 266** | **1 977** | **327** | **4 159** | **196** | **196** | **–** | **–** | **–** |
| *All Grants* | | 3 266 | 1 977 | 327 | 4 159 | 196 | 196 | – | – | – |
| **Other Grant Providers:** | | **–** | **–** | **28** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Departmental Agencies and Accounts* | | – | – | 28 | – | – | – | – | – | – |
| *Foreign Government and International Organisations* | | – | – | – | – | – | – | – | – | – |
| *Households* | | – | – | – | – | – | – | – | – | – |
| *Non-profit Institutions* | | – | – | – | – | – | – | – | – | – |
| *Private Enterprises* | | – | – | – | – | – | – | – | – | – |
| *Public Corporations* | | – | – | – | – | – | – | – | – | – |
| *Higher Educational Institutions* | | | | | | | | | | |
| *Parent Municipality / Entity* | | – | – | – | – | – | – | – | – | – |
| **Total operating expenditure of Transfers and Grants:** | | **96 140** | **117 423** | **102 769** | **131 748** | **101 541** | **101 541** | **123 665** | **131 446** | **142 263** |
| **Capital expenditure of Transfers and Grants** | | | | | | | | | | |
| **National Government:** | | **84 950** | **74** | **67 436** | **44 639** | **54 860** | **54 860** | **48 404** | **50 188** | **50 483** |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | | 3 132 | (81) | 2 884 | 4 730 | 4 730 | 4 730 | 5 026 | 6 870 | 7 180 |
| Municipal Infrastructure Grant [Schedule 5B] | | 3 170 | 25 | 30 087 | 31 535 | 31 535 | 31 535 | 31 903 | 35 193 | 36 238 |
| Municipal Water Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Neighbourhood Development Partnership Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Rural Household Infrastructure Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Rural Road Asset Management Systems Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |

| 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 |
| Urban Settlement Development Grant [Schedule 4B] | | – | – | – | – | – | – | – | – | – |
| Municipal Human Settlement | | – | – | – | – | – | – | – | – | – |
| Community Library | | – | – | – | – | – | – | – | – | – |
| Integrated City Development Grant [Schedule 4B] | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Recovery Grant [Schedule 4B] | | – | – | (292) | – | 10 093 | 10 093 | – | – | – |
| Energy Efficiency and Demand Side Management Grant | | – | – | – | – | – | – | – | – | – |
| Khayelitsha Urban Renewal | | – | – | – | – | – | – | – | – | – |
| Local Government Financial Management Grant [Schedule 5B] | | – | 130 | – | – | 129 | 129 | – | – | – |
| Municipal Systems Improvement Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Public Transport Network Operations Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Regional Bulk Infrastructure Grant (Schedule 5B) | | – | – | – | – | – | – | – | – | – |
| Water Services Infrastructure Grant [Schedule 5B] | | (13 093) | – | 19 643 | 8 373 | 8 373 | 8 373 | 11 475 | 8 125 | 7 065 |
| WIFI Connectivity | | – | – | – | – | – | – | – | – | – |
| Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Aquaponic Project | | – | – | – | – | – | – | – | – | – |
| Restition Settlement | | – | – | – | – | – | – | – | – | – |
| Infrastructure Skills Development Grant [Schedule 5B] | | – | – | – | – | – | – | – | – | – |
| Restructuring Seed Funding | | – | – | – | – | – | – | – | – | – |
| Municipal Disaster Relief Grant | | 91 741 | (0) | 15 114 | – | – | – | – | – | – |
| Municipal Emergency Housing Grant | | – | – | – | – | – | – | – | – | – |
| Metro Informal Settlements Partnership Grant | | – | – | – | – | – | – | – | – | – |
| Integrated Urban Development Grant | | – | – | – | – | – | – | – | – | – |
| Urban Development Financing Grant | | – | – | – | – | – | – | – | – | – |
| **Provincial Government:** | | **–** | **–** | **35 687** | **26 087** | **55 588** | **55 588** | **19 079** | **1 435** | **1 435** |
| Capacity Building | | – | – | – | – | – | – | – | – | – |
| Capacity Building and Other | | – | – | – | – | – | – | 1 435 | 1 435 | 1 435 |
| Disaster and Emergency Services | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | 35 687 | 26 087 | 55 588 | 55 588 | 17 645 | – | – |
| Libraries, Archives and Museums | | – | – | – | – | – | – | – | – | – |
| Other | | – | – | – | – | – | – | – | – | – |
| Public Transport | | – | – | – | – | – | – | – | – | – |
| Road Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sports and Recreation | | – | – | – | – | – | – | – | – | – |
| Waste Water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| **District Municipality:** | | **–** | **2 810** | **632** | **1 391** | **955** | **955** | **955** | **955** | **955** |
| *All Grants* | | – | 2 810 | 632 | 1 391 | 955 | 955 | 955 | 955 | 955 |
| **Other Grant Providers:** | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| *Departmental Agencies and Accounts* | | – | – | – | – | – | – | – | – | – |
| *Foreign Government and International Organisations* | | – | – | – | – | – | – | – | – | – |
| *Households* | | – | – | – | – | – | – | – | – | – |
| *Non-Profit Institutions* | | – | – | – | – | – | – | – | – | – |
| *Private Enterprises* | | – | – | – | – | – | – | – | – | – |
| *Public Corporations* | | – | – | – | – | – | – | – | – | – |
| *Higher Educational Institutions* | | – | – | – | – | – | – | – | – | – |
| *Parent Municipality / Entity* | | – | – | – | – | – | – | – | – | – |
| *Transfer from Operational Revenue* | | – | – | – | – | – | – | – | – | – |
| **Total capital expenditure of Transfers and Grants** | | **84 950** | **2 885** | **103 754** | **72 117** | **111 403** | **111 403** | **68 438** | **52 578** | **52 873** |
| **TOTAL EXPENDITURE OF TRANSFERS AND GRANTS** | | **181 090** | **120 308** | **206 524** | **203 865** | **212 944** | **212 944** | **192 103** | **184 023** | **195 136** |

## EC108 Kouga - 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 | | | | | | | | | |
| **National Government:** | | | | | | | | | | |
| Balance unspent at beginning of the year | | – | – | – | – | – | – | – | – | – |
| Current year receipts | | (4 690) | (9 634) | (5 040) | (5 775) | (5 627) | (5 627) | (5 854) | (4 331) | (4 622) |
| Conditions met - transferred to revenue | | 4 690 | 9 634 | 5 040 | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | – | – | 0 | (5 775) | (5 627) | (5 627) | (5 854) | (4 331) | (4 622) |
| **Provincial Government:** | | | | | | | | | | |
| Balance unspent at beginning of the year | | – | (3 258) | (0) | – | – | – | – | – | – |
| Current year receipts | | (5 000) | – | – | – | – | – | – | – | – |
| Conditions met - transferred to revenue | | 1 742 | 3 258 | – | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | (3 258) | (0) | (0) | – | – | – | – | – | – |
| **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 | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | – | – | – | – | – | – | – | – | – |
| **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 | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | – | – | – | – | – | – | – | – | – |
| **Total operating transfers and grants revenue** | | **6 431** | **12 893** | **5 040** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total operating transfers and grants - CTBM** | 2 | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Capital transfers and grants:** | 1,3 | | | | | | | | | |
| **National Government:** | | | | | | | | | | |
| Balance unspent at beginning of the year | | 0 | (5 895) | (18 235) | – | (11 728) | (11 728) | – | – | – |
| Current year receipts | | (99 536) | (77 914) | (63 331) | (51 334) | (51 482) | (51 482) | (55 664) | (57 716) | (58 056) |
| Conditions met - transferred to revenue | | 93 641 | 65 574 | 69 838 | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | 121 | 121 | – | – | – |
| **Closing Balance** | | (5 895) | (18 235) | (11 728) | (51 334) | (63 089) | (63 089) | (55 664) | (57 716) | (58 056) |
| **Provincial Government:** | | | | | | | | | | |
| Balance unspent at beginning of the year | | (0) | (19 841) | (20 556) | – | (9 216) | (9 216) | – | – | – |
| Current year receipts | | (25 689) | (2 178) | (27 538) | (30 000) | (51 858) | (51 858) | (20 291) | – | – |
| Conditions met - transferred to revenue | | 5 849 | 1 463 | 38 878 | – | – | – | – | – | – |
| Conditions still to be met - transferred to liabilities | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | (19 841) | (20 556) | (9 216) | (30 000) | (61 074) | (61 074) | (20 291) | – | – |
| **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 | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | – | – | – | – | – | – | – | – | – |
| **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 | | – | – | – | – | – | – | – | – | – |
| **Closing Balance** | | – | – | – | – | – | – | – | – | – |
| **Total capital transfers and grants revenue** | | **99 490** | **67 037** | **108 716** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Total capital transfers and grants - CTBM** | 2 | **(25 736)** | **(38 791)** | **(20 944)** | **(81 334)** | **(124 163)** | **(124 163)** | **(75 955)** | **(57 716)** | **(58 056)** |
| **TOTAL TRANSFERS AND GRANTS REVENUE** | | **105 921** | **79 929** | **113 756** | **–** | **–** | **–** | **–** | **–** | **–** |
| **TOTAL TRANSFERS AND GRANTS - CTBM** | | **(25 736)** | **(38 791)** | **(20 944)** | **(81 334)** | **(124 163)** | **(124 163)** | **(75 955)** | **(57 716)** | **(58 056)** |

## EC108 Kouga - 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 |
| **CASH TRANSFERS AND GRANTS** | | | | | | | | | | | |
| **Cash Transfers to other municipalities** | | | | | | | | | | | |
| *Operational* | 1 | – | – | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Transfers To Municipalities:** | | – | – | – | – | – | – | – | – | – | – |
| **Cash Transfers to Entities/Other External Mechanisms** | | | | | | | | | | | |
| *Operational* | 2 | – | – | – | – | – | – | – | – | – | – |
| Capital | | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Transfers To Entities/Ems'** | | – | – | – | – | – | – | – | – | – | – |
| **Cash Transfers to other Organs of State** | | | | | | | | | | | |
| *Operational* | 3 | – | – | – | – | – | – | – | – | – | – |
| Capital | | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Transfers To Other Organs Of State:** | | – | – | – | – | – | – | – | – | – | – |
| **Cash Transfers to Organisations** | | | | | | | | | | | |
| *Operational* | | – | – | – | – | – | – | – | 260 | 260 | 260 |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Transfers To Organisations** | | – | – | – | – | – | – | – | 260 | 260 | 260 |
| **Cash Transfers to Groups of Individuals** | | | | | | | | | | | |
| *Operational* | | 384 | 600 | 347 | 950 | 950 | 950 | 474 | 670 | 690 | 710 |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Transfers To Groups Of Individuals:** | | 384 | 600 | 347 | 950 | 950 | 950 | 474 | 670 | 690 | 710 |
| **TOTAL CASH TRANSFERS AND GRANTS** | 6 | 384 | 600 | 347 | 950 | 950 | 950 | 474 | 930 | 950 | 970 |
| **NON-CASH TRANSFERS AND GRANTS** | | | | | | | | | | | |
| **Non-Cash Transfers to other municipalities** | | | | | | | | | | | |
| *Operational* | 1 | – | – | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Non-Cash Transfers To Municipalities:** | | – | – | – | – | – | – | – | – | – | – |
| **Non-Cash Transfers to Entities/Other External Mechanisms** | | | | | | | | | | | |
| *Operational* | 2 | – | – | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Non-Cash Transfers To Entities/Ems'** | | – | – | – | – | – | – | – | – | – | – |
| **Non-Cash Transfers to other Organs of State** | | | | | | | | | | | |
| *Operational* | 3 | – | – | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Non-Cash Transfers To Other Organs Of State:** | | – | – | – | – | – | – | – | – | – | – |
| **Non-Cash Grants to Organisations** | | | | | | | | | | | |
| *Operational* | 4 | – | – | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | – | – | – | – | – | – | – | – |
| **Total Non-Cash Grants To Organisations** | | – | – | – | – | – | – | – | – | – | – |
| **Non-Cash Transfers to Groups of Individuals** | | | | | | | | | | | |
| *Operational* | 5 | 325 | 320 | – | – | – | – | – | – | – | – |
| *Capital* | | – | – | 99 | – | – | – | – | – | – | – |
| **Total Non-Cash Grants To Groups Of Individuals:** | | 325 | 320 | 99 | – | – | – | – | – | – | – |
| **TOTAL NON-CASH TRANSFERS AND GRANTS** | | 325 | 320 | 99 | – | – | – | – | – | – | – |
| **TOTAL TRANSFERS AND GRANTS** | 6 | 709 | 920 | 447 | 950 | 950 | 950 | 474 | 930 | 950 | 970 |

## EC108 Kouga - 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 | | 9 305 | 9 997 | 10 607 | 10 879 | 10 761 | 10 761 | 10 729 | 13 411 | 16 764 |
| Cell phone Allowance | | 1 328 | 1 489 | 1 409 | 1 483 | 1 637 | 1 637 | 1 462 | 1 828 | 2 285 |
| Housing Allowance | | – | – | – | – | – | – | – | – | – |
| In-kind Benefits | | – | – | – | – | – | – | – | – | – |
| Market Related Non-pensionable Allowance | | – | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | 3 066 | 3 363 | 3 427 | 3 626 | 4 153 | 4 153 | 3 576 | 4 470 | 5 588 |
| Office-bearer Allowance | | – | – | – | – | – | – | – | – | – |
| Out of pocket Expenses | | – | – | – | – | – | – | – | – | – |
| Travelling Allowance | | – | – | – | – | – | – | – | – | – |
| Use of Personal Facilities | | – | – | – | – | – | – | – | – | – |
| **Total Allowances and Service Related Benefits** | | **13 700** | **14 850** | **15 443** | **15 988** | **16 550** | **16 550** | **15 767** | **19 709** | **24 636** |
| **Social Contributions** | | | | | | | | | | |
| Medial Aid Benefits | | – | – | – | – | – | – | – | – | – |
| Pension Fund Contributions | | – | – | – | – | – | – | – | – | – |
| **Total Social Contributions** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total Councillors** | | **13 700** | **14 850** | **15 443** | **15 988** | **16 550** | **16 550** | **15 767** | **19 709** | **24 636** |
| **% increase** | 4 | | **8,4%** | **4,0%** | **3,5%** | **3,5%** | **–** | **(4,7%)** | **25,0%** | **25,0%** |
| **Senior Managers of the Municipality** | 2 | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | |
| Basic Salary | | 5 096 | 7 961 | 10 400 | 9 436 | 10 393 | 10 393 | 10 283 | 10 823 | 11 391 |
| Bonuses | | 325 | 1 234 | 1 657 | 395 | 472 | 472 | 1 082 | 1 139 | 1 198 |
| **Allowance** | | | | | | | | | | |
| Accommodation, Travel and Incidental | | – | – | – | – | – | – | – | – | – |
| Cellular and Telephone | 3 | 10 | 29 | 24 | – | 96 | 96 | 96 | 101 | 106 |
| Housing Benefits | 3 | – | – | – | – | – | – | – | – | – |
| Non-pensionable | | – | – | – | – | – | – | – | – | – |
| Travel or Motor Vehicle | 3 | 490 | 771 | 1 024 | 655 | 1 085 | 1 085 | 1 080 | 1 137 | 1 196 |
| Voluntary Work | | – | – | – | – | – | – | – | – | – |
| **Total Allowance** | | **500** | **800** | **1 048** | **655** | **1 181** | **1 181** | **1 176** | **1 238** | **1 303** |
| **Service Related Benefits** | | | | | | | | | | |
| Acting | 3 | – | – | 9 | – | 27 | 27 | 84 | 88 | 93 |
| Bonus | 3 | – | – | – | – | – | – | – | – | – |
| Danger Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Entertainment | 3 | – | – | – | – | – | – | – | – | – |
| Fire Brigade | | – | – | – | – | – | – | – | – | – |
| In-kind Benefits | 3 | – | – | – | – | – | – | – | – | – |
| Leave Pay | 3 | 225 | – | 4 253 | – | – | – | – | – | – |
| 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** | | **225** | **-** | **4 262** | **-** | **27** | **27** | **84** | **88** | **93** |
| **Total Salaries and Allowances** | | **6 147** | **9 996** | **17 366** | **10 487** | **12 073** | **12 073** | **12 625** | **13 287** | **13 985** |
| **Social Contributions** | | | | | | | | | | |
| Bargaining Council | | 1 | 1 | 1 | 0 | 1 | 1 | 1 | 1 | 1 |
| Group Life Insurance | | – | – | – | – | – | – | – | – | – |
| Medical | | 31 | – | – | – | – | – | – | – | – |
| Pension | | 50 | – | – | – | – | – | – | – | – |
| Unemployment Insurance | | 11 | 11 | 13 | 11 | 13 | 13 | 13 | 13 | 14 |
| **Total Social Contributions** | | **92** | **12** | **14** | **11** | **14** | **14** | **14** | **15** | **15** |
| **Post-retirement Benefit** | 6 | | | | | | | | | |
| Medical | | – | – | – | – | – | – | – | – | – |
| Other Benefits | | – | – | – | – | – | – | – | – | – |
| Pension | | – | (3) | – | – | – | – | – | – | – |
| **Total Post-retirement Benefit** | | **-** | **(3)** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Costs Capitalised to PPE | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Senior Managers of Municipality** | | **6 239** | **10 005** | **17 381** | **10 498** | **12 087** | **12 087** | **12 638** | **13 302** | **14 000** |
| **% increase** | 4 | | **60,4%** | **73,7%** | **(39,6%)** | **15,1%** | **–** | **4,6%** | **5,3%** | **5,2%** |
| **Other Municipal Staff** | | | | | | | | | | |
| **Salaries and Allowances** | | | | | | | | | | |
| Basic Salary | | 214 514 | 227 850 | 254 014 | 309 705 | 268 337 | 268 337 | 305 281 | 321 313 | 338 188 |
| Bonuses | | 23 | 9 210 | 979 | 227 | 1 010 | 1 010 | 1 573 | 1 656 | 1 743 |
| **Allowance** | | | | | | | | | | |
| Accommodation, Travel and Incidental | | – | – | – | – | – | – | – | – | – |
| Cellular and Telephone | 3 | 21 | 11 | 103 | – | 120 | 120 | 114 | 120 | 127 |
| Housing Benefits | 3 | 722 | 711 | 677 | 951 | 865 | 865 | 884 | 930 | 979 |
| Non-pensionable | | – | – | – | – | – | – | – | – | – |

| 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 |
| Travel or Motor Vehicle | 3 | 10 408 | 10 907 | 10 046 | 13 359 | 12 181 | 12 181 | 12 171 | 12 810 | 13 484 |
| Voluntary Work | | – | – | – | – | – | – | – | – | – |
| **Total Allowance** | | **11 151** | **11 629** | **10 827** | **14 310** | **13 166** | **13 166** | **13 169** | **13 861** | **14 590** |
| **Service Related Benefits** | | | | | | | | | | |
| Acting | 3 | 6 470 | 6 147 | 3 826 | 3 111 | 3 284 | 3 284 | 2 652 | 2 792 | 2 938 |
| Bonus | 3 | 14 537 | 15 543 | 16 960 | 24 180 | 19 160 | 19 160 | 20 775 | 21 866 | 23 014 |
| Danger Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Entertainment | 3 | – | – | – | – | – | – | – | – | – |
| Fire Brigade | | – | – | – | – | – | – | – | – | – |
| In-kind Benefits | 3 | – | – | – | – | – | – | – | – | – |
| Leave Pay | 3 | 4 486 | 6 159 | – | – | – | – | – | – | – |
| Lifeguard/Duty Squads | | – | – | – | – | – | – | – | – | – |
| Long Service Award | | – | – | – | 1 583 | 2 002 | 2 002 | 3 650 | 3 841 | 4 042 |
| Overtime | | 19 088 | 20 794 | 27 695 | 27 276 | 28 771 | 28 771 | 14 971 | 15 754 | 16 579 |
| Scarcity | 3 | – | – | 71 | – | 137 | 137 | – | – | – |
| Standby Allowance | 3 | 8 899 | 9 533 | 9 887 | 10 466 | 10 802 | 10 802 | 10 729 | 11 292 | 11 885 |
| Tools Allowance | 3 | – | – | – | – | – | – | – | – | – |
| Uniform/Special/Protective Clothing | 3 | – | – | – | – | – | – | – | – | – |
| Leave gratuity | | – | – | – | – | – | – | – | – | – |
| Long Term Service Award | | – | – | – | – | – | – | – | – | – |
| **Total Service Related Benefits** | | **53 479** | **58 176** | **58 439** | **66 615** | **64 156** | **64 156** | **52 777** | **55 545** | **58 458** |
| **Total Salaries and Allowances** | | **279 167** | **306 865** | **324 259** | **390 858** | **346 669** | **346 669** | **372 800** | **392 375** | **412 978** |
| **Social Contributions** | | | | | | | | | | |
| Bargaining Council | | 179 | 186 | 98 | 136 | 136 | 136 | 175 | 184 | 194 |
| Group Life Insurance | | 11 038 | 11 335 | 11 225 | 18 202 | 15 161 | 15 161 | 14 700 | 15 471 | 16 284 |
| Medical | | 17 746 | 19 147 | 16 734 | 28 847 | 20 946 | 20 946 | 21 977 | 23 131 | 24 345 |
| Pension | | 31 525 | 33 261 | 34 695 | 50 350 | 43 299 | 43 299 | 46 979 | 49 445 | 52 041 |
| Unemployment Insurance | | 1 797 | 1 813 | 1 845 | 2 287 | 2 084 | 2 084 | 2 475 | 2 605 | 2 742 |
| **Total Social Contributions** | | **62 284** | **65 742** | **64 596** | **99 821** | **81 627** | **81 627** | **86 306** | **90 837** | **95 606** |
| **Post-retirement Benefit** | 6 | | | | | | | | | |
| Medical | | 12 141 | 11 800 | 16 248 | 18 106 | – | – | 5 216 | 5 216 | 5 216 |
| Other Benefits | | – | – | – | – | – | – | – | – | – |
| Pension | | (5) | 5 | 5 | 4 | – | – | – | – | – |
| **Total Post-retirement Benefit** | | **12 136** | **11 804** | **16 253** | **18 110** | **-** | **-** | **5 216** | **5 216** | **5 216** |
| Costs Capitalised to PPE | | – | – | – | – | – | – | – | – | – |
| **Sub Total - Other Municipal Staff** | | **353 587** | **384 411** | **405 108** | **508 789** | **428 296** | **428 296** | **464 322** | **488 428** | **513 800** |
| **% increase** | 4 | | **8,7%** | **5,4%** | **25,6%** | **(15,8%)** | **–** | **8,4%** | **5,2%** | **5,2%** |
| **Total Parent Municipality** | | **373 526** | **409 267** | **437 932** | **535 275** | **456 933** | **456 933** | **492 728** | **521 439** | **552 437** |
| **TOTAL SALARY, ALLOWANCES & BENEFITS** | | **373 526** | **409 267** | **437 932** | **535 275** | **456 933** | **456 933** | **492 728** | **521 439** | **552 437** |
| **% increase** | 4 | | **9,6%** | **7,0%** | **22,2%** | **(14,6%)** | **–** | **7,8%** | **5,8%** | **5,9%** |
| **TOTAL MANAGERS AND STAFF** | 5,7 | **359 826** | **394 417** | **422 489** | **519 287** | **440 383** | **440 383** | **476 961** | **501 730** | **527 801** |

## EC108 Kouga - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

| Disclosure of Salaries, Allowances & Benefits 1.<br>Rand per annum | Ref | No. | Salary | Contributions<br>1. | Allowances | Performance Bonuses | In-kind benefits | Total Package<br>2. |
|---|---|---|---|---|---|---|---|---|
| **Councillors** | 3 | | | | | | | |
| Speaker | 4 | 1 | 627 753 | – | 257 994 | – | – | 885 747 |
| Chief Whip | | – | – | – | – | – | – | – |
| Executive Mayor | | 1 | 784 687 | – | 310 306 | – | – | 1 094 993 |
| Deputy Executive Mayor | | 1 | 627 753 | – | 257 994 | – | – | 885 747 |
| Executive Committee | | – | 2 943 919 | – | 1 225 024 | – | – | 4 168 943 |
| Total for all other councillors | | – | 4 469 890 | – | 2 367 334 | – | – | 6 837 224 |
| Section 79 committee chairperso | | #N/A | 1 274 746 | – | 619 890 | – | – | 1 894 636 |
| **Total Councillors** | 8 | **3** | **9 454 002** | **–** | **4 418 652** | | | **13 872 654** |
| | | | | | | | | |
| **Senior Managers of the Municipality** | 5 | | | | | | | |
| Municipal Manager (MM) | | 1 | 1 978 834 | 163 | 96 000 | – | – | 2 074 997 |
| Chief Finance Officer | | 1 | 1 380 890 | 2 288 | 228 000 | – | – | 1 611 178 |
| | | 1 | 2 742 474 | 4 250 | 360 000 | – | 650 169 | 3 756 893 |
| | | 1 | 1 421 584 | 2 125 | 120 000 | – | – | 1 543 709 |
| | | 1 | 1 397 584 | 2 777 | 144 000 | – | 431 644 | 1 976 005 |
| | | – | – | – | – | – | – | – |
| *List of each offical with packages >= senior manager* | | | | | | | | |
| | | – | – | – | – | – | – | – |
| | | 1 | 1 361 584 | 2 125 | 228 000 | 83 739 | – | 1 675 448 |
| | | – | – | – | – | – | – | – |
| | | 1 | – | 163 | – | – | – | 163 |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | – | – | – | – | – | – | – |
| | | | – | – | – | – | – | – |
| | | | – | – | – | – | – | – |
| **Total Senior Managers of the Municipality** | 8,10 | **7** | **10 282 950** | **13 891** | **1 176 000** | **83 739** | | **12 638 393** |
| | | | | | | | | |
| **TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION** | 10 | **10** | **19 736 952** | **13 891** | **5 594 652** | **83 739** | | **26 511 047** |

*References*

*1. Pension and medical aid*
*2. Total package must equal the total cost to the municipality*
*3. List each political office bearer by designation. Provide a total for all other councillors*
*4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)*
*5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation*
*6. List each entity where municipality has an interest and state percentage ownership and control*
*7. List each senior manager reporting to the CEO of an Entity by designation*
*8. Must reconcile to relevant section of Table SA24*
*9. Must reconcile to totals shown for the budget year of Table SA22*
*10. Correct as at 30 June*

**EC108 Kouga - 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 employees |
| **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 | – | – | – | – | – | – | – | – | – |

## EC108 Kouga - 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 | | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 43 230 | 518 755 | 564 561 | 621 017 |
| Service charges - Water | | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 10 532 | 126 386 | 133 969 | 142 007 |
| Service charges - Waste Water Management | | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 6 540 | 78 477 | 82 400 | 86 520 |
| Service charges - Waste Management | | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 715 | 4 714 | 56 574 | 59 403 | 62 373 |
| Sale of Goods and Rendering of Services | | 892 | 892 | 892 | 892 | 892 | 892 | 892 | 892 | 892 | 892 | 892 | 893 | 10 710 | 11 245 | 11 808 |
| Agency services | | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 399 | 4 782 | 5 021 | 5 272 |
| Interest | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest earned from Receivables | | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 945 | 11 337 | 12 085 | 12 908 |
| Interest earned from Current and Non Current Assets | | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 1 424 | 17 086 | 17 941 | 18 838 |
| Dividends | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Rent on Land | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Rental from Fixed Assets | | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 377 | 4 528 | 4 754 | 4 992 |
| Licence and permits | | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 2 998 | 3 148 | 3 306 |
| Special rating levies | | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 1 330 | 15 956 | 16 753 | 17 591 |
| Construction Contract Revenue | | – | – | – | – | – | – | – | – | – | – | – | 3 066 | 3 066 | 3 152 | 3 244 |
| Development Charges | | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | (3 667) | – | – | – |
| Operational Revenue | | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 256 | 323 907 | 326 717 | 343 053 | 360 206 |
| **Non-Exchange Revenue** | | | | | | | | | | | | | | | | |
| Property rates | | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 27 226 | 326 717 | 343 053 | 360 206 |
| Surcharges and Taxes | | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 2 117 | 25 399 | 26 669 | 28 002 |
| Fines, penalties and forfeits | | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 7 916 | 94 988 | 99 738 | 104 725 |
| Licences or permits | | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 275 | 3 296 | 3 461 | 3 634 |
| Transfer and subsidies - Operational | | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 18 545 | 222 542 | 230 643 | 236 697 |
| Interest | | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 296 | 3 551 | 3 729 | 3 916 |
| Fuel Levy | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Operational Revenue | | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 1 777 | 21 327 | 22 887 | 24 707 |
| Gains on disposal of Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Gains | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Discontinued Operations | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue (excluding capital transfers and contributions)** | | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **129 373** | **452 091** | **1 875 193** | **1 987 665** | **2 111 968** |
| **Expenditure** | | | | | | | | | | | | | | | | |
| Employee related costs | | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 39 747 | 476 961 | 501 730 | 527 801 |
| Remuneration of councillors | | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 1 314 | 15 767 | 19 709 | 24 636 |
| Bulk purchases - electricity | | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 40 359 | 484 306 | 527 070 | 579 777 |
| Inventory consumed | | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 567 | 8 568 | 102 809 | 119 397 | 125 417 |
| Debt impairment | | – | – | – | – | – | – | – | – | – | – | – | 102 023 | 102 023 | 107 670 | 113 815 |
| Depreciation and amortisation | | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 9 031 | 108 376 | 112 885 | 117 574 |
| Interest | | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 2 280 | 27 357 | 23 196 | 20 458 |
| Contracted services | | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 958 | 12 959 | 155 497 | 159 297 | 149 236 |
| Transfers and subsidies | | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 78 | 930 | 950 | 970 |
| Irrecoverable debts written off | | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 449 | 2 450 | 29 394 | 31 409 | 33 741 |
| Operational costs | | 8 461 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 462 | 8 463 | 101 540 | 105 853 | 110 115 |

| 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 |
| Losses on disposal of Assets | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other Losses | | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | 9 803 | (92 220) | 15 617 | 15 617 | 15 617 |
| **Total Expenditure** | | **135 047** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 052** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit)** | | **(5 674)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **(5 675)** | **317 039** | **254 616** | **262 882** | **292 812** |
| Transfers and subsidies - capital (monetary allocations) | | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 6 559 | 78 704 | 60 464 | 60 804 |
| Transfers and subsidies - capital (in-kind) | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after capital transfers & contributions** | | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **323 598** | **333 319** | **323 346** | **353 616** |
| Income Tax | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) after income tax** | | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **323 598** | **333 319** | **323 346** | **353 616** |
| Share of Surplus/Deficit attributable to Joint Venture | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Share of Surplus/Deficit attributable to Minorities | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit) attributable to municipality** | | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **323 598** | **333 319** | **323 346** | **353 616** |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | 1 | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **323 598** | **333 319** | **323 346** | **353 616** |

## EC108 Kouga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

| 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 by Vote** | | | | | | | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 98 | 1 172 | 1 206 | 1 241 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 42 235 | 506 821 | 530 650 | 551 078 |
| Vote 4 - COMMUNITY SERVICES | | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 18 691 | 224 289 | 235 161 | 246 578 |
| Vote 5 - CIVIL AND WATER SERVICES | | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 26 573 | 318 871 | 331 806 | 347 505 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 45 773 | 549 275 | 599 270 | 658 633 |
| Vote 7 - PLANNING AND DEVELOPMENT | | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 2 563 | 30 751 | 10 983 | 11 532 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue by Vote** | | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure by Vote to be appropriated** | | | | | | | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 556 | 1 557 | 18 677 | 19 324 | 20 012 |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 941 | 11 942 | 143 290 | 151 556 | 160 920 |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 307 | 11 308 | 135 684 | 137 298 | 142 737 |
| Vote 4 - COMMUNITY SERVICES | | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 239 | 29 240 | 350 869 | 363 962 | 379 407 |
| Vote 5 - CIVIL AND WATER SERVICES | | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 396 | 26 397 | 316 755 | 348 581 | 357 747 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 50 937 | 611 240 | 659 224 | 711 567 |
| Vote 7 - PLANNING AND DEVELOPMENT | | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 3 672 | 44 062 | 44 837 | 46 766 |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Expenditure by Vote** | | **135 047** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 052** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) before assoc.** | | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **880** | **10 602** | **(15 707)** | **(2 589)** |
| Surplus/(Deficit) after income tax | | – | – | – | – | – | – | – | – | – | – | – | 333 319 | 333 319 | 323 346 | 353 616 |
| Share of Surplus/Deficit attributable to Associate | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | 1 | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **880** | **10 602** | **(15 707)** | **(2 589)** |

*References*

*1. Surplus (Deficit) must reconcile with Budgeted Financial Performance*

## EC108 Kouga - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

| 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 - Functional** | | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **50 209** | **602 509** | **631 104** | **656 540** |
| Executive and council | | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 174 | 182 | 191 |
| Finance and administration | | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 50 195 | 602 335 | 630 922 | 656 349 |
| Internal audit | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 386** | **3 387** | **40 638** | **21 026** | **21 741** |
| Community and social services | | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 290 | 3 485 | 3 508 | 3 532 |
| Sport and recreation | | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 1 063 | 12 755 | 13 393 | 14 062 |
| Public safety | | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 1 382 | 1 396 | 1 411 |
| Housing | | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 1 691 | 20 291 | – | – |
| Health | | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 227 | 2 724 | 2 730 | 2 736 |
| ***Economic and environmental services*** | | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **3 641** | **43 696** | **43 797** | **45 864** |
| Planning and development | | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 1 033 | 12 391 | 13 113 | 13 726 |
| Road transport | | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 1 009 | 12 111 | 10 531 | 10 977 |
| Environmental protection | | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 1 599 | 19 193 | 20 153 | 21 161 |
| ***Trading services*** | | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **78 695** | **944 337** | **1 013 149** | **1 092 422** |
| Energy sources | | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 45 757 | 549 083 | 599 062 | 658 404 |
| Water management | | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 14 754 | 177 047 | 183 048 | 192 277 |
| Waste water management | | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 11 358 | 136 290 | 145 032 | 151 438 |
| Waste management | | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 6 826 | 81 916 | 86 007 | 90 303 |
| ***Other*** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Revenue - Functional** | | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **135 932** | **1 631 179** | **1 709 076** | **1 816 567** |
| **Expenditure - Functional** | | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 604** | **31 606** | **379 252** | **393 009** | **412 184** |
| Executive and council | | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 4 157 | 49 879 | 54 531 | 60 651 |
| Finance and administration | | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 130 | 27 131 | 325 562 | 334 470 | 347 314 |
| Internal audit | | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 318 | 3 811 | 4 009 | 4 219 |
| ***Community and public safety*** | | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 751** | **10 752** | **129 014** | **134 104** | **139 567** |
| Community and social services | | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 1 228 | 14 734 | 15 407 | 16 130 |
| Sport and recreation | | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 5 786 | 69 434 | 71 828 | 74 238 |
| Public safety | | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 2 802 | 33 627 | 35 300 | 37 245 |
| Housing | | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 769 | 9 226 | 9 547 | 9 924 |
| Health | | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 166 | 1 993 | 2 022 | 2 030 |
| ***Economic and environmental services*** | | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 050** | **21 051** | **252 603** | **267 261** | **279 653** |
| Planning and development | | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 3 405 | 40 861 | 41 659 | 43 582 |
| Road transport | | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 16 029 | 192 345 | 205 888 | 215 510 |
| Environmental protection | | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 1 616 | 19 397 | 19 714 | 20 561 |
| ***Trading services*** | | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 605** | **71 606** | **859 259** | **929 921** | **987 225** |
| Energy sources | | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 207 | 49 208 | 590 489 | 637 583 | 688 871 |
| Water management | | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 163 | 11 164 | 133 960 | 148 040 | 149 846 |
| Waste water management | | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 5 811 | 69 734 | 77 543 | 79 164 |
| Waste management | | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 5 423 | 65 076 | 66 756 | 69 344 |
| ***Other*** | | **37** | **37** | **37** | **37** | **37** | **37** | 37 | 37 | 37 | 37 | 37 | 37 | 450 | 486 | 528 |
| **Total Expenditure - Functional** | | **135 047** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 048** | **135 052** | **1 620 577** | **1 724 783** | **1 819 156** |
| **Surplus/(Deficit) before assoc.** | | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **880** | **10 602** | **(15 707)** | **(2 589)** |

| 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 |
| Intercompany/Parent subsidiary transactions | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Surplus/(Deficit)** | **1** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **884** | **880** | **10 602** | **(15 707)** | **(2 589)** |

*References*

*1. Surplus (Deficit) must reconcile with Budeted Financial Performance*

## EC108 Kouga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

| Description | Ref | Budget Year 2026/27 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| **Multi-year expenditure *to be appropriated*** | 1 | | | | | | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1 500 | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 4 - COMMUNITY SERVICES | | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 1 999 | 1 999 | 1 999 |
| Vote 5 - CIVIL AND WATER SERVICES | | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 601 | 5 602 | 67 217 | 37 092 | 43 303 |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 9 374 | 13 096 | 7 180 |
| Vote 7 - PLANNING AND DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Capital multi-year expenditure sub-total** | 2 | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 674** | **6 675** | **80 089** | **52 186** | **52 482** |
| **Single-year expenditure *to be appropriated*** | | | | | | | | | | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 4 - COMMUNITY SERVICES | | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 391 | 391 | 391 |
| Vote 5 - CIVIL AND WATER SERVICES | | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 180 | – | – |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 7 - PLANNING AND DEVELOPMENT | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Capital single-year expenditure sub-total** | 2 | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **48** | **571** | **391** | **391** |
| **Total Capital Expenditure** | 2 | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **80 660** | **52 578** | **52 873** |

*References*

*1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates*

*2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure*

## EC108 Kouga - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

| Description | Ref | Budget Year 2026/27 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| **Capital Expenditure - Functional** | 1 | | | | | | | | | | | | | | | |
| ***Governance and administration*** | | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **125** | **1 500** | **–** | **–** |
| Executive and council | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Finance and administration | | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 125 | 1 500 | – | – |
| Internal audit | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Community and public safety*** | | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **199** | **2 390** | **2 390** | **2 390** |
| Community and social services | | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 1 435 | 1 435 | 1 435 |
| Sport and recreation | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Public safety | | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 955 | 955 | 955 |
| Housing | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Economic and environmental services*** | | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **1 951** | **23 416** | **12 850** | **11 238** |
| Planning and development | | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 666 | 7 987 | 6 887 | 3 741 |
| Road transport | | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 1 286 | 15 429 | 5 962 | 7 497 |
| Environmental protection | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Trading services*** | | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 446** | **4 447** | **53 355** | **37 338** | **39 245** |
| Energy sources | | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 781 | 9 374 | 13 096 | 7 180 |
| Water management | | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 1 345 | 16 142 | 5 019 | 600 |
| Waste water management | | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 2 320 | 27 839 | 19 224 | 31 465 |
| Waste management | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| ***Other*** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Capital Expenditure - Functional** | 2 | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **80 660** | **52 578** | **52 873** |
| **Funded by:** | | | | | | | | | | | | | | | | |
| National Government | | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | 4 034 | **4 034** | **48 404** | **50 188** | **50 483** |
| Provincial Government | | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 1 590 | 19 079 | 1 435 | 1 435 |
| District Municipality | | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 80 | 955 | 955 | 955 |
| Other transfers and grants | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Transfers recognised - capital** | | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **5 703** | **68 438** | **52 578** | **52 873** |
| **Public contributions & donations** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Borrowing** | | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Internally generated funds** | | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 1 019 | 12 223 | – | – |
| **Total Capital Funding** | | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | **6 722** | 6 722 | 6 722 | 80 660 | 52 578 | 52 873 |

*References*

*1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates*

*2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure*

## EC108 Kouga - 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** | | | | | | | | | | | | | 1 | | |
| Property rates | 37 432 | 17 698 | 19 166 | 18 954 | 50 584 | 50 605 | 19 272 | 19 915 | 19 600 | 20 779 | 19 501 | 20 249 | 313 755 | 329 443 | 345 915 |
| Service charges - electricity revenue | 59 745 | 40 406 | 59 367 | 45 607 | 48 585 | 101 647 | 21 282 | 42 147 | 45 097 | 48 362 | 48 640 | 19 409 | 580 294 | 631 534 | 694 688 |
| Service charges - water revenue | 14 827 | 5 716 | 12 383 | 13 275 | 11 018 | 12 023 | 17 585 | 11 899 | 15 038 | 16 160 | 15 135 | 5 439 | 150 498 | 159 579 | 169 208 |
| Service charges - sanitation revenue | 8 805 | 7 384 | 7 014 | 6 912 | 7 182 | 6 873 | 8 116 | 7 157 | 9 291 | 7 793 | 9 694 | 4 920 | 91 140 | 95 697 | 100 482 |
| Service charges - refuse revenue | 8 368 | 6 479 | 6 568 | 6 484 | 6 495 | 6 465 | 6 482 | 6 465 | 6 462 | 6 478 | 6 460 | 6 425 | 79 630 | 83 612 | 87 792 |
| Rental of facilities and equipment | 287 | 245 | 245 | 305 | 283 | 1 015 | 840 | 392 | 517 | 436 | 370 | 270 | 5 207 | 5 467 | 5 741 |
| Interest earned - external investments | 421 | 504 | 686 | 652 | 914 | 639 | 2 891 | 1 268 | 1 845 | 2 717 | 2 422 | 2 126 | 17 086 | 17 941 | 18 838 |
| Interest earned - outstanding debtors | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Dividends received | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Fines, penalties and forfeits | 563 | 679 | 772 | 638 | 2 721 | 3 604 | 2 511 | 496 | 3 622 | 2 075 | 3 299 | 1 380 | 22 359 | 23 477 | 24 651 |
| Licences and permits | 4 684 | 2 673 | 1 862 | 2 003 | 1 835 | 1 462 | 3 741 | 2 245 | 1 265 | 826 | 1 391 | 1 101 | 25 089 | 25 450 | 25 830 |
| Agency services | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 607 | 4 782 | 5 021 | 5 272 |
| Transfers and Subsidies - Operational | 90 111 | 2 418 | | 2 254 | 1 419 | 71 196 | 870 | 602 | 53 671 | | | (0) | 222 542 | 230 643 | 236 697 |
| Other revenue | 2 904 | 7 648 | 1 697 | 4 468 | 7 572 | 3 674 | 3 509 | 5 316 | 4 437 | 2 311 | 1 399 | 14 504 | 59 440 | 57 869 | 56 866 |
| **Cash Receipts by Source** | **228 527** | **92 230** | **110 141** | **101 932** | **138 988** | **259 582** | **87 478** | **98 283** | **161 225** | **108 316** | **108 690** | **76 431** | **1 571 823** | **1 665 734** | **1 771 981** |
| **Other Cash Flows by Source** | | | | | | | | | | | | | | | |
| (National / Provincial and District) Transfers and subsidies - capital (monetary allocations) | 23 574 | 2 601 | | 6 584 | 9 817 | 15 413 | 6 764 | 2 601 | 10 252 | 1 098 | | 0 | 78 704 | 60 464 | 60 804 |
| (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Proceeds on Disposal of Fixed and Intangible Assets | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Short term loans | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Borrowing long term/refinancing | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Increase (decrease) in consumer deposits | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Vat Control (receipts) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current receivables | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Insurance Refund - Capital | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Interest on Short Term Investment (> 90 days) and Long Te | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Receipts by Source** | **252 101** | **94 831** | **110 141** | **108 516** | **148 805** | **274 995** | **94 241** | **100 884** | **171 477** | **109 414** | **108 690** | **76 431** | **1 650 526** | **1 726 198** | **1 832 785** |
| **Cash Payments by Type** | | | | | | | | | | | | | | | |
| Employee related costs | (38 140) | (38 140) | (38 140) | (38 140) | (61 570) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (38 140) | (481 115) | (506 114) | (532 425) |
| Remuneration of councillors | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (1 314) | (15 767) | (19 709) | (24 636) |
| Finance charges | (248) | (248) | (5 224) | (248) | (248) | (5 224) | (248) | (248) | (5 224) | (248) | (248) | (8 656) | (26 308) | (21 523) | (18 375) |
| Bulk purchases - Electricity | (63 114) | (62 949) | (52 362) | (41 575) | (40 824) | (40 783) | (43 092) | (40 839) | (37 094) | (40 221) | (37 932) | (56 168) | (556 952) | (606 130) | (666 743) |
| Bulk purchases - Water & Sewer | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Other materials | (4 374) | (16 408) | (3 708) | (27 216) | (6 735) | (7 088) | (3 677) | (14 215) | (11 622) | (9 900) | (10 257) | (7 388) | (122 588) | (141 484) | (148 227) |
| Contracted services | (2 659) | (6 613) | (10 218) | (15 374) | (15 926) | (14 398) | (9 235) | (11 540) | (12 530) | (19 198) | (22 273) | (33 665) | (173 629) | (178 248) | (166 613) |
| Transfers and grants - other municipalities | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Transfers and grants - other | | | | | (400) | | | (530) | | | | – | (930) | (950) | (970) |
| Other expenditure | (4 974) | (8 428) | (21 303) | (7 731) | (13 570) | (10 545) | (9 495) | (8 597) | (12 129) | (10 066) | (12 285) | (25 873) | (144 996) | (146 039) | (150 989) |
| **Cash Payments by Type** | **(114 822)** | **(134 100)** | **(132 270)** | **(131 597)** | **(140 586)** | **(117 493)** | **(105 202)** | **(115 422)** | **(118 054)** | **(119 086)** | **(122 449)** | **(171 204)** | **(1 522 285)** | **(1 620 198)** | **(1 708 979)** |
| **Other Cash Flows/Payments by Type** | | | | | | | | | | | | | | | |
| Capital assets | (406) | (10 060) | (2 151) | (8 683) | (5 756) | (8 721) | (1 551) | (12 608) | (7 342) | (13 415) | (4 488) | (5 480) | (80 660) | (52 578) | (52 873) |
| Retention (Capital) | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Repayment of borrowing | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (1 178) | (1 178) | (5 535) | (31 566) | (23 178) | (17 424) |
| Other Cash Flows/Payments | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Cash Payments by Type** | **(116 407)** | **(145 338)** | **(139 956)** | **(141 458)** | **(147 520)** | **(131 748)** | **(107 932)** | **(129 208)** | **(130 931)** | **(133 680)** | **(128 115)** | **(182 218)** | **(1 634 512)** | **(1 695 953)** | **(1 779 276)** |
| **NET INCREASE/(DECREASE) IN CASH HELD** | **135 694** | **(50 507)** | **(29 814)** | **(32 942)** | **1 285** | **143 248** | **(13 690)** | **(28 325)** | **40 546** | **(24 266)** | **(19 426)** | **(105 786)** | **16 014** | **30 245** | **53 509** |

| 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/cash equivalents at the month/year begin: | 120 562 | 256 256 | 205 749 | 175 934 | 142 992 | 144 277 | 287 524 | 273 834 | 245 509 | 286 055 | 261 788 | 242 363 | 120 562 | 136 576 | 166 821 |
| Cash/cash equivalents at the month/year end: | 256 256 | 205 749 | 175 934 | 142 992 | 144 277 | 287 524 | 273 834 | 245 509 | 286 055 | 261 788 | 242 363 | 136 576 | 136 576 | 166 821 | 220 330 |

**EC108 Kouga - NOT REQUIRED - municipality does not have entities**

| Description<br>R million | Ref | 2022/23<br>Audited Outcome | 2023/24<br>Audited Outcome | 2024/25<br>Audited Outcome | Current Year 2025/26<br>Original Budget | <br>Adjusted Budget | <br>Full Year Forecast | 2026/27 Medium Term Revenue & Expenditure Framework<br>Budget Year 2026/27 | <br>Budget Year +1 2027/28 | <br>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) (Nationa | | – | – | – | – | – | – | – | – | – |
| **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** | | – | – | – | – | – | – | – | – | – |

## EC108 Kouga - Supporting Table SA32 List of external mechanisms

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

*References*

*1. Total agreement period from commencement until end*

*2. Annual value*

## EC108 Kouga - 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* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Operating Revenue Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Expenditure Obligation By Contract** | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | – |
| *Contract 2* | | | | | | | | | | | | | | – |
| *Contract 3* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |

| 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 |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Operating Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Capital Expenditure Obligation By Contract** | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | – |
| *Contract 2* | | | | | | | | | | | | | | – |
| *Contract 3* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Capital Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Parent Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |

| 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 |
| **Entities:** | | | | | | | | | | | | | | |
| **Revenue Obligation By Contract** | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | – |
| *Contract 2* | | | | | | | | | | | | | | – |
| *Contract 3* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Operating Revenue Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Expenditure Obligation By Contract** | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | – |
| *Contract 2* | | | | | | | | | | | | | | – |
| *Contract 3* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |

| 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 |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Operating Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Capital Expenditure Obligation By Contract** | 2 | | | | | | | | | | | | | |
| *Contract 1* | | | | | | | | | | | | | | – |
| *Contract 2* | | | | | | | | | | | | | | – |
| *Contract 3* | | | | | | | | | | | | | | – |
| *Contract 4* | | | | | | | | | | | | | | – |
| *Contract 5* | | | | | | | | | | | | | | – |
| *Contract 6* | | | | | | | | | | | | | | – |
| *Contract 7* | | | | | | | | | | | | | | – |
| *Contract 8* | | | | | | | | | | | | | | – |
| *Contract 9* | | | | | | | | | | | | | | – |
| *Contract 10* | | | | | | | | | | | | | | – |
| *Contract 11* | | | | | | | | | | | | | | – |
| *Contract 12* | | | | | | | | | | | | | | – |
| *Contract 13* | | | | | | | | | | | | | | – |
| *Contract 14* | | | | | | | | | | | | | | – |
| *Contract 15* | | | | | | | | | | | | | | – |
| *Contract 16* | | | | | | | | | | | | | | – |
| *Contract 17* | | | | | | | | | | | | | | – |
| *Contract 18* | | | | | | | | | | | | | | – |
| *Contract 19* | | | | | | | | | | | | | | – |
| *Contract 20* | | | | | | | | | | | | | | – |
| **Total Capital Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |
| **Total Entity Expenditure Implication** | | – | – | – | – | – | – | – | – | – | – | – | – | – |

*References*

*1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column*

*2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)*

*3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million*

## EC108 Kouga - 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** | | **(5 177)** | **21 374** | **25 679** | **206 134** | **212 826** | **212 826** | **39 598** | **31 450** | **14 677** |
| Roads Infrastructure | | – | 308 | 12 644 | 165 652 | 166 925 | 166 925 | 10 717 | 5 962 | 7 497 |
| *Roads* | | – | 308 | 12 644 | 165 652 | 166 925 | 166 925 | 10 717 | 5 962 | 7 497 |
| *Road Structures* | | – | – | – | – | – | – | – | – | – |
| *Road Furniture* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| *Drainage Collection* | | – | – | – | – | – | – | – | – | – |
| *Storm water Conveyance* | | – | – | – | – | – | – | – | – | – |
| *Attenuation* | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | (1 519) | (81) | 2 984 | 37 817 | 41 317 | 41 317 | 9 374 | 13 096 | 7 180 |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *HV Substations* | | – | – | – | – | – | – | – | – | – |
| *HV Switching Station* | | – | – | – | – | – | – | – | – | – |
| *HV Transmission Conductors* | | – | – | – | – | – | – | – | – | – |
| *MV Substations* | | 769 | – | – | – | – | – | – | – | – |
| *MV Switching Stations* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | – | – | 2 884 | 6 730 | 6 730 | 6 730 | 5 026 | 6 870 | 7 180 |
| *LV Networks* | | (2 288) | (81) | 100 | 6 087 | 12 087 | 12 087 | 4 348 | 6 226 | – |
| *Capital Spares* | | – | – | – | 25 000 | 22 500 | 22 500 | – | – | – |
| Water Supply Infrastructure | | (3 846) | 21 197 | 9 741 | 1 795 | 2 885 | 2 885 | 12 293 | 4 219 | – |
| *Dams and Weirs* | | – | – | – | – | – | – | – | – | – |
| *Boreholes* | | (35 410) | 21 197 | 8 428 | 1 560 | 2 685 | 2 685 | – | – | – |
| *Reservoirs* | | – | – | 1 312 | 35 | – | – | – | – | – |
| *Pump Stations* | | – | – | – | – | – | – | – | – | – |
| *Water Treatment Works* | | 25 476 | – | – | 200 | 200 | 200 | 2 218 | – | – |
| *Bulk Mains* | | – | – | – | – | – | – | 10 075 | 4 219 | – |
| *Distribution* | | 6 088 | – | – | – | – | – | – | – | – |
| *Distribution Points* | | – | – | – | – | – | – | – | – | – |
| *PRV Stations* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | 164 | – | 310 | 870 | 1 699 | 1 699 | 7 214 | 8 174 | – |
| *Pump Station* | | 127 | – | – | 800 | 800 | 800 | 800 | – | – |
| *Reticulation* | | 38 | – | 81 | 70 | 262 | 262 | 6 123 | – | – |
| *Waste Water Treatment Works* | | – | – | – | – | 637 | 637 | 291 | 8 174 | – |
| *Outfall Sewers* | | – | – | – | – | – | – | – | – | – |
| *Toilet Facilities* | | – | – | 230 | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | 23 | (49) | – | – | – | – | – | – | – |
| *Landfill Sites* | | – | – | – | – | – | – | – | – | – |
| *Waste Transfer Stations* | | – | – | – | – | – | – | – | – | – |
| *Waste Processing Facilities* | | 23 | (49) | – | – | – | – | – | – | – |
| *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* | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **–** | **–** | **–** | **–** | **1 400** | **1 400** | **–** | **–** | **–** |
| Community Facilities | | – | – | – | – | 1 400 | 1 400 | – | – | – |
| *Halls* | | – | – | – | – | – | – | – | – | – |
| *Centres* | | – | – | – | – | – | – | – | – | – |
| *Crèches* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *Clinics/Care Centres* | | – | – | – | – | – | – | – | – | – |
| *Fire/Ambulance Stations* | | – | – | – | – | – | – | – | – | – |
| *Testing Stations* | | – | – | – | – | – | – | – | – | – |
| *Museums* | | – | – | – | – | – | – | – | – | – |
| *Galleries* | | – | – | – | – | – | – | – | – | – |
| *Theatres* | | – | – | – | – | – | – | – | – | – |
| *Libraries* | | – | – | – | – | – | – | – | – | – |
| *Cemeteries/Crematoria* | | – | – | – | – | – | – | – | – | – |
| *Police* | | – | – | – | – | – | – | – | – | – |
| *Parks* | | – | – | – | – | – | – | – | – | – |
| *Public Open Space* | | – | – | – | – | 1 400 | 1 400 | – | – | – |
| *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** | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| *Municipal Offices* | | – | – | – | – | – | – | – | – | – |
| *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** | | – | – | – | – | 300 | 300 | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | 300 | 300 | – | – | – |
| *Water Rights* | | – | – | – | – | – | – | – | – | – |
| *Effluent Licenses* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Licenses* | | – | – | – | – | – | – | – | – | – |
| *Computer Software and Applications* | | – | – | – | – | 300 | 300 | – | – | – |
| *Load Settlement Software Applications* | | – | – | – | – | – | – | – | – | – |
| *Unspecified* | | – | – | – | – | – | – | – | – | – |
| **Computer Equipment** | | 1 677 | 1 638 | 1 705 | 2 050 | 3 738 | 3 738 | 2 543 | 1 043 | 1 043 |
| Computer Equipment | | 1 677 | 1 638 | 1 705 | 2 050 | 3 738 | 3 738 | 2 543 | 1 043 | 1 043 |
| **Furniture and Office Equipment** | | 1 591 | 1 095 | 1 253 | – | 741 | 741 | 571 | 391 | 391 |
| Furniture and Office Equipment | | 1 591 | 1 095 | 1 253 | – | 741 | 741 | 571 | 391 | 391 |

| 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 |
| **Machinery and Equipment** | | 975 | 1 061 | 918 | 50 | 300 | 300 | 470 | – | – |
| Machinery and Equipment | | 975 | 1 061 | 918 | 50 | 300 | 300 | 470 | – | – |
| **Transport Assets** | | 16 912 | 4 368 | 49 603 | 5 168 | 4 777 | 4 777 | 2 486 | 4 696 | 4 696 |
| Transport Assets | | 16 912 | 4 368 | 49 603 | 5 168 | 4 777 | 4 777 | 2 486 | 4 696 | 4 696 |
| **Land** | | – | – | – | 4 700 | 4 400 | 4 400 | – | – | – |
| Land | | – | – | – | 4 700 | 4 400 | 4 400 | – | – | – |
| **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 | **15 978** | **29 537** | **79 159** | **218 101** | **228 482** | **228 482** | **45 669** | **37 581** | **20 808** |

*References*

*1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital exper*

## EC108 Kouga - 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** | | **131** | **33 996** | **4 433** | **2 370** | **15 927** | **15 927** | **7 098** | **3 488** | **600** |
| Roads Infrastructure | | – | 28 252 | – | – | – | – | 160 | – | – |
| *Roads* | | – | 28 252 | – | – | – | – | 160 | – | – |
| *Road Structures* | | – | – | – | – | – | – | – | – | – |
| *Road Furniture* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | (292) | – | 11 320 | 11 320 | 1 330 | – | – |
| *Drainage Collection* | | – | – | – | – | – | – | – | – | – |
| *Storm water Conveyance* | | – | – | (292) | – | 11 320 | 11 320 | 1 330 | – | – |
| *Attenuation* | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | 5 744 | 4 545 | – | 1 560 | 1 560 | – | – | – |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *HV Substations* | | – | – | – | – | – | – | – | – | – |
| *HV Switching Station* | | – | – | – | – | – | – | – | – | – |
| *HV Transmission Conductors* | | – | – | – | – | – | – | – | – | – |
| *MV Substations* | | – | 5 744 | – | – | – | – | – | – | – |
| *MV Switching Stations* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | – | – | 4 545 | – | 1 560 | 1 560 | – | – | – |
| *LV Networks* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | 131 | – | 180 | 2 313 | 2 785 | 2 785 | 984 | 800 | 600 |
| *Dams and Weirs* | | – | – | – | – | – | – | – | – | – |
| *Boreholes* | | – | – | – | – | – | – | – | – | – |
| *Reservoirs* | | – | – | – | – | – | – | – | – | – |
| *Pump Stations* | | – | – | – | – | – | – | – | – | – |
| *Water Treatment Works* | | – | – | – | 2 113 | 2 585 | 2 585 | 584 | – | – |
| *Bulk Mains* | | – | – | – | – | – | – | – | – | – |
| *Distribution* | | 131 | – | 180 | 200 | 200 | 200 | 400 | 800 | 600 |
| *Distribution Points* | | – | – | – | – | – | – | – | – | – |
| *PRV Stations* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | 57 | 262 | 262 | 4 624 | 2 688 | – |
| *Pump Station* | | – | – | – | 57 | 262 | 262 | 2 624 | 2 688 | – |
| *Reticulation* | | – | – | – | – | – | – | – | – | – |
| *Waste Water Treatment Works* | | – | – | – | – | – | – | 2 000 | – | – |
| *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* | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **–** | **6 562** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| Community Facilities | | – | – | – | – | – | – | – | – | – |
| *Halls* | | – | – | – | – | – | – | – | – | – |
| *Centres* | | – | – | – | – | – | – | – | – | – |
| *Crèches* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *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 | | – | 6 562 | – | – | – | – | – | – | – |
| *Indoor Facilities* | | – | – | – | – | – | – | – | – | – |
| *Outdoor Facilities* | | – | 6 562 | – | – | – | – | – | – | – |
| *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** | | – | – | – | – | – | – | 300 | – | – |
| Operational Buildings | | – | – | – | – | – | – | 300 | – | – |
| *Municipal Offices* | | – | – | – | – | – | – | – | – | – |
| *Pay/Enquiry Points* | | – | – | – | – | – | – | – | – | – |
| *Building Plan Offices* | | – | – | – | – | – | – | – | – | – |
| *Workshops* | | – | – | – | – | – | – | – | – | – |
| *Yards* | | – | – | – | – | – | – | – | – | – |
| *Stores* | | – | – | – | – | – | – | – | – | – |
| *Laboratories* | | – | – | – | – | – | – | – | – | – |
| *Training Centres* | | – | – | – | – | – | – | – | – | – |
| *Manufacturing Plant* | | – | – | – | – | – | – | – | – | – |
| *Depots* | | – | – | – | – | – | – | 300 | – | – |
| *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* | | – | – | – | – | – | – | – | – | – |
| **Computer Equipment** | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |

| 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 |
| **Machinery and Equipment** | | – | – | – | – | – | – | 50 | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | 50 | – | – |
| **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 | **131** | **40 558** | **4 433** | **2 370** | **15 927** | **15 927** | **7 448** | **3 488** | **600** |
| | | | | | | | | | | |
| ***Renewal of Existing Assets as % of total capex*** | | *2,4%* | *43,5%* | *2,9%* | *0,9%* | *4,9%* | *4,9%* | *9,2%* | *6,6%* | *1,1%* |
| ***Renewal of Existing Assets as % of deprecn"*** | | *0,1%* | *40,0%* | *3,8%* | *1,7%* | *11,2%* | *11,2%* | *6,9%* | *3,1%* | *0,5%* |

*References*

*1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital expe*

## EC108 Kouga - 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** | | **31 666** | **34 345** | **131 472** | **165 110** | **142 585** | **142 585** | **161 926** | **188 284** | **187 907** |
| Roads Infrastructure | | 12 861 | 6 367 | 29 464 | 30 189 | 29 237 | 29 237 | 31 835 | 39 269 | 45 251 |
| *Roads* | | 12 861 | 6 367 | 29 464 | 30 189 | 29 237 | 29 237 | 31 035 | 38 469 | 44 451 |
| *Road Structures* | | – | – | – | – | – | – | 800 | 800 | 800 |
| *Road Furniture* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | 876 | 730 | 207 | 1 620 | 1 427 | 1 427 | 3 450 | 7 650 | 6 850 |
| *Drainage Collection* | | 614 | 598 | 204 | 1 420 | 1 247 | 1 247 | 2 200 | 3 450 | 3 350 |
| *Storm water Conveyance* | | 262 | 132 | 3 | 200 | 180 | 180 | 1 250 | 4 200 | 3 500 |
| *Attenuation* | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 8 178 | 9 370 | 29 428 | 38 638 | 36 210 | 36 210 | 47 046 | 49 586 | 45 011 |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *HV Substations* | | 2 031 | 1 513 | 19 795 | 28 438 | 26 105 | 26 105 | 29 241 | 30 668 | 32 171 |
| *HV Switching Station* | | – | – | – | – | – | – | – | – | – |
| *HV Transmission Conductors* | | – | – | – | – | – | – | – | – | – |
| *MV Substations* | | 4 457 | 5 293 | 5 587 | 6 050 | 900 | 900 | 5 900 | 5 900 | 900 |
| *MV Switching Stations* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | 469 | 835 | 1 262 | 1 200 | 2 740 | 2 740 | 3 940 | 3 940 | 2 740 |
| *LV Networks* | | 1 220 | 1 728 | 2 784 | 2 950 | 6 465 | 6 465 | 6 465 | 6 465 | 6 465 |
| *Capital Spares* | | – | – | – | – | – | – | 1 500 | 2 612 | 2 735 |
| Water Supply Infrastructure | | 5 193 | 5 014 | 36 027 | 36 498 | 47 197 | 47 197 | 52 159 | 60 413 | 58 370 |
| *Dams and Weirs* | | – | – | – | – | – | – | – | – | – |
| *Boreholes* | | – | – | – | – | – | – | – | – | – |
| *Reservoirs* | | – | – | – | – | – | – | – | – | – |
| *Pump Stations* | | 83 | 110 | 603 | 675 | 603 | 603 | 617 | 633 | 651 |
| *Water Treatment Works* | | – | 1 372 | 33 367 | 33 023 | 43 526 | 43 526 | 50 042 | 58 180 | 56 118 |
| *Bulk Mains* | | 4 418 | 3 019 | 1 441 | 1 800 | 2 068 | 2 068 | – | – | – |
| *Distribution* | | 692 | 513 | 617 | 1 000 | 1 000 | 1 000 | 1 500 | 1 600 | 1 600 |
| *Distribution Points* | | – | – | – | – | – | – | – | – | – |
| *PRV Stations* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | 4 559 | 12 863 | 35 126 | 55 160 | 25 771 | 25 771 | 24 543 | 28 473 | 29 532 |
| *Pump Station* | | 3 414 | 7 316 | 4 445 | 5 970 | 5 502 | 5 502 | 4 774 | 4 778 | 4 781 |
| *Reticulation* | | 845 | 2 414 | 2 318 | 980 | 921 | 921 | 2 641 | 4 229 | 4 328 |
| *Waste Water Treatment Works* | | 198 | 143 | 24 612 | 44 860 | 16 648 | 16 648 | 14 378 | 16 116 | 16 904 |
| *Outfall Sewers* | | 102 | – | 251 | 150 | – | – | – | – | – |
| *Toilet Facilities* | | – | 2 990 | 3 499 | 3 200 | 2 700 | 2 700 | 2 750 | 3 350 | 3 518 |
| *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 | | – | – | 1 220 | 3 005 | 2 743 | 2 743 | 2 893 | 2 893 | 2 893 |
| *Sand Pumps* | | – | – | – | 1 500 | 1 250 | 1 250 | 1 550 | 1 550 | 1 550 |
| *Piers* | | – | – | – | – | – | – | – | – | – |
| *Revetments* | | – | – | – | – | – | – | – | – | – |
| *Promenades* | | – | – | 1 220 | 1 505 | 1 493 | 1 493 | 1 343 | 1 343 | 1 343 |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| *Data Centres* | | – | – | – | – | – | – | – | – | – |
| *Core Layers* | | – | – | – | – | – | – | – | – | – |
| *Distribution Layers* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **3 228** | **3 264** | **25 467** | **34 633** | **26 176** | **26 176** | **23 598** | **24 600** | **25 654** |
| Community Facilities | | 1 728 | 1 823 | 24 136 | 30 433 | 22 549 | 22 549 | 20 848 | 21 850 | 22 904 |
| *Halls* | | – | – | – | – | – | – | – | – | – |
| *Centres* | | – | – | 948 | – | – | – | – | – | – |
| *Crèches* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *Clinics/Care Centres* | | – | – | – | – | – | – | – | – | – |
| *Fire/Ambulance Stations* | | 179 | 325 | 330 | 354 | 354 | 354 | 354 | 354 | 354 |
| *Testing Stations* | | 12 | 81 | 68 | 75 | 120 | 120 | 50 | 50 | 50 |
| *Museums* | | – | – | – | – | – | – | – | – | – |
| *Galleries* | | – | – | – | – | – | – | – | – | – |
| *Theatres* | | – | – | – | – | – | – | – | – | – |
| *Libraries* | | – | – | – | – | – | – | – | – | – |
| *Cemeteries/Crematoria* | | 247 | 239 | 1 467 | 450 | 1 367 | 1 367 | 1 395 | 1 451 | 1 509 |
| *Police* | | – | – | – | – | – | – | – | – | – |
| *Parks* | | 952 | 857 | 1 170 | 810 | 704 | 704 | 658 | 658 | 658 |
| *Public Open Space* | | 338 | 320 | 20 153 | 28 744 | 20 003 | 20 003 | 18 391 | 19 337 | 20 333 |
| *Nature Reserves* | | – | – | – | – | – | – | – | – | – |
| *Public Ablution Facilities* | | – | – | – | – | – | – | – | – | – |
| *Markets* | | – | – | – | – | – | – | – | – | – |
| *Stalls* | | – | – | – | – | – | – | – | – | – |
| *Abattoirs* | | – | – | – | – | – | – | – | – | – |
| *Airports* | | – | – | – | – | – | – | – | – | – |
| *Taxi Ranks/Bus Terminals* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | 1 500 | 1 441 | 1 332 | 4 200 | 3 627 | 3 627 | 2 750 | 2 750 | 2 750 |
| *Indoor Facilities* | | – | – | – | 2 800 | 2 400 | 2 400 | 1 700 | 1 700 | 1 700 |
| *Outdoor Facilities* | | 1 500 | 1 441 | 1 332 | 1 400 | 1 227 | 1 227 | 1 050 | 1 050 | 1 050 |
| *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** | | **3 712** | **3 718** | **2 364** | **3 494** | **2 809** | **2 809** | **4 385** | **4 385** | **4 385** |
| Operational Buildings | | 3 712 | 3 718 | 2 364 | 3 494 | 2 809 | 2 809 | 4 385 | 4 385 | 4 385 |
| *Municipal Offices* | | 2 945 | 2 778 | 2 046 | 3 194 | 2 509 | 2 509 | 3 985 | 3 985 | 3 985 |
| *Pay/Enquiry Points* | | – | – | – | – | – | – | – | – | – |
| *Building Plan Offices* | | 420 | 407 | 241 | 300 | 300 | 300 | 400 | 400 | 400 |
| *Workshops* | | – | – | – | – | – | – | – | – | – |
| *Yards* | | 95 | 82 | 78 | – | – | – | – | – | – |
| *Stores* | | – | – | – | – | – | – | – | – | – |
| *Laboratories* | | – | – | – | – | – | – | – | – | – |
| *Training Centres* | | – | – | – | – | – | – | – | – | – |
| *Manufacturing Plant* | | – | – | – | – | – | – | – | – | – |
| *Depots* | | 253 | 451 | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| *Staff Housing* | | – | – | – | – | – | – | – | – | – |
| *Social Housing* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| **Intangible Assets** | | – | – | – | 165 | 96 | 96 | 646 | 646 | 646 |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | 165 | 96 | 96 | 646 | 646 | 646 |
| *Water Rights* | | – | – | – | – | – | – | – | – | – |
| *Effluent Licenses* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Licenses* | | – | – | – | – | – | – | – | – | – |
| *Computer Software and Applications* | | – | – | – | 165 | 96 | 96 | 646 | 646 | 646 |
| *Load Settlement Software Applications* | | – | – | – | – | – | – | – | – | – |
| *Unspecified* | | – | – | – | – | – | – | – | – | – |
| **Computer Equipment** | | – | – | – | 335 | 189 | 189 | 170 | 170 | 170 |
| Computer Equipment | | – | – | – | 335 | 189 | 189 | 170 | 170 | 170 |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |

| 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 |
| **Machinery and Equipment** | | 594 | 659 | 595 | 1 367 | 1 256 | 1 256 | 1 316 | 1 316 | 1 316 |
| Machinery and Equipment | | 594 | 659 | 595 | 1 367 | 1 256 | 1 256 | 1 316 | 1 316 | 1 316 |
| **Transport Assets** | | 8 472 | 10 321 | 11 511 | 26 543 | 14 225 | 14 225 | 14 095 | 14 344 | 16 209 |
| Transport Assets | | 8 472 | 10 321 | 11 511 | 26 543 | 14 225 | 14 225 | 14 095 | 14 344 | 16 209 |
| **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 | **47 672** | **52 306** | **171 410** | **231 646** | **187 336** | **187 336** | **206 135** | **233 744** | **236 287** |
| ***R&M as a % of PPE*** | | *2,4%* | *2,6%* | *8,1%* | *10,0%* | *8,0%* | *8,0%* | *8,9%* | *10,4%* | *10,8%* |
| ***R&M as % Operating Expenditure*** | | *4,2%* | *4,2%* | *12,1%* | *14,7%* | *12,1%* | *12,1%* | *22,1%* | *14,4%* | *13,7%* |

*References*

*1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1*

## EC108 Kouga - 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** | | **102 606** | **85 957** | **95 058** | **120 138** | **120 138** | **120 138** | **90 740** | **94 543** | **98 499** |
| **Roads Infrastructure** | | **30 567** | **30 869** | **31 178** | **42 893** | **42 893** | **42 893** | **33 948** | **35 306** | **36 718** |
| Roads | | 30 567 | 30 869 | 30 953 | 42 893 | 42 893 | 42 893 | 33 948 | 35 306 | 36 718 |
| *Road Structures* | | – | – | – | – | – | – | – | – | – |
| *Road Furniture* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | 225 | – | – | – | – | – | – |
| *Storm water Infrastructure* | | 1 985 | 1 815 | 1 550 | 2 064 | 2 064 | 2 064 | 1 633 | 1 699 | 1 767 |
| Drainage Collection | | – | – | – | – | – | – | – | – | – |
| *Storm water Conveyance* | | 1 985 | 1 815 | 1 550 | 2 064 | 2 064 | 2 064 | 1 633 | 1 699 | 1 767 |
| *Attenuation* | | – | – | – | – | – | – | – | – | – |
| *Electrical Infrastructure* | | 8 537 | 7 972 | 8 624 | 14 477 | 14 477 | 14 477 | 11 457 | 11 916 | 12 392 |
| Power Plants | | – | – | – | – | – | – | – | – | – |
| *HV Substations* | | – | – | – | – | – | – | – | – | – |
| *HV Switching Station* | | – | – | – | – | – | – | – | – | – |
| *HV Transmission Conductors* | | – | – | – | – | – | – | – | – | – |
| *MV Substations* | | – | – | – | – | – | – | – | – | – |
| *MV Switching Stations* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | 7 316 | 7 333 | 4 553 | 14 477 | 14 477 | 14 477 | 11 457 | 11 916 | 12 392 |
| *LV Networks* | | – | – | 3 832 | – | – | – | – | – | – |
| *Capital Spares* | | 1 221 | 638 | 238 | – | – | – | – | – | – |
| *Water Supply Infrastructure* | | 23 627 | 19 828 | 22 580 | 21 282 | 21 282 | 21 282 | 12 502 | 13 175 | 13 876 |
| Dams and Weirs | | – | – | 344 | – | – | – | – | – | – |
| *Boreholes* | | – | – | – | – | – | – | – | – | – |
| *Reservoirs* | | – | – | – | – | – | – | – | – | – |
| *Pump Stations* | | – | – | 340 | – | – | – | – | – | – |
| *Water Treatment Works* | | 18 830 | 19 205 | 2 656 | 21 282 | 21 282 | 21 282 | 12 502 | 13 175 | 13 876 |
| *Bulk Mains* | | – | – | – | – | – | – | – | – | – |
| *Distribution* | | – | – | 19 238 | – | – | – | – | – | – |
| *Distribution Points* | | – | – | – | – | – | – | – | – | – |
| *PRV Stations* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | 4 797 | 622 | 2 | – | – | – | – | – | – |
| *Sanitation Infrastructure* | | 32 723 | 21 864 | 29 952 | 36 770 | 36 770 | 36 770 | 29 101 | 30 265 | 31 476 |
| Pump Station | | – | – | – | – | – | – | – | – | – |
| *Reticulation* | | – | – | – | – | – | – | – | – | – |
| *Waste Water Treatment Works* | | 21 936 | 21 571 | 29 909 | 36 770 | 36 770 | 36 770 | 29 101 | 30 265 | 31 476 |
| *Outfall Sewers* | | – | – | – | – | – | – | – | – | – |
| *Toilet Facilities* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | 10 787 | 293 | 42 | – | – | – | – | – | – |
| *Solid Waste Infrastructure* | | 5 167 | 3 609 | 1 174 | 2 651 | 2 651 | 2 651 | 2 098 | 2 182 | 2 270 |
| Landfill Sites | | 5 167 | 3 609 | 1 174 | 2 651 | 2 651 | 2 651 | 2 098 | 2 182 | 2 270 |
| *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* | | – | – | – | – | – | – | – | – | – |
| Community Assets | | 621 | 681 | 1 134 | 472 | 472 | 472 | 374 | 389 | 404 |
| **Community Facilities** | | **621** | **681** | **1 134** | **472** | **472** | **472** | **374** | **389** | **404** |
| Halls | | 621 | 681 | 1 134 | 472 | 472 | 472 | 374 | 389 | 404 |
| *Centres* | | – | – | – | – | – | – | – | – | – |
| *Crèches* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *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 | | – | – | 1 127 | – | – | – | – | – | – |
| **Revenue Generating** | | **–** | **–** | **1 127** | **–** | **–** | **–** | **–** | **–** | **–** |
| Improved Property | | – | – | 1 127 | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| *Non-revenue Generating* | | – | – | – | – | – | – | – | – | – |
| Improved Property | | – | – | – | – | – | – | – | – | – |
| *Unimproved Property* | | – | – | – | – | – | – | – | – | – |
| Other assets | | 13 253 | 3 339 | 624 | 1 721 | 1 721 | 1 721 | 1 362 | 1 416 | 1 473 |
| **Operational Buildings** | | **13 253** | **3 339** | **624** | **1 721** | **1 721** | **1 721** | **1 362** | **1 416** | **1 473** |
| Municipal Offices | | 6 629 | 3 339 | 624 | 1 721 | 1 721 | 1 721 | 1 362 | 1 416 | 1 473 |
| *Pay/Enquiry Points* | | – | – | – | – | – | – | – | – | – |
| *Building Plan Offices* | | – | – | – | – | – | – | – | – | – |
| *Workshops* | | – | – | – | – | – | – | – | – | – |
| *Yards* | | – | – | – | – | – | – | – | – | – |
| *Stores* | | – | – | – | – | – | – | – | – | – |
| *Laboratories* | | – | – | – | – | – | – | – | – | – |
| *Training Centres* | | – | – | – | – | – | – | – | – | – |
| *Manufacturing Plant* | | – | – | – | – | – | – | – | – | – |
| *Depots* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | 6 623 | – | – | – | – | – | – | – | – |
| *Housing* | | – | – | – | – | – | – | – | – | – |
| Staff Housing | | – | – | – | – | – | – | – | – | – |
| *Social Housing* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| *Biological or Cultivated Assets* | | – | – | – | – | – | – | – | – | – |
| **Biological or Cultivated Assets** | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | 266 | 201 | 207 | 586 | 586 | 586 | 464 | 483 | 502 |
| **Servitudes** | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | 266 | 201 | 207 | 586 | 586 | 586 | 464 | 483 | 502 |
| Water Rights | | – | – | – | – | – | – | – | – | – |
| *Effluent Licenses* | | – | – | – | – | – | – | – | – | – |
| *Solid Waste Licenses* | | – | – | – | – | – | – | – | – | – |
| *Computer Software and Applications* | | 266 | 201 | 207 | 586 | 586 | 586 | 464 | 483 | 502 |
| *Load Settlement Software Applications* | | – | – | – | – | – | – | – | – | – |
| *Unspecified* | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | **–** | **18** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |
| **Computer Equipment** | | – | 18 | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | 829 | 836 | 3 082 | 4 630 | 4 630 | 4 630 | 3 664 | 3 811 | 3 963 |
| **Furniture and Office Equipment** | | 829 | 836 | 3 082 | 4 630 | 4 630 | 4 630 | 3 664 | 3 811 | 3 963 |

| 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 |
| Machinery and Equipment | | 1 156 | 1 090 | 1 497 | 1 558 | 1 558 | 1 558 | 1 233 | 1 282 | 1 333 |
| **Machinery and Equipment** | | 1 156 | 1 090 | 1 497 | 1 558 | 1 558 | 1 558 | 1 233 | 1 282 | 1 333 |
| Transport Assets | | 5 988 | 9 347 | 12 569 | 13 317 | 13 317 | 13 317 | 10 540 | 10 961 | 11 400 |
| **Transport Assets** | | 5 988 | 9 347 | 12 569 | 13 317 | 13 317 | 13 317 | 10 540 | 10 961 | 11 400 |
| 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 | 124 718 | 101 469 | 115 298 | 142 422 | 142 422 | 142 422 | 108 376 | 112 885 | 117 574 |

*References*

*1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.*

## EC108 Kouga - 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** | | **5 371** | **23 065** | **66 758** | **43 817** | **76 429** | **76 429** | **20 817** | **8 362** | **31 465** |
| Roads Infrastructure | | – | (23) | 6 456 | 1 000 | 4 536 | 4 536 | 2 477 | – | – |
| *Roads* | | – | (23) | 6 456 | 1 000 | 4 536 | 4 536 | 1 427 | – | – |
| *Road Structures* | | – | – | – | – | – | – | 1 050 | – | – |
| *Road Furniture* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | (0) | 424 | – | – | – | – | – | – |
| *Drainage Collection* | | – | – | – | – | – | – | – | – | – |
| *Storm water Conveyance* | | – | (0) | 424 | – | – | – | – | – | – |
| *Attenuation* | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 2 004 | – | 28 869 | 11 300 | 58 | 58 | – | – | – |
| *Power Plants* | | – | – | – | – | – | – | – | – | – |
| *HV Substations* | | – | – | – | – | – | – | – | – | – |
| *HV Switching Station* | | – | – | – | – | – | – | – | – | – |
| *HV Transmission Conductors* | | – | – | – | – | – | – | – | – | – |
| *MV Substations* | | – | – | 28 869 | 11 300 | 58 | 58 | – | – | – |
| *MV Switching Stations* | | – | – | – | – | – | – | – | – | – |
| *MV Networks* | | 2 004 | – | 0 | – | – | – | – | – | – |
| *LV Networks* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | 240 | 4 386 | 14 181 | 43 795 | 43 795 | 350 | 3 007 | 6 065 |
| *Dams and Weirs* | | – | – | – | – | – | – | – | – | – |
| *Boreholes* | | – | – | – | – | – | – | – | – | – |
| *Reservoirs* | | – | – | – | – | – | – | 350 | – | – |
| *Pump Stations* | | – | – | – | – | – | – | – | – | – |
| *Water Treatment Works* | | – | 240 | 2 010 | 800 | 19 694 | 19 694 | – | – | – |
| *Bulk Mains* | | – | – | 1 246 | 5 649 | 14 651 | 14 651 | – | 3 007 | 6 065 |
| *Distribution* | | – | – | 9 684 | 7 732 | 9 449 | 9 449 | – | – | – |
| *Distribution Points* | | – | – | (8 554) | – | – | – | – | – | – |
| *PRV Stations* | | – | – | – | – | – | – | – | – | – |
| *Capital Spares* | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | 3 367 | 22 848 | 26 622 | 17 336 | 28 040 | 28 040 | 17 990 | 5 356 | 25 400 |
| *Pump Station* | | – | 198 | 759 | 8 130 | 14 564 | 14 564 | 16 965 | 100 | 400 |
| *Reticulation* | | 32 | – | 477 | 278 | 244 | 244 | 80 | 5 256 | 25 000 |
| *Waste Water Treatment Works* | | 3 335 | 22 650 | 25 387 | 8 927 | 13 232 | 13 232 | 945 | – | – |
| *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* | | – | – | – | – | – | – | – | – | – |
| **Community Assets** | | **(0)** | **–** | **1 093** | **1 174** | **1 726** | **1 726** | **6 276** | **3 146** | **–** |
| Community Facilities | | – | – | – | 1 000 | 1 000 | 1 000 | – | – | – |
| *Halls* | | – | – | – | – | – | – | – | – | – |
| *Centres* | | – | – | – | 1 000 | 1 000 | 1 000 | – | – | – |
| *Crèches* | | – | – | – | – | – | – | – | – | – |

| 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 |
| *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 | | (0) | – | 1 093 | 174 | 726 | 726 | 6 276 | 3 146 | – |
| *Indoor Facilities* | | – | – | – | – | – | – | – | – | – |
| *Outdoor Facilities* | | (0) | – | 1 093 | 174 | 726 | 726 | 6 276 | 3 146 | – |
| *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** | | **0** | – | – | – | – | – | **320** | – | – |
| Operational Buildings | | 0 | – | – | – | – | – | 320 | – | – |
| *Municipal Offices* | | 0 | – | – | – | – | – | – | – | – |
| *Pay/Enquiry Points* | | – | – | – | – | – | – | – | – | – |
| *Building Plan Offices* | | – | – | – | – | – | – | – | – | – |
| *Workshops* | | – | – | – | – | – | – | – | – | – |
| *Yards* | | – | – | – | – | – | – | – | – | – |
| *Stores* | | – | – | – | – | – | – | – | – | – |
| *Laboratories* | | – | – | – | – | – | – | – | – | – |
| *Training Centres* | | – | – | – | – | – | – | – | – | – |
| *Manufacturing Plant* | | – | – | – | – | – | – | – | – | – |
| *Depots* | | – | – | – | – | – | – | 320 | – | – |
| *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* | | – | – | – | – | – | – | – | – | – |
| **Computer Equipment** | | – | – | – | – | – | – | 131 | – | – |
| Computer Equipment | | – | – | – | – | – | – | 131 | – | – |
| **Furniture and Office Equipment** | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |

| 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 |
| **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 | **5 371** | **23 065** | **67 851** | **44 991** | **78 155** | **78 155** | **27 543** | **11 509** | **31 465** |
| | | | | | | | | | | |
| ***Upgrading of Existing Assets as % of total capex*** | | *0,0%* | *24,8%* | *44,8%* | *16,9%* | *24,2%* | *24,2%* | *34,1%* | *21,9%* | *59,5%* |
| ***Upgrading of Existing Assets as % of deprecn"*** | | *4,3%* | *22,7%* | *58,8%* | *31,6%* | *54,9%* | *54,9%* | *25,4%* | *10,2%* | *26,8%* |

*References*

*1. Total Capital Expenditure on upgrading of existing assets (SA34e) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital exp*

## EC108 Kouga - Supporting Table SA35 Future financial implications of the capital budget

| Vote Description<br>R thousand | Ref | 2026/27 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | |
|---|---|---|---|---|---|---|---|---|
| | | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Forecast 2029/30 | Forecast 2030/31 | Forecast 2031/32 | Present value |
| **Capital expenditure** | 1 | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | – | – | – | | | | |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 1 500 | – | – | | | | |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | – | – | – | | | | |
| Vote 4 - COMMUNITY SERVICES | | 2 390 | 2 390 | 2 390 | | | | |
| Vote 5 - CIVIL AND WATER SERVICES | | 67 397 | 37 092 | 43 303 | | | | |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 9 374 | 13 096 | 7 180 | | | | |
| Vote 7 - PLANNING AND DEVELOPMENT | | – | – | – | | | | |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | | | | |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | | | | |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | | | | |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | | | | |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | | | | |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | | | | |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | | | | |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | | | | |
| *List entity summary if applicable* | | | | | | | | |
| **Total Capital Expenditure** | | **80 660** | **52 578** | **52 873** | **–** | **–** | **–** | **–** |
| **Future operational costs by vote** | 2 | | | | | | | |
| Vote 1 - OFFICE OF THE MUNICIPAL MANAGER | | 18 677 | 19 324 | 20 012 | | | | |
| Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER | | 141 790 | 151 556 | 160 920 | | | | |
| Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT | | 135 684 | 137 298 | 142 737 | | | | |
| Vote 4 - COMMUNITY SERVICES | | 348 479 | 361 572 | 377 018 | | | | |
| Vote 5 - CIVIL AND WATER SERVICES | | 249 359 | 311 489 | 314 444 | | | | |
| Vote 6 - ELECTRO/MECHANICAL SERVICES | | 601 866 | 646 129 | 704 387 | | | | |
| Vote 7 - PLANNING AND DEVELOPMENT | | 44 062 | 44 837 | 46 766 | | | | |
| Vote 8 - [NAME OF VOTE 8] | | – | – | – | | | | |
| Vote 9 - [NAME OF VOTE 9] | | – | – | – | | | | |
| Vote 10 - [NAME OF VOTE 10] | | – | – | – | | | | |
| Vote 11 - [NAME OF VOTE 11] | | – | – | – | | | | |
| Vote 12 - [NAME OF VOTE 12] | | – | – | – | | | | |
| Vote 13 - [NAME OF VOTE 13] | | – | – | – | | | | |
| Vote 14 - [NAME OF VOTE 14] | | – | – | – | | | | |
| Vote 15 - [NAME OF VOTE 15] | | – | – | – | | | | |
| *List entity summary if applicable* | | | | | | | | |
| **Total future operational costs** | | 1 539 917 | 1 672 205 | 1 766 283 | – | – | – | – |
| **Future revenue by source** | 3 | | | | | | | |
| Exchange Revenue | | 43 348 | 564 561 | 621 017 | | | | |
| Service charges - Electricity | | 518 755 | 564 561 | 621 017 | | | | |
| Service charges - Water | | 126 386 | 133 969 | 142 007 | | | | |
| Service charges - Waste Water Management | | 78 477 | 82 400 | 86 520 | | | | |
| Service charges - Waste Management | | 56 574 | 59 403 | 62 373 | | | | |
| Agency services | | 4 782 | 5 021 | 5 272 | | | | |
| *List other revenues sources if applicable* | | | | | | | | |
| *List entity summary if applicable* | | | | | | | | |
| **Total future revenue** | | 828 322 | 1 409 916 | 1 538 208 | – | – | – | – |
| **Net Financial Implications** | | **792 255** | **314 867** | **280 949** | **–** | **–** | **–** | **–** |

*References*

*1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))*

*2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))*

*3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)*

**EC108 Kouga - Supporting Table SA36 Detailed capital budget**

| R thousand | | | | | | | | | | | | | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| **Parent municipality:** | | | | | | | | | | | | | | | | |
| *List all capital projects grouped by Function* | | | | | | | | | | | | | | | | |

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Parent Capital expenditure** | | | | | | | | | | | | – | – | – | – | – |
| **Entities:** | | | | | | | | | | | | | | | | |
| *List all capital projects grouped by Entity* | | | | | | | | | | | | | | | | |
| **Entity A** | | | | | | | | | | | | | | | | |

| Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Water project A | | | | | | | | | | | | | | | | |
| **Entity B** | | | | | | | | | | | | | | | | |
| Electricity project B | | | | | | | | | | | | | | | | |
| **Entity Capital expenditure** | | | | | | | | | | | | – | – | – | – | – |
| **Total Capital expenditure** | | | | | | | | | | | | – | – | – | – | – |

*References*

*Must reconcile with Budgeted Capital Expenditure*

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Distinquish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13 check 151 442 322 565 80 660 52 578 52 873

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

**EC108 Kouga - Supporting Table SA37 Projects delayed from previous financial year/s**

| R thousand | | | | | | | | | | | | Previous target year to complete | Current Year 2025/26 | | 2026/27 Medium Term Revenue & Expenditure Framework | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Function | Project name | Project number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Lattitude | | Original Budget | Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| **Parent municipality:** | | | | | | | | | | | | | | | | | |
| *List all capital projects grouped by Function* | | | | | | | | | | | | | | | | | |
| **Entities:** | | | | | | | | | | | | | | | | | |
| *List all capital projects grouped by Entity* | | | | | | | | | | | | | | | | | |
| ***Entity Name*** | | | | | | | | | | | | | | | | | |
| *Project name* | | | | | | | | | | | | | | | | | |

*References*

*List all projects with planned completion dates in current year that have been re-budgeted in the MTREF*

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

**EC108 Kouga - Supporting Table SA38 Consolidated detailed operational projects**

| Municipal Vote/Operational project | Ref | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No) | Asset Class | Asset Sub-Class | GPS co-ordinates | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| R thousand | 4 | | | | 6 | | | 5 | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| **Parent municipality:** | | | | | | | | | | | | | | | |
| *List all operational projects grouped by Municipal Vote* | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| Parent operational expenditure | 1 | | | | | | | | | | | – | – | – | |
| Entities: | | | | | | | | | | | | | | | |

| Municipal Vote/Operational project<br>R thousand | Ref<br>4 | Program/Project description | Project number | IDP Goal code 2 | Individually Approved (Yes/No)<br>6 | Asset Class | Asset Sub-Class | GPS co-ordinates<br>5 | Total Project Estimate | Prior year outcomes | | 2026/27 Medium Term Revenue & Expenditure Framework | | | Project information |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | Audited Outcome 2024/25 | Current Year 2025/26 Full Year Forecast | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 | Ward location |
| *List all operational projects grouped by Entity* | | | | | | | | | | | | | | | |
| **Entity A**<br>Water project A | | | | | | | | | | | | | | | |
| **Entity B**<br>Electricity project B | | | | | | | | | | | | | | | |
| **Entity Operational expenditure** | | | | | | | | | | – | – | – | – | – | |
| **Total Operational expenditure** | | | | | | | | | | – | – | – | – | – | |

*References*

*1. Must reconcile with Budgeted Operating Expenditure*

*2. As per Table SA5*

# "ANNEXURE C"

| PROJECT COD | PROJECT DESCRIPTION | FUNDING SOURCE | Draft Annual Budget 2026/27 | Draft Annual Budget 2027/28 | Draft Annual Budget 2028/29 |
|---|---|---|---|---|---|
| **CIVIL AND WATER SERVICES** | | | **R** | **R** | **R** |
| CP26074 | Concrete Mixer | Internal | 80 000 | - | - |
| CP72014 | Re-instatement of Nanto Street and stormwater infrastructure | Internal | 117 722 | - | - |
| CP26066 | Installation of Street Names & Signages- Kwanomzamo | Internal | 60 000 | - | - |
| CP26070 | Provision of Traffic Calming Measures | Internal | 40 000 | - | - |
| CP26009 | Jeffrey's Bay Waste Water Treatment Works Repair of the Recirculation Pond | Internal | 600 000 | - | - |
| CP79023 | Fencing of Sewer Pump Station | Internal | 800 000 | - | - |
| CP26031 | Loerie Waste Water Treatment Works Security Perimeter Lighting | Internal | 1 589 | - | - |
| CP26023 | Hankey Waste Water Treatment Works Security Perimeter Lighting | Internal | 2 384 | - | - |
| CP26019 | St. Francis Bay Waste Water Treatment Works Security Perimeter Lighting | Internal | 3 179 | - | - |
| CP26078 | Upgrading of Depot Sanitation | Internal | 320 000 | - | - |
| CP26022 | Hankey Waste Water Treatment Works Camera Extension | Internal | 3 577 | - | - |
| CP26050 | Patensie Water Treatment Works Security Perimeter Lighting | Internal | 3 020 | - | - |
| CP26072 | Walk Behind Twin Drum Rollers | Internal | 120 000 | - | - |
| CP26004 | Reinstatement of Roads Infrastructure | Internal | 160 000 | - | - |
| CP72019 | Re-instatement of Da Gama Road in the Kabeljous area and stormwater infras | Internal | 96 701 | - | - |
| CP72021 | Sea Vista Access ring road damaged pavement layers | Internal | 70 612 | - | - |
| CP26071 | Bridge & Culvert Repairs | Internal | 600 000 | - | - |
| CP26061 | Roads Reinstatement Equipment and Tools | Internal | 100 000 | - | - |
| CP26015 | Kruisfontein Waste Water Treatment Works Security Perimeter Lighting | Internal | 6 359 | - | - |
| CP26020 | St. Francis Bay Waste Water Treatment Works Chemical Bundwall | Internal | 15 739 | - | - |
| CP26026 | Thornhill Waste Water Treatment Works Camera Extension | Internal | 2 861 | - | - |
| CP26056 | Oyster Bay Water Treatment Works Chemical Reagent Signage | Internal | 3 147 | - | - |
| CP26048 | Gill Marcus Water Treatment Works Chemical Reagent Signage | Internal | 13 771 | - | - |
| CP26053 | Oyster Bay Water Treatment Works Camera Extension | Internal | 1 907 | - | - |
| CP26045 | Gill Marcus Water Treatment Works Camera Extension | Internal | 8 346 | - | - |
| CP26034 | Jeffrey's Bay Water Treatment Works Camera Extension | Internal | 25 039 | - | - |
| CP26080 | Fountains Reservoirs Additional Storage Capacity (Planning Phase) | Internal | 350 000 | - | - |
| CP72016 | Re-instatement of Phillip Street low level water crossing bridge | Internal | 152 321 | - | - |
| CP72013 | Re-instatement of Ketse Street and stormwater infrastructure | Internal | 104 973 | - | - |
| CP26025 | Hankey Waste Water Treatment Works Chemical Reagent Signage | Internal | 5 902 | - | - |
| CP26028 | Thornhill Waste Water Treatment Works Chemical Bundwall | Internal | 9 443 | - | - |
| CP26046 | Gill Marcus Water Treatment Works Security Perimeter Lighting | Internal | 5 564 | - | - |

| | | | | | |
|---|---|---|---|---|---|
| CP26055 | Oyster Bay Water Treatment Works Chemical Bundwall | Internal | 6 295 | - | - |
| CP26044 | Hankey Water Treatment Works Chemical Reagent Signage | Internal | 31 478 | - | - |
| CP26057 | St. Francis Bay Water Treatment Works Camera Extension | Internal | 14 308 | - | - |
| CP26042 | Hankey Water Treatment Works Camera Extension | Internal | 19 077 | - | - |
| CP_54 | Furniture and equipment | Internal | 180 000 | - | - |
| CP26075 | Construction Work Signage | Internal | 50 000 | - | - |
| CP72018 | Re-instatement of Sherley Street | Internal | 141 906 | - | - |
| CP26017 | Kruisfontein Waste Water Treatment Works Chemical Reagent Signage | Internal | 15 739 | - | - |
| CP26030 | Loerie Waste Water Treatment Works Camera Extension | Internal | 2 384 | - | - |
| CP26047 | Gill Marcus Water Treatment Works Chemical Bundwall | Internal | 27 543 | - | - |
| CP26049 | Patensie Water Treatment Works Camera Extension | Internal | 4 531 | - | - |
| CP26079 | Jeffrey's Bay Replacement of Distribution System | Internal | 2 000 000 | - | - |
| CP26073 | Plate Compactors | Internal | 50 000 | - | - |
| CP26027 | Thornhill Waste Water Treatment Works Security Perimeter Lighting | Internal | 1 907 | - | - |
| CP26032 | Loerie Waste Water Treatment Works Chemical Bundwall | Internal | 7 869 | - | - |
| CP26016 | Kruisfontein Waste Water Treatment Works Chemical Bundwall | Internal | 31 478 | - | - |
| CP26018 | St. Francis Bay Waste Water Treatment Works Camera Extension | Internal | 4 769 | - | - |
| CP26052 | Patensie Water Treatment Works Chemical Reagent Signage | Internal | 7 476 | - | - |
| CP26058 | St. Francis Bay  Water Treatment Works Security Perimeter Lighting | Internal | 9 538 | - | - |
| CP26060 | St. Francis Bay Water Treatment Works Chemical Reagent Signage | Internal | 23 608 | - | - |
| CP26043 | Hankey Water Treatment Works Chemical Bundwall | Internal | 62 957 | - | - |
| CP26040 | Humansdorp Water Treatment Works Chemical Bundwall | Internal | 74 761 | - | - |
| CP26067 | Installation of Street Names & Signages- Pellsrus | Internal | 60 000 | - | - |
| CP26083 | Design and Upgrade of Canals | Internal | 410 000 | - | - |
| CP26029 | Thornhill Waste Water Treatment Works Chemical Reagent Signage | Internal | 4 721 | - | - |
| CP26033 | Loerie Waste Water Treatment Works Chemical Reagent Signage | Internal | 3 934 | - | - |
| CP26011 | Kwanomzamo Waste Water Treatment Works Security Perimeter Lighting | Internal | 7 949 | - | - |
| CP26013 | Kwanomzamo Waste Water Treatment Works Chemical Reagent Signage | Internal | 19 674 | - | - |
| CP26008 | Jeffrey's Bay Waste Water Treatment Works Chemical Reagent Signage | Internal | 31 478 | - | - |
| CP26054 | Oyster Bay Water Treatment Works Security Perimeter Lighting | Internal | 1 271 | - | - |
| CP26082 | Hankey Water Treatment Works Security Perimeter Lighting | Internal | 12 718 | - | - |
| CP26041 | Humansdorp Water Treatment Works Chemical Reagent Signage | Internal | 37 380 | - | - |
| CP26036 | Jeffrey's Bay Water Treatment Works Chemical Bundwall | Internal | 82 631 | - | - |
| CP72020 | George Road, Re-instatement of Embankment, Water & Stormwater network | Internal | 69 453 | - | - |
| CP72017 | Re-instatement of Mountain Road and upgrade of stormwater culvert | Internal | 84 295 | - | - |
| CP26005 | Reinstatements of Stormwater Infrastructure | Internal | 400 000 | - | - |
| CP26065 | Installation of Street Names & Signages-Gamtoos Valley | Internal | 62 820 | - | - |
| CP26062 | Roads Resealing & Maintenance | Internal | 625 000 | - | - |
| CP26021 | St. Francis Bay Waste Water Treatment Works Chemical Reagent Signage | Internal | 7 869 | - | - |

| | | | | | |
|---|---|---|---|---|---|
| CP26024 | Hankey Waste Water Treatment Works Chemical Bundwall | Internal | 11 804 | - | - |
| CP26012 | Kwanomzamo Waste Water Treatment Works Chemical Bundwall | Internal | 39 348 | - | - |
| CP26010 | Kwanomzamo Waste Water Treatment Works Camera Extension | Internal | 11 923 | - | - |
| CP26051 | Patensie Water Treatment Works Chemical Bundwall | Internal | 14 952 | - | - |
| CP26038 | Humansdorp Water Treatment Works Camera Extension | Internal | 22 655 | - | - |
| CP26077 | Tools & Equipment | Internal | 120 000 | - | - |
| CP72015 | Re-instatement of Meyer Street and stormwater infrastructure | Internal | 92 447 | - | - |
| CP26006 | La Mer: Construction of New Sewer Rising Main | Internal | 344 883 | - | - |
| CP26064 | Seekoei Estuary Causeway - Rock revetment pilot / height restrictions / signag | Internal | 25 000 | - | - |
| CP26063 | Jeffrey's Bay CBD Precinct Upgrades | Internal | 52 350 | - | - |
| CP26068 | Installation of Street Names & Signages- St Francis Bay | Internal | 62 820 | - | - |
| CP26069 | Construction of Sidewalks& Accessible Pedestrian Walkways | Internal | 478 592 | - | - |
| CP72023 | Umzamowethu SW Management Plan | Internal | 380 000 | - | - |
| CP26007 | Jeffrey's Bay Waste Water Treatment Works Chemical Bundwall | Internal | 62 957 | - | - |
| CP26014 | Kruisfontein Waste Water Treatment Works  Camera Extension | Internal | 9 538 | - | - |
| CP26039 | Humansdorp Water Treatment Works Security Perimeter Lighting | Internal | 15 103 | - | - |
| CP26035 | Jeffrey's Bay Water Treatment Works Security Perimeter Lighting | Internal | 16 693 | - | - |
| CP26037 | Jeffrey's Bay Water Treatment Works Chemical Reagent Signage | Internal | 41 315 | - | - |
| CP26059 | St. Francis Bay  Water Treatment Works Chemical Bundwall | Internal | 47 217 | - | - |
| CP26076 | Refurbishment of Depot & Storage Facilities | Internal | 300 000 | - | - |
| CP72002 | Upgrading of Kouga Gravel Roads | MIG | 10 337 345 | 5 962 162 | 7 496 913 |
| CP56003 | Specialized Waste Management Vehicles | MIG | 1 530 899 | 3 741 043 | 3 741 043 |
| CP56002 | Upgrade of Phillipsville Sportsfield | MIG | 6 275 776 | 3 146 421 | - |
| CP78004 | Jeffreys Bay: Upgrade of Ocean View Sewer Pipe | MIG | 6 123 132 | - | - |
| CP78022 | Arcadia Street: Refurbishment of Sewer Pump Station | MIG | 2 623 984 | - | - |
| CP78003 | La Mer: Construction of New Sewer Rising Main | MIG | 80 000 | 5 255 681 | 25 000 000 |
| CP98029 | Infrastructure Management Plan | MIG | 583 689 | - | - |
| CP26003 | Johnsons Ridge :New Waterborne Sanitation Infrastructure | MIG | - | 8 173 602 | - |
| CP78023 | Refurbishment of Queen Street Sewer Pump Station | MIG | - | 2 688 000 | - |
| CP78010 | Kwanomzamo: New Sewer Pump Station & Rising Main - Bulk Sanitation | USIP | 15 965 217 | - | - |
| CP26097 | GP EIA & Internal Reticulation Design | USIP | 1 679 361 | - | - |
| OP72010 | St Francis Bay: Replacement of Waterpipe | WSIG | 200 000 | 400 000 | 300 000 |
| CP72007 | Beach Sewer Pump Station and New Sewer Bypass | WSIG | 1 000 000 | 100 000 | 400 000 |
| CP5_WAT | St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing) | WSIG | 200 000 | 400 000 | 300 000 |
| CP26001 | Kwanomzamo Bulk Water | WSIG | 10 074 782 | 4 218 529 | - |
| CP26002 | Kwanomzamo Bulk Sewer | WSIG | - | 3 006 688 | 6 065 406 |
| | | | **67 396 755** | **37 092 126** | **43 303 362** |
| | **COMMUNITY SERVICES** | | | | |
| FT911 | Fire Services - Vehicle (District) | District | 955 034 | 955 034 | 955 034 |

| | | | | | |
|---|---|---|---|---|---|
| CP_4 | Computer Equipment | Library Grant | 1 043 478 | 1 043 475 | 1 043 475 |
| CP_54 | Furniture and equipment | Library Grant | 391 305 | 391 305 | 391 305 |
| | | | **2 389 817** | **2 389 814** | **2 389 814** |
| | **ELECTRO/MECHANICAL SERVICES** | | | | |
| CP19004 | Electrification of 1250 houses in Kouga | INEP | 5 026 086 | 6 869 565 | 7 180 000 |
| CP19005 | Design of New High Mast Lights - Construction | MIG | 4 347 826 | 6 226 046 | - |
| | | | **9 373 912** | **13 095 611** | **7 180 000** |
| | **OFFICE OF THE DEPUTY MUNICIPAL MANAGER** | | | | |
| CP_4 | Computer Equipment | Internal | 1 500 000 | - | - |
| | | | **1 500 000** | **-** | **-** |
| | | | | | |
| | **TOTAL** | | **80 660 484** | **52 577 551** | **52 873 176** |
| | | | 80 660 484 | 52 577 551 | 52 873 176 |
| | | | - | - | - |

ANNEXURE “D”

KOUGA
local municipality
Good Governance through Service Excellence

# DRAFT TARIFFS 2026/27

# ELECTRO AND MECHANICAL SERVICES

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | Increase/Decrease % |
|---|---|---|---|---|---|
| **ELECTRICITY** | | | | | |
| **Foreword** | | | | | |
| The tariffs and charges given hereafter are subject to revision from time to time and confirmation thereof must be obtained from the Electrical Department. | | | | | |
| **Abbreviations** | | | | | |
| A – Ampere | | | | | |
| ADMD – After Diversity Maximum Demand (BDMD x Diversity) | | | | | |
| BDMD - Before Diversity Maximum Demand (usually at supply meter) | | | | | |
| EBSST – Electricity Basic Support Services Tariff | | | | | |
| ERU – Equivalent Residential Unit | | | | | |
| FBE – Free Basic Electricity | | | | | |
| kWh – Kilowatt-hour or also referred to as units | | | | | |
| kvarh – Reactive kilovolt-ampere-hour | | | | | |
| kVA – kilovolt-ampere | | | | | |
| kV – kilovolt | | | | | |
| NERSA – National Energy Regulator of South Africa | | | | | |
| NMD – Notified Maximum Demand | | | | | |
| PF – Power Factor | | | | | |
| R – Rand | | | | | |
| TEE – Town Electrical Engineer or Head of Electrical Department | | | | | |
| TOU – Time of Use | | | | | |
| V – Volt | | | | | |
| **Definitions** | | | | | |
| **(Active) Energy Charge**<br>Charge per kWh of electrical energy supplied in the month. The Active Energy Charge for TOU tariffs is differentiated into high-demand (June to August) and low-demand (September to May) seasons | | | | | |
| **Council**<br>Kouga Municipal Council | | | | | |
| **Environmental Levy**<br>A government levy charged on electricity produced by non- renewable generators. It is applied to the total kWh supplied to the customer in the month. This levy is included | | | | | |
| **Equivalent Residential Unit**<br>Is considered to be a Residential Consumer with a 45 Amps single phase (10,35kVA) supply at 230 Volts nominal. | | | | | |
| **Free Basic Electricity**<br>50 Free units per month of electricity are given to consumers who qualify for the Electricity Basic Support Services Tariff in terms of Council's policy. These units are only applicable to the first purchase every month, and are not transferable from one month to another. | | | | | |
| **Municipality**<br>Kouga Municipality | | | | | |
| **Maximum demand** -<br>The highest averaged demand measured in kVA during a 30 minute integrating period during all time periods. | | | | | |
| **Network Access Charge**<br>Charge payable per month for the highest of either the NMD | | | | | |
| **Network Demand Charge**<br>**C**harge payable per month for the chargeable demand supplied per month. No Network Demand Charge is applicable during Off-peak periods for TOU tariff. | | | | | |
| **Notified Maximum Demand**<br>The maximum demand notified in writing by the Customer and accepted by the Municipality. | | | | | |
| **Power factor**<br>The ratio of kW to kVA measured over the same integrating period. | | | | | |
| **Single phase supply**<br>A 50Hz AC supply at 230V rms phase to neutral. The neutral carries the full load current. | | | | | |
| **Three phase supply**<br>A 50Hz AC supply at 230V rms phase to neutral; 400V rms phase-to-phase (120 degree phase displacement). | | | | | |
| **Time-of-Use (TOU) tariff**<br>A tariff that has different energy rates for the same tariff component during different time periods (peak, standard and off-peak) and seasons (high and low demand) in | | | | | |
| **Reactive Energy Charge**<br>Charge applicable for every kvarh registered in excess of 30% (0,96 PF) of the kWh supplied during Peak and Standard periods. The excess reactive energy is determined per | | | | | |
| | | | | | |
| **Availability Charge -Vacant Stands** | | | | | |
| Charges applicable to erven that are not connected to the electricity supply network, but which could reasonably be connected to the network: | | | | | |
| Residential (per annum) | 4 689 | 703 | 5 392 | 4 402 | 6,50% |
| Commercial (per annum) | 9 743 | 1 461 | 11 204 | 9 148 | 6,50% |

| | | | | | |
|---|---|---|---|---|---|
| **Connection Fees** | | | | | |
| i) Single Phase | 13 960 | 2 094 | 16 054 | 13 108 | 6,50% |
| ii) Three Phase | Cost + 20% | | Cost + 20% | Cost + 20% | |
| iii) Other Connections | Cost + 20% | | Cost + 20% | Cost + 20% | |
| **Temporary Connection** | 1 045 | 157 | 1 201 | 981 | 6,50% |
| i) Normal connection fee (See above) **PLUS** | | | | | |
| Non refundable surcharge/extra cost | | | | | |
| iv) **Upgrade existing connection** | Cost + 20% | Cost + 20% | Cost + 20% | Cost + 20% | |
| | | | | | |
| **A Transformer Fee and/or an Augmentation Levy will be payable in addition to the Transformer Fee** | | | | | |
| The Transformer Fee is the pro-rata contribution a Developer or Consumer makes towards sharing the cost of an existing distribution substation of which some of the spare transformer capacity is utilised to make the supply available.<br>The Transformer Fee is a cost per kVA and is based on the additional kVA required by an existing consumer over and above the present supply capacity, or the total kVA required by a new Development less the existing | Sundry Amounts | Sundry Amounts | Sundry Amounts | Sundry Amounts | Sundry Amounts |
| | | | | | |
| The kVA charge is based on the cost of a typical substation, i.e. average size 315kVA miniature substation including an 11kV ring main unit, plinth and earthing.<br>The cost also includes the installation cost and municipal planning and administration charges. It further assumes that the average supply capacity is 80% of the substation's rating.<br>The cost per kVA is therefore equal to the substation cost divided by 80% of 315kVA. | | | | | |
| | | | | | |
| After an application has been received, the Electrical Department will calculate the required kVA on which the charge will be applied.<br>The required kVA will be based on the Developer or Consumer's After Diversity Maximum Demand (ADMD) at substation level. | | | | | |
| | | | | | |
| Based on substation cost | 782 704 | 117 406 | 900 109 | 734 933 | 6,50% |
| Charge per kVA | 3 093 | 464 | 3 557 | 2 904 | 6,50% |

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | Increase/Decrease % |
|---|---|---|---|---|---|
| **Augmentation Levy** | | | | | |
| The Augmentation Levy is a new Development's contribution towards the upgrading of Kouga Municipality's Primary Electricity Distribution Network to make provision for the load which this development will impose on it. Developments for which the levy shall apply are:<br>● Major developments<br>● Small townships and minor developments<br>● Minor subdivisions and applications for an increased supply | | | | | |
| | | | | | |
| The Primary Network is taken to comprise those parts of the network whose function it is to deliver electrical energy from the Eskom Point of Supply to the various load centres within the Municipality's licensed area of supply. | | | | | |
| | | | | | |
| The key principles for applying the Augmentation Levy are: | | | | | |
| ● Private developments must not place any financial burden on existing residents and consumers. | | | | | |
| ● Developers must be treated fairly and neither they, nor residents in new townships should be made to subsidise existing residents. | | | | | |
| | | | | | |
| In calculating the levy, the aim is to establish an equivalent average charge per Equivalent Residential Unit (ERU). | | | | | |
| The average cost per ERU is determined by pricing a model of the Primary Network, which is as close as possible to the actual network, and then divide it by the ERU's it can | | | | | |
| The total charge to the Development will be the calculated number of ERU's of the Development multiplied by the Charge/ERU. | | | | | |
| An ERU is considered to be a Residential Consumer with a 45 Amps single phase (10,35kVA) supply at 230 Volts nominal. | | | | | |
| The Factors/Formulae used to calculate the number of ERU's are contained in the following table | | | | | |
| | | | | | |
| **Domestic Erf/Consumer: (20A to 60A)** | | | | | |
| **New Developments:** | | | | | |
| BDMD = 45A (10,35 kVA) single phase | 1 | | | | |
| BDMD > or < 45A single phase but limit to 60A | Amps Required÷ 45 | | | | |
| BDMD = 45A three phase | 3 | | | | |
| BDMD > or < 45A three phase but limit to 60A | Amps per phase ÷ ( 45 x 3) | | | | |
| | | | | | |
| **Existing Consumers:** | | | | | |
| Upgrade from tariff circuit breaker 60A single phase to 60A three phase | 2 | | | | |
| | | | | | |
| **Commercial Erf/Consumer: (60A to 100A)** | | | | | |
| **New Developments:** | | | | | |
| BDMD = 45A single phase | 1 x 0.5 Nf = 0.5 | | | | |
| BDMD > or < 45A but limit to 60A single phase | (Amps required) ÷ (45 x 0.5 Nf) | | | | |
| BDMD = 45A three phase | 3 x 0.5 Nf = 0.5 | | | | |
| BDMD > or < 45A but limit to 100A three phase | (Amps per phase required) | | | | |
| | | | | | |
| **Existing Consumers:** | | | | | |
| Upgrade from tariff circuit breaker ≤ 60A single phase to ≥ 30A but ≤ 100A three phase | (Amps per phase required) ÷ ((45 x 3 x 0.5 Nf)-0.5) | | | | |
| Upgrade from tariff circuit breaker ≥ 30A three phase to ≤ 100A three phase | (Amps per phase required) ÷ ((45 x 3 x 0.5 Nf)-0.5) | | | | |
| | | | | | |
| **Bulk Supply Erf/Consumer (> 69 kVA)** | | | | | |
| Increase Notified Demand | (((New Notified Demand(kVA) - Notified Demand agreed) x Nf)) ÷ (10.35 x Df) | | | | |
| New Developments: | (Notified Demand(kVA) x Nf) ÷ (10.35 x Df) | | | | |

45 - ERU amps (10,35 kVA)

3 - No of Phases

0,5 - Average Network Factor for commercial consumers

Commercial and Bulk Supply consumers to take into account that their peak demand may not coincide with the peak demand on the core network.
For Commercial consumers this was taken as an average of 0,5. No value is given for the Network Factor (Nf) for Bulk Supply Consumers since this varies substantially depending on the type of load, and since there are fewer Consumers in this category it is not fair to use an average value.
The limits will, however, be between 0,5 for say a commercial/industrial type of development with 50% of its peak load coinciding with the core network peak, and 1 (one) for say a domestic development where 100% of its peak load coincides with the core network's peak. The value for a particular development can, however, be anywhere between these limits and will be determined by the Head of the Electrical Department or his appointed Consulting Engineer.

Df - Diversity Factor between BDMD and ADMD determined by Head of the Electrical Department or his appointed Consulting Engineer.
The Df depends on the quantity and type of individual loads connected to the Bulk Supply Point. The following Df's are given as a guide:

**For Domestic Developments**

≤ 69 kVA Notified Demand = 1Df
> 69 kVA Notified Demand but ≤ 80 kVA = 0,75 Df
> 80 kVA Notified Demand but ≤ 100 kVA = 0,58 Df
> 100 kVA Notified Demand but ≤ 200 kVA = 0,38 Df
> 200 kVA Notified Demand = 0,3 Df

**For Commercial Developments**

Use same Df's as Domestic but for "Notified Demand" in formula use Demand after taking Nf into account, i.e. Actual Notified Demand x Nf.
For most commercial developments this will be Actual Notified Demand x 0,5

BDMD - Before Diversity Maximum Demand (usually at supply meter)

ADMD - After Diversity Maximum Demand (BDMD x Df)

The charge per ERU is determined annually at the beginning of each financial year by Treasury with the assistance of the Electrical Department.

The conditions for paying the Augmentation Levy are defined elsewhere.

| | | | | | |
|---|---|---|---|---|---|
| Standard / conventional charge per ERU | 15 623 | 2 343 | 17 966 | 14 669 | 6,50% |
| ERU cost where the NotIfied Maximum Demand is within 15% or over the capacity the town is restricted by Eskom, a surcharge of 15% of the augementation is to be added | | | | | |
| Special case – To be determined by TEE. | By TEE | | | By TEE | By TEE |
| **Consumer Deposits** | | | | | |
| Temporary Connections ( Non-Refundable on Structural Approval) | 2 306 | No VAT Implications | 2 306 | 2 166 | 6,50% |
| **Domestic** | | | | | |
| Owners | 3 001 | No VAT Implications | 3 001 | 2 818 | 6,50% |
| Prepaid (Economic) | 3 184 | No VAT Implications | 3 184 | 2 990 | 6,50% |
| **Commercial** | | | | | |
| Small | 4 722 | No VAT Implications | 4 722 | 4 434 | 6,50% |
| Medium | 7 065 | No VAT Implications | 7 065 | 6 634 | 6,50% |
| Large | 14 107 | No VAT Implications | 14 107 | 13 246 | 6,50% |

or equal to one month's account as rendered or as determined by the CFO calculated on the average of the account.

## Domestic Consumer Tariffs

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker sizes not in excess of 60A single phase or 60A three phase. Should Consumers require supplies in excess hereof, the

Where the Municipality has agreed to install more than one prepayment meter on an erf, for example a block of flats, group housing scheme or granny flat, the Owner or the Body Corporate will take responsibility to maintain and insure the complete network inside the boundaries of the erf, and each consumer (meter point) will be separately charged as per the appropriate tariff as detailed below, which includes the Basic Charge where applicable.

The Basic Charge (e.g. if there are 10 consumers, it will be 10 x the Basic Charge) will be invoiced on the monthly rates and taxes account of the Owner or Body Corporate, who will in return recover this from the respective Consumers.

The total capacity made available to such an erf may not increase beyond the original design allowance for the specific erf on the network supplying the immediate area.

Should more capacity be required, an application must be made to upgrade the specific supply, in which case the normal charges will become payable, ie. Upgrading Fee,

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | Increase/Decrease % |
|---|---|---|---|---|---|
| **Domestic Prepaid** | | | | | |
| **Domestic Prepaid Low 20A Single Phase Supply** | | | | | |
| This tariff is for consumers who qualify for the EBSST in terms of Council's policy. The supply circuit breaker for these consumers is limited to 20A. Energy Charge per kWh | | | | | |
| **With** FBE | | | | | |
| Block 1 : 0 - 50kWh | | | | 0 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 :> 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| **Without** FBE | | | | | |
| Block 1 : 0 - 50kWh | 1,994263801 | 0,29913957 | 2,293403372 | 1,8294 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 :> 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| **Domestic Prepaid High 60A (Single Phase Supply)** | | | | | |
| This tariff is for consumers who qualify for the EBSST in terms of Council's policy. The supply circuit breaker size is 60A. The Basic Charge is invoiced on the monthly rates and | | | | | |
| **With** FBE | | | | | |
| Basic Charge per Month | 364,416776 | 54,6625164 | 419,0792924 | 334,30 | 9,01% |
| Energy Charge per kWh | | | | | |
| Block 1 : 0 - 50kWh | 0 | 0 | 0 | 0 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 : > 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| **Without** FBE | | | | | |
| Basic Charge per Month | 364,416776 | 54,6625164 | 419,0792924 | 334,30 | 9,01% |
| Energy Charge per kWh | | | | | |
| Block 1 : 0 - 50kWh | 1,994263801 | 0,29913957 | 2,293403372 | 1,8294 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 : > 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| **Domestic Prepaid High 60A (Three Phase Supply)** | | | | | |
| The supply circuit breaker size is 60A. The Basic Charge is invoiced on the monthly rates and taxes account. | | | | | |
| **Without** FBE | | | | | |
| Basic Charge per Month | 1020,347309 | 153,0520964 | 1173,399405 | 936,01 | 9,01% |
| Energy Charge per kWh | | | | | |
| Block 1 : 0 - 50kWh | 1,994263801 | 0,29913957 | 2,293403372 | 1,8294 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 : > 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| All approved pre-paid SSEG customers who opt for this tariff will be required to have a four quadrant meter installed at their cost. They will however not be credited for units fed into the municipal grid. | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Domestic Conventional** | | | | | |
| Meters are generally read once a month. Estimated charges are raised in months during which no meter readings can be taken and these are thereafter adjusted when actual consumption is charged for. | | | | | |
| | | | | | |
| **Domestic Conventional High 60A (Single Phase Supply)** | | | | | |
| Basic Charge per Month | 455,5086802 | 68,32630203 | 523,8349822 | 417,86 | 9,01% |
| Energy Charge per kWh | | | | | |
| Block 1 : 0 - 50kWh | 1,994263801 | 0,29913957 | 2,293403372 | 1,8294 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 : > 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |
| | | | | | |
| **Domestic Conventional High 60A (Three Phase Supply)** | | | | | |
| Basic Charge per Month | 1275,446426 | 191,3169639 | 1466,76339 | 1170,03 | 9,01% |
| Energy Charge per kWh | | | | | |
| Block 1 : 0 - 50kWh | 1,994263801 | 0,29913957 | 2,293403372 | 1,8294 | 9,01% |
| Block 2 : 51 - 350kWh | 2,603960154 | 0,390594023 | 2,994554177 | 2,3887 | 9,01% |
| Block 3 : 351 - 600kWh | 3,715202731 | 0,55728041 | 4,272483141 | 3,4081 | 9,01% |
| Block 4 : > 600kWh | 4,470410167 | 0,670561525 | 5,140971692 | 4,1009 | 9,01% |

This tariff covers the supply of electricity to shops, office buildings, hotels, B & B's, clubs,industrial undertakings, Temporary supplies or similar premises with circuit breaker sizes not in excess of 60A single phase or 100A three phase.

| | | | | | |
|---|---|---|---|---|---|
| **Commercial Prepaid 60A** | | | | | |
| | | | | | |
| **Single Phase Supply** | | | | | |
| Energy Charge per kWh | 4,405520089 | 0,660828013 | 5,066348103 | 4,0414 | 9,01% |
| | | | | | |
| **Three Phase Supply** | | | | | |
| Energy Charge per kWh | 4,405520089 | 0,660828013 | 5,066348103 | 4,0414 | 9,01% |

**Commercial Tariffs**

Meters are generally read once a month. Estimated charges are raised in months during which no meter readings can be taken and these are thereafter adjusted when actual consumption is charged for. All approved commercial conventional SSEG customers who opt for this tariff will be required to have a four quadrant meter installed at their cost. They will however not be credited for units fed into the municipal grid. If the customer want to feed back to the municipality grid they subjected to Time of Use (TOU) Tariff

| | | | | | |
|---|---|---|---|---|---|
| **Commercial Conventional 60A (Single Phase Supply)** | | | | | |
| Basic Charge per Month | 998,2994305 | 149,7449146 | 1148,044345 | 915,79 | 9,01% |
| Energy Charge per kWh | **3,186127383** | **0,477919108** | **3,664046491** | 2,92 | 9,01% |
| | | | | | |
| **Commercial Conventional 60A (Three Phase Supply)** | | | | | |
| Basic Charge per Month | 2795,742287 | 419,361343 | 3215,10363 | 2 564,67 | 9,01% |
| Energy Charge per kWh | 3,186127383 | 0,477919108 | 3,664046491 | 2,92 | 9,01% |
| **Commercial Conventional 100A (Three Phase Supply)** | | | | | |
| Basic Charge per Month | 4658,763448 | 698,8145173 | 5357,577966 | 4 273,70 | 9,01% |
| Energy Charge per kWh | 3,186155281 | 0,477923292 | 3,664078573 | 2,92 | 9,01% |

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | Increase/Decrease % |
|---|---|---|---|---|---|
| **Bulk Supply** | | | | | |
| **Industrial Consumer Tariffs** | | | | | |
| **Normal Bulk** | | | | | |
| The Bulk Supply tariff is for Consumers with a notified maximum demand of minimum 69kVA or who require a supply greater than a 100Amp three phase circuit breaker size. The Notified Maximum Demand (NMD) is the maximum demand notified in writing by the Consumer and accepted by the Municipality. The Network Demand Charge is payable per month for the demand supplied (maximum demand reading). The Network Access Charge is payable per month based on the highest of either the notified maximum demand (min. 69kVA) or the highest maximum demand reading during the previous rolling 12 month period. 'The Reactive Energy Charge is applied to kVArh in excess of 30% (0,96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season.<br>The following conditions should be applicable to the TOU tariff:<br>• Industrial / bulk consumers with a minimum notified demand of 69kVA, and who are able to manage their energy consumption according to Eskom's specified time schedule, i.e. Peak, Standard and Off-Peak, for "Megaflex" tariff.<br>• Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost.<br>• Where existing Consumers consider conversion to TOU, it will be the Consumers' responsibility to do a tariff study to the satisfaction of the Director: Infrastructure and Engineering.<br>• At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented.<br>• A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter.<br>Should the Consumer's NMD be exceeded for more than two months, the consumers supply capacity and Augmentation Levy must be reviewed and an Excess Network Access Charge (E-NAC) will become payable. The amount payable through an E-NAC after exceeding for more than two months = (Number of times the NMD is exceeded based on a rolling 12 months) x (the portion of the demand exceeding the NMD) x (Network Access Charge). This charge is over and above the normal Network Access Charge. All approved Normal and Industrial bulk SSEG customers who opt for this tariff will be required to have a four quadrant meter installed at their cost. They will however not be credited for units fed into the municipal grid. If the customer want to feed back to the municipality grid they subjected to Time of Use (TOU) Tariff. | | | | | |
| **Industrial Normal Bulk** | | | | | |
| **Low Voltage (<500V)** | | | | | |
| Commercial Consumers that are metered in bulk at 400/230 volt with an installed capacity of 500kVA or less. | | | | | |
| Monthly Basic Charge | 1833,488803 | 275,0233204 | 2108,512123 | 1681,95 | 9,01% |
| Monthly Network Demand Charge (kVA) | 480,665875 | 72,09988125 | 552,7657563 | 440,94 | 9,01% |
| Monthly Network Access Charge (kVA) | 72,374558 | 10,8561837 | 83,2307417 | 66,39 | 9,01% |
| Energy Charge per Unit (kWh) | 1,63245246 | 0,244867869 | 1,877320329 | 1,4975 | 9,01% |
| **High Voltage (> 500V and < 66kV)** | | | | | |
| Commercial Consumers that are metered in bulk at 11kV or 22kV, provided the consumer maintains and insures all equipment between the meter and the load. | | | | | |
| Monthly Basic Charge | 1833,144689 | 274,9717033 | 2108,116392 | 1681,63 | 9,01% |
| Monthly Network Demand Charge (kVA) | 442,22342 | 66,333513 | 508,556933 | 405,67 | 9,01% |
| Monthly Network Access Charge (kVA) | 66,59835792 | 9,989753688 | 76,58811161 | 61,09 | 9,01% |
| Energy Charge per Unit (kWh) | 1,615984145 | 0,242397622 | 1,858381767 | 1,4824 | 9,01% |
| **Time of Use (TOU) Tariffs (Megaflex)** | | | | | |
| This tariff is for consumers with a minimum notified demand of 60kVA or who require a supply greater than 100A three phase circuit breaker size, and who are able to | | | | | |
| Consumers must have the necessary electronic metering equipment installed and correctly programmed for this tariff at their cost. | | | | | |
| Where existing Consumers consider conversion to TOU, it will be the the Consumer's responsibility to do a tariff study. | | | | | |
| At least 6 months TOU data (3 x high demand season and 3 x low demand season) must be available before the conversion can be implemented. | | | | | |
| A change of tariff will apply for a minimum period of 12 months with three months mutual notice thereafter. Meters are generally read once a month. Estimated charges are raised in months during which no meter readings can be taken and these are subsequently | | | | | |

| **Low Voltage ( < 500V)** | | | | | |
|---|---|---|---|---|---|
| Consumers that are metered in bulk TOU at 400/230 volt with an installed capacity of 500kVA or less. | | | | | |
| Monthly Basic Charge | 1833,156978 | 274,9735468 | 2108,130525 | 1681,64 | 9,01% |
| Monthly Network Demand Charge (kVA) | 83,93924794 | 12,59088719 | 96,53013513 | 77,00 | 9,01% |
| Monthly Network Access Charge (kVA) | 72,374558 | 10,8561837 | 83,2307417 | 66,39 | 9,01% |
| | | | | | |
| ***High Season Demand : June to August*** | | | | | |
| Peak | 8,391712632 | 1,258756895 | 9,650469527 | 7,6981 | 9,01% |
| Standard | 2,686547526 | 0,402982129 | 3,089529654 | 2,4645 | 9,01% |
| Off-Peak | 1,553429127 | 0,233014369 | 1,786443496 | 1,4250 | 9,01% |
| Reactive Energy Charge (kVArh) | 0,355297754 | 0,053294663 | 0,408592417 | 0,3259 | 9,01% |
| | | | | | |
| ***Low Season Demand : September to May*** | | | | | |
| Peak | 2,902671684 | 0,435400753 | 3,338072437 | 2,6388 | 10,00% |
| Standard | 2,044283236 | 0,306642485 | 2,350925722 | 1,8753 | 9,01% |
| Off-Peak | 1,372523457 | 0,205878519 | 1,578401975 | 1,2591 | 9,01% |
| | | | | | |
| **High Voltage ( >= 500V and < 66kV))** | | | | | |
| Consumers that are metered in bulk TOU at 11kV or 22kV, provided the consumer maintains and insures all equipment between the meter and the load. | | | | | |
| Monthly Basic Charge | 1833,156978 | 274,9735468 | 2108,130525 | 1681,64 | 9,01% |
| Monthly Network Demand Charge (kVA) | 77,22902402 | 11,5843536 | 88,81337762 | 70,85 | 9,01% |
| Monthly Network Access Charge (kVA) | 66,59835792 | 9,989753688 | 76,58811161 | 61,09 | 9,01% |
| | | | | | |
| ***High Season Demand : June to August*** | | | | | |
| Peak | 7,931337196 | 1,189700579 | 9,121037776 | 7,2758 | 9,01% |
| Standard | 2,539315873 | 0,380897381 | 2,920213253 | 2,3294 | 9,01% |
| Off-Peak | 1,468383799 | 0,22025757 | 1,688641368 | 1,3470 | 9,01% |
| Reactive Energy Charge (kVArh) | 0,355297754 | 0,053294663 | 0,408592417 | 0,3259 | 9,01% |
| | | | | | |
| ***Low Season Demand : September to May*** | | | | | |
| Peak | 2,825837917 | 0,423875688 | 3,249713605 | 2,4941 | 13,30% |
| Standard | 1,932118033 | 0,289817705 | 2,221935738 | 1,7724 | 9,01% |
| Off-Peak | 1,297432856 | 0,194614928 | 1,492047784 | 1,1902 | 9,01% |

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | crease/Decrea |
|---|---|---|---|---|---|
| | | | | | % |
| **Ssmall Scale Embedded Generation (SSEG)** | | | | | |
| This tariff is available only for approved SSEG connections, where the customers offset their small scale generation (kWh) against purchases from the Municipality, provided that their purchases exceed their generation (kWh). The power factor may never be less than 0,85. The standard Bulk TOU reactive energy charge will also apply. This tariff will only be implemented after NERSA's approved Guidelines have been received. The consumer will stay on his existing tariff (All prepaid customers excluded) but be obliged to install a 4 qudrant meter specified by the municipality to convert to real time tariff: | | | | | |
| | | | | | |
| **SSEG Feed-in Rates** | | | | | |
| Net Billing Export Credit (c/kWh) | 96,352 | 14,453 | 110,805 | 88,39 | 9,01% |
| Monthly Basic Charge | 501,431 | 75,215 | 576,646 | 417,86 | 20,00% |
| **Time of Use (TOU) - SSEG TOU FEED_IN TARIFF** | | | | | |
| High Voltage (>=500V and <66kV) | | | | | |
| Monthly Basic Charge | 1833,160 | 274,974 | 2108,134 | 1681,64 | 9,01% |
| Monthly Network Demand Charge (kVA) | 77,229 | 11,584 | 88,813 | 70,85 | 9,01% |
| Monthly Network Access Charge (kVA) | 66,598 | 9,990 | 76,588 | 61,09 | 9,01% |
| Energy : Low Demand: Peak (R/kwh) | 1,060 | 0,159 | 1,219 | 2,1200 | -50,00% |
| Energy : Low Demand: Standard (R/kwh) | 0,753 | 0,113 | 0,866 | 1,5066 | -50,00% |
| Energy : Low Demand: Off-Peak-Peak (R/kwh) | 0,506 | 0,076 | 0,582 | 1,0117 | -50,00% |
| Energy : High Demand: Peak (R/kwh) | 3,092 | 0,464 | 3,556 | 6,1844 | -50,00% |
| Energy : High Demand: Standard (R/kwh) | 0,990 | 0,149 | 1,139 | 1,9800 | -50,00% |
| Energy : High Demand: Off-Peak-Peak (R/kwh) | 0,572 | 0,086 | 0,658 | 1,1450 | -50,00% |
| | | | | | |
| **SSEG Tariff - Low Voltage Low Voltage (<500V)** | | | | | |
| Munic Bill to Off-Taker | | | | | |
| Monthly Basic Charge | 2069,636 | 310,445 | 2380,081 | 1898,57 | 9,01% |
| Monthly Network Demand Charge (kVA) | 72,375 | 10,856 | 83,231 | 66,39 | 9,01% |
| Monthly Network Access Charge (kVA) | 83,939 | 12,591 | 96,530 | 77,00 | 9,01% |
| Energy Charge (off_taker TARIFF) | | | | | |
| HIGH Peak-off_taker tariff | 3,272 | 0,491 | 3,762 | 6,5434 | -50,00% |
| HIGH Standard-off_taker tariff | 1,047 | 0,157 | 1,205 | 2,0948 | -50,00% |
| HIGH Off-peak-off_taker tariff | 0,606 | 0,091 | 0,696 | 1,2113 | -50,00% |
| LOW Peak-off_taker tariff | 1,121 | 0,168 | 1,290 | 2,2430 | -50,00% |
| LOW Standard-off_taker tariff | 0,797 | 0,120 | 0,917 | 1,5940 | -50,00% |
| LOW Off-peak-off_taker tariff | 0,535 | 0,080 | 0,615 | 1,0702 | -50,00% |
| | | | | | |
| **Wheeling Energy Credit (- NEGATIVE) (Customer TARIFF)** | | | | | |
| **Wheeling Charges to Generator with a Wheeling Agreement with an Off-Taker (both the Generator and Offtaker in the Municipal network and Generator feeding in at 11 and 22 kV)** | | | | | |
| Megaflex+Electricfication and rural subsidy and+ancilliary service charges | | | | | |
| Demand Charge per kVA remain the same as demand charges for all | | | | | |
| HIGH Peak-Customer tariff | 1,190 | 0,178 | 1,368 | 1,0914 | 9,01% |
| HIGH Standard-Customer tariff | 0,381 | 0,057 | 0,438 | 0,3494 | 9,01% |
| HIGH Off-peak-Customer tariff | 0,220 | 0,033 | 0,253 | 0,2021 | 9,01% |
| LOW Peak-Customer tariff | 0,408 | 0,061 | 0,469 | 0,3741 | 9,01% |
| LOW Standard-Customer tariff | 0,290 | 0,043 | 0,333 | 0,2659 | 9,01% |
| LOW Off-peak-Customer ariff | 0,195 | 0,029 | 0,224 | 0,1785 | 9,01% |
| Wheeling admin Charge | 745,582 | 111,837 | 857,420 | 683,9577 | 9,01% |
| | | | | | |
| **Inspection Fees** | 681,387 | 102,208 | 783,595 | 639,80 | 6,50% |
| | | | | | |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **Infrastructure Upgarde Fee** | | | | | |
| Upgrade capacity from 20A to 60A Fees with already installed infrastructure | 11 510,52 | 1 726,58 | 13 237,10 | 10 808,00 | 6,50% |
| | | | | | |
| **Festive Use/Casual Supplies** | | | | | |
| Basic cost that includes prepaid meters per day excluding the kvh (Usage) - Only 60Amp SINGLE PHASE | 71,94 | 10,79 | 82,73 | 67,55 | 6,50% |
| Basic cost that includes prepaid meters per day excluding the kvh (Usage) - Only 60Amp THREE PHASE | 215,82 | 32,37 | 248,20 | 202,65 | 6,50% |
| Hire of temporary distribution kiosk, per kiosk, per day | 215,82 | 32,37 | 248,20 | 202,65 | 6,50% |
| Hire of temporary distribution kiosk, per kiosk, per day + prepaid meter | 647,47 | 97,12 | 744,59 | 607,95 | 6,50% |
| Only Conventional Meters: | | | | | |
| Single phase | | | | | |
| 40 Amp Per Day | 321,43 | 48,21 | 369,64 | 301,81 | 6,50% |
| Three phase | | | | | |
| 15 Amp Per Day | 686,04 | 102,91 | 788,94 | 644,17 | 6,50% |
| Above 15 Amp Per Day | 1533,27 | 229,99 | 1763,25 | 1 439,69 | 6,50% |
| | | | | | |
| **Other Tariffs** | | | | | |
| Claude Neon basic charge | 315,83 | 47,37 | 363,21 | 296,56 | 6,50% |

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | crease/Decrea |
|---|---|---|---|---|---|
| | | | | | % |
| **Sundry Charges** | | | | | |
| **Decreasing of Circuit Breaker** | | | | | |
| A change of tariff will apply for a minimum period of 12 months, with 3 months mutual notice thereafter. | | | | | 6,50% |
| Single phase | | | | | Cost +20% |
| Three phase | | | | | Cost +20% |
| Call-out Fee - office hours owners fault (Based on 2 hours for electr & assist + 10km) | 729,49 | 109,42 | 838,91 | 684,96 | 6,50% |
| Call-out Fee - after hours: Weekdays & Saturdays (Based on 2 hrs (time and a half) for electr & assist + 10km) | 1 441,70 | 216,25 | 1 657,95 | 1 353,71 | 6,50% |
| Call-out Fee - after hours: Sundays & Public Holidays (Based on 2 hrs (double time) for electr & assist + 10km) | 1 441,70 | 216,25 | 1 657,95 | 1 353,71 | 6,50% |
| Call-out Fee - after hours owners fault (Based on 2 hours for electr & assist + 10km) | 1 441,70 | 216,25 | 1 657,95 | 1 353,71 | 6,50% |
| MV. Switching on Council's equipment office hours (Based on 3 hours for superintendent & electr + 15km) | 3 884,80 | 582,72 | 4 467,52 | 3 647,70 | 6,50% |
| MV. Switching on Council's equipment -after hours: Weekdays & Saturdays (Based on 3 hours (time and a half) for a superintendent and an electrician plus 15km) | 5 323,61 | 798,54 | 6 122,16 | 4 998,70 | 6,50% |
| MV. Switching on Council's equipment -after hours: Sundays & Public holidays (Based on 3 hours (double time) for a superintendent and an electrician plus 15km) | 4 792,50 | 718,88 | 5 511,38 | 4 500,00 | 6,50% |
| Contractor Inspection 2nd | 1 726,58 | 258,99 | 1 985,56 | 1 621,20 | 6,50% |
| Contractor Inspection 3rd | 1 726,58 | 258,99 | 1 985,56 | 1 621,20 | 6,50% |
| Disconnection due to non payment | 1 090,62 | 163,59 | 1 254,22 | 1 024,06 | 6,50% |
| Disconnection on request of the owner | 1 389,90 | 208,48 | 1 598,38 | 1 305,07 | 6,50% |
| Verification of a Meter Reading | 431,64 | 64,75 | 496,39 | 405,30 | 6,50% |
| Administration fee - recalculation due to no meter access | 431,64 | 64,75 | 496,39 | 405,30 | 6,50% |
| Test of Meter: 1 & 3 Phase (Conditionally Refundable) External testing | 2 018,66 | 302,80 | 2 321,45 | 1 895,45 | 6,50% |
| Test of Meter: All other Meters (Conditionally Refundable) External testing | 2 018,66 | 302,80 | 2 321,45 | 1 895,45 | 6,50% |
| Tariff change - change between one part and two-part | 402,87 | 60,43 | 463,30 | 378,28 | 6,50% |
| Damage elect meter (based on meter cost + call out X 2) | 1 798,52 | 269,78 | 2 068,30 | 1 688,75 | 6,50% |
| Damage elect meter 3 phase (based on meter cost + call out X 2) | 2 230,16 | 334,52 | 2 564,69 | 2 094,05 | 6,50% |
| Replacement of CIU (Meter keypad) ( Based on keypad cost and call out fee) | 1 079,11 | 161,87 | 1 240,98 | 1 013,25 | 6,50% |
| Damage of Bulk meter or change to SSEG (Based on 3 hours for a superintendent and electrician + 60km + bulk meter cost + modem cost) | 31 653,92 | 4 748,09 | 36 402,01 | 29 722,00 | 6,50% |
| Change to Time of Use (with existing bulk meter) + Deposit | 24 920,27 | 3 738,04 | 28 658,31 | 23 399,31 | 6,50% |
| Change to Time of Use (without existing bulk meter) + Deposit | 31 653,92 | 4 748,09 | 36 402,01 | 29 722,00 | 6,50% |
| Commission of Bulk meter, supplied by customer (call out fee x 3) | 3 597,04 | 539,56 | 4 136,59 | 3 377,50 | 6,50% |
| Damage of HV Cable | 53 092,27 | 7 963,84 | 61 056,10 | 49 851,89 | 6,50% |
| Damage of MV Cable | 53 092,27 | 7 963,84 | 61 056,10 | 49 851,89 | 6,50% |
| Damage of LV Cable | 11 510,52 | 1 726,58 | 13 237,10 | 10 808,00 | 6,50% |
| Damage of Service Connection Cable | 5 755,26 | 863,29 | 6 618,55 | 5 404,00 | 6,50% |
| Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour) | 1 525,15 | 228,77 | 1 753,92 | 1 432,06 | 6,50% |
| Installation of logger | 532,50 | 79,88 | 612,38 | 500,00 | 6,50% |
| Daily charge on logger | 213,00 | 31,95 | 244,95 | 200,00 | 6,50% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **CONVERSION OF METERS** | | | | | |
| Removal of Meter (based on call out fee) | 1 122,28 | 168,34 | 1 290,62 | 1 053,78 | 6,50% |
| Repositioning of Meter (excl. cable ) (based on call out fee) | 1 122,28 | 168,34 | 1 290,62 | 1 053,78 | 6,50% |
| Repositioning of Meter (incl. cable ) (based on call out fee + 30m cable) | 5 648,78 | 847,32 | 6 496,10 | 5 304,02 | 6,50% |
| | | | | | |
| **RELOCATION (MOVING) OF INSTALLATIONS** | | | | | |
| Streetlight pole | | | | | Cost +20% |
| Electrical box/kiosk | | | | | Cost +20% |
| | | | | | |
| **SERVICE CALLS** | | | | | |
| During office hours | 748,03 | 112,20 | 860,23 | 702,37 | 6,50% |
| After office hours | 1 476,56 | 221,48 | 1 698,04 | 1 386,44 | 6,50% |
| | | | | | |
| **SERVICE COST** | | | | | |
| Electrician per Hour | 625,07 | 93,76 | 718,84 | 586,92 | 6,50% |
| Electrician Assistant per Hour | 160,24 | 24,04 | 184,27 | 150,46 | 6,50% |
| LDV per kilometre | 28,86 | 4,33 | 33,19 | 27,10 | 6,50% |
| Truck per kilometre | 54,86 | 8,23 | 63,08 | 51,51 | 6,50% |
| | | | | | |
| **TAMPERING, ILLEGAL USE AND DISTRIBUTION** | | | | | |
| **Residential** | | | | | |
| 1st Tampering fee | 3 913,04 | 586,96 | 4 500,00 | 3 377,50 | 6,50% |
| 2nd Tampering fee | 6 956,52 | 1 043,48 | 8 000,00 | 6 755,00 | 6,50% |
| **3 Phase 60A/100A** | | | | | |
| 1st Tampering fee | 7 747,27 | 1 162,09 | 8 909,36 | 7 274,43 | 6,50% |
| 2nd Tampering fee | 10 329,63 | 1 549,44 | 11 879,07 | 9 699,18 | 6,50% |
| Unsafe / Illegal leads (per visit ) (reconnection fee included) | 1 726,58 | 258,99 | 1 985,56 | 1 621,20 | 6,50% |
| | | | | | |
| **3 Phase 100A/Bulk** | | | | | |
| 1st Tampering fee | 15 921,09 | 2 388,16 | 18 309,26 | 14 949,38 | 6,50% |
| 2nd Tampering fee | 20 659,26 | 3 098,89 | 23 758,15 | 19 398,37 | 6,50% |
| | | | | | |
| **TESTING OF METERS** | | | | | |
| Single Phase | 2 018,66 | 302,80 | 2 321,45 | 1 895,45 | 6,50% |
| Three Phase | 2 067,41 | 310,11 | 2 377,52 | 1 941,23 | 6,50% |
| | | | | | |
| **SMALL SCALE EMBEDDED GENERATION (SSEG)** | | | | | |
| | | | | | |
| Investigation Fee | 1 304,40 | 195,66 | 1 500,06 | 1 304,40 | 0,00% |
| Fine for illegal connections | 4 348,00 | 652,20 | 5 000,20 | 4 348,00 | 0,00% |

| SERVICE / DESCRIPTION | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | crease/Decrea % |
|---|---|---|---|---|---|
| **OTHER TARIFFS** | | | | | |
| Temporary/Builder's Supply ( As per Commercial Conventional Meters ) | | | | | See Commercial Conventional Meter |
| Municipal Departments | | | | | |
| be applicable to all municipal buildings, pumpstations, waste water works, water treatment works, etc. | | | | | |
| Special Agreements | | | | | |
| If agreed upon by the Municipality, a consumer can enter into a special supply agreement with the Municipality, which contains a tariff of charges different from the above charges. This will only be considered when special circumstances prevail. | | | | | |
| | | | | | |
| **PREPAID METER COST** | | | | | |
| Smart meter single phase | 2 894,51 | 434,18 | 3 328,68 | 2 717,85 | 6,50% |
| Smart meter three phase | 3 319,97 | 498,00 | 3 817,96 | 3 117,34 | 6,50% |
| Single phase split phase meter | 2 058,77 | 308,82 | 2 367,59 | 1 933,12 | 6,50% |
| STS Prepaid meter s/phase with base | 2 184,43 | 327,66 | 2 512,10 | 2 051,11 | 6,50% |
| STS Prepaid meter s/phase | 2 846,16 | 426,92 | 3 273,09 | 2 672,45 | 6,50% |
| Single phase 4 Quadrant meter | 6 925,47 | 1 038,82 | 7 964,29 | 6 502,79 | 6,50% |
| STS 3phase prepaid(non-earth leakage common base product | 8 744,62 | 1 311,69 | 10 056,32 | 8 210,91 | 6,50% |
| STS 3phase, 4wire smart split prepaid meter with customer interface unit | 10 465,15 | 1 569,77 | 12 034,92 | 9 826,43 | 6,50% |
| Large power user (LPU) meter | 19 545,21 | 2 931,78 | 22 476,99 | 18 352,31 | 6,50% |
| Prepaid meter keypad | 640,07 | 96,01 | 736,07 | 601,00 | 6,50% |
| **PrePaid Connections** | | | | | |
| Purchase of Prepayment Meter (Cost + 25%) | | | | | |
| i) Single Phase | 2 051,90 | 307,79 | 2 359,69 | 1 926,67 | 6,50% |
| ii) Three Phase | 8 214,02 | 1 232,10 | 9 446,12 | 7 712,69 | 6,50% |

# FINANCE & ECONOMIC DEVELOPMENT

| | SERVICE | Comments<br>Unit | 2026/27<br>Total | 2026/27<br>VAT | 2026/27<br>Total | 2025/26<br>Total | %<br>Increase |
|---|---|---|---|---|---|---|---|
| | DESCRIPTION | R/cents/Kl/m | Excl VAT | VAT | Inc VAT | Excl VAT | |
| 1 | **FINANCE - VALUATIONS - PROPERTY RATES** | | | | | | |
| | Property Rates are set in terms of Section 3 of Chapter 2 of the Municipal Property Rates Act, No 6 of 2004. | | | | | | |
| | Property Rates to be levied in accordance with the 2022 General Valuation Roll and the 2024/25 Rates Policy. | | | | | | |
| | | | | | | | |
| 1,1 | **Residential** | | | | | | |
| 1.1.1 | **Residential Properties** | Rate-in-the-Rand | 0,00862 | No VAT Implications | 0,009918 | 0,00825 | 4,5% |
| | R 100 000, including the impermissible rate of R15 000, for Owners who qualify for Equitable Share. | | | | | | |
| | Residential properties with a market value up of R400 000 including the impermissable rate of R15 000. | | | | | | |
| | R 200 000 on one residential property, including the impermissible rate of R15 000, for Rate Payer 60 years and older with a gross household income not more than R15 000.00 | | | | | | |
| | | | | | | | |
| 1.1.2 | **Private Open Place/Space** | Rate-in-the-Rand | 0,00862 | No VAT Implications | 0,009918 | 0,00825 | 4,5% |
| | Public Open Spaces/Private Open Place will be exempted from paying property rates. | 100% Exempt | | | | | |
| | | | | | | | |
| 1.1.3 | **Residential: Vacant land** | Rate-in-the-Rand | 0,01294 | No VAT Implications | 0,014877 | 0,01238 | 4,5% |
| | | | | | | | |
| 1,2 | **Business and Commercial** | | | | | | |
| 1.2.1 | Business and Commercial Properties | Rate-in-the-Rand | 0,01078 | No VAT Implications | 0,012398 | 0,01032 | 4,5% |
| 1.2.2 | Business and Commercial: Vacant land | Rate-in-the-Rand | 0,01294 | No VAT Implications | 0,014877 | 0,01238 | 4,5% |
| | | | | | | | |
| 1,3 | **Industrial** | | | | | | |
| 1.3.1 | Industrial Properties | Rate-in-the-Rand | 0,01078 | No VAT Implications | 0,012398 | 0,01032 | 4,5% |
| 1.3.2 | Industrial: Vacant land | Rate-in-the-Rand | 0,01294 | No VAT Implications | 0,014877 | 0,01238 | 4,5% |
| 1,4 | **Properties owned by an Organ of State and used for public service purposes** | Rate-in-the-Rand | 0,01440 | No VAT Implications | 0,016563 | 0,01378 | 4,5% |
| 1,5 | **Agricultural Properties** (Farms) | Rate-in-the-Rand | 0,00216 | No VAT Implications | 0,002480 | 0,00206 | 4,5% |
| | | | | | | | |
| | **Other** | | | | | | |
| 1,6 | Properties owned by **Public Benefit Organisation** (PBO) | Rate-in-the-Rand | 0,00216 | No VAT Implications | 0,002479527 | 0,00206 | 4,5% |
| | Public Benefit Organisations: Applications for Public Benefit organizations must reach the municipality before end October of the municipal financial year in which relief is sought. A tax exemption certificate issued by the South African Revenue Services(SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act ,1962 No 58 of 1962. | 100% exemption | | | | | |
| 1,7 | **Public Service Infrastructure** (PSI) Properties | Rate-in-the-Rand | 0,00216 | No VAT Implications | 0,002479527 | 0,00206 | 4,5% |
| 1,8 | **Mining Properties** | Rate-in-the-Rand | 0,01440 | No VAT Implications | 0,01656324 | 0,01378 | 4,5% |
| | | | | | | | |
| 1,9 | **Other** | | | | | | |
| 1.10.1 | Interim Valuation Request | | 523 | 78 | 601 | 500 | 4,5% |
| 1.10.2 | Valuation certificates | | 132 | 20 | 151 | 124 | 6,0% |
| 1.10.3 | Reasons for Valuation | | cost +10% | | cost +10% | cost +10% | |

# COMMUNITY & SAFETY SERVICES

| | SERVICE DESCRIPTION | Comments Unit R/cents/Kl/m | 2026/27 Total Excl VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | % Increase |
|---|---|---|---|---|---|---|
| 3 | **COMMUNITY AND SAFETY SERVICES** | | | | | |
| 3,1 | **BUILDINGS & PROPERTIES** | | | | | |
| | **Rental : Halls & Facilities** | | | | | |
| 3.1.1 | **LARGE HALLS** | | | | | |
| | **Hankey Vusumsi Landu Hall** | | | | | |
| | **Humansdorp Country Club Hall** | | | | | |
| | **Kruisfontein Civic Centre** | | | | | |
| | **Jeffreys Bay Newton Hall** | | | | | |
| | **Patensie Community Hall** | | | | | |
| | **Thornhill Katrien Felix Hall** | | | | | |
| | | | | | | |
| | **Deposit** | | | | | |
| | Damages | | 1 428 | 1 428 | 1 360 | 5% |
| | Church Gathering (per 2 hr) | R/Per 2 hrs | 244 | 281 | 233 | 5% |
| | Concert (Non-Drinking Function) | R/Per Event | 760 | 874 | 724 | 5% |
| | Cleaning fees | Max 3 hours (Fee is optional) | 551 | 634 | 525 | 5% |
| | Concert Practice | R/Per Event | 161 | 185 | 153 | 5% |
| | Conferences | R/Per day | 956 | 1 100 | 911 | 5% |
| | Dance and Disco (Drinking Functions) | R/Per Event | 1 679 | 1 931 | 1 599 | 5% |
| | Fetes / Bazaars | R/Per Event | 413 | 475 | 393 | 5% |
| | Funeral | R/Per 2 hrs | 244 | 281 | 233 | 5% |
| | Kitchen Rental | | 551 | 634 | 525 | 5% |
| | Meetings (Non-Political) | R/Per Meeting | 551 | 634 | 525 | 5% |
| | Meetings (Political) | R/Per Meeting | 1 072 | 1 233 | 1 021 | 5% |
| | School Functions | R/Per Event | 413 | 475 | 393 | 5% |
| | Service Organisations : Social Clubs / Presentations | R/Per Event | 186 | 214 | 177 | 5% |
| | Special Events (Decorations) | R/Per Event | 412 | 473 | 392 | 5% |
| | Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Pa | R/Per Event | 979 | 1 126 | 932 | 5% |
| | Sport and Recreation (per day) | R/Per day | 674 | 775 | 642 | 5% |
| | Welfare organisation per year | R/Per year | 755 | 868 | 719 | 5% |
| | **Rental : Halls & Facilities** | | | | | |
| 3.1.2 | **MEDIUM HALLS** | | | | | |
| | **Andrieskraal Hall** | | | | | |
| | **Weston Hall** | | | | | |
| | **Kwanomzamo Hall** | | | | | |
| | **Aston Bay Hall** | | | | | |
| | **Pellsrus Hall** | | | | | |
| | **Loerie Hall** | | | | | |
| | **Sea Vista Hall** | | | | | |
| | **Tokyo Sexwale Sportsfield Hall** | | | | | |
| | **Pellsrus Caravan Park Hall** | | | | | |
| | **Patensie Sportsfield Hall** | | | | | |
| | **Thornhill Clubhouse** | | | | | |
| | | | | | | |
| | **Deposit** | | | | | |
| | Damages | | 1 428 | 1 428 | 1 360 | 5% |
| | Church Gathering | R/Per 2 hrs | 170 | 195 | 162 | 5% |
| | Concert (Non-Drinking Function) | R/Per Event | 473 | 544 | 450 | 5% |
| | Cleaning fees | Max 3 hours (Fee is optional) | 331 | 380 | 315 | 5% |
| | Concert Practice | R/Per Event | 108 | 124 | 102 | 5% |
| | Conferences | R/Per day | 639 | 735 | 608 | 5% |
| | Dance and Disco (Drinking Functions) | R/Per Event | 1 018 | 1 171 | 970 | 5% |
| | Fetes / Bazaars | R/Per Event | 271 | 312 | 258 | 5% |
| | Special Operations Escourts (Flat Rate) | R/Per 2 hrs | 170 | 195 | 162 | 5% |
| | Kitchen Rental | | 490 | 564 | 467 | 5% |
| | Meetings (Non-Political) | R/Per Meeting | 363 | 417 | 345 | 5% |
| | Meetings (Political) | R/Per Meeting | 551 | 634 | 525 | 5% |
| | School Functions | R/Per Event | 170 | 195 | 162 | 5% |
| | Service Organisations : Social Clubs / Presentations | R/Per Event | 101 | 116 | 96 | 5% |
| | Special Events (Decorations) | R/Per Event | 271 | 312 | 258 | 5% |
| | Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Pa | R/Per Event | 490 | 564 | 467 | 5% |
| | Welfare organisation per year | R/Per year | 377 | 434 | 359 | 5% |
| | Sport and Recreation (per day) | R/Per day | 337 | 388 | 321 | 5% |
| | **Other** | | | | | |
| | Encroachment Fees | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Rental : Commonage | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Rental : Municipal Houses | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Rental : Quarry | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Rental : Sundry | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |

| | KOUGA local municipality Good Governance through Service Excellence | Comments<br>Unit<br>R/cents/Kl/m | 2026/27<br>Total<br>Excl VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|---|
| 3,2 | **CARAVAN PARKS & CAMPING SITES** | | | | | |
| | ***This tariff is applicable for all Caravan Parks/Camping Sites within the Kouga Jurisdictional Area*** | | | | | |
| | | | | | | |
| | **IN SEASON** | | | | | |
| | *In Season includes December/January Holidays.* | | | | | |
| | *All Tariffs are per day and include 4 persons per site, and 1 Vehicle.* | | | | | |
| | *Additional Costs are payable per person for more than 4 persons, and per vehicle for more than 1 vehicle* | | | | | |
| | | | | | | |
| | **OUT OF SEASON (50% of In-Season Tariffs)** | | | | | |
| | *All Tariffs are per day and include 4 persons per site, and 1 Vehicle.* | | | | | |
| | *Additional Costs are payable per person for more than 4 persons, and per vehicle for more than 1 vehicle* | | | | | |
| | *Discount of 30% will be allowed to pensioners out of season.* | | | | | |
| 3.2.1 | **CARAVAN PARKS/CAMPING** | | | | | |
| | **JEFFREYS BAY** | | | | | |
| | **IN SEASON** | | | | | |
| | Stand with Electricity | R/Per Day | 715 | 822 | 681 | 5% |
| | Fee per Additional Vehicle | R/Per Day | 100 | 116 | 96 | 5% |
| | Fee per Additional Person | R/Per Day | 100 | 116 | 96 | 5% |
| | Entrance fee (4 people) | R/Per Day | 45 | 52 | 43 | 5% |
| | | | | | | |
| | **OUT OF SEASON (50% of In-Season Tariffs)** | | | | | |
| | Stand with Electricity | R/Per Day | 357 | 411 | 340 | 5% |
| | Fee per Additional Vehicle | R/Per Day | 50 | 58 | 48 | 5% |
| | Fee per Additional Person | R/Per Day | 50 | 58 | 48 | 5% |
| | | | | | | |
| | **PELLSRUS** | | | | | |
| | **IN SEASON** | | | | | |
| | Stand with Electricity | R/Per Day | 357 | 411 | | NEW |
| | Fee per Additional Vehicle | R/Per Day | 50 | 58 | | NEW |
| | Fee per Additional Person | R/Per Day | 50 | 58 | | NEW |
| | Entrance fee (4 people) | R/Per Day | 23 | 26 | | NEW |
| | | | | | | |
| | **OUT OF SEASON (50% of In-Season Tariffs)** | | | | | |
| | Stand with Electricity | R/Per Day | 179 | 205 | | NEW |
| | Fee per Additional Vehicle | R/Per Day | 25 | 29 | | NEW |
| | Fee per Additional Person | R/Per Day | 25 | 29 | | NEW |
| | | | | | | |
| | | | | | | |
| 3.2.2 | **CARAVAN CLUBS** | | | | | |
| | ***More than 10 Caravans, Maximum of 40*** | | | | | |
| | ***More than 40 Caravans only May - November*** | | | | | |
| | | | | | | |
| | **OUT OF SEASON (30% Discount on Normal Tariffs)** | | | | | |
| | Stand with Electricity | R/Per Day | 250 | 288 | 238 | 5% |
| | Fee per Additional Vehicle | R/Per Day | 35 | 40 | 33 | 5% |
| | Fee per Additional Person | R/Per Day | 35 | 40 | 33 | 5% |
| 3.2.3 | **CHALETS** | | | | | |
| | **IN SEASON** | | | | | |
| | **Damage** | | | | | |
| | Deposit | | 1 634 | 1 634 | 1 557 | 5% |
| | Chalets | | | | | |
| | 1 Bedroom | R/Per Day | 884 | 1 016 | 842 | 5% |
| | 2 Bedroom | R/Per Day | 1 375 | 1 581 | 1 309 | 5% |
| | | | | | | |
| | **OUT OF SEASON (50% of In-Season Tariffs)** | | | | | |
| | **Damage** | | | | | |
| | Deposit | | 1 634 | 1 634 | 1 557 | 5% |
| | Chalets | | | | | |
| | 1 Bedroom | | 441 | 507 | 420 | 5% |
| | 2 Bedroom | R/Per Day | 717 | 824 | 683 | 5% |
| | **Monthly Tariff** | | | | | |
| | ***Not Applicable In Season (Normal Tariffs Apply)*** | | | | | |
| | ***Additional Persons pay full tariff per day*** | | | | | |
| | ***Additional Vehicles pay full tariff per day*** | | | | | |
| | **Up to 30 Days** | | | | | |
| | Chalets | | | | | |
| | 1 Bedroom only 3 people per chalet and 1 vehicle | | 3 726 | 4 285 | 3 549 | 5% |
| | 2 Bedroom only 5 people per chalet and 1 vehicle | | 4 347 | 4 999 | 4 140 | 5% |
| 3.2.4 | **OTHER** | | | | | |
| | **IN SEASON** | | | | | |
| | Day Visitors Entrance Fee | | | | | |
| | Per Person | Kids under 12 years get free entrance | 42 | 49 | 40 | 5% |
| | | | | | | |
| | **OUT OF SEASON** | | | | | |
| | Day Visitors Entrance Fee | | | | | |
| | Per Vehicle | R/Per Day | 42 | 49 | 40 | 5% |
| | Per Person | R/Per Day | 42 | 49 | 40 | 5% |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| | **Monthly Tariff** | | | | | |
| | **Not Applicable In Season (Normal Tariffs Apply)** | | | | | |
| | **Tariff includes 4 persons per site, and 2 Vehicles.** | | | | | |
| | **Additional Persons pay full tariff per day** | | | | | |
| | **Additional Vehicles pay full tariff per day** | | | | | |
| | Up to 30 Days | R/Month | 4 559 | 5 243 | 4 342 | 5% |
| | Weekly (15 days) (4 people) | R/Week | 2 609 | 3 000 | 2 485 | 5% |
| | Fee per Additional 2 people, Per Day | R/Day | 221 | 254 | 210 | 5% |
| | **Pensioners ( per 2 people with 10 free visits)** | | | | | |
| | **Camping** | | 165 | 190 | 158 | 5% |
| | **Extras person per day** | | 58 | 66 | 55 | 5% |
| | Monthly (maximum 2 monthly) | R/Month | 3 308 | 3 804 | 3 150 | 5% |
| | Weekly (15 days) | R/Week | 1 654 | 1 902 | 1 575 | 5% |

| | KOUGA local municipality | Comments | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| | | Unit | Total | Total | Total | |
| | | R/cents/Kl/m | Excl VAT | Incl VAT | Excl VAT | Increase |
| 3,3 | **CEMETERIES** | | | | | |
| | ***This tariff is applicable for all Cemeteries within the Kouga Jurisdictiona*** | | | | | |
| | | | | | | |
| 3.3.1 | ***Adult graves*** | | | | | |
| | Grave Plot | | 535 | 615 | 510 | 5% |
| | Dig Grave | | 951 | 1 093 | 906 | 5% |
| | Dig & Fill Grave | | 1 130 | 1 300 | 1 076 | 5% |
| | Re-enter & Fill Grave | | 1 068 | 1 228 | 1 017 | 5% |
| | Extra Depth | | 246 | 283 | 234 | 5% |
| | | | | | | |
| 3.3.2 | ***Children graves*** | | | | | |
| | Grave Plot | | 357 | 410 | 340 | 5% |
| | Dig & Fill Grave | | 733 | 843 | 698 | 5% |
| | Dig Grave | | 697 | 802 | 664 | 5% |
| | Re-enter & Fill Grave | | 691 | 794 | 658 | 5% |
| 3.3.3 | ***Other*** | | | | | |
| | Niche | | 154 | 178 | 147 | 5% |
| | Tombstone Application | | 301 | 346 | 287 | 5% |
| | | | | | | |
| 3.3.4 | ***Kerbing*** | | | | | |
| | Roll Over Stones per metre | Per metre | 306 | 352 | 292 | 5% |
| | | | | | | |
| 3,4 | ***ENVIRONMENTAL HEALTH*** | | | | | |
| | ***APPLICATION FEES*** | | | | | |
| | Business Licence | Per Application | 97 | 112 | 93 | 5% |
| | Traditional Slaughtering | Per Application | 164 | 188 | 156 | 5% |
| | Exhumations | Per Application | 2 553 | 2 936 | 2 431 | 5% |
| | | | | | | |
| | **CERTIFICATES** | | | | | |
| | Certificate of Acceptability/Competence | Per Certificate | 206 | 237 | 197 | 5% |
| | Condemnation Certificate | Per Certificate | 206 | 237 | 197 | 5% |
| | Health Certificate | Per Certificate | 203 | 234 | 194 | 5% |
| | | | | | | |
| | **HAWKERS STANDS PER MONTH** | | | | | |
| | Arts & Crafts (including wood) | R/Month | 124 | 142 | 118 | 5% |
| | Fruit & Vegetables | R/Month | 186 | 214 | 177 | 5% |
| | Clothing Jewellery | R/Month | 422 | 486 | 402 | 5% |
| | 2nd Hand goods | R/Month | 186 | 214 | 177 | 5% |
| | Wood and Wood products | R/Month | 135 | 155 | 128 | 5% |
| | | | | | | |
| | **SEASONAL HAWKERS STAND PER DAY** | | | | | |
| | Arts & Crafts | R/Day | 105 | 120 | 100 | 5% |
| | Fruit & Vegetables | R/Day | 176 | 203 | 168 | 5% |
| | Clothing Jewellery, etc | R/Day | 105 | 120 | 100 | 5% |
| | 2nd Hand goods | R/Day | 105 | 120 | 100 | 5% |
| | Food stalls | R/Day | 309 | 356 | 295 | 5% |
| | Beach equipment and accessories | R/Day | 309 | 356 | 295 | 5% |
| | Wood and Wood products | R/Day | 114 | 131 | 108 | 5% |
| | | | | | | |
| | **INSPECTIONS & MONITORING:** | | | | | |
| | Inspections at events per day | R/Day | 315 | 362 | 300 | 5% |
| | Final Inspections (building control) | Per Application | 525 | 604 | 500 | 5% |
| | Inspections & monitoring at traditional ceremonies | Per Application | 158 | 181 | 150 | 5% |
| | Monitoring of exhumations | Per Application | 263 | 302 | 250 | 5% |
| | | | | | | |
| | **CLEANING OF PRIVATE PLOTS :** | | | | | |
| | Grass only (per m²) | per m² | 2 | 3 | 2 | 5% |
| | : Lightly overgrown (per m²) | per m² | 5 | 6 | 5 | 5% |
| | Property or portion of land where vegetation growth is present but remains low density, manageble and non invasive and does not materially impede access, visibility or normal land use | | | | | |
| | : Medium overgrown (per m²) | per m² | 9 | 10 | 8 | 5% |
| | Property or portion of land where vegetation growth is clearly established and continuous, resulting in partial obstruction of access, visibility and normal land use, where clearing remains feasible using standard mechanical equipment. | | | | | |
| | : Heavily overgrown (per m²) | per m² | 15 | 17 | 14 | 5% |
| | Property or portion of land where vegetation growth is dense, unmanaged and dominant, obstruction of access, visibility and normal land use, posing a high risk to safety, health, fire management and environmental compliance. | | | | | |
| | Removal of rubble per load not greater than 9 cubic metre | per load not greater than 9 cubic metre | 1 409 | 1 620 | 1 342 | 5% |
| | | | | | | |
| 3,5 | **ENVIRONMENTAL MANAGEMENT FEE** | | | | | |
| | Undeveloped erven - per annum | Per Annum | 650 | 747 | 619 | 5% |
| | | | | | | |
| | **Domestic** | | | | | |
| | Households | R/Month | 54 | 62 | 52 | 5% |
| | Free Basic Services to Registered Indigent Consumers | R/Month | - 54 | - 62 | - 52 | 5% |
| | Multi Dwelling Units (per Unit) | Per Unit/Per Month | 54 | 62 | 52 | 5% |
| | Skips | Per Month | 246 | 283 | 234 | 5% |
| | | | | | | |
| | **Commercial** | | | | | |
| | Small | R/Month | 59 | 68 | 56 | 5% |
| | Medium | R/Month | 119 | 136 | 113 | 5% |
| | (3 Removals per week, monthly tariff) | R/Month | 119 | 136 | 113 | 5% |
| | (6 Removals per week, monthly tariff) | R/Month | 272 | 312 | 912 | 5% |
| | Skips | R/Month | 165 | 190 | 1 049 | 5% |

| | KOUGA local municipality Good Governance through Service Excellence | Comments | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| | | Unit | Total | Total | Total | |
| | | R/cents/Kl/m | Excl VAT | Incl VAT | Excl VAT | Increase |
| 3,6 | **FIRE FIGHTING SERVICES** | | | | | |
| | **Fires** | | | | | |
| | **Vegetation fires** | | | | | |
| | Tariffs per hour or part thereof | | | | | |
| | **Major appliance (inclusive of manpower)** | | | | | |
| | Aerial Support | R/per hr or part thereo | 46 967 | 54 011 | 44 730 | 5% |
| | Rescue pumps | R/per hr or part thereo | 2 318 | 2 665 | 2 207 | 5% |
| | **Auxiliary appliance (Inclusive of manpower)** | | | | | |
| | Off-Road, light/heavy rescue, hazmat units | R/per hr or part thereo | 1 051 | 1 209 | 1 001 | 5% |
| | **Service vehicles (Inclusive of manpower)** | | | | | |
| | LDV's and transporters | R/per hr or part thereo | 607 | 698 | 578 | 5% |
| | **Trailers & units (inclusive of manpower)** | | | | | |
| | Fuel/hydrant trailer, BA trailer and command unit | R/per hr or part thereo | 307 | 353 | 292 | 5% |
| | **Personnel charges (cost if additional personnel required)** | | | | | |
| | Senior Officer | R/per hr or part thereo | 607 | 698 | 578 | 5% |
| | Officers | R/per hr or part thereo | 307 | 353 | 292 | 5% |
| | Fire Fighters | R/per hr or part thereo | 157 | 180 | 149 | 5% |
| | **Humanitarian calls** | | | | | |
| | Motor vehicle accidents | No charge | No charge | | No charge | |
| | Rescues | No charge | No charge | | No charge | |
| | **Service rendered outside area of jurisdiction** | | | | | |
| | Tariffs per hour or part thereof | | | | | |
| | **Major appliance (inclusive of manpower)** | | | | | |
| | Rescue pumps/Aerial appliance | R/per hr or part thereo | 4 635 | 5 330 | 4 414 | 5% |
| | **Auxiliary appliance (Inclusive of manpower)** | | | | | |
| | Off-Road, light/heavy rescue, hazmat units | R/per hr or part thereo | 2 102 | 2 417 | 2 002 | 5% |
| | **Service vehicles (Inclusive of manpower)** | | | | | |
| | LDV's and transporters | R/per hr or part thereo | 1 213 | 1 395 | 1 156 | 5% |
| | **Trailers & units (inclusive of manpower)** | | | | | |
| | Fuel/hydrant trailer, BA trailer and command unit | R/per hr or part thereo | 614 | 706 | 585 | 5% |
| | **Personnel charges (cost if additional personnel required)** | | | | | |
| | Senior Officer | R/per hr or part thereo | 1 213 | 1 395 | 1 156 | 5% |
| | Officers | R/per hr or part thereo | 614 | 706 | 585 | 5% |
| | Fire Fighters | R/per hr or part thereo | 314 | 361 | 299 | 5% |
| | **Standby duties** | | | | | |
| | Water jets (65mm hose) | R/per hr or part thereo | 488 | 561 | 464 | 5% |
| | | | | | | |
| | **Monitoring of incidents** | | | | | |
| | Tariffs per hour or part thereof | | | | | |
| | **Major appliance (inclusive of manpower)** | | | | | |
| | Rescue pumps/Aerial appliance | R/per hr or part thereo | 1 159 | 1 333 | 1 104 | 5% |
| | **Auxiliary appliance (Inclusive of manpower)** | | | | | |
| | Off-Road, light/heavy rescue, hazmat units | R/per hr or part thereo | 525 | 604 | 500 | 5% |
| | **Service vehicles (Inclusive of manpower)** | | | | | |
| | LDV's and transporters | R/per hr or part thereo | 303 | 349 | 289 | 5% |
| | **Trailers & units (inclusive of manpower)** | | | | | |
| | Fuel/hydrant trailer, BA trailer and command unit | R/per hr or part thereo | 153 | 176 | 146 | 5% |
| | **Personnel charges (cost if additional personnel required)** | | | | | |
| | Senior Officer | R/per hr or part thereo | 303 | 349 | 289 | 5% |
| | Officers | R/per hr or part thereo | 153 | 176 | 146 | 5% |
| | Fire Fighters | R/per hr or part thereo | 78 | 90 | 75 | 5% |
| | **Service rendered outside area of jurisdiction** | | | | | |
| | Tariffs per hour or part thereof | | | | | |
| | **Major appliance (inclusive of manpower)** | | | | | |
| | Rescue pumps/Aerial appliance | R/per hr or part thereo | 2 318 | 2 665 | 2 207 | 5% |
| | **Auxiliary appliance (Inclusive of manpower)** | | | | | |
| | Off-Road, light/heavy rescue, hazmat units | R/per hr or part thereo | 1 051 | 1 209 | 1 001 | 5% |
| | **Service vehicles (Inclusive of manpower)** | | | | | |
| | LDV's and transporters | R/per hr or part thereo | 607 | 698 | 578 | 5% |
| | **Trailers & units (inclusive of manpower)** | | | | | |
| | Fuel/hydrant trailer, BA trailer and command unit | R/per hr or part thereo | 307 | 353 | 292 | 5% |
| | **Personnel charges (cost if additional personnel required)** | | | | | |
| | Senior Officer | R/per hr or part thereo | 607 | 698 | 578 | 5% |
| | Officers | R/per hr or part thereo | 307 | 353 | 292 | 5% |
| | Fire Fighters | R/per hr or part thereo | 157 | 180 | 149 | 5% |
| | | | | | | |
| | **Other** | | | | | |
| | Certified copy of incident report | R/per copy | 185 | 213 | 176 | 5% |
| | Population certificate | R/Per Certificate | 325 | 374 | 309 | 5% |

| | | Comments | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| | | Unit | Total | Total | Total | |
| | | R/cents/Kl/m | Excl VAT | Incl VAT | Excl VAT | Increase |
| | **Training** | | | | | |
| | | | | | | |
| | **Fire prevention tariff per hour or part thereof** | | | | | |
| | Events porpulation certificate | | 430 | 494 | 410 | 5% |
| | Transportation of dangerous goods certificate | | 430 | 494 | 410 | 5% |
| | Renewal of licence to store petroleum/liquified petroleum gas | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| | Approval of LPG installation plans | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| | Approval of petroleum storage plans | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | Approval of bulk storage hazardous installation | R/per hr or part thereo | 1 134 | 1 304 | 1 080 | 5% |
| | **Final Building** Inspections | R/per hr or part thereo | 1 134 | 1 304 | 1 080 | 5% |
| | Certification of premises | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| | Inspection and Issuing of control burning permits | R/per hr or part thereo | 493 | 567 | 469 | 5% |
| | Lectures/evacuation drills | R/per hr or part thereo | No charge | | No charge | |
| | Public education | At the discretion of the Chief Fire Officer | No charge | | No charge | |
| | Approval of rational designs | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| | Approval of major hazardous installation reports | R/per hr or part thereo | 398 | 458 | 379 | 5% |
| 3,7 | **LIBRARY** | | | | | |
| | ***This tariff is applicable for all Libraries within the Kouga Jurisdictional Area*** | | | | | |
| | | | | | | |
| | **Lost** | | | | | |
| | Books | | | | | |
| | ***Note that this amount is determined by the value of the actual item*** | | | | Sundry Amounts | |
| | **Fines** | | | | | |
| | Books | | 1 | 1 | 1 | 5% |
| | Per day | | 1 | 1 | 1 | 5% |
| | 3 Months or Longer | | 160 | 183 | 152 | 5% |
| | **Photo copies** | | | | | |
| | Black | | | | | |
| | A3 | R/Per Page | 2 | 2 | 2 | 5% |
| | A4 | R/Per Page | 1 | 1 | 1 | 5% |
| | Colour | | | | | |
| | A3 | R/Per Page | 3 | 3 | 3 | 5% |
| | A4 | R/Per Page | 1 | 1 | 1 | 5% |
| | **Other** | | | | | |
| | Visitors Administration Fee | R/Per Person | 25 | 28 | 23 | 5% |
| | Duplicate Membership Cards | R/Per Card | 25 | 28 | 23 | 5% |
| | Third replacement of cards | R/Per Card | 47 | 54 | 45 | 5% |
| | More than 3 replacement of Cards | R/Per Card | 70 | 81 | 67 | 5% |
| | **Deposit** | | | | | |
| | Per Book (Visitors) | R/Per Book | 134 | 134 | 128 | 5% |
| 3,8 | **NATIONAL TRAFFIC (NATIS)** | | | | | |
| | | | | | | |
| | Drivers Licence : Application : Light Vehicle | | 309 | 309 | 309 | 0% |
| | Drivers Licence : Application : Heavy Vehicle | | 362 | 362 | 362 | 0% |
| | Drivers Licence : Temporary | | 101 | 101 | 101 | 0% |
| | Drivers Licence: Issue renewal | | 227 | 227 | 227 | 0% |
| | Duplicate : Learners Licence | | 189 | 189 | 189 | 0% |
| | Duplicate : Registration Certificate | | 674 | 674 | 674 | 0% |
| | Learners Licence : Application | | 224 | 224 | 224 | 0% |
| | Learners Licence : Certificate | | 72 | 72 | 72 | 0% |
| | Instructor Certificate : Application | | 362 | 362 | 362 | 0% |
| | Public Driving Permit : Application | | 113 | 113 | 113 | 0% |
| | Roadworthy Certificate | | 72 | 72 | 72 | 0% |
| | Roadworthy Certificate : Application : Motor Cycles | | 110 | 110 | 110 | 0% |
| | Roadworthy Certificate : Application : Other Vehicle | | 192 | 192 | 192 | 0% |
| | Roadworthy Certificate : Application : Goods Vehicle | | 224 | 224 | 224 | 0% |
| | Roadworthy Certificate : Application : Busses | | 236 | 236 | 236 | 0% |
| | Vehicle Licences (81%) | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Vehicle Licences (19%) | | Sundry Amounts | Sundry Amounts | Sundry Amounts | 0% |
| | Vehicle Registration | | 139 | 139 | 139 | 0% |
| | Vehicle Registration Penalties | | Sundry Amounts | Sundry Amounts | Sundry Amounts | 0% |
| | Vehicle De-Registration | | Sundry Amounts | Sundry Amounts | Sundry Amounts | 0% |
| | Temporary Permit | | 110 | 110 | 110 | 0% |
| | Special Permit | | 85 | 85 | 85 | 0% |
| | Disabled Parking Disc | | 117 | 117 | 117 | 0% |
| | RTMC (Transaction Fees) | | 76 | 76 | 76 | 0% |
| | | | | | | 0% |
| | Disabled Parking Issuing/Renewal | | 117 | 117 | 117 | 0% |
| | Disabled Parking Application | | 210 | 210 | 210 | 0% |
| | **IMPOUNDMENT OF VEHICLES** | | | | | |
| | First time offenders | | 2 826 | 3 249 | 2 691 | 5% |
| | Second time offenders | | 4 521 | 5 199 | 4 306 | 5% |
| | Third time offenders | | 9 042 | 10 398 | 8 611 | 5% |
| | Abandoned Vehicles | | 2 691 | 3 095 | 2 563 | 5% |

| | KOUGA local municipality | Comments | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| | | Unit | Total | Total | Total | |
| | | R/cents/Kl/m | Excl VAT | Incl VAT | Excl VAT | Increase |
| 3,9 | **NATURE CONSERVATION** | | | | | |
| | **GAMTOOS RIVER MOUTH NATURE RESERVE** | | | | | |
| | **Camping/Caravan Sites** | | | | | |
| | Max 6 persons p/day | Per Day | 128 | 147 | 122 | 5% |
| | Extra per person per day | Per Day | 34 | 39 | 32 | 5% |
| | Once off entrance fee | | 80 | 92 | 76 | 5% |
| | **Entrance Fees** | | | | | |
| | Entrance fee | | 80 | 92 | 76 | 5% |
| | Gamtoos Mouth Home-Owners Annual Entrance Fee | | 347 | 399 | 330 | 5% |
| | **LOERIEDAM NATURE RESERVE** | | | | | |
| | Day Visitors | Per Day | 34 | 39 | 32 | 5% |
| | Rentals | | | | | |
| | Field study centre : per person per night | per person per night | 155 | 179 | 148 | 5% |
| | Robinson's camp : per person per day | per person per day | 43 | 50 | 41 | 5% |
| | Robinson's camp : per person per night | per person per night | 99 | 114 | 95 | 5% |
| | Education courses | | | | | |
| | per person per course (exclude first two teachers) | | 76 | 87 | 72 | 5% |
| | per pupil per weekend | | 99 | 114 | 95 | 5% |
| | **BOAT REGISTRATION FEES (River Licenses)** | | | | | |
| | **Pleasure boats** | | | | | |
| | Per annum | | | | | |
| | Multi River (Kromme, Gamtoos) | Per annum | 678 | 780 | 646 | 5% |
| | Single river | Per annum | 409 | 470 | 390 | 5% |
| | **Renewable on 1 January each year** | | | | | |
| | Multi River (Kromme, Gamtoos) | Per annum | 482 | 554 | 459 | 5% |
| | Single river | Per annum | 311 | 357 | 296 | 5% |
| | **Launch site Boat Permit Fee** | | | | | |
| | Per annum | | 1 064 | 1 224 | 1 013 | 5% |
| | Semi Annual | | 532 | 612 | 507 | 5% |
| | Per day | | 228 | 263 | 217 | 5% |
| | 7 days | | 1 370 | 1 575 | 1 304 | 5% |
| | **River Permits (Kromme Joint River Committee)** | | | | | |
| | The sliding scale is to encourage smaller boats and engines, and to discourage bigger vessels | | | | | |
| | If there are multiple engines on a boat, the fee will be based on the total engine capacity | | | | | |
| | **Recreational Vessels (per annum)** | | | | | |
| | Up to 15hp | Per annum | 522 | 600 | 496 | 5% |
| | 16hp to 119hp | Per annum | 852 | 980 | 800 | 7% |
| | 120hp to 249hp | Per annum | 1 322 | 1 520 | 1 217 | 9% |
| | 250hp to 299hp | Per annum | 2 296 | 2 640 | 2 087 | 10% |
| | 300hp to 399hp | Per annum | 3 652 | 4 200 | 3 261 | 12% |
| | 400hp and greater | Per annum | 5 130 | 5 900 | 4 652 | 10% |
| | **Multi Vessels (per annum)** | | | | | |
| | Up to 15hp | Per annum | 1 004 | 1 155 | 957 | 5% |
| | 16hp to 119hp | Per annum | 1 278 | 1 470 | 1 217 | 5% |
| | 120hp to 249hp | Per annum | 1 817 | 2 090 | 1 652 | 10% |
| | 250hp to 299hp | Per annum | 2 678 | 3 080 | 2 435 | 10% |
| | 300hp to 399hp | Per annum | 6 810 | 7 832 | 6 191 | 10% |
| | 400hp and greater | Per annum | 9 728 | 11 187 | 8 843 | 10% |
| | **Commercial Vessels (per annum)** | | | | | |
| | Up to 15hp | Per annum | 657 | 756 | 626 | 5% |
| | 16hp to 119hp | Per annum | 1 278 | 1 470 | 1 217 | 5% |
| | 120hp to 249hp | Per annum | 2 210 | 2 541 | 2 009 | 10% |
| | 250hp to 299hp | Per annum | 3 730 | 4 290 | 3 391 | 10% |
| | 300hp to 399hp | Per annum | 4 438 | 5 104 | 4 035 | 10% |
| | 400hp and greater | Per annum | 6 313 | 7 260 | 5 739 | 10% |
| | **Beach Cycling (Non-motorised)** | | | | | |
| | Per annum | | 263 | 302 | 250 | 5% |
| | Per Month | | 105 | 121 | 100 | 5% |
| 3,10 | **PARKS AND OPEN SPACES** | | | | | |
| . | | | | | | |
| | Removal of green waste (more than 2 bags, up to 5 bags) | more than 2 bags, up to 5 bags | 322 | 370 | 306 | 5% |
| | Removal of branches only (truck load) | truck load | 536 | 616 | 511 | 5% |
| | | | | | | |
| 3,11 | **ANIMAL POUND** | | | | | |
| | | | | | | |
| | **Sustenance Fees -per day** | | | | | |
| | Horses, Cattle & Pigs | R/Per Day (Per Anima | 169 | 195 | 161 | 5% |
| | Sheep & Goats | R/Per Day (Per Anima | 81 | 93 | 77 | 5% |
| | Delivery Fee/km | R/Per Day (Per Anima | 37 | 42 | 35 | 5% |
| | **Trespass - per day** | | | | | |
| | Horses, cattle, pigs (minimum) | R/Per Day (Per Anima | 346 | 398 | 329 | 5% |
| | Sheep, goats (minimum) | R/Per Day (Per Anima | 346 | 398 | 329 | 5% |
| | **Pound fees per day** | | | | | |
| | Horses, cattle, ostriches & pigs per head | R/Per Day (Per Anima | 103 | 119 | 98 | 5% |
| | Goats and sheep per head | R/Per Day (Per Anima | 29 | 33 | 28 | 5% |

| | KOUGA | Comments | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| | | Unit | Total | Total | Total | |
| | | R/cents/Kl/m | Excl VAT | Incl VAT | Excl VAT | Increase |
| 3,12 | **SAFETY AND SECURITY** | | | | | |
| | Vehicle Licences (17.5%) | Sundry Amounts | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | Towage fees | | | | | |
| | Storage fees per day (Sold after 3 months) | R/Per Day | 100 | 115 | 50 | 50% |
| | Storage fees per day - exceeding 30 days | R/Per Day | 121 | 140 | 116 | 5% |
| | Enquiries vehicle accident | | 193 | 222 | 183 | 5% |
| | Selling of Vehicles on a site approved by Council (Per Day) | R/Per Day | 103 | 119 | 98 | 5% |
| | Traffic Assistance | | | | | |
| | Events (Per Hour) | R/Per hr/Per officer | 269 | 310 | 392 | 5% |
| | Funerals (Flat Rate) | Flat Rate | 721 | 829 | 687 | 5% |
| | Fines : Traffic | Sundry Amounts | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | **Traffic Escort Services** | | | | | |
| | Normal Loads (Per officer/Per hour) | Per Officer/Per hr | 250 | 288 | - | NEW |
| | Abnormal Loads (Per officer/Per hour) | Per Officer/Per hr | 430 | 495 | - | NEW |
| | Escort Services (Per km/Vehicle) | Per km | 5 | 5 | - | NEW |
| 3,13 | **WASTE** | | | | | |
| | **REMOVAL** | | | | | |
| | **Domestic** | | | | | |
| | Households | R/Per Month | 264 | 304 | 252 | 5% |
| | Additional houshold bin | | 132 | 152 | 126 | 5% |
| | Free Basic Services to Registered Indigent Consumers | R/Per Month | - 264 | - 304 | - 252 | 5% |
| | Multi Dwelling Units (per Unit) | R/Per Month | 199 | 229 | 190 | 5% |
| | Skips (Multi-dwellings) | R/Per Month | 3 435 | 3 950 | 3 271 | 5% |
| | Skips at Retirement Villages (per month) | R/Per Month | 2 296 | 2 640 | 2 187 | 5% |
| | **Commercial** | | | | | |
| | Small (1 bin) | R/Per Month | 264 | 304 | 252 | 5% |
| | Additional Bin Once Per Week (Per Bin) | R/Per Month | 527 | 606 | 502 | 5% |
| | (3 Removals per week, monthly tariff) | R/Per Month | 1 319 | 1 517 | 1 256 | 5% |
| | (6 Removals per week, monthly tariff) | R/Per Month | 2 847 | 3 274 | 2 712 | 5% |
| | Skips (One Removals per week) | R/Per Month | 2 343 | 2 695 | 2 232 | 5% |
| | Skips (Two Removals per week) | R/Per Month | 3 403 | 3 913 | 2 636 | 5% |
| | **SUNDRY CHARGES / REMOVALS** | | | | | |
| | 240 Litre Wheely-bin (purchasing new bin) | | 1 006 | 1 157 | 959 | 5% |
| | Condemnation - removal and disposal of food, animals, etc | | 2 281 | 2 623 | 2 173 | 5% |
| | Augmentation Fees | | | | | |
| | Refuse | | 2 343 | 2 695 | 2 232 | 5% |
| 3,14 | **SPORTS AND RECREATION** | | | | | |
| | **Sportsfield Rental per day : Music Concerts** | | | | | |
| | Sport Tournaments | R/Per Day | 2 770 | 3 185 | 2 638 | 5% |
| | Profitable Functions(Festivals,Concerts etc) | R/Per Day | 5 816 | 6 689 | 5 539 | 5% |
| | School Sports Tournaments | | 1 021 | 1 174 | 972 | 5% |
| | Sports Affiliation per year | R/Per Year | 529 | 608 | 504 | 5% |
| | Welfare organisations per year | R/Per Year | 710 | 816 | 676 | 5% |
| | Deposit | | | | | |
| | Damages | | 1 233 | 1 233 | 1 174 | 5% |
| 3,15 | **WATERWAYS** | | | | | |
| | **Licence Fees per Annum** | | | | | |
| | Non Riparian Levy Owners | R/Per Annum | 2 442 | 2 808 | 2 261 | 7% |
| | (Riparian Levy Owners first boat free) | | | | | |
| | Riparian Levy Owners ( for boats in addition to first free boat) | | 2 015 | 2 317 | 1 865 | 7% |
| | Commercial Operators per passager registered on COF | R/Per Passenger | 5 217 | 6 000 | 2 268 | 57% |
| | Riparian Commercial Operators per passager registered on COF | R/Per Passenger | 5 217 | 6 000 | 1 751 | 66% |
| | Jet ski access to river mouth (in addition to annual licence fee) | | 87 | 100 | | New |
| | **Moorings** | | | | | |
| | Permanent Moorings | | | | | |
| | Annually | Per Annum | 9 307 | 10 703 | 8 461 | 9% |
| | **Riparian Levy** | | | | | |
| | Per Annum | | 5 588 | 6 426 | 5 174 | 7% |
| | (Riparian Levy Owners first boat licence free) | | - 1 969 | - 2 265 | - 1 969 | |
| | Sundry Income | | Sundry Amounts | Sundry Amounts | Sundry Amounts | |
| | **Temporary Permits** | | | | | |
| | One Day | R/Per Day | 275 | 316 | 239 | 13% |
| | Two to Seven Days | R/2-7 Days | 1 704 | 1 960 | 1 482 | 13% |

# PLANNING & DEVELOPMENT

| SERVICE DESCRIPTION | Comments<br>Unit<br>R/cents/Kl/m | 2026/27<br>Total<br>Excl VAT | 2026/27<br>VAT<br>VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|---|
| **PLANNING AND DEVELOPMENT** | **700** | | | | | |
| | | | | | | |
| **Augmentation Fees** | | | | | | |
| Council will consider entering into a service agreement for developments bigger than 2000m² or where it is the best option. This will be negotiated at the discretion of the Council. | | | | | | |
| Augmentation Fees (New Developments) per equivalent erf | | | | | | |
| Roads and Storm Water | | 6 049 | 907 | 6 956 | 5 679 | 6,5% |
| | | | | | | |
| Sewerage | | 29 970 | 4 495 | 34 465 | 28 141 | 6,5% |
| | | | | | | |
| Water | | 29 186 | 4 378 | 33 564 | 27 405 | 6,5% |
| | | | | | | |
| Electricity | | 15 623 | 2 343 | 17 966 | 14 669 | 6,5% |
| Standard / conventional charge per ERU | | | | | | |
| | | | | | | |
| Refuse | | 2 343 | 351 | 2 695 | 2 232 | 5% |
| | | | | | | |
| Hoarding fees (per month) | | 804 | 121 | 925 | 759 | 6% |
| Hoarding Penalty fee | | 1 881 | 282 | 2 163 | 1 774 | 6% |
| **Building plan fees** | | | | | | |
| Minor building applications In Terms of Sec 13 of the Act | | 819 | 123 | 942 | 773 | 6% |
| Telecommunication Mast | | 10 983 | 1 647 | 12 630 | 10 361 | 6% |
| Submission where building plans were previously approved shall be 20% of the submission fee. | | | | | | |
| Garden Walls and Fixed Fences | | 635 | 95 | 730 | 599 | 6% |
| Garden Walls and Fixed Fences - (RDP & Sub economic area) | | 317 | 48 | 365 | 300 | 6% |
| Swimming Pools | | 819 | 123 | 942 | 839 | 6% |
| **RDP Housing /Sub-economic area** | | | | | | |
| 0 - 50 m² | | 635 | 95 | 730 | 599 | 6% |
| 1 | | 783 | 117 | 900 | 738 | 6% |
| Other areas | | | | | | |
| 0- 20 m² | | 1 359 | 204 | 1 562 | 1 282 | 6% |
| for each additional 10 m² or part thereof up to 3000 m² | | 224 | 34 | 257 | 211 | 6% |
| greater than 3001 m² per 500 m² or part thereof | | 674 | 101 | 776 | 636 | 6% |
| Fees are applicable to a once-off submission and no phase or separate submissions will be considered. | | | | | | |
| Wind Turbines | | | | | | |
| Per Turbine | | 11 642 | 1 746 | 13 388 | 10 983 | 6% |
| Any structure additional to turbine | | | | | | |
| 0 - 20 m² | | 1 410 | 212 | 1 622 | 1 330 | 6% |
| for each additional 10 m² or part thereof up to 3000 m² | | 246 | 37 | 283 | 232 | 6% |
| greater than 3001 m² per 500 m² or part thereof | | 742 | 111 | 853 | 700 | 6% |
| Industrial rural (Agricultural) | | | | | | |
| 0 - 20 m² | | 1 495 | 224 | 1 719 | 1 410 | 6% |
| for each additional 10 m² or part thereof up to 3000 m² | | 246 | 37 | 283 | 232 | 6% |
| greater than 3001 m² per 500 m² or part thereof | | 742 | 111 | 853 | 700 | 6% |
| Churches | | | | | | |
| 0 - 1000 m² | | 1 757 | 264 | 2 021 | 1 658 | 6% |
| greater than 1000 m² - for each additional 10m² | | 318 | 48 | 366 | 300 | 6% |
| Deviation plan (With no change in area from previous approved plan) | | 1 126 | 169 | 1 294 | 1 062 | 6% |
| RDP Housing/Sub-economic | | 624 | 94 | 717 | 588 | 6% |
| Change of Use (e.g Change of Garage to habitable room with no change of area) | | 1 188 | 178 | 1 366 | 1 121 | 6% |
| RDP Housing/Sub-economic | | 624 | 94 | 717 | 588 | 6% |
| **Deviation plan** | | | | | | |
| RDP Housing/Sub-economic | | | | | | |
| Residential/Commercial (no area change) *where area change has been done then the penalty will be applicable. | | 500 | 75 | 575 | - | |
| **Re-Inspection Fees** | | | | | | |
| RDP Housing/Sub-economic | | 486 | 73 | 559 | 458 | 6% |
| Other | | 971 | 146 | 1 117 | 916 | 6% |
| Penalty inspection fees (Per Inspection) | | 1 053 | 158 | 1 211 | 993 | 6% |
| Inspection request Fee- Foundation, drainage, Final, | | 940 (x2 re-inspection fee) | | 940 (x2 re-inspection fee) | 940 (x2 re-inspection fee) | |
| Request for Demolition Fee | | 1 002 | 150 | 1 152 | 945 | 6% |
| Application for Extension of Validity Period of Approval - Sec 7(4) | | 500 | 75 | 575 | | |
| Application for permission to occupy building before issuimg the certificate of occupancy: | | | | | | |
| 0-1000sqm | | 4 108 | 616 | 4 724 | 3 875 | 6% |
| 1001-5000sqm | | 7 961 | 1 194 | 9 155 | 7 510 | 6% |
| 5001- and above | | 16 165 | 2 425 | 18 590 | 15 250 | 6% |
| Resubmission Fee- 1st application free, as per NBR, from 2nd fee to be paid by RP | | 1 002 | 150 | 1 152 | 945 | 6% |
| Search fees per hour or any part thereof | | 178 | 27 | 205 | 168 | 6% |
| **Request for copies of Building Plans** | | 600 | 90 | 690 | | |

| KOUGA | | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| SERVICE | | Total | VAT | Total | Total | |
| DESCRIPTION | | Excl VAT | VAT | Incl VAT | Excl VAT | Increase |
| **Building Deposits** | | | | | | |
| Where possible, building deposits are placed on on a debtor's account relevant to the applicable erf, alternatively the suspense account is utilized | | | | | | |
| Sub-economic | | 2 501 | No VAT Implications | 2 501 | 2 360 | 6% |
| Other | | 18 759 | No VAT Implications | 18 759 | 17 697 | 6% |
| | | | | | | |
| **Penalties** | | | | | | |
| Building without approval | | | | | | |
| Whenever a building or structure is erected without the prescribed building plans a penalty of 4 times the building plan fees will be payable. | | | | | Sundry Amounts | |
| Inspection Fees | | | | | | |
| No inspection called for - all zonings (per inspection) | | 994 | 149 | 1 143 | 938 | 6% |
| **Town planning & Erf Information** | | | | | | |
| Zoning Certificates | | 328 | 49 | 377 | 309 | 6% |
| Extension of Validity Period of Approval [Sec 57(k)] | | 207 | 31 | 238 | 195 | 6% |
| **Land use application (All advertising and registered mail costs excluded)** | | | | | | 6% |
| Rezoning application : Other [Sec 57(c)] | | 5 565 | 835 | 6 399 | 5 250 | 6% |
| Rezoning application : RDP, Low cost housing/erven smaller than 250m² | | 1 876 | 281 | 2 157 | 1 770 | 6% |
| Departure application : Other [Sec. 57(j)] | | 5 565 | 835 | 6 399 | 5 250 | 6% |
| Departure application : RDP, Low cost housing/erven smaller than 250m² | | 1 876 | 281 | 2 157 | 1 770 | 6% |
| Sub-division application : Other (less than 5 Erven) [Sec. 57(a)] | | 5 565 | 835 | 6 399 | 5 250 | 6% |
| Sub-division application : Other (Into 6 -250 Erven) | | 11 129 | 1 669 | 12 798 | 10 499 | 6% |
| Sub-division application : Other (Into > 251 ) | | 16 694 | 2 504 | 19 198 | 15 749 | 6% |
| Sub-division application : RDP, Low cost housing/erven smaller than 250m² | | 1 770 | 265 | 2 035 | 1 670 | 6% |
| Phasing of Subdivision [Sec 57(b)] | | 2 079 | 312 | 2 390 | 1 961 | 6% |
| All State/Municipal Projects/Applcations are exempt from application fees. Community use on Council property by non profit organisation | | **No charge** | **No charge** | **No charge** | **No charge** | |
| Removal of restrictive title deed conditions [Sec 57(d)] | | 8 287 | 1 243 | 9 530 | 7 818 | 6% |
| Consent in terms of a condition of Title Deed | | 7 818 | 1 173 | 8 990 | 7 375 | 6% |
| Consent use application : Other [Sec 57(h)] | | 3 752 | 563 | 4 314 | 3 539 | 6% |
| Consent use application : RDP, Low cost housing/erven smaller than 250m² | | 1 876 | 281 | 2 157 | 1 770 | 6% |
| Site Development Plan Submission | | 1 863 | 279 | 2 143 | 1 758 | 6% |
| Application for exemption from Municipal Approval [Sec 66(l)] SPLUM by-law) | | 1 658 | 249 | 1 906 | 1 564 | 6% |
| Application for Appeal | | 1 657 | 249 | 1 906 | 1 563 | 6% |
| Amendment, deletion or addition of conditions i.r.o. existing approval [Sec 66(n)] | | 1 863 | 279 | 2 142 | 1 757 | 6% |
| Approval/ amendment/Disestablishment of constitution of an 'owners' association | | 1 657 | 249 | 1 906 | 1 563 | 6% |
| Determination of Zoning - Sec 181 of Splum by-law | | 3 180 | 477 | 3 657 | 3 000 | 6% |
| Amendment or cancellation of Subdivision Plan - [Sec 57(n)] Splum by-law | | 1 658 | 249 | 1 907 | 1 564 | 6% |
| Consolidation of land [Sec 57(e)] | | 5 738 | 861 | 6 599 | 5 413 | 6% |
| Temporary Departure | | 5 618 | 843 | 6 461 | 5 300 | 6% |
| Temporary Departure (RDP) | | 1 685 | 253 | 1 938 | 1 590 | 6% |
| Permanent closure of any public place [Sec 57(g)] | | 5 565 | 835 | 6 400 | | |
| Approval or amendment of the constitution of an owner's association [Sec 57(o)] | | 3 752 | 563 | 4 315 | | |
| Intervenor status Section 99 | | 1 563 | 234 | 1 798 | 1 475 | 6% |
| **AUGMENTATION FEES** | | | | | | |
| Additional Dwelling Unit Less than 60 m² (on one erf) | | Nill | Nill | Nill | Nill | |
| Additional Dwelling Unit Greater than 60 m² but less than 120 m² (on one erf) | | 15 280 | 2 292 | 17 572 | 14 415 | 6% |
| Additional Dwelling Unit Greater than 120 m² up to limits (on one erf) | | 30 559 | 4 584 | 35 143 | 28 830 | 6% |

| KOUGA | Comments | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| SERVICE | Unit | Total | VAT | Total | Total | |
| DESCRIPTION | R/cents/Kl/m | Excl VAT | VAT | Incl VAT | Excl VAT | Increase |
| **Advertising Tariffs** | | | | | | |
| Annual rent tourism boards | | 394 | 59 | 453 | 371 | 6% |
| Tourism boards : Application | | 1 012 | 152 | 1 163 | 954 | 6% |
| Advertising boards confiscated per board <1m² | | 241 | 36 | 277 | 227 | 6% |
| Advertising boards confiscated per board >1m² | | 1 162 | 174 | 1 336 | 1 096 | 6% |
| Business advertising application < 1m² | | 250 | 38 | 288 | 236 | 6% |
| Business advertising application between 1m² and 5 m² | | 467 | 70 | 537 | 440 | 6% |
| Business advertising application > 5m² | | 1 526 | 229 | 1 754 | 1 439 | 6% |
| Municipal roads reserve advertising costs per month > 1m² | | 316 | 47 | 364 | 298 | 6% |
| Business advertising cost between 1m² and 5 m² - monthly | | 632 | 95 | 727 | 597 | 6% |
| Election Posters Deposit (Per Party / Per Candidate / Per Ward) - refundable 7 days after elections if posters are removed. | | 4 169 | No VAT Implications | 4 169 | 3 933 | 6% |
| Election Posters (Per Party / Per Candidate / Per Ward) | | 1 445 | 217 | 1 662 | 1 363 | 6% |
| Advertising Trailers (Per Month or part thereof) | | 448 | 67 | 515 | 422 | 6% |
| Illuminated street signs | | 5 507 | 826 | 6 333 | 5 195 | 6% |
| Poster advertising (Max 100 posters) | | 1 224 | 184 | 1 408 | 1 155 | 6% |
| Annual licensing fee for Estate Agents | | 2 000 | | | | |
| **Building Control Contraventions** | | | | | | |
| | | | | | | |
| OFFENCES AND PENALTIES IN RELATION TO NATIONAL BUILDING ACT 103 OF 1977 AND SANS 10400 REGULATIONS | | | | | | |
| | | | | | | |
| **OFFENCE** | | | | | | |
| Building without approved plans(including regulation A25(10) | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Continuing in contravention of a notice to a erect a building (per day) | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Failure to demolish, alter, secure a building or a land F3(2) | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to submit engineers completion certificate A2(1)(f) | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| submission of false certificate's | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Occupation or use of a building without certification of occupancy | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Prohibition on the use of certainmethods or materials | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Failure to submit engineers drawings and engineers completion certificates | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| Failure to Provide approved plans and particulars on site | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| False or misleading information | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| Boundary beacons not pointed out | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| Installations, maintenance and operations | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Illegal certificate of identity | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| Control of plumbing work | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Failure to notify for commencing erection or demolition | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Use of a building for the purpose other than that indicated on the approved plan | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Deviating from approved plan (foundations, walls freestanding and retaining | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Failure to comply with the provisions of a notice in terms of regulation A25 | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to comply with provisions concerning demolitions condition | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Protection of the public site operations | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to secure unstable soil or land | | 3 573 | 536 | 4 109 | 3 371 | 6% |
| Failure to Control of dust and noise | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Cutting into, laying open and demolishing certain building work | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Failure to safeguard any persons from falling from such balcony bridge, flat roof or similar place | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to safe guard a swimming pool | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Accumulation of waste material on site | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to construct and locate the builders shed to the satisfaction of the local authority | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Failure to move, reconstruct, repair or improve the condition of the builders shed and unpermitted use thereof within a specified time in such notice | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Accommodating security personnel in a builders shed, not complying with council's requirements and conditions for the safeguarding of public health and the health of such a way that a nuisance or inconvenience is caused to persons in the vicinity of the premises | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Failure to provide adequate approved sanity facilities for staff in an approved location before erection or demolition of the premises | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Failure, while excavating, to take adequate precautionary measures to ensure the safety and stability of a property or services is maintained. | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Laying of sewer installation not within the premises | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Prohibition on discharge storm water to enter any drainage installation on any site | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Prohibition on discharge of any storm water from a swimming pool, fountains or reservoirs onto any public space or neighbouring property | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Unauthorised drainage work | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Putting a sewer installation into use without an inspection | | 1 787 | 268 | 2 055 | 1 685 | 6% |
| Failure to provide storm water disposal requirements | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Failure to provide sufficient protection of occupants or users in any buildind | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| maintained, and serviced | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Problem Buildings (Dilapidated etc) | | 5 955 | 893 | 6 848 | 5 618 | 6% |
| Failure to maintain boundary wall/party walls | | 1 191 | 179 | 1 370 | 1 124 | 6% |
| Structural intergrity of building | | 2 978 | 447 | 3 424 | 2 809 | 6% |

| KOUGA | Comments | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| SERVICE | Unit | Total | VAT | Total | Total | |
| DESCRIPTION | R/cents/Kl/m | Excl VAT | VAT | Incl VAT | Excl VAT | Increase |
| Failure to dispose of building rubble | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Illegal temporary structure fee | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| Hindering/preventing Building Control Officer/ Building Inspector | | 2 382 | 357 | 2 739 | 2 247 | 6% |
| from entering premises or doing their job | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Illegal carports and awnings | | 2 978 | 447 | 3 424 | 2 809 | 6% |
| Control of storm water relay | | 3 573 | 536 | 4 109 | 3 371 | 6% |
| **Land and Property Administration** | | | | | | |
| Application Fee: Non-viable land (land that cannot be develop on its own) lease or buy | No fee | 337 | 51 | 388 | 318 | 6% |
| Application Fee: Non-profit organisation/social care (Non-viable land) | No fee | 112 | 17 | 129 | 106 | 6% |
| Application Fee: Non-profit organisation/social care (Viable land) | No fee | 562 | 84 | 646 | 530 | 6% |
| Application Fee: Leasing for business and commercial purposes | No fee | 899 | 135 | 1 034 | 848 | 6% |
| Application Fee: Leasing for social related purposes | No fee | 112 | 17 | 129 | 106 | 6% |
| Application Fee: Minor encroachments 0 - 10cm | No fee | - | - | - | - | 6% |
| Application Fee: Minor encroachments 10cm and above | No fee | 562 | 84 | 646 | 530 | 6% |
| Advertisment Fees | No fee | 1 685 | 253 | 1 938 | 1 590 | 6% |
| Application Fee: Draft of Lease and Sale Agreements | No fee | 281 | 42 | 323 | 265 | 6% |

# CIVIL & WATER SERVICES

| SERVICE<br>DESCRIPTION | Comments<br>Unit<br>R/cents/Kl/m | 2026/27<br>Total<br>Excl VAT | 2026/27<br>VAT<br>VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|---|
| **PUBLIC WORKS** | **720** | | | | | |
| **Augmentation Fees** | | | | | | |
| Council will consider entering into a service agreement for developments bigger than 2000m² or where it is the best option. This will be negotiated at the discretion of the Council. | | | | | | |
| Augmentation Fees (New Developments) per equivalent erf | | | | | | |
| Roads and Storm Water | | 5963,41 | 894,51 | 6857,92 | 5679,44 | 5,0% |
| **SANITATION** | **750** | | | | | |
| | | | | | | |
| **CHARGE (MONTHLY )** | | | | | | |
| Buckets | | 209,49 | 31,42 | 240,91 | 199,51 | 5,0% |
| Free Basic Services to Registered Indigent Consumers | | -209,49 | -31,42 | -240,91 | -199,51 | 5,0% |
| | | | | | | |
| **SEWERAGE** | **780** | | | | | |

The sewerage charges are calculated on two main components per erf.

The first portion is based on a fixed cost for each erf and the second portion is based on actual measured water consumption (hydraulic portion) for an erf.

**Fixed Charge**

The Fixed Charge provides for costs on the sewerage operating budget such as charges for capital loan and interest payments and provision for a capital reserve fund. This cost is indicative of the installation /construction, rehabilitation and eventual replacement cost of the infrastructure. The cost is fixed for every property which has access to the municipal sewerage system irrespective of the property being vacant (no buildings) or, if the property uses the existing system, including the suction tanker service.

The fixed cost component is therefore payable irrespective of the service being used by the consumer or not, therefore this charge willl effectively replace the current "Availability Fee".

The fixed charged per erf is based on the sewage conveyance and treatment cost for an average monthly water consumption per erf which is exceeded by 80% of consumers in the particular category.

**Hydraulic Charge**

The proposed tariff will also obviate anomalies which exist currently whereby owners of properties in some consumer categories are heavily subsidising users in other categories. With the present tariff in certain instances domestic consumers are also subsidising commercial consumers.

The tariff will uniformly apply to all categories of consumers (Sewerage Service) throughout the municipality. Sewage discharge will be calculated on actual metered water consumption that will be reduced by a "discharge factor" i.e, the ratio of kilolitres sewage discharged by each category of consumer, to be determined by the Director: Technical Services. Whilst a standard tariff per kl of sewage will be levied, the discharge factor applicable to the different categories may differ.

The formula used to arrive at the new hydraulic tariff, is as follows:

P = KVC where,
P = sewerage charge in Rand
K = effluent discharge factor
V = volume(kl) of potable water consumed
C = prescribed charge in Rand

**Rebate of 10% for –**

Bulk Consumers/ Private Developments >2Ha, restricting admission, which pay bulk and "on-sell" to patrons within the development and which develop and maintain their own infrastructures.

See table detailing categories and discharge factors below.

| KOUGA local municipality Good Governance through Service Excellence | | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| **SERVICE** | | **Total** | **VAT** | **Total** | **Total** | |
| **DESCRIPTION** | | **Excl VAT** | **VAT** | **Incl VAT** | **Excl VAT** | **Increase** |
| The hydraulic portion of the sewerage charge consists of two components : | | | | | | |
| **Minimum Consumption Charge** | | | | | | |
| This is the portion of the sewerage charge to provide for firm operating costs such as salaries, plant and equipment, etc and certain general expenses. The charge is the average cost per erf for a particular category and is based on the firm/fixed cost incurred by the Sewerage Service to operate the sewerage system irrespective of what volume of sewage is conveyed and treated. | | | | | | |
| | | | | | | |
| The minimum consumption charge is therefore also necessary irrespective of the service being used by the consumer continuously or infrequently. | | | | | | |
| | | | | | | |
| The first part of the hydraulic charge is calculated on a percentage of the minimum water consumption specified per erf for each category | | | | | | |
| | | | | | | |
| As from the 2013/2014 Financial Year, this cost has been included in the Fixed Charge Component | | | | | | |
| **Variable Consumption Charge** | | | | | | |
| This is the portion of the sewerage charge to provide for the operating costs that vary depending on the amount/extent of consumption. Electricity consumption, pump maintenance and repairs, etc are typical costs that increase when the sewage flow increases. | | | | | | |
| | | | | | | |
| Nevertheless, during prolonged periods of low flow e.g. during a drought when water restrictions apply, the operating cost can actually increase although less sewage is discharged. Due to low flow the frequency of sewer blockages increases which requires more frequent sewer cleaning with high pressure jetting equipment as a preventative measure. | | | | | | |

The second part of the hydraulic portion is calculated on the water consumption in excess of the specified minimum volume up to a specified maximum consumption per erf for domestic categories. No maximum consumption applies to commercial categories.

| KOUGA Local municipality Good Governance through Service Excellence | | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| **SERVICE** | | **Total** | **VAT** | **Total** | **Total** | |
| **DESCRIPTION** | | **Excl VAT** | **VAT** | **Incl VAT** | **Excl VAT** | **Increase** |
| **Sewerage Tariff Categories and Discharge Factors** | | | | | | |
| | **Discharge Factor (K) (T04)** | **Minimum Volume (kl/month) (T05)** | | **Maximum Volume (kl/month) (T06)** | **Minimum Volume (kl/month) (T05)** | |
| **Offices (Com1)** | | | | | | |
| Offices | 98% | 10,00 | | No Max. | 10,00 | |
| **Restricted Business A (Com2)** | | | | | | |
| Funeral Parlours | 98% | 15,00 | | No Max. | 15,00 | |
| Licensed Bottle Stores / Pubs / Taverns | | | | | | |
| Offices | | | | | | |
| Supermarkets | | | | | | |
| Shops | | | | | | |
| **Restricted Business B (Com3)** | | | | | | |
| Day-Care Centres | 95% | 15,00 | | No Max. | 15,00 | |
| Medical Uses | | | | | | |
| Places of Entertainment | | | | | | |
| Service Stations | | | | | | |
| Motor Showrooms | | | | | | |
| Places of Instruction | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Special Businesses (Com4)** | | | | | | |
| Licensed Hotels | 95% | 15,00 | | No Max. | 15,00 | |
| Licensed Restaurants | | | | | | |
| Special Businesses | | | | | | |
| Warehouses | | | | | | |
| Workshops | | | | | | |
| **Resorts (Com5)** | | | | | | |
| Caravan Parks | 60% | 15,00 | | No Max. | 15,00 | |
| Camping Sites | | | | | | |
| Holiday Housing | | | | | | |
| Holiday Accommodation | | | | | | |
| Tourist Facilities | | | | | | |
| Nurseries | | | | | | |
| **General Industrial (Ind1)** | | | | | | |
| General Dry Industries | 95% | 15,00 | | No Max. | 15,00 | |
| Public Garages | | | | | | |
| Service Stations | | | | | | |
| Warehouses | | | | | | |
| **Noxious Industrial (Ind2)** | | | | | | |
| Noxious Use Industries | 98% | 15,00 | | No Max. | 15,00 | |
| Special Businesses | | | | | | |
| **Noxious Industrial (Ind2)** | | | | **(T09)** | | |
| Agreement - Woodlands Dairy | 80% | 15,00 | | No Max. | 15,00 | |
| **Educational (Ins1)** | | | | | | |
| Places of Instruction | 80% | 15,00 | | No Max. | 15,00 | |
| **Institutional (Ins2)** | | | | | | |
| Clinics | 98% | 15,00 | | No Max. | 15,00 | |
| Institutions for medical care or treatment | | | | | | |
| Hospitals | | | | | | |
| Institutions | | | | | | |
| Public and Government facilities | | | | | | |
| Sanatoriums | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Single Residential B (Res1)** | | | | | | |
| Dwelling Houses | 80% | 10,00 | | 50,00 | 10,00 | |
| Day-Care Centres | | | | | | |
| Creches | | | | | | |
| Guest Houses | | | | | | |
| Home Enterprises | | | | | | |
| Places of Worship | | | | | | |
| **Single Residential A (Res2)** | | | | | | |
| Informal Shelters | 80% | 12,00 | | 50,00 | 12,00 | |
| Permanent Low Cost Dwellings | | | | | | |

| SERVICE<br>DESCRIPTION | | 2026/27<br>Total<br>Excl VAT | 2026/27<br>VAT<br>VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|---|
| **Group Housing (Res3)** | | | | | | |
| Retirement Villages | 80% | 10,00 | | 50,00 | 10,00 | |
| Town Housing | | | | | | |
| **General Residential (Res4)** | | | | | | |
| Flats | 95% | 6,00 | | 50,00 | 6,00 | |
| **General (Gen1)** | | | | | | |
| Undetermined | 95% | 10,00 | | No Max. | 10,00 | |
| **Bulk / Private Developments (Bulk)** | 70% | No Min. | | No Max. | No Min. | |
| **Unmetered Potable Water Supply (Unmetered)** | 80% | | | Unmetered | | |
| *On all property, pending valuation, upon which a structure as defined herunder has been erected, a fixed monthly charge shall be paid by the registered owner of the property, or if there is no registered owner (informal area), then by the occupier of the property* | | | | | | |
| Formal Structure with Waterborne Sewerage | | | | | | |
| Informal Structure with Waterborne Sewerage | | | | | | |
| **AVAILABILITY CHARGE (PER ANNUM )** | | | | | | |
| Charges applicable to erven that are not connected to the sewerage network, but which could reasonably be connected to the network: | | | | | | |
| | | | | | | |
| Residential (per annum) | | 2062,35 | 309,35 | 2371,70 | 1964,14 | 5,0% |
| | | | | | | |
| Commercial (per annum) | | 3741,66 | 561,25 | 4302,91 | 3563,49 | 5,0% |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **FIXED CHARGE (MONTHLY )** | | | | | | |
| | | | | | | |
| **COMMERCIAL** | | | | | | |
| Commercial 1 - Offices | | 535,87 | 80,38 | 616,25 | 510,35 | 5,0% |
| Commercial 2 - Restricted Business A | | 635,87 | 95,38 | 731,26 | 605,60 | 5,0% |
| Commercial 3 - Restricted Business B | | 626,44 | 93,97 | 720,41 | 596,61 | 5,0% |
| Commercial 4 - Special Business | | 626,44 | 93,97 | 720,41 | 596,61 | 5,0% |
| Commercial 5 - Resorts | | 517,00 | 77,55 | 594,55 | 492,38 | 5,0% |
| | | | | | | |
| | | | | | | |
| **INDUSTRIAL** | | | | | | |
| Industrial 1 - General Industrial | | 586,01 | 87,90 | 673,91 | 558,10 | 5,0% |
| Industrial 2 - Noxious Industrial | | 635,87 | 95,38 | 731,26 | 605,60 | 5,0% |
| Industrial 2 - Noxious Industrial - Agreement - Woodlands Dairy (45% Discount) | | 349,73 | 52,46 | 402,19 | 333,08 | 5,0% |
| | | | | | | |
| **INSTITUTIONAL** | | | | | | |
| Institutional 1 - Educational (Schools) | | 893,13 | 133,97 | 1027,10 | 850,60 | 5,0% |
| Institutional 1 - Educational (Hostels) | | 893,13 | 133,97 | 1027,10 | 850,60 | 5,0% |
| Institutional 2 - Institutions | | 594,83 | 89,22 | 684,06 | 566,51 | 5,0% |
| | | | | | | |
| **DOMESTIC/RESIDENTIAL** | | | | | | |
| Residential 1 - Freehold Title | | 328,32 | 49,25 | 377,56 | 312,68 | 5,0% |
| Free Basic Services to Registered Indigent Consumers | | -328,32 | -49,25 | -377,56 | -312,68 | 5,0% |
| St Francis Bay (Previously Annual Payers of sewer levy) - No Variable Charge | | 328,32 | 49,25 | 377,56 | 312,68 | 5,0% |
| Free Basic Services to Registered Indigent Consumers | | -328,32 | -49,25 | -377,56 | -312,68 | 5,0% |
| Residential 2 - Low Cost Housing | | 220,76 | 33,11 | 253,88 | 210,25 | 5,0% |
| Free Basic Services to Registered Indigent Consumers | | -220,76 | -33,11 | -253,88 | -210,25 | 5,0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **MULTIPLE DWELLINGS (Multiply Charge by number of Units)** | | | | | | |
| Residential 3 - Group Housing | | 349,07 | 52,36 | 401,43 | 332,45 | 5,0% |
| Residential 4 - General Residential | | 303,79 | 45,57 | 349,35 | 289,32 | 5,0% |
| | | | | | | |
| **GENERAL** | | | | | | |
| Undetermined | | 430,21 | 64,53 | 494,74 | 409,72 | 5,0% |
| KOUGA local municipality Good Governance through Service Excellence | | **2026/27** | **2026/27** | **2026/27** | **2025/26** | **%** |
| **SERVICE** | | **Total** | **VAT** | **Total** | **Total** | |
| **DESCRIPTION** | | **Excl VAT** | **VAT** | **Incl VAT** | **Excl VAT** | **Increase** |
| **BULK** | | | | | | |
| | | | | | | |
| NO Fixed Charge is levied. 10% Rebate on Hydraulic Charge | | | | | | |
| Private Developments (This rebate will be determined in the SLA approved by Council per development.) | | | | | | |
| | | | | | | |
| **UNMETERED** | | | | | | |
| | | | | | | |
| Potable Water Supply | | 183,02 | 27,45 | 210,48 | 174,31 | 5,0% |
| Free Basic Services to Registered Indigent Consumers | | -183,02 | -27,45 | -210,48 | -174,31 | 5,0% |
| | | | | | | |
| **VARIABLE CHARGE (HYDRAULIC CHARGE)** | | | | | | |
| A charge levied for the cost of waste water treatment. This cost is based on a percentage of your water consumption which is directly linked to the respective industry norms. | | | | | | |
| All Users | Rand per kl | 22,41 | 3,36 | 25,77 | 20,56 | 9,0% |
| | | | | | | |

| | |
|---|---|
| **TRADE EFFLUENT SURCHARGE** | |
| The Trade Effluent Surcharge shall be paid in addition to the normal hydraulic and fixed charges which apply for each property. | |
| (a) The monthly charge payable by the owner or occupier of any trade premises in respect of any trade effluent discharged into the Council's sewers shall be assessed by the Council on a monthly basis and shall be notified to such owner or occupier at the end of each month and shall be charged in accordance with the formula in paragraph (c) below. | |
| | |
| The Council shall base its monthly charge on the highest COD of one or more samples collected from the trade effluent samples point. | |
| | |
| (b) In case of trade premises from which effluent is discharged into the Council's sewer for the first time a charge shall be payable in respect of the interim period between the date of the first discharge and the last day of the month. Such charge shall be assessed in accordance with the formula prescribed in paragraph(c) below. | |
| | |
| (c) The charge payable in terms of paragraph (a) and (b) above shall be assessed according to the formula : R=Vx[CA + B] + C X S X 10~-3] | |
| where : | |
| R = The treatment cost. | |
| V = The volume of industrial effluent discharged from the premises during the cycle concerned in cubic metres | |
| A&B = The capital cost (interest and redemption) plus maintenance cost for the cycle concerned on the pipe system as used by the concerned consumer divided by the total flow for the cycle. The value of A being **74.43(excl VAT)** cents per cubic meter. The value of B being **64.32(excl VAT)** cents per cubic meter. | |
| C = The cost of treating one cubic meter of waste water. The value of C being **40.95(excl VAT)** cents per cubic meter. | |
| S = The average chemical oxygen demand in mg/l measured on the industrial effluent during the cycle | |
| | |
| (d) In the absence of any direct measurements, the volume quantity of trade effluent discharged into the sewer each month from any trade premises shall be estimated and determined by Council from the monthly quantity of water consumed on the premises concerned, whether obtained from the Council or from other sources, due allowance being made for water used for domestic purposes, water lost by reaction and water present in the final products manufactured. | |

| | | 2026/27 | 2026/27 | 2026/27 | 2025/26 | % |
|---|---|---|---|---|---|---|
| **SERVICE** | | **Total** | **VAT** | **Total** | **Total** | |
| **DESCRIPTION** | | **Excl VAT** | **VAT** | **Incl VAT** | **Excl VAT** | **Increase** |
| **SUCTION TANKER SERVICE** | | | | | | |
| | | | | | | |
| Basic (Minimum) Charge | | | | | | |
| Applicable to improved properties not served by waterborne sewerge irrespective if service is utilised. The rate includes one load or part thereof per month for all consumers who pays the basic charge. Any additional suction service will be charged as per the Tanker Removals tariffs | | | | | | |
| Domestic : 1 Load or part thereof to a maximum of 6000 litres (Consumers | | 331,01 | 49,65 | 380,66 | 315,25 | 5,0% |
| Business : 1 Load or part thereof to a maximum of 6000 litres | | 465,96 | 69,89 | 535,85 | 443,77 | 5,0% |
| | | | | | | |
| Tanker Removals | | | | | | |
| Applicable to improved properties not served by waterborne sewerge where no basic charge is applicable. Also applicable to consumers who pay a basic charge and require additional suction services during a month. | | | | | | |
| **Domestic** : 1 Load or part thereof to a maximum of 6000 litres | | 465,96 | 69,89 | 535,85 | 443,77 | 5,0% |
| **Business** : 1 Load or part thereof to a maximum of 6000 litres | | 657,00 | 98,55 | 755,55 | 625,72 | 5,0% |
| | | | | | | |
| **Penalty Fee (Spillage)** | | 1050,00 | 157,50 | 1207,50 | 1000,00 | 5,0% |
| | | | | | | |
| Rural Areas | | | | | | |
| Per Load | | 465,96 | 69,89 | 535,85 | 443,77 | 5,0% |
| Plus per km | | 19,16 | 2,87 | 22,03 | 18,25 | 5,0% |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| **DISPOSAL VIA ROAD HAULAGE (R per KL)** | | | | | | |
| | | | | | | |
| Tanker Disposal of Sewerage (NOT Exceeding Domestic Strength) | | 104,92 | 15,74 | 120,65 | 99,92 | 5,0% |
| Tanker Disposal of Sewerage (Exceeding Domestic Strength) | | Cost | | | Cost | |
| Tanker Disposal of Portable Toilet Sewerage (NOT Exceeding Domestic Strength) | | 0,00 | 0,00 | 0,00 | | 0,0% |
| Tanker Disposal of Portable Toilet Sewerage (Exceeding Domestic Strength) | | Cost | | | Cost | |
| Application for Disposal Permit (Per Year) | | 812,72 | 121,91 | 934,62 | 774,02 | 5,0% |
| | | | | | | |
| **SUNDRIES** | | | | | | |
| Connection fees | | | | | | |
| Short Connection (Up to 3m) | | 2620,82 | 393,12 | 3013,94 | 2496,02 | 5,0% |
| Long Connection (Road crossing) | | 14214,77 | 2132,21 | 16346,98 | 13537,87 | 5,0% |
| Blockage fees | | | | | | |
| Define blockage fee (Andre to provide) | | | | | | |
| During Office Hours | | | | | | |
| After Hours & Weekends | | | | | | |
| **Augmentation Fees** | | | | | | |
| Sewerage | | 29547,56 | 4432,13 | 33979,69 | 28140,53 | 5,0% |
| | | | | | | |

| SERVICE / DESCRIPTION | | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | % Increase |
|---|---|---|---|---|---|---|
| **WATER** | **980** | | | | | |
| | | | | | | |
| **AVAILABILITY CHARGE (PER ANNUM )** | | | | | | |
| | | | | | | |
| Undeveloped erven | | 3139,35 | 470,90 | 3610,25 | 2947,74 | 6,5% |
| | | | | | | |
| **CONNECTION FEES** | | | | | | |
| Up to 20 mm (With Smart Meter) | | 6390,00 | 958,50 | 7348,50 | 6000,00 | 6,5% |
| Up to 20 mm | | 4203,74 | 630,56 | 4834,30 | 3947,17 | 6,5% |
| 32 mm | | 4904,29 | 735,64 | 5639,93 | 4604,97 | 6,5% |
| 50 mm | | 16043,94 | 2406,59 | 18450,53 | 15064,73 | 6,5% |
| 75 mm | | 21312,52 | 3196,88 | 24509,40 | 20011,76 | 6,5% |
| 110 mm | | 25362,04 | 3804,31 | 29166,35 | 23814,13 | 6,5% |
| 110 mm (With Smart Meter) | | 25362,04 | 3804,31 | 29166,35 | 23814,13 | 6,5% |
| Greater than 110mm | | COST +20% | | | COST +20% | |
| Pre-paid (25mm) | | COST +20% | | | COST +20% | |
| **Augmentation Fees** | | | | | | |
| Water | | 29186,01 | 4377,90 | 33563,91 | 27404,71 | 6,5% |
| | | | | | | |

| **CONSUMER DEPOSITS** | | | | | |
|---|---|---|---|---|---|
| Consumer deposits are payable by customers who connect to a new service supply address where a new account is opened.<br><br>The deposit will be withheld by the municipality from the opening of an account till termination, and will be refunded on termination provided as prescribed by this policy and the customer does not owe the municipality on the account. | | | | | |
| **Domestic** | | | | | |
| Owners (Occupants) | 450,00 | No VAT Implications | 450,00 | 442,57 | 1,7% |
| **Commercial** | 2850,00 | No VAT Implications | 2850,00 | 2757,00 | 3,4% |
| | | | | | |
| **BASIC/MINIMUM MONTHLY CHARGE** | | | | | |
| **Domestic** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| Free Basic Services to Registered Indigent Consumers | -182,40 | -27,36 | -209,76 | -171,27 | 6,5% |
| Kouga > 25 mm Connection | 318,19 | 47,73 | 365,92 | 298,77 | 6,5% |
| Free Basic Services to Registered Indigent Consumers | -318,19 | -47,73 | -365,92 | -298,77 | 6,5% |
| **Sectional Title Developments comprising of ONLY domestic units** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| **Commercial** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| Kouga > 25 mm Connection | 318,18 | 47,73 | 365,91 | 298,76 | 6,5% |
| **Old Age Homes** | | | | | |
| Ons Tuiste (Humansdorp) (Includes 1st 400Kl) | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| **Commercial (High Density)** | | | | | |
| **Sectional Title Developments comprising of ONLY commercial units** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |

| | | | | | |
|---|---|---|---|---|---|
| **Sectional Title Developments comprising of BOTH commercial and domestic units** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| **Treated Sewerage Water** | | | | | |
| Kouga | 279,68 | 41,95 | 321,64 | 262,61 | 6,5% |
| **Industrial** | | | | | |
| Kouga | 318,19 | 47,73 | 365,92 | 298,77 | 6,5% |
| **Rural (Farm Worker's Houses)** | | | | | |
| (Tariff for rural consumers includes a surcharge of 25%). | | | | | |
| Kouga | | | | | |
| 1 house | 214,83 | 32,22 | 247,05 | 201,72 | 6,5% |
| 2 - 5 houses | 524,91 | 78,74 | 603,65 | 492,88 | 6,5% |
| 6 - 10 houses | 1396,39 | 209,46 | 1605,85 | 1311,17 | 6,5% |
| 11 - 25 houses | 3062,33 | 459,35 | 3521,68 | 2875,43 | 6,5% |
| **Rural (NMBM Tariff)** | | | | | |
| Kouga | 214,83 | 32,22 | 247,05 | 201,72 | 6,5% |
| **Schools** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |
| **Sportsfields** | | | | | |
| Kouga | 182,40 | 27,36 | 209,76 | 171,27 | 6,5% |

| SERVICE / DESCRIPTION | | 2026/27 Total Excl VAT | 2026/27 VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | % Increase |
|---|---|---|---|---|---|---|
| **CONSUMPTION (Units/kl)** | | | | | | |
| **Free Units per month** | | | | | | |
| For indigent consumers officially registered at the Kouga Municipality the first 9kl of water consumption per 30 day period will be afforded free of charge | | | | | | |
| Allocated to all EQS Recipients as Rebate | | | | | | |
| | | | | | | |
| **PART A - Applicable during times of Normal Water Availability** | | | | | | |
| **SCALE A - Domestic** | | | | | | |
| Single Dwelling Houses - Metered seperately | | | | | | |
| 0 - 12 | | 17,16 | 2,57 | 19,74 | 16,11 | 6,5% |
| 13 - 25 | | 18,03 | 2,70 | 20,73 | 16,93 | 6,5% |
| 26 - 45 | | 21,82 | 3,27 | 25,09 | 20,48 | 6,5% |
| 46 - 65 | | 35,50 | 5,33 | 40,83 | 33,34 | 6,5% |
| 66 - 85 | | 48,95 | 7,34 | 56,29 | 45,96 | 6,5% |
| 86+ | | 60,13 | 9,02 | 69,15 | 56,46 | 6,5% |
| | | | | | | |
| **SCALE B - High Density Consumers** | | | | | | |
| Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately | | | | | | |
| (kl per unit multiply number of units per 30 days' period) | | | | | | |
| 0 - 12 | | 17,36 | 2,60 | 19,97 | 16,30 | 6,5% |
| 13 - 25 | | 18,03 | 2,70 | 20,73 | 16,93 | 6,5% |
| 26 - 45 | | 21,82 | 3,27 | 25,09 | 20,48 | 6,5% |
| 46 - 65 | | 35,50 | 5,33 | 40,83 | 33,34 | 6,5% |
| 66 - 85 | | 48,95 | 7,34 | 56,29 | 45,96 | 6,5% |
| 86+ | | 60,13 | 9,02 | 69,15 | 56,46 | 6,5% |
| | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)** | | | | | |
| **Making use of Municipal Infrastructure** | | | | | |
| Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is reserved and will be levied as a monthly usage. | | | | | |
| (A quantity charge for water consumed since the previous meter reading as follows) : | | | | | |
| 0 - 1250 | 17,28 | 2,59 | 19,87 | 16,23 | 6,5% |
| 1251 - 5000 | 17,28 | 2,59 | 19,87 | 16,23 | 6,5% |
| 5001 - 7500 | 21,58 | 3,24 | 24,82 | 20,27 | 6,5% |
| 7501+ | 44,60 | 6,69 | 51,29 | 41,88 | 6,5% |
| | | | | | |
| **SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline** | | | | | |
| **(Part of Allocated Quota to Kouga Municipality from NMBMM)** | | | | | |
| Metro Bulk Tariff per kilolitre Plus 15% Surcharge (T11) | 11,06 | 1,66 | 12,72 | 10,39 | 6,5% |
| | | | | | |
| **SCALE E - All consumers who do not fall under Scale A,B,C and D** | | | | | |
| Industrial | 25,74 | 3,86 | 29,60 | 24,17 | 6,5% |
| Commercial | 17,16 | 2,57 | 19,74 | 16,11 | 6,5% |
| Treated Sewerage water | 9,90 | 1,49 | 11,39 | 9,30 | 6,5% |
| Rural (Farm Worker's Houses) | 21,47 | 3,22 | 24,69 | 20,16 | 6,5% |
| Rural (NMBMM Tariff) | 11,86 | 1,78 | 13,64 | 11,14 | 6,5% |
| Schools | 17,16 | 2,57 | 19,74 | 16,11 | 6,5% |
| Sportsfields | 17,16 | 2,57 | 19,74 | 16,11 | 6,5% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **PART B - Applicable during times of water shortage when the situation is critical but not an emergency** | | | | | |
| **SCALE A - Domestic** | | | | | |
| Single Dwelling Houses - Metered seperately | | | | | |
| 0 - 12 | 17,60 | 2,64 | 20,24 | 16,53 | 6,5% |
| 13 - 18 | 25,51 | 3,83 | 29,34 | 23,95 | 6,5% |
| 19 - 24 | 33,05 | 4,96 | 38,01 | | |
| 25 - 30 | 40,58 | 6,09 | 46,67 | 38,10 | 6,5% |
| 31+ | 50,38 | 7,56 | 57,94 | 47,30 | 6,5% |

| SERVICE<br>DESCRIPTION | | 2026/27<br>Total<br>Excl VAT | 2026/27<br>VAT<br>VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|---|
| **SCALE B - High Density Consumers** | | | | | | |
| Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately | | | | | | |
| (kl per unit multiply number of units per 30 days' period) | | | | | | |
| 0 - 12 | | 17,36 | 2,60 | 19,97 | 16,30 | 6,5% |
| 13 - 18 | | 24,87 | 3,73 | 28,60 | 23,35 | 6,5% |
| 19 - 24 | | 32,22 | 4,83 | 37,05 | | |
| 25 - 30 | | 39,57 | 5,94 | 45,50 | 37,15 | 6,5% |
| 31+ | | 49,12 | 7,37 | 56,49 | 46,12 | 6,5% |
| | | | | | | |
| **SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)** | | | | | | |
| **Making use of Municipal Infrastructure** | | | | | | |
| Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is | | | | | | |
| (A quantity charge for water consumed since the previous meter reading as follows) : | | | | | | |
| 0 - 1250 | | 24,04 | 3,61 | 27,65 | 22,57 | 6,5% |
| 1251 - 5000 | | 24,04 | 3,61 | 27,65 | 22,57 | 6,5% |
| 5001 - 7500 | | 33,63 | 5,04 | 38,67 | 31,57 | 6,5% |
| 7501+ | | 48,77 | 7,32 | 56,09 | 45,80 | 6,5% |
| | | | | | | |
| **SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline** | | | | | | |
| **(Part of Allocated Quota to Kouga Municipality from NMBM)** | | | | | | |
| Metro Bulk Tariff per kilolitre Plus 15% Surcharge (T11) | | 12,93 | 1,94 | 14,88 | 12,15 | 6,5% |
| | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **SCALE E - All consumers who do not fall under Scale A,B,C and D** | | | | | |
| Industrial | 34,45 | 5,17 | 39,61 | 32,34 | 6,5% |
| Commercial | 23,11 | 3,47 | 26,57 | 21,70 | 6,5% |
| Treated Sewerage water | 11,86 | 1,78 | 13,64 | 11,14 | 6,5% |
| Rural (Farm Worker's Houses) | 28,21 | 4,23 | 32,44 | 26,49 | 6,5% |
| Rural (NMBMM Tariff) | 11,86 | 1,78 | 13,64 | 11,14 | 6,5% |
| Schools | 22,30 | 3,35 | 25,65 | 20,94 | 6,5% |
| Sportsfields | 22,30 | 3,35 | 25,65 | 20,94 | 6,5% |
| | | | | | |
| **PART C - Applicable during times of water shortage emergency** | | | | | |
| **SCALE A - Domestic** | | | | | |
| Single Dwelling Houses - Metered seperately | | | | | |
| 0 - 12 | | | | | |
| 13+ | | | | | |
| | | | | | |
| Step 1 (>0 ≤ 9KL) | 20,99 | 3,15 | 24,14 | 19,71 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 31,95 | 4,79 | 36,74 | 31,33 | 2,0% |
| Step 3 (>15 ≤ 24KL) | 46,86 | 7,03 | 53,89 | 89,30 | -47,5% |
| Step 4 (>24 ≤ 30KL) | 66,03 | 9,90 | 75,93 | 133,96 | -50,7% |
| Step 5 (>30 ≤ 48KL) | 89,46 | 13,42 | 102,88 | 446,08 | -79,9% |
| Step 6 ( >48KL) | 127,80 | 19,17 | 146,97 | 892,17 | -85,7% |
| | | | | | |

| **SCALE B - High Density Consumers** | | | | | |
|---|---|---|---|---|---|
| Flats, Town Houses and other Sectional Title Developments on stands with more than two dwellings, not metered separately | | | | | |
| (kl per unit multiply number of units per 30 days' period) | | | | | |
| 0 - 12 | | | | | |
| 13+ | | | | | |
| | | | | | |
| Step 1 (>0 ≤ 9KL) | 20,99 | 3,15 | 24,14 | 19,71 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 31,95 | 4,79 | 36,74 | 31,33 | 2,0% |
| Step 3 (>15 ≤ 24KL) | 46,86 | 7,03 | 53,89 | 89,30 | -47,5% |
| Step 4 (>24 ≤ 30KL) | 66,03 | 9,90 | 75,93 | 133,96 | -50,7% |
| Step 5 (>30 ≤ 48KL) | 89,46 | 13,42 | 102,88 | 446,08 | -79,9% |
| Step 6 ( >48KL) | 127,80 | 19,17 | 146,97 | 892,17 | -85,7% |

| SERVICE / DESCRIPTION | | 2026/27 Total Excl VAT | 2026/27 VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | % Increase |
|---|---|---|---|---|---|---|
| **SCALE C - Bulk Consumers, Closed Developments, Agricultural Holdings and Farm Portions used for Residential Purposes (Excluding Customers under Scale B)** | | | | | | |
| **Making use of Municipal Infrastructure** | | | | | | |
| Bulk Consumer : A consumer who on average over a 30 day period, consumes no less than 2500 kl of water. A Minimum amount of 1250 kl is reserved and will be levied as a monthly usage. | | | | | | |
| (A quantity charge for water consumed since the previous meter reading as follows) : | | | | | | |
| 0 - 1250 | | 36,09 | 5,41 | 41,51 | 33,89 | 6,5% |
| 1251 - 5000 | | 36,09 | 5,41 | 41,51 | 33,89 | 6,5% |
| 5001 - 7500 | | 45,06 | 6,76 | 51,81 | 42,31 | 6,5% |
| 7501+ | | 61,80 | 9,27 | 71,07 | 58,03 | 6,5% |
| | | | | | | |
| **SCALE D - Bulk Consumers, Developments used for Residential Purposes within the Kouga Municipal Area of Jurisdiction, who provide and maintain their own Bulk and Internal Infrastructure and obtain treated water from the Metro Supply Pipeline** | | | | | | |
| **(Part of Allocated Quota to Kouga Municipality from NMBM)** | | | | | | |
| Metro Bulk Tariff per kilolitre Plus 25% Surcharge (T11) | | 17,24 | 2,59 | 19,82 | 16,18 | 6,5% |
| | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **SCALE E - All consumers who do not fall under Scale A,B,C and D** | | | | | |
| Industrial | 34,75 | 5,21 | 39,96 | 32,63 | 6,5% |
| Commercial | 23,51 | 3,53 | 27,03 | 22,07 | 6,5% |
| Treated Sewerage water | 11,90 | 1,79 | 13,69 | 11,18 | 6,5% |
| Rural (Farm Worker's Houses) | 28,21 | 4,23 | 32,44 | 26,49 | 6,5% |
| Rural (NMBMM Tariff) | 14,74 | 2,21 | 16,95 | 13,84 | 6,5% |
| Schools | 22,30 | 3,35 | 25,65 | 20,94 | 6,5% |
| Sportsfields | 22,30 | 3,35 | 25,65 | 20,94 | 6,5% |
| | | | | | |
| **PART D - Applicable during times of water shortage drought disater** | | | | | |
| | | | | | |
| **(a) Within the Municipal boundary (per kl)** | | | | | |
| | | | | | |
| (i) Treated water for residential premises: | | | | | |
| Step 1 (>0 ≤ 9KL) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | 67,95 | 10,19 | 78,14 | 130,34 | -47,9% |
| Step 4 (>24 ≤ 30KL) | 95,74 | 14,36 | 110,11 | 195,51 | -51,0% |
| Step 5 (>30 ≤ 48KL) | 129,72 | 19,46 | 149,17 | 651,70 | -80,1% |
| Step 6 ( >48KL) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |
| (ii) Treated water for residential premises:ATTP Consumers (per kl) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| | | | | | |
| (iii) Treated water for institutional premises, including municipal and government departments (per kl) | 41,64 | 6,25 | 47,89 | 39,10 | 6,5% |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| (iv) Treated water for commercial and industrial premises (per kl) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| | | | | | |
| (v) Treated water for multiple dwelling units, per dwelling unit: | | | | | |
| Step 1 (>0 ≤ 9KL) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | 67,95 | 10,19 | 78,14 | 130,34 | -47,9% |
| Step 4 (>24 ≤ 30KL) | 95,74 | 14,36 | 110,11 | 195,51 | -51,0% |
| Step 5 (>30 ≤ 48KL) | 129,72 | 19,46 | 149,17 | 651,70 | -80,1% |
| Step 6 ( >48KL) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |
| (vi) Treated water for irrigation of sportsgrounds (per kl) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |
| (vii) Treated water drawn through standpipes (per kl) | 83,29 | 12,49 | 95,78 | 78,20 | 6,5% |

| SERVICE DESCRIPTION | | 2026/27 Total Excl VAT | 2026/27 VAT VAT | 2026/27 Total Incl VAT | 2025/26 Total Excl VAT | % Increase |
|---|---|---|---|---|---|---|
| (viii) Raw water for residential premises: | | | | | | |
| Step 1 (>0 ≤ 9KL) | | 30,54 | 4,58 | 35,12 | 26,07 | 17,2% |
| Step 2 (>9 ≤ 15KL) | | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | | 67,95 | 10,19 | 78,14 | 78,20 | -13,1% |
| Step 4 (>24 ≤ 30KL) | | 95,74 | 14,36 | 110,11 | 130,34 | -26,5% |
| Step 5 (>30 ≤ 48KL) | | 129,72 | 19,46 | 149,17 | 521,36 | -75,1% |
| Step 6 ( >48KL) | | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | | |
| (ix) Raw water for commercial premises: (per kl) | | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| | | | | | | |
| (x) Raw water for industrial premises: (per kl) | | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| | | | | | | |
| (xi) Reclaimed water treated to comply with the requirements of the General Standard (Government Gazette Notice No. 991, 18 May 1994) | | | | | | |
| (1) annual charge per Megalitre of notified maximum demand payable on a monthly basis in equal instalments | | 2776,24 | 416,44 | 3192,68 | 2606,80 | 6,5% |
| (2) additional charge per kilolitre of metered consumption | | 6,94 | 1,04 | 7,98 | 6,52 | 6,5% |
| | | | | | | |
| (ix) Reclaimed water treated to comply with the requirements of the General Standard (Government Gazette Notice No. 991, 18 May 1984) which has received additional treatment. (per kl) | | 6,94 | 1,04 | 7,98 | 6,52 | 6,5% |
| | | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| **(b) Outside the Municipal boundary (per kl)** | | | | | |
| | | | | | |
| (i) Treated water for residential premises: | | | | | |
| Step 1 (>0 ≤ 9KL) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | 67,95 | 10,19 | 78,14 | 130,34 | -47,9% |
| Step 4 (>24 ≤ 30KL) | 95,74 | 14,36 | 110,11 | 195,51 | -51,0% |
| Step 5 (>30 ≤ 48KL) | 129,72 | 19,46 | 149,17 | 651,70 | -80,1% |
| Step 6 ( >48KL) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |
| (ii) Treated water for residential premises:ATTP Consumers (per kl) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| | | | | | |
| (iii) Treated water for institutional premises, including municipal and government departments (per kl) | 41,64 | 6,25 | 47,89 | 39,10 | 6,5% |
| | | | | | |
| (iv) Treated water for commercial and industrial premises (per kl) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| | | | | | |
| (v) Treated water for multiple dwelling units, per dwelling unit: | | | | | |
| Step 1 (>0 ≤ 9KL) | 30,54 | 4,58 | 35,12 | 28,67 | 6,5% |
| Step 2 (>9 ≤ 15KL) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | 67,95 | 10,19 | 78,14 | 130,34 | -47,9% |
| Step 4 (>24 ≤ 30KL) | 95,74 | 14,36 | 110,11 | 195,51 | -51,0% |
| Step 5 (>30 ≤ 48KL) | 129,72 | 19,46 | 149,17 | 651,70 | -80,1% |
| Step 6 ( >48KL) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| (vi) Raw water for residential premises: | | | | | |
| Step 1 (>0 ≤ 9KL) | 30,54 | 4,58 | 35,12 | 26,07 | 17,2% |
| Step 2 (>9 ≤ 15KL) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| Step 3 (>15 ≤ 24KL) | 67,95 | 10,19 | 78,14 | 104,27 | -34,8% |
| Step 4 (>24 ≤ 30KL) | 95,74 | 14,36 | 110,11 | 130,34 | -26,5% |
| Step 5 (>30 ≤ 48KL) | 129,72 | 19,46 | 149,17 | 521,36 | -75,1% |
| Step 6 ( >48KL) | 185,31 | 27,80 | 213,11 | 1303,40 | -85,8% |
| | | | | | |
| (vii) Raw water for institutional premises, including municipal and government departments (per kl) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |

| SERVICE<br>DESCRIPTION | 2026/27<br>Total<br>Excl VAT | 2026/27<br>VAT<br>VAT | 2026/27<br>Total<br>Incl VAT | 2025/26<br>Total<br>Excl VAT | %<br><br>Increase |
|---|---|---|---|---|---|
| (viii) Raw water for commercial and industrial premises (per kl) | 48,58 | 7,29 | 55,87 | 45,62 | 6,5% |
| | | | | | |
| (c) Water delivered by road tanker (per kl) | | | | | |
| (i) Charge for water supplied | 104,11 | 15,62 | 119,73 | 97,76 | 6,5% |
| (ii) Delivery charge | | | | | |
| | 4164,37 | 624,66 | 4789,02 | 3910,20 | 6,5% |
| (iii) Minimum prepayment | | | | | |
| (d) Water supplied in bulk to other local authorities (per kl) | 20,82 | 3,12 | 23,95 | 19,55 | 6,5% |
| **MISCELLANEOUS FEES AND CHARGES** | | | | | |
| Water Loss owing to damage to the Municipal Water-Pipe System and/or Installations | | | | | |
| Pipes with a diameter of 50mm or less | 2592,09 | 388,81 | 2980,90 | 2433,89 | 6,5% |
| Pipes with a diameter larger than 50mm up to and including 100mm | 5882,61 | 882,39 | 6765,00 | 5523,58 | 6,5% |
| Pipes with a diameter larger than 100mm up to and including 250mm | 26453,03 | 3967,95 | 30420,98 | 24838,52 | 6,5% |
| Pipes with a diameter larger than 250mm up to and including 400mm | 64648,40 | 9697,26 | 74345,66 | 60702,73 | 6,5% |
| Pipes with a diameter larger than 400mm | 109902,91 | 16485,44 | 126388,35 | 103195,22 | 6,5% |
| Repair Charges of damage to the Municipal Water-Pipe System and/or Installation by other people | | | | | |
| Pipes with a diameter of 50mm or less | 5412,83 | 811,92 | 6224,76 | 5082,47 | 6,5% |
| Pipes with a diameter larger than 50mm up to and including 100mm | 7726,38 | 1158,96 | 8885,34 | 7254,82 | 6,5% |
| Pipes with a diameter larger than 100mm up to and including 250mm | 11682,07 | 1752,31 | 13434,38 | 10969,08 | 6,5% |
| Pipes with a diameter larger than 250mm up to and including 400mm | 21927,78 | 3289,17 | 25216,95 | 20589,47 | 6,5% |
| Pipes with a diameter larger than 400mm | 27311,51 | 4096,73 | 31408,24 | 25644,61 | 6,5% |
| Water used for Fire-Fighting | | | | | |
| Quantity charge per kilolitre | 40,25 | 6,04 | 46,29 | 37,79 | 6,5% |
| Reconnection fee | 951,92 | 142,79 | 1094,71 | 893,82 | 6,5% |
| Special meter readings | 629,92 | 94,49 | 724,41 | 591,47 | 6,5% |

| | | | | | |
|---|---|---|---|---|---|
| Service Calls | | | | | |
| During office hours | 659,50 | 98,93 | 758,43 | 619,25 | 6,5% |
| After office hours | 1315,22 | 197,28 | 1512,51 | 1234,95 | 6,5% |
| Testing of meters (deposit 3% error on either side) | 1925,98 | 288,90 | 2214,88 | 1808,43 | 6,5% |
| To relocate or lower a connection with a maximun nominal diameter of 25 mm | | | | | |
| Maximum distance of 5 m | 2129,25 | 319,39 | 2448,63 | 1999,29 | 6,5% |
| Further than 5 m | 3264,31 | 489,65 | 3753,96 | 3065,08 | 6,5% |
| To relocate or lower a connection with a nominal diameter larger than 25 mm | | | | | |
| Deposit | 9892,68 | No VAT Implications | 9892,68 | 9288,90 | 6,5% |
| Cost | | | | | Cost + 20% |
| To relocate a fire hydrant in the road reserve | | | | | |
| Less than 2 m from original position | 6639,31 | 995,90 | 7635,20 | 6234,09 | 6,5% |
| 2 m or more from original position | 15480,31 | 2322,05 | 17802,36 | 14535,50 | 6,5% |
| To install a new fire hydrant in the road reserve | | | | | |
| Deposit | 21731,40 | No VAT Implications | 21731,40 | 20405,07 | 6,5% |
| **Service Cost** | | | | | |
| Supervision Labour Cost per hour | 745,49 | 111,82 | 857,32 | 699,99 | 6,5% |
| Assistant per hour | 375,79 | 56,37 | 432,16 | 352,86 | 6,5% |
| TLB per hour (Including travel time) | 967,71 | 145,16 | 1112,87 | 908,65 | 6,5% |
| LDV per kilometre | 48,75 | 7,31 | 56,06 | 45,78 | 6,5% |
| Truck per kilometre | 69,06 | 10,36 | 79,42 | 64,85 | 6,5% |
| **"Unauthorised water consumption"** means water that is not registered by the Kouga Municipality's water meter for any reason whatsoever (Water used for fire-fighting and/or unmetered water used from the Kouga Municipality's system with the written consent of the Technical Services Directorate, is deemed to be authorised water use) | | | | | |

# CORPORATE AND DIGITAL SERVIVES

| SERVICE DESCRIPTION | Comments<br>Unit<br>R/cents/Kl/m | 2026/27<br>Total<br>Excl VAT | 2026/28<br>VAT<br>VAT | 2026/29<br>Total<br>Incl VAT | 2025/26<br>15%<br>Exclusive | %<br>Increase |
|---|---|---|---|---|---|---|
| | | | | | | |
| **PAIA FEES IN RESPECT OF PUBLIC BODIES** | **120** | | | | | |
| | | | | | | |
| The request fee payable by every requester | | 106 | 16 | 122 | 100 | 6% |
| Photocopy of A4-size page | Per page or part thereof | 2,12 | 0,32 | 2,44 | 2 | 6% |
| Printed copy of A4-size page | Per page or part thereof | 2,12 | 0,32 | 2,44 | 2 | 6% |
| For a copy in a computer-readable form on: | | | | | | |
| (i) Flash drive (to be provided by requestor) | | 42,40 | 6,36 | 48,76 | 40,00 | 6% |
| (ii)Compact disc if provided by requestor | | | | | ` | |
| (ii)Compact disc if provided to requestor | | 63,60 | 9,54 | 73,14 | 60,00 | 6% |
| For a transcription of visual images per A4-size page | Service to be outsourced - dependant on quotations received. | | | | | |
| Copy of visual images | | | | | | |
| Transcription of an audio record, per A4-size page | | 25,44 | 3,82 | 29,26 | 24,00 | 6% |
| Copy of an audio record on: | | | | | | |
| Flash drive (to be provided by requestor) | | 42,40 | 6,36 | 48,76 | 40,00 | 6% |
| Compact disc if provided to requestor | | 63,60 | 9,54 | 73,14 | 60,00 | 6% |
| To search for and prepare the record for disclosure for each hour or part of an hour, excluding the first hour, reasonably required for | Such search and preparation to not exceed a total cost of R300 | 106,00 | 15,90 | 121,90 | 100,00 | 6% |
| Deposit: If search exceeds 6 hours | One third of amount per request calculated in terms of items 1.2 to 1.8 | | | | | |
| Postage, e-mail or any other electronic transfer | (Actual expense incurred) | AT COST | AT COST | AT COST | AT COST | |
| | | | | | | |

ANNEXURE E

# CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

KOUGA
local municipality
Good Governance through Service Excellence

**Document Control**

| | |
|---|---|
| Policy Title: | Customer Care, Credit Control and Debt Collection Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Revenue |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Ms. N Mate (Manager: Revenue) |

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## PREAMBLE

Whereas section 152 (1) (b) of the Constitution of the Republic of South Africa, Act 108 of 1996 (*'the Constitution'*) provides that one of the objects of local government is to ensure the provision of services to communities in a sustainable manner;

And whereas section 153 (a) of the Constitution provides that a municipality must structure its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community;

And whereas section 195 (1) of the Constitution provides that public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

- The promotion of the efficient, economic and effective use of resources;
- The provision of services impartially, fairly, equitably and without bias; and
- The fact that people's needs must be responded to.

And whereas section 4 (1) (c) of the Local Government: Municipal Systems Act No. 32 of 2000 (*'the Systems Act')* provides that the council of a municipality has the right to finance the affairs of the municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorised by national legislation, other taxes, levies and duties;

And whereas section 5 (1) (g), read with subsection (2) (b), of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides provided that, where applicable and subject to the policy for indigent debtors, pay promptly services fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality;

And whereas section 6 (2) (c), (e) and (f) of the Systems Act provides that the administration of a municipality must take measures to prevent corruption; give members of the local community full and accurate information about the level and standard of municipal services that they are entitled to receive; and inform the local community about how the municipality is managed, of the costs involved and the persons in charge;

And whereas Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care and Management, Debt Collection responsibility of the Municipality, contents of the policy, by-laws that give effect to the policy, supervisory authority and Implementing authority.

Hereby is adopted the Customer Care, Credit Control and Debt Collection Policy of the Kouga Municipality.

**DEFINITIONS**

**For the purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:**

"***Act***" - The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time.

"***Agent*" -** In relation to the owner of a property, means a person appointed by the owner of the property:

*i)* to collect income in respect of the property on behalf of the owner; or

*ii)* to effect payments in respect of the property on behalf of the owner

***"Arrangement***" - A written agreement entered into between the Council and the debtor where specific repayment parameters are agreed to.

***"Arrears"*** - Means those rates and service charges that have not been paid by the due date and for which no arrangement has been made.

***"Authorised Representative" -*** Person or institution legally appointed by the Council to act or to fulfil a duty on its behalf.

"***CFO***" - Person appointed as the Chief Financial Officer of the Municipality or his or her nominee.

"***Council***" - The municipal council, as referred to in section 157 of the Constitution of the Republic of South Africa, Act 108 of 1996, of the Kouga Municipality established by part 10 of provincial notice 110, dated 2 December 2000;

"***Credit Control***" - All the functions relating to the collection of monies owed by ratepayers and the users of municipal services.

"***Customer***" - Any owner/landlord or occupier of a property to which property the Municipality has agreed to supply services or already supplies services, and any customer of a property not receiving services but for which property services had been made available, and any person liable to the Municipality for taxes, rates or other charges.

"***Defaulter***" - Any person owing the Council arrear monies in respect of rates and / or service charges;

"***Engineer***" - The person in charge of the civil and/or electrical component of Council

"***Equipment***" - A building or other structure, pipe, pump, wire, cable, meter, engine or any accessories.

"***Interest***" - A charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on all arrear monies;

"***Municipal Account***" - An account rendered specifying charges for services Rendered specifying charges for services provided by the Municipality or any authorised and contracted service provider, and/or assessment rates levies.

"***Municipality***" - Includes a Municipality referred to in section 155 (6) of the Constitution;

"***Municipal Manager***" - The person appointed as Municipal Manager in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) and include any person acting In that position or to whom authority was delegated;

"***Municipal Services***" - Those services provided by the municipality, such as, inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;

"***Occupier***" - Any person who occupies any property or part thereof, without regard to the title under which he or she occupies the property.

"***Owner***" - *(a)* The person in whom from time to time is vested the legal title to the premises;

(b) In a case where the person in whom the legal title is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration of and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;

(c) In a case where the Council is unable to determine the identity of such person, a person who is entitled to the benefit of such premises with a building thereon;

(d) In the case of premises for which a lease of 30 years or more has been entered into, the lessee thereof;

(e) Regarding:-

i. A portion of land delineated on a sectional plan registered in terms of the Sectional Titles Act 1986, (Act 95 of 1986), and without restricting the above the developer or the body corporate in respect of the common property; or

ii. A section as defined in such Act, the person in whose name such a section is registered under a sectional title deed and includes the lawfully appointed agent of such a person;

(f) Any legal person including but not limited to-

A company registered in terms of the Companies Act, 1973 (Act 61 of 1973), a trust, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act 69 of 1984) and a voluntary association;

i. Any State department;
ii. Any Council or Board established in terms of any legislation applicable to the Republic of South Africa; iii. Any Embassy or other foreign entity;

"***Premises***" (property) - Includes any piece of land, the external surface boundaries of which are delineated on-

i) A general plan or diagram registered in terms of the Land Survey Act, 1927 (9 of 1927), or in terms of the Deed Registry Act, 1937 (47 of 1937); or

ii) A sectional plan registered in terms of the Sectional Titles Act, 1986 (95 of 1986), which is situated within the area of jurisdiction of the Council;

"***Supervisory Authority***" - *Means the Executive Mayor of the Municipality or his or her nominee, acting in terms of Section 99 of the Systems Act.*

## 1. GENERAL OBJECTIVES

The objectives of this policy are to: -

1.1 provide a framework within which the Municipality can exercise its executive and legislative authority with regard to credit control and debt collection;

1.2 ensure that all monies due and payable to the Municipality are collected and used to deliver services in the best interest of the community; residents and customers; and, in a financially sustainable manner;

1.3 provide a framework for customer care;

1.4 describe credit control measures;

1.5 outline debt collection procedures and mechanisms; and

1.6 set realistic targets for debt collection.

## 2. PRINCIPLES

In the execution of its Customer Care, Credit Control and Debt Collection Policy, the Municipality will apply the following principles:

2.1 The administrative integrity of the municipality must be maintained at all times. The Council is responsible for the approval of policies, while it is the responsibility of the Municipal Manager to implement these policies.

2.2 All customers must complete an official application form, formally requesting the municipality to connect them to the service supply lines. Existing customers may be required to complete new application forms from time to time, as determined by the Municipal Manager.

2.3 Only owners' accounts will be opened, whilst all tenant accounts will be phased out over time.

2.4 A copy of the application form, conditions of supply and extracts of the relevant Council's customer care, credit control and debt collection policy and by-laws must be handed to every customer upon request, and at such fees as may be prescribed by Council from time to time.

2.5 Billing should be accurate, timeous and understandable.

2.6 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.

2.7 The customer is entitled to efficient, effective and reasonable responses to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

2.8 Enforcement of payment must be prompt, consistent and effective.

2.9 Unauthorised consumption, illegal connections and reconnections, the tampering with or theft of meters and service supply equipment, will lead to disconnections, penalties, loss of rights and criminal prosecutions.

2.10 Incentives and disincentives may be used in the collection process.

2.11 The collection process must be cost-effective.

2.12 Performance should be regularly reported by the Municipal Manager and the Executive Mayor.

2.13 Non-payment of accounts will serve to, inter alia, categorize customers according to their credit risk and also to determine the relevant levels of services and deposits required.

## 3. DUTIES AND FUNCTIONS

### 3.1 Duties and Functions of Council:

3.1.1 To consider and approve by-laws to give effect to the Council's policy.

3.1.2 To be a supervisory authority to monitor the performance of the Municipal Manager /Executive Mayor regarding customer care, credit control and debt collection.

### 3.2 DUTIES AND FUNCTIONS OF EXECUTIVE MAYOR

3.2.1 To monitor the performance of the Municipal Manager in implementing the policy and by-laws.

3.2.2 To review and evaluate the policy and by-laws in order to improve the efficiency of customer care, credit control and debt collection mechanisms, processes and procedures.

### 3.3 DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER

3.3.1 To implement efficient customer care management systems.

3.3.2 To implement the customer care, credit control and debt collection policy.

3.3.3 To maintain an appropriate accounting system.

3.3.4 To bill customers.

3.3.5 To demand payment by due dates.

3.3.6 To raise penalties for defaulters.

3.3.7 To appropriate payments received.

3.3.8 To collect outstanding debt.

3.3.9 To provide different payment methods.

3.3.10 To determine customer care, credit control and debt collect measures.

3.3.11 To determine appropriate work procedures for, inter alia, public relations, reminders, final demands, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, write-off of debts, sundry debtors and legal processes.

3.3.12 To instruct attorneys to proceed with the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders etc.).

3.3.13 To monitor contracts with service providers in connection with credit control and debt collection.

### 3.4 DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS

3.4.1 To pay service fees, rates on property and other taxes, levies and duties imposed by the municipality, on or before due dates.

3.4.2 To allow municipal officials reasonable access to their properties to execute municipal functions at a time that is agreeable to both the consumer and municipal officials.

3.4.3 To comply with the policy and by-laws and other legislation related to customer care, credit control and debt collection.

3.4.4 To refrain from damaging and or tampering with municipal services and property.

3.4.5 To inform the Municipality in writing of any changes in address or contact details.

### 3.5 DUTIES AND FUNCTIONS OF COUNCILLORS

3.5.1 To adhere to the Code of Conduct for Councillors.

3.5.2 To pay amounts owing in respect of municipal rates, taxes and services and not to default on payments. The Municipality may deduct any outstanding amounts from a Councillor if the Councillor is in arrears for more than three (3) months.

3.5.5 The normal credit control procedures will apply to any arrear account of a Councillor.

3.5.6 To support the Municipal Manager to implement the policy and to report any breaches of by-laws detected to the Municipal Manager.

### 3.6 DUTIES AND RESPONSIBILITY OF MUNICIPAL STAFF MEMBERS

3.6.1 To always pay amounts that are owed in respect of municipal rates, taxes and services and not to default on payments.

3.6.2 The municipality may deduct any outstanding amounts from a staff member, if the staff member is in arrears for more than three (3) months.

3.6.3 The normal credit control procedures will apply to any arrear account of a municipal staff member.

3.6.4 Where the Municipality provides temporary employment to members of the community who are in arrears with payments for Municipal rates and services, they will be required to enter into an agreement, to pay 20% of their gross remuneration towards the arrear debts.

3.6.5 To support the Municipal Manager to implement the policy and to report any breaches of by-laws detected to the Municipal Manager.

## 4. AREA OF APPLICATION

This policy applies throughout the area of the Municipality.

## 5. CUSTOMER CARE POLICY

### 5.1 OBJECTIVES

The objectives of the Customer Care Policy are:

- to focus on the needs of the consumer in an accountable and pro-active manner, to improve the payment of service fees and
- to establish a positive and cooperative relationship between the persons responsible for payment for services and the municipality and, where applicable, the service provider.

### 5.2 APPLICATION FOR SERVICES

5.2.1 Consumers who require a service must enter into a written service agreement with the municipality.

5.2.2 The application process must occur ten (10) days prior to taking occupation of the premises, so that the Municipality can ensure that a meter reading is taken on the appropriate day and that the services are available when occupation is taken. Failure to adhere to this timeframe may result in customers not having the services available when occupation is taken.

5.2.3 The Municipality will render the first account after the first meter reading cycle to be billed following the date of signing the service agreement.

5.2.4 Consumers who illegally consume services without a service agreement, will be subject to punitive action.

### 5. 3 CUSTOMER SERVICE AGREEMENTS

5.3.1 Customer service agreements are those agreements that will be entered into from time to time between the customer and the municipality for the supply of municipal services.

5.3.2 The contents of the agreement include this policy, as well as:

An undertaking by customers:

- That they are liable for the costs of collection, including any administration fees, penalties for late payment, legal costs, interest, disconnection fees and reconnection fees;
- That any non-receipt of an account does not stop the collection process;

An undertaking by Council:

- That it will deliver accounts to customers.
- That it will inform customers that they are required to request statements if they do not receive an account.

5.3.3 Only owners' accounts will be opened, and all tenant accounts will be phased out over time.

**5.4 DEPOSITS**

- Consumer Deposits

5.4.1 The deposits are payable when new customers sign-on and when existing customers move to a new supply address.

5.4.2 Customers must pay a deposit equivalent to an amount as determined by Council, from time to time.

5.4.3 The municipality may increase deposits to an amount equivalent to one month's billing.

5.4.4 Service deposits will be accepted in the form of cash and Electronic Funds Transfer (EFT) only.

- Building Deposits

5.4.4 Building deposits made by a customer is refundable, free of interest, on the award of an occupation certificate from the municipality, provided that no damage has been made to any of Council's property or infrastructure.

5.4.5 Deposits shall be forfeited to the Council if not claimed by the customer within 3 years of the occupation certificate issued to the customer.

5.4.6. The customer must notify the office of the Chief Financial Officer of any change of address in order to facilitate the refund of the deposit and submit proof of bank account in order for the refund to be effected.

5.4.7 All building deposits should be recorded in a suitable register to facilitatefuture claims against the amount and followed up, should the customer claim for a building deposit after the 3 year period of forfeiture, the claim will be paid on condition that sufficient proof can be provided.

## 5. 5 ACCOUNTS AND BILLING

5.5.1 Customers will receive one consolidated bill for all services to a property, which is situated within the boundaries of the municipality.

5.5.2 Accounts are produced in accordance with the meter reading cycles.

5.5.3 An account will be rendered each month in cycles of approximately 30 days.

5.5.4 The Municipality will undertake to have the accounts delivered to all consumers. However, non-receipt of an account does not prevent interest charges and debt collection procedures. In the event of the non-receipt of an account, the onus rests on the account holder to obtain a copy of the account at a prescribed fee, before the due date. The applicable fee might be waived exceptional circumstances.

5.5.5 Accounts must be paid on the due date as indicated on the account. Interest on arrears will accrue after due date if the account remains unpaid, irrespective of the reason for non-payment.

5.5.6 Payments for accounts must be received on or before the due date at a Municipal pay-point by the close of business. In the case of any electronic payments or payments via agents, the money must be received in the municipal bank account on or before the due date and not later than the close of business.

5.5.7 Where the Municipality provides temporary employment to members of the community who are in arrears with payments for Municipal rates and services, they will be required to enter into an agreement, to pay 20% of their gross remuneration towards the arrears of debts.

5.5.8 Where incorrect debits were raised on services, the accounts under query will be rectified with corrective billing up to a maximum period of 3 months.

5.5.9 Adjustments will be based on the consumption 6 months after the leakage took place or alternatively on the consumption 6 months before the leakage took place.

5.5.10 Adjustments made to the customer's services account, where the adjustment is in the customer's favour will be made for the preceding three years from the date the dispute was registered.

5.5.11 Adjustments made to the customer's services account, where the adjustment is in the municipality's favour, will be made for a maximum period of 3 months.

5.5.12 Where the customer caused the adjustment, for example: the by-passing of meters or supplied incorrect metering information, then the punitive measure will be an adjustment made for the preceding three years.

5.5.13 In the case of multiple ownership, all owners are jointly and severally liable for the payment of the account.

5.5.14 Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account.

5.5.15 Where any payment is made by a negotiable instrument and is later dishonoured by a bank, the Municipality or its authorised agent:-

- Must recover the bank charges related to the transaction against the account of the customer; and

- Shall regard such an event as a default on a payment.

5.5.16 The Municipality or its authorised agent must, if administratively possible, issue a free current statement to a customer on request, and any other duplicate statements or history details at a cost as determined by Council and the tariff listing.

- After a finalisation of a customer's municipal account, there is credit/debit balance on the account:

- The municipality may transfer such balance to any other existing account on a property owned by that customer, without authorisation of that customer. If no other account exists, then the credit will be refunded to the customer, only on receipt of bank confirmation details of the customer's bank account.

5.5.17 Consumers will be notified of their unpaid accounts prior to the commencement of the debt collection process.

5.5.18 Non-payment of the account will result in debt collection action in terms of this policy, and the customer will be responsible for costs of collection.

## 5.6. METERING OF CONSUMABLE SERVICES

5.6.1 The municipality may introduce various metering equipment and customers may be encouraged to convert to a system preferred by the municipality.

5.6.2 Customers who default (fail to pay by a due date) may be required by the municipality to convert to a pre-paid system. Installation costs will be for the account of the accountholder.

5.6.3 Prepayment metering is the preferred installation for all new domestic accounts and where applicable, business accounts.

5.6.4 Meters (conventional) will be read monthly in cycles of approximately 30 days. Should circumstances prevent reading, the Municipality is entitled to estimate a reading that is within reason, comparable to past consumption for a maximum of four (4) successive months.

5.6.5 A Customer is responsible to ensure access to metering equipment at a time that is agreeable to the consumer and the municipal officials and will accept any cost to ensure access (such as relocating the meter), if satisfactory access is not possible.

5.6.6 Voluntary/Self readings will be permitted provided that:

5.6.6.1 the readings are submitted monthly to the dedicated e-mail or municipal application, if available address accompanied by a clear picture of the meter number and reading.

5.6.6.2 the convenience of submitting voluntary/self readings will be cancelled automatically without notice if the customer fails to submit the readings as per 5.6.6.1 above for two consecutive months.

5.6.6.3 Routine or special maintenance of metering equipment will be communicated to the customer. The meter replacement advice will indicate the removal reading.

## 5.7. VALUATION

All properties within the boundaries of the Kouga Municipality are to be valued in terms of the legislation, applicable tothe valuation of properties for the purpose of levying property rates.

## 5.8 CUSTOMER ASSISTANCE PROGRAMMES

These are programmes that the Municipality has designed to assist customers to meet their obligations, such as:

### 5.8.1 WATER LEAK REBATE

Charges due to water leaks on the account of a domestic consumer will be reduced by 90% of the excess (above average consumption) in respect of water and sewerage provided that the following conditions are applied:

- If the leakage is on the customer's side of the meter, the customer will be responsible for the payment of all water supplied to the property. This, however, does not apply to Indigent customers.

- That a certificate from a registered plumber or, in the event that the leak was repaired by someone other than a registered plumber, a sworn affidavit must reach the Municipality within twenty-one (21) days of the leak having been repaired with proof of the leak in the form of pictures etc. The technical department must firstly investigate and report on such instances.

- Excess will be calculated based on the consumption 6 months before the leakage took place.

- Relief on a water leak will only be considered once within a 12 month cycle, which is from 1 July to 30 June each year.

- If the customer experienced multiple leaks within the financial year the application will be sent to the Municipal Manager or The Chief Financial Officer for review.

- The customer has the responsibility to control and monitor his/her water consumption.

### 5.8.2 RATES REBATE

Rebates on rates may be granted by Council in terms of Council's approved Property Rates policy.

### 5.8.3 ARRANGEMENTS FOR SETTLEMENT

5.8.3.1 Arrangements are permissible for debtors who experience difficulties in paying their accounts, and they must agree to the conversion to a prepayment meter.

5.8.3.2 Where a prepayment meter is installed and there are defaults on payments, the arrears can be collected;

- monthly over an agreed period; or
- by adding the debt as a surcharge to the prepaid electricity cost, and be repaid by allocating an amount, as approved by council from time to time, of each purchase of prepaid electricity until the debt is fully recovered:

5.8.3.4 The Municipality reserves the right to raise the deposit requirements of customers who seek arrangements.

5.8.3.5 Where there is a tenant account, the municipality may consolidate that account with the owner's account.

5.8.3.6 The terms applicable for the settlement of arrear debt will be as approved by Council from time to time.

### 5.9 PAYMENT OF RATES ANNUALLY

5.9.1 Owners may pay the property rates annually on or before the 30th of September each year but must apply in writing.

5.9.2 Interest shall accrue on all annually paid rates accounts if they are not paid by the due date as indicated on the account.

## 5.10 INDIGENT ASSISTANCE SCHEME (should be read in conjunction with the Indigent Policy)

An account holder may apply to the Municipality, in the prescribed manner, as per the approved Indigent Support Policy.

## 5.11 FREE BASIC SERVICES

Council will provide free basic services to indigent debtors, as determined in the Indigent Support Policy.

## 5.12 COMMUNICATION

5.12.1 The approved Customer Care, Credit Control and Debt Collection policy will be available to the community at all revenue enquiry offices, the municipal website and offices of the ward councillors.

5.12.2 Councillors may from time to time, address ward committees on the contents of the policy and any amendments thereto. Other platforms such as social media may also be utilized.

5.12.3 It is the responsibility of the consumer to ensure that his/her postal address and other contact details are correct.

## 5.13 PAYMENT FACILITIES AND METHODS

5.13.1 Municipal payment and enquiry facilities will be maintained subject

to acceptable levels of activity when compared to the operational costs. The Municipal Manager or his/she designate has the discretion to open and close offices as required. The decision to open or closing of any office must be reported to the ward councillors.

5.13.2 The consumer acknowledges that any agent used for transmitting payments to the Municipality is at the risk and cost of the consumer. in addition, the consumer must take into account the transfer time of the particular agent.

5.13.3 A range of payment methods are available and may be extended as required, subject to financial implications. The Municipality shall actively monitor the effectiveness of pay facilities, methods and convenience for consumers.

5.13.4 The Chief Financial Officer shall allocate payments according to pre-determined priorities with the aim to clear the oldest debt first.

## 5.14 ENQUIRIES, APPEALS AND DISPUTES

5.14.1 Any resident or consumer who may feel aggrieved concerning his/her account may address a grievance / appeal to the Municipal Manager or

Chief Financial Officer or visit any Customer Care Office provided by the municipality.

5.14.2 A customer who has lodged an enquiry is not relieved of the responsibility to maintain regular payment of the account. An interim payment similar to the average account must be paid by the due date, pending finalisation of the enquiry. Failure to make a payment will result in debt collection action being instituted against the customer.

5.14.3 Depending on the nature of the enquiry and the resources available, the enquiry must receive a response within 10 days.

5.14.4 If a customer has received a response and is still convinced that the account is not correct; the customer may approach the relevant Ward Councillor to assist with the enquiry.

5.14.5 As a last resort an accountholder may lodge a dispute, in writing, on the formal Section 102 Dispute Form available at the municipal offices upon request.

- No dispute will be registered verbally whether in person or over the telephone;
- The debtor must furnish full personal particulars including all their account numbers held with the Municipality, direct contact telephone numbers, fax numbers, postal and e-mail addresses and any other relevant particulars required by the Municipality;
- The full nature of the dispute must be described in the correspondence referred to above;
- A written acknowledgement of receipt of the dispute must be provided to the debtor.
- All disputes must be concluded by the Chief Financial Officer;
- The Chief Financial Officer's decision is final and will result in the immediate implementation of any debt collection and credit control measures after the debtor is provided with the outcome of the dispute; and the same debt will not be regarded as a matter of dispute.
- The outcome of the dispute must be communicated to the ward councillor.

5.14.6 A consumer may appeal against the finding of the municipality or its legal agent in terms of sub-paragraph 5.14.5.

5.14.7 An appeal and request in terms of sub-paragraph 5.14.6 must within twenty one (21) days after notification of the findings mentioned in sub-paragraph 5.14.5 be addressed to and submitted to the office of the municipal manager and must:

(a) set out the grounds for the appeal; and

(b) be accompanied of any security determined for the testing of the

metering device, if applicable.

5.14.8 The appeal must be finalized within 14 working days of receipt of an appeal.

## 5.15 TENDERS FOR BUSINESS

The Procurement Policy and Tender Conditions of the Municipality will include the following:

5.15.1 When inviting tenders for the provision of services or delivery of goods,

potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer

obtains from the municipality a certificate stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of noncompliance) have been made for payment of any arrears.

5.15.2 No tender will be allocated to a person/contractor until a suitable arrangement for the repayment of arrears, has been made. No further debt may accrue during the contract period.

5.15.3 A condition allowing the municipality to deduct any moneys owing to the municipality from contract payments.

## 5.16 BUILDING PLANS

5.16.1 Building plan applications will be rejected if municipal accounts are in arrears, this includes arrears on payment arrangements.

5.16.2 No arrangements to settle the debt will be accepted after an application was declined.

## 6. CREDIT CONTROL

### SECTION 6.1 OBJECTIVES

The objectives of the credit control section are to –

- Implement procedures that will arrest the escalation in arrear debt;
- Limiting financial risk, by implementing effective controls.

### 6.2 PERSONAL CONTACT

6.2.1 Within its affordability constrains, Council will endeavour to notify customers of their arrears situation by telephonic means, electronic contact or by delivering a final notice.

6.2.2 During the contact customers will be informed of their rights and obligations in terms of the Customer Care, Credit Control and Debt Collection Policy, including making arrangements and applying for indigent support.

6.2.3 Such contact is not a right and disconnection of services and other collection proceedings may continue, in the absence of such contact.

### 6.3 DISCONNECTION OF SERVICE(S)

6.3.1 Customers who are in arrears with their municipal account(s) and who have not made arrangements with the Municipality will have their supply of electricity and water, and other Municipal services, restricted or disconnected;

6.3.2 Pending indigents will not be subjected to credit control measures as per 6.3.1 above. Outstanding debt prior approval will be collected via auxiliary payments through pre-paid purchases on a 70:30 ratio.

6.3.3 The Municipality may disconnect municipal services after issuing a fourteen (14) day written notice to the Owner and providing the relevant ward Councillor with the property listing.

6.3.4 Council reserves the right to deny the sale of electricity or restrict the sale of water to customers who are in arrears with their rates or other municipal charges;

6.3.5 Upon the payment of all arrears, or the conclusion of acceptable arrangements and the disconnection/blocking and reconnection/unblocking fee the service will be reconnected as soon as conveniently possible;

6.3.6 All costs related to notices such as restrictions, disconnections reconnections and pre-paid blocks will be determined by the tariffs approved by the Municipal Council, and will be payable by the customer.

6.3.7 The deposit of any defaulter will be adjusted and brought into line with the policy and tariff structure of the Municipality.

6.3.8 No disconnections of services on a Friday

**6.4 TERMINATION OF SERVICE(S)**

6.4.1 It is the responsibility of the customer to notify the Municipality when the Municipal services are required or no longer required due to the sale/purchase of the property or other reasons.

6.4.2 The Municipality will not get involved in disputes between an owner and a tenant or occupier in respect of the disconnection of services. Services will only be disconnected in terms of the Credit Control Policy, and will be reconnected on payment of outstanding debt, by any party, irrespective of who the accountholder is. An owner may not disconnect services to evict a tenant or occupier.

6.4.3 Failure to comply with the conditions above renders the customer liable for all service charges and interest thereon accumulated from the date when the premises are vacated to the date when Council becomes aware of such vacation.

6.4.4 A customer may terminate an agreement for the supply of municipal services by giving at least 21(twenty-one) days written notice to the municipality of such termination.

6.4.5 The Municipality may terminate an agreement for the supply of municipal services by giving at least 21(twenty-one) days written notice to a customer where:

- Municipal services were utilised by such customer for a consecutive period of 2 months and without an agreement.

- Premises have been vacated by the customer concerned and no arrangement for the continuation of the agreement has been made with the Municipality provided that, in the event of the customer concerned not being the registered owner of the premises, a copy of the aforesaid notice shall also be served on such registered owner.

- The Municipality may terminate services to a property immediately when it receives notice or verified information that the customer has been placed under provisional sequestration, provisional liquidation, or deregistered or deceased, or execution of notice of sale, unless suitable arrangements have been made for the payment of services after the date of sequestration, liquidation, deregistration, death or date of sale.

### 6.5 RATES CLEARANCE

6.5.1 On the sale of any property in the Municipal jurisdiction, the Municipality will withhold the transfer until all rates, services and consumption charges and any other charges are paid, by withholding a rates clearance certificate as contemplated in section 118(1) of the Municipal Systems Act.

6.5.2 When a property is sold, the previous owner must terminate the services and the new owner must register the services in his/her own name and pay the required deposit.

6.5.3 The Municipality may hold both the accountholder and the new owner liable for services rendered to the property, if the above is not complied with.

**6.5.4** An advance payment equal to 4 (four) months' rates, consumption and basic charges will be collected as part of the rates clearance processes. **No undertakings will be accepted in respect of payments prior issuing of clearance.**

6.5.5 Extension of clearances will not be allowed.

6.5.6 All tenant accounts will be closed on the registration date and all future charges will be the responsibility of the new owner upon application of services or termination of services by the seller.

### 6.6 RATES CLEARANCE CERTIFICATE

6.6.1 The municipality will not issue a rates clearance certificate in terms of Section 118(1) of the Local Government: Municipal Systems Act 2000 (Act no 32 of 2000), if the preceding two years' municipal services charged to the property, and any associated charges for interest and legal costs from the date of application has not been paid.

6.6.2 In terms of section 118 (3) of the Municipal Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal rates levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

6.6.3 All debt is deemed to be collectable by the municipality despite a Clearance Certificate issued in terms of section 118 (1)(b) of the Municipal Systems Act and remains charge against the property, which the municipality may collect by attaching the property.

6.6.4 Where an owner receiving an indigent subsidy sells his property within one year of receiving an indigent write-off, the amount payable in terms of Section 118(1) of the Municipal Systems Act will be determined by the municipality as all amounts levied in the preceding two years, irrespective of whether such amounts were written off as part of the indigent relief.

**6.7 PRE-PAYMENT METER SYSTEM**

6.7.1 The Municipality may use its pre-payment system to recover arrears in respect of accrued municipal taxes and other municipal levies, tariffs and duties in respect of services

6.7.2 No refund for pre-paid electricity tokens will be given to customers that move to another address, with a different prepaid electricity meter.

**6.8 SOCIAL ASSESSMENTS**

6.8.1 After all Internal Credit Control procedures have been followed, a social assessment investigation should be done to determine whether it is viable to hand the customer over, before legal action is instituted.

6.8.2 In cases where the assets of the customer are less than the outstanding debt an alternative action should be considered, such as applying for an indigent subsidy or, writing off a portion of the debt to enable the customer to make a suitable arrangement.

**6.9 INCENTIVES FOR PROMPT PAYMENT**

6.9.1 To encourage prompt payment and/or to reward regular payers, the Municipality may consider incentives for the prompt payment of accounts or payment by debit or stop orders.

6.9.2 If introduced, such an incentive scheme will be reflected in the operating budget as an additional expenditure.

## 6.10 INTEREST

6.10.1 Interest will be raised monthly as a charge on all accounts not paid by the due date in accordance with applicable legislation.

6.10.2 Interest on overdue accounts will be charged at prime rate plus 1 percent.

6.10.3 Interest charged on overdue accounts will be equivalent to a full month from the billing date each month, or part thereof that the account is overdue.

6.10.4 Irrespective of interest charged or any other penalty, the Municipality shall have the right to restrict or discontinue the supply of services or to implement any other debt collection action necessary due to late or non-payment of accounts, relating to any customer, owner or property.

## 6.11 THEFT AND FRAUD

6.11.1 Any natural or juristic person found to:

- be illegally connected to municipal services;
- have tampered with meters, the reticulation network or any other supply equipment;
- have committed any unauthorised act associated with the supply of municipal services; and
- have been involved in theft and fraudulent activity, will be prosecuted and/or held liable for penalties as determined from time to time.

6.11.2 Any person that provides information with regards to any illegal actions as set out in paragraph 6.11.1 above, and where such information when verified is found to be true in a court of law, will upon conviction of the guilty party and authorisation by the Municipal Manager be rewarded as determined by Council from time to time. The name of the informant and the information provided will at all times be kept confidential, so as to protect the informant against any retaliatory action.

6.11.3 Council will immediately terminate the supply of services to a customer should such conduct as outlined in paragraph 6.11.1, above be detected and conventional meters will immediately be converted to pre-paid. Installation costs will be for the account of the accountholder.

6.11.4 The total account owing, including penalties, assessment of unauthorised consumption, disconnection and reconnection fees, and increase deposits as determined by Council will be due and payable before any reconnection can be sanctioned.

6.11.5 The Municipality will maintain monitoring systems in order to identify customers who are undertaking illegal actions.

6.11.6 The Municipality reserves the right to lay criminal charges and/or to take any other legal action against both vandalism and theft.

6.11.7 The municipality will determine the consumption debt at the rates charged for electricity during the current financial period during which the theft or fraud was discovered or detected.

6.11.8 The responsibility for outstanding costs for meter tampering and penalties will be the responsibility of the owner of the property in cases where the occupier tampered with the prepaid meter.

## 7. DEBT COLLECTION

### 7.1 OBJECTIVE

The objectives of the debt collection section are to provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, to ensure financial sustainability and delivery of Municipal services in the interest of the community.

### 7.2 LEGAL PROCESSES/USE OF ATTORNEYS/USE OF CREDIT BUREAUS

7.2.1 The Municipality may, when all other credit control actions have been exhausted, commence legal process against customers, which processes could involve summonses, judgments and execution actions.

7.2.2 The Municipality will exercise strict control over this process and will require regular reports on progress from service providers.

7.2.3 The Municipality will establish procedures and codes of conduct with these outside parties.

7.2.4 All steps in the credit control and debt collection procedures will be recorded in the Municipality's records and for the information of the customer.

7.2.5 Individual customer account information will be protected.

7.2.6 The Municipality may release customer information to credit bureaus.

7.2.7 The Municipality may consider the cost effectiveness of the legal process, and will request reports on relevant matters, including cost effectiveness.

7.2.8 The Municipality may consider the use of agents as service providers and other debt collection methods.

7.2.9 Customers will be informed of the powers and duties of such agents or service providers and their responsibilities including their responsibility to observe agreed codes of conduct.

7.2.10 Any agreement concluded with a service provider shall include a clause whereby breaches of the code of conduct by the service provider will constitute a breach of the contract.

7.2.11 Where an owner is a company or close corporation, which has been deregistered by the Companies and Intellectual Property Commission, the municipality may make application to the High Court to reinstate the registration of the company or close corporation, and the owner will be liable for payment of these legal costs on the scale as between attorney and client.

## 7.3 COST OF COLLECTION

7.3.1 All costs associated with credit control and debt collection ,penalties, service discontinuation costs and legal costs are for the account of the customer and should reflect at least the cost of the particular action. No interest will be levied on handed over accounts.

7.3.2 All legal cost, including attorney and customer costs incurred in the recovery of arrears shall be debited against such customer's account.

7.3.3 The registered owner shall remain liable for all legal and the collection costs charged in collection of the municipal debt of an occupier.

## 7.4 ABANDONMENT OF CLAIMS

7.4.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

7.4.2 The valid termination of debt collection procedures as contemplated in section 109(2) of the Municipal Systems Act, may be considered under the following circumstances: -

- the insolvency of the customer, whose estate has insufficient funds;
- A balance being too small to recover, for economic reasons, considering the cost of recovery; and
- where the Municipality deems that a customer is unable to pay for services rendered.

7.4.3 The municipality must maintain audit trials in such instances, and document the reasons for the abandonment of the actions or claims in respect of the debt.

## 7.5 ARRANGEMENTS

7.5.1 If a consumer cannot pay his/her municipal account, the municipality can enter into an extended payment term whereby the consumer must:

7.5.1.1 sign an acknowledgement of debt agreement
7.5.1.2 sign permission to take judgment;
7.5.1.3 sign to be included on the municipal debit order run if employed
7.5.1.4 provide the latest proof of household income if employed

alternatively provide a three months bank statement if not employed or self-employed.

7.5.1.5 sign an admission that should the agreement not be adhered to, no further arrangements will be possible and that the disconnection of water and electricity, as well as legal proceedings, will immediately be implemented without notice;

7.5.1.6 accept liability for all costs; and
7.5.1.7 provide annually on 31 May new proof of income, which return, shall serve at the same time for purposes of indigent assistance.

7.5.2 When an account holder defaults on an arrangement the arrangement may be reinstated provided that all unpaid instalments as well as current amounts are paid in full.

7.5.3 No accountholder will be allowed to enter into a new arrangement if an arrangement was dishonoured unless the person agrees to install a prepaid electricity meter, at their own cost, where the accountholder does not have a prepaid meter installed. Where the accountholder has a prepaid meter installed, a new arrangement can only be entered into if approved by the Chief Financial Officer. Where, the Chief Financial Officer does not approve the new arrangement, the account will be handed over for collection to either an Attorney or a Debt Collection Agency appointed by the Municipality.

7.5.4 No interest will be levied on accounts with valid payment arrangements.

7.5.5 When disconnection and/or restriction of electricity and/or water supply takes place due to non-payment, the consumer's deposit will be adjusted to the current minimum.

7.5.6 When services are illegally restored, criminal action will be taken if Possible.

7.5.7 After a debtor has been handed over for collection, the case will not be withdrawn unless there was an oversight on the part of the Kouga Municipality;

7.5.8 All arrangements must be reported to the Portfolio committee monthly.

**7.6 ARRANGEMENTS WILL BE CONCLUDED ON THE FOLLOWING BASIS BY CATEGORY TYPE:**

**7.6.1 Domestic Account Holders for first time defaulters:**

| **Total gross household income per month** | **Initial down- payment** | **Minimum payment per month** |
|---|---|---|
| R0 to amount equal to two state pensions (Indigents) | Minimum of R100 | 60 equal monthly instalments plus current account |
| amount from two state pensions to R8 000 | Minimum of R1000 | 48 equal monthly instalments plus current account |
| R8 001 to R12000 | Minimum of R1500 | 36 equal monthly instalments plus current account |
| R12000 and above | Minimum of R2500 | 24 equal monthly instalments plus current Account |

Arrangements will not be granted on outstanding debt less than the minimum down payment.

**7.6.2 Business Account Holders**

7.6.2.1 Business account holders (includes all types of commercial, hospitality and industrial activities and instances of multiple dwelling units) will only be given repayment terms if they pay the reassessed security deposit up front.

7.6.2.2 A down payment of at least 25% or such other higher percentage as the Chief Financial Officer (CFO) may approve, of the amount in arrears including any fees or penalties or other charges owing plus the current account;

7.6.2.3 A maximum repayment period of **12** months with a minimum monthly repayment of R1 000 per month plus payment of the current account; if approved by the CFO or the person acting in that position in the absence of the CFO.

7.6.2.4 All agreements entered into with this category of account holder will only be valid if approved by the CFO or the delegated official.

7.6.2.5 The account holder agreeing to set-off being applied to any amounts owing to the account holder by the municipality currently.

7.6.2.6 Arrangements will not be granted on outstanding debt less than the minimum down payment.

7.6.2.7 Where the account holder defaults on the arrangement entered into, the account will be handed over for collection to either an Attorney or a Debt Collection Agency appointed by the Municipality.

**7.6.3 Churches, crèches, sports clubs, welfare and any other welfare or NGO's will be treated as follows:**

7.6.3.1 This category of account holder will only be allowed to enter into an arrangement for the repayment of arrears after the up front payment of the reassessed security deposit ;

7.6.3.2 A minimum down payment of R1500.00 plus the current account;

7.6.3.3 Arrears to be paid within 24 equal instalments.

7.6.3.4 Arrangements will not be granted on outstanding debt less than the minimum down payment.

7.6.3.5 Where the account holder defaults on the arrangement entered into, the account will be handed over for collection to either an Attorney or a Debt Collection Agency appointed by the Municipality.

7.6.7. Where water and electricity accounts remain outstanding or unpaid for more than 2 (two) months, the account will be handed over to debt collectors for collection and/or for legal action by the attorneys. These debtors will have to make further arrangements at the attorney and/or debt collectors, for the arrear account. The current monthly account must be paid directly to the Kouga Municipality.

7.6.8. After a debtor has been handed over for collection, the case will not be withdrawn unless there was an oversight on the part of the Kouga Municipality.

Notwithstanding the provisions of Sections 7.5 and 7.6 of this Policy, the Municipal Manager is authorized, at their sole discretion, to approve deviations from the prescribed payment arrangements were justified by social, humanitarian, or affordability considerations. Such deviations must be based on a documented assessment of the customer's financial circumstances and social constraints, and must be reasonable, equitable, and aligned with the principles of fairness and sustainability. All approved deviations shall be recorded in writing, including the rationale for the decision, and retained for audit and governance purposes.

7.7. **Administrations:**

Where a person has been placed under administration the following procedures will apply:

7.7.1. The debt as at the date of the administration court order will be placed on hold, and be collected in terms of the court order by the administrator.

7.7.2. The administrator is to open a new account on behalf of the Customer, with a new deposit – No account is to be opened/ operated in the customer's name as the customer is not entitled to accumulate debt (refer section 74S of the Magistrates Courts Act 32 of 1994).

7.7.3 Until such time as this new account is opened, the customer is to be placed on limited services levels. The customer will be compelled to install a prepaid electricity meter, should one not already be installed.

7.7.4 The Municipality will be entitled to recover the cost of the basic services by means of purchases made on the prepaid electricity meter.

7.7.4. Should there be any default on the current account – the supply of services are to be limited or terminated, and the administrator handed over for the collection of this debt.

## 8. PERFORMANCE MANAGEMENT

The council must institute the necessary mechanisms to set and measure performance against targets with regard to debt collection, customer care and administrative performance and take corrective steps in order to promote credit control and debt collection.

### 8.1 Income Collection Targets

The council must set targets that include the following:

- The council wants to collect all monies owed to the municipality.
- The collection rate per annum.

### 8.2 Customer Care Targets

The council must set targets that include the following:

- response times with regard to enquiries by clients;
- the date on which the first account must be rendered to customers;
- the time frame for the reconnection of services; and
- The meter reading cycle

### 8.3 Administrative Performance

The council must set targets that include the following:

- cost effectiveness of debt collection;
- enquiry and appeal procedures; and
- Implementation mechanism relationships.

## 9. REPORTING

9.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Executive Mayor as supervisory authority, in terms of section 99 of the Municipal Systems Act, read with section 100(c).

9.2 The Executive Mayor as Supervisory Authority shall, at intervals of 3 months, report to Council as contemplated in section 99(c) of the Municipal Systems Act.

## 10. APPLICATION OF THE POLICY

10.1 The Council reserves the right to differentiate between different categories of consumers, debtors, services or service standards when applying the Policy.

10.2 Deviation from this policy can only be approved in terms of council's system of delegations; and

10.3 Deviations must be reported to council.

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C DU PLESSIS
MUNICIPAL MANAGER

DATE

KOUGA MUNICIPALITY

# POLICY:
# ASSETS MANAGEMENT

**Document Control**

| | |
|---|---|
| Policy Title: | Assets Management Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Assets, Funding and Investments Management |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr N Swarts (Manager: Assets, Funding and Investment Management) |

# ASSET MANAGEMENT POLICY

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# ASSET MANAGEMENT POLICY DOCUMENT

## 1. Aim of this document

The aim of this policy is to ensure the effective and efficient control of the municipality's capital assets through:

a) Proper recording of capital assets from authorisation to acquisition and to subsequent disposal;
b) Providing for safeguarding procedures;
c) Setting proper guidelines as to authorised utilisation; and
d) Prescribing for proper maintenance.

To assist officials in understanding their legal and managerial responsibilities regarding capital asset.

Failure to comply with the prescribed policies will result in the institution of disciplinary procedures in terms of the stipulated conditions of employment of Kouga Municipality.

## 1.1 BACKGROUND

The proper utilisation and management of capital assets is one of the prime mechanisms by which a municipality can fulfil its constitutional objectives for:
a) Delivery of sustainable services;
b) Promotion of Social and economic development;
c) Promoting a safe and healthy environment; and
d) Providing for the basic needs to the community.

The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its capital assets over the useful life thereof.

The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of capital assets.

Stewardship has three components being the:
a) Management, utilisation and control by the Municipal Officials;
b) Financial administration by the Chief Financial Officer; and
c) Physical administration by the Senior Managers

Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a local government.

Accounting standards are set to ensure the appropriate financial treatment for capital assets. The requirements of these accounting standards include:
a) The compilation of capital asset registers recording all capital assets controlled by the municipality;
b) Accounting treatment for the acquisition, disposal, recording and depreciation of capital assets; and
c) The standards to which these financial records must be maintained.

## 2. Policy Authority and Responsibility

Any departures from the approved policies stated in this manual will require the prior written approval from the following authority and persons:

| | |
|---|---|
| APPROVAL: | Kouga Municipality: EXCO and Council |
| MAINTAINED BY: | Financial Division: Asset Management |
| IMPLEMENTED BY: | Kouga Municipality: Departmental Heads. |
| EXECUTION: | Kouga Municipality: Departmental Heads and Officials. |
| SUPPORTED BY: | Finance Division: Asset Management |

# 3. Asset Management Accounting Policies

## Definitions

Consistent definitions are essential for good asset management and reporting. These definitions were taken from the Generally Recognised Accounting Practise guidelines regarding assets:

### 3.1 Amortisation

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

### 3.2 Asset

is resources controlled by the Municipality as a result of past events and from which future economic benefits or potential service provision are expected to flow to the municipality

### 3.3 Carrying value

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

### 3.4 Community Assets

are assets that contribute to the community's well-being. Examples are parks, libraries and fire stations.

### 3.5 Cost

Cost of a fixed asset includes the cost of activities necessarily incurred to bring the fixed asset to the condition and location essential for its intended use (e.g. purchase price plus transport and installation).

Vat input tax should be included in the cost of a fixed asset only if the tax cannot be claimed (e.g. vat on passenger vehicles acquired).

### 3.6 Component

means a specific part of a complex item that has independent physical or functional identity and specific attributes such as different life expectancy, maintenance and renewal requirements and regimes, risk or criticality.

### 3.7 Development

is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of production or use.

### 3.8 Depreciation

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

**3.9 Depreciable Amount**

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

**3.10 Fair Value**

is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction

**3.11 Finance Lease**

is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred

**3.12 Fixed Assets**

A fixed asset is an asset with a useful life of more than one year and is used in the business of Kouga Municipality.
Characteristics of a depreciable fixed asset are the following:

- It is estimated that the asset will be used for more than one financial period;
- Has a limited useful life;
- Is used in a process of delivering services

**3.13 Heritage Assets**

are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations .
Examples are works of art, historical buildings and statutes.

**3.14 Infrastructure Assets** are assets that are part of a network of similar assets.
Infrastructure Assets usually display the following characteristics:

- they are part of a system or network;
- they are specialised in nature and do not have alternative uses;
- they are immovable; and they may be subject to constraints on disposal
- Examples are roads, water reticulation schemes sewerage purification works.

3.15 **Impairment loss of a cash-generating asset**

is the amount by which the carrying amount of a capital asset exceeds its recoverable amount;

3.16 **Intangible asset**

is an accounting group which is an identifiable non-monetary asset without physical substance

**3.17 Investment Properties**

is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:
(a) use in the production or supply of goods or services or for administrative purposes; or
(b) sale in the ordinary course of operations

**3.18 Material**

omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made based on the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The size or nature of the information item, or a combination of both, could be the determining factor. (GRAP 1)

3.19 **Other assets**

is an accounting subgroup of Property, plant and equipment which is defined as capital assets utilised in normal operations administrative function of the municipality, Examples are plant equipment, office buildings, motor vehicles, office equipment and furniture and computer equipment etc

**3.20 Property, Plant and equipment** are tangible assets that:

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

**3.21 Residual Value**

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 was already of the age and in the condition expected at the end of its useful life.

**3.22 Recoverable Amount**

of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

**3.23 Research**

is original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Research will only constitute a capital expense when it can be linked to an asset.

**3.24 Senior Managers**

mean officials who reports directly to the Municipal Manager and are defined in terms of section 56 of the Municipal Systems Act, Act 32 of 2000

**3.25 Useful life"** is either:

(a) The period over which a capital asset is expected to be available for use by an entity, or
(b) The number of production or similar units expected to be obtained from the capital asset by an entity.

3.26 **Tagging (Barcoding)**

Means to place a control number on a piece of equipment or property. This is done to maintain a positive identification of assets.

## 4 STATUTORY AND REGULATORY FRAMEWORK

4.1. This policy must comply with all relevant legislative requirements including:

a) The Constitution of the Republic of South Africa, 1996;
b) Municipal Structures Act, Act 117 of 1998;
c) Municipal Systems Act, Act 32 of 2000;
d) Division of Revenue Act (enacted annually);
e) Municipal Finance Management Act, Act 56 of 2003.

4.2. This policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognised accounting standards include:
a) GRAP 13 - Leases (Specifically Finance leases);
b) GRAP 16 - Investment Properties;
c) GRAP 17 - Property, Plant and Equipment;
d) GRAP 21 - Impairment of Non-cash-generating Assets;
e) GRAP 26 - Impairment of Cash-generating Assets;
f) GRAP 27 - Agriculture;
g) GRAP 31 - Intangible assets; and
h) GRAP 103 - Heritage assets.

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management or Budget policies.

## 5 RESPONSIBILITIES AND ACCOUNTABILITIES

5.1 The Accounting Officer is responsible for the management of the capital assets of the municipality, including the safeguarding and the maintenance of these capital assets.

5.2. The Accounting Officer must take all reasonable steps to ensure that:
- The municipality has and maintains a management, accounting and information system that records all the capital assets of the municipality;
- The municipality's capital assets are valued in accordance with recognised standards as prescribed by statutes and/or regulations;
- That the municipality has and maintains a system of internal control of capital assets, including a capital asset register; and
- That Senior Management complies with this policy.

5.3. The Chief Financial Officer is responsible to the Accounting Officer to ensure that the financial investment in the municipalities' capital assets is properly recorded.

5.4. The Chief Financial Officer must take all reasonable steps to ensure that:
- Appropriate systems of financial management and internal controls are established and carried out diligently;
- The financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
- Any unauthorised, 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 capital assets are maintained to standards sufficient to satisfy the requirements of all statutes;

- Financial processes are established and maintained to ensure the municipality's financial resources are optimally utilised through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- The Accounting Officer is appropriately advised on the exercise of powers and duties pertaining to the financial administration of capital assets; and
- The Senior Managers and senior management teams are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of capital assets.

5.5. The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remains accountable for ensuring these activities are performed.

5.6. The Senior Managers must take all reasonable steps to ensure that:

- Appropriate systems of physical management and controls are established and carried out for capital assets in their areas of responsibility;
- The municipal resources assigned to them are utilised effectively, efficiently, economically and transparently;
- The capital assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- Any unauthorised, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- The asset management systems and controls can provide an accurate,reliable and up to date record of capital assets under their control;
- They can justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;
- The purchase of capital assets complies with all municipal policies and procedures.
- All moveable capital assets are duly processed and identified and inspected as being in order before it is received into their stewardship;
- All moveable capital assets received into their stewardship are appropriately safeguarded against inappropriate use or loss. This will include control over the physical access to these capital assets and regular stock takes to ensure that no losses have occurred. Any known losses should be immediately reported to the Chief Financial Officer; and
- Capital assets are appropriately utilised for the purpose for which the municipality acquired them.

5.7. The Senior Manager may delegate or otherwise assign responsibility for performing these functions but will remain ultimately accountable for ensuring these activities are performed.

5.8. Asset Management Duties:

a) Shall ensure that complete records of assets items, tangible and intangible assets, are kept, verified and balanced regularly.
b) Shall ensure that all movable assets are properly tagged and accounted for.
c) Shall ensure that all locations are identified and properly tagged.
d) Shall maintain a location key map indicating all locations where movable assets are held.
e) Shall conduct an annual inventory by verifying all movable assets and compare this inventory with the department asset verification.

f) The asset verification report shall:

I. Reflect a complete list of all assets found during the verification;
II. Reflect whether appropriate records have been maintained reflecting what articles should have been found during the verification;
III. Reflect any discrepancies between the articles found during the verification and the complete record referred to the above.

g) Shall ensure that the Asset Management System is balanced monthly with the general ledger and with the financial statements.
h) Provide the Auditor- General or his personnel, on request , with the financial records relating to assets belonging to Council as recorded in the Fixed Asset Register.
i) Ensure that all audit queries are resolved in a timely manner.
j) Shall ensure that the relevant information relating to the calculation of depreciation is obtained from the Departments, including the estimated lifespan and residual value.
k) Shall ensure that depreciation calculations are provided to the Financial Department in the prescribed format.
l) Shall ensure that asset acquisition are allocated to the correct asset location, and all the mSCOA segments.
m) Shall ensure that, before accepting obsolete or damaged asset or asset inventory item, a completed asset disposal form, countersigned by the CFO is presented.
n) Shall ensure that a verifiable record is kept of all obsolete, damaged, and unused asset or asset inventory items received from Department.
o) Shall compile a list of items to be auctioned in accordance with their guidelines in the Supply Chain Management (SCM) Policy.
p) Shall compile and circulate a list of unused moveable assets to enable other Departments to obtain items that are of use to them.
q) Shall ensure that the SCM Unit is notified of any auctioning or disposing of written- off asset or asset inventory items.

## 6. Purchase of an Asset

Before a capital project is included in the budget for approval, the Senior Manager must demonstrate, and the Council must consider:

- The projected cost over all the financial years until the project is operational;
- The future operational costs and revenue of the project, including 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 capital asset through all stages in its life including acquisition, installation, maintenance, operations, disposal and rehabilitation;
- The inclusion of this capital project in the integrated development plan and future budgets; and
- Alternatives to this capital purchase.

The Chief Financial Officer is accountable to ensure the Senior Managers receive all reasonable assistance, guidance and explanation to enable them to achieve their planning requirements.

Capital items not purchased in the financial year as approved on the IDP and capital budget of the Municipality may only be transferred to the next financial year if it is

approved by the Municipalities Executive Committee and Council. These approved transfers must be included as roll-over amounts in the capital budget for the new financial year

## 7. Transfer of Fixed Assets from State Departments or other Municipalities

7.1 The entire individual fixed asset items that are transferred from State Departments or other Municipalities to Kouga Municipality have to be valued, as these assets will represent the take on values for Kouga Municipality.

All the relevant assets are acquired by Kouga Municipality based on the going concern concept at values as per paragraphs 3.1 to 3.25

7.2 After all the assets have been valued, their useful lives will be determined as the transferred assets will be depreciated over their useful lives

7.3 The transferred assets will be valued on the following bases;

- Motor vehicles will be valued at the trade value of each vehicle per the latest Auto Dealers Guide.
- Furniture and fittings and office equipment must be included as estimations.
- Building and grounds will be valued as per valuation roll.

7.4 Desktop and laptop computers and printers will be valued by:-

- extracting a schedule of each type and model of personal computer, comprising CPU, monitor, keyboard and mouse;
- requesting our computer consultants to place a value on each of the types of personal computer and printer;
- Applying the above values to the quantity of each type of personal computer and printer in use at each office.

## 8. Recognition of Assets

Assets will only be capitalised as an asset in the balance sheet when the following criteria are met.

- Future economic benefits or potential service delivery associated with the asset will flow to Kouga Municipality.
- The cost of the asset can be measured accurately, and
- The amount of the asset exceeds the amount of R2 500-00
- All risks and rewards relating to an asset item have been passed to Kouga Municipality and therefore Council controls the asset item.
- A valid tax invoice to Council or other transfer document that transfers ownership to Council exists.

## 8.1 Self-constructed assets

A capital asset shall be recorded in the capital assets register as soon as it is acquired. If the capital asset is constructed over a period, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately recognised as a capital asset.

Cost of self-constructed assets will be determined from requisitions of inventory used, timesheets of labour cost as well as from invoices of creditors and suppliers.

A self-constructed asset with a lifespan of more than a year will be capitalised as an asset when all criteria for an asset as stated above is met and will be capitalised as follows:

- The total value of the inventory or spare parts used to build the asset will be capitalised as an asset.

## 8.2 Repairs and improvements to fixed assets

Where repairs and maintenance are incurred to improve a specific asset (i.e. the improvement will increase capacity or extend the useful life of the asset), the cost of the improvement must be capitalised against the fixed asset affected, and written off **over the remaining life of the asset.**

Where repairs and maintenance expenses are incurred to repair or service a specific asset and it does not extend the lifespan of the asset, the cost thereof must be written off to repairs and maintenance in the income statement.

Maintenance is further required to be classified between **Preventative Maintenance and Corrective Maintenance**, as directed in terms of an anticipated maintenance plan.

**Preventative Maintenance**

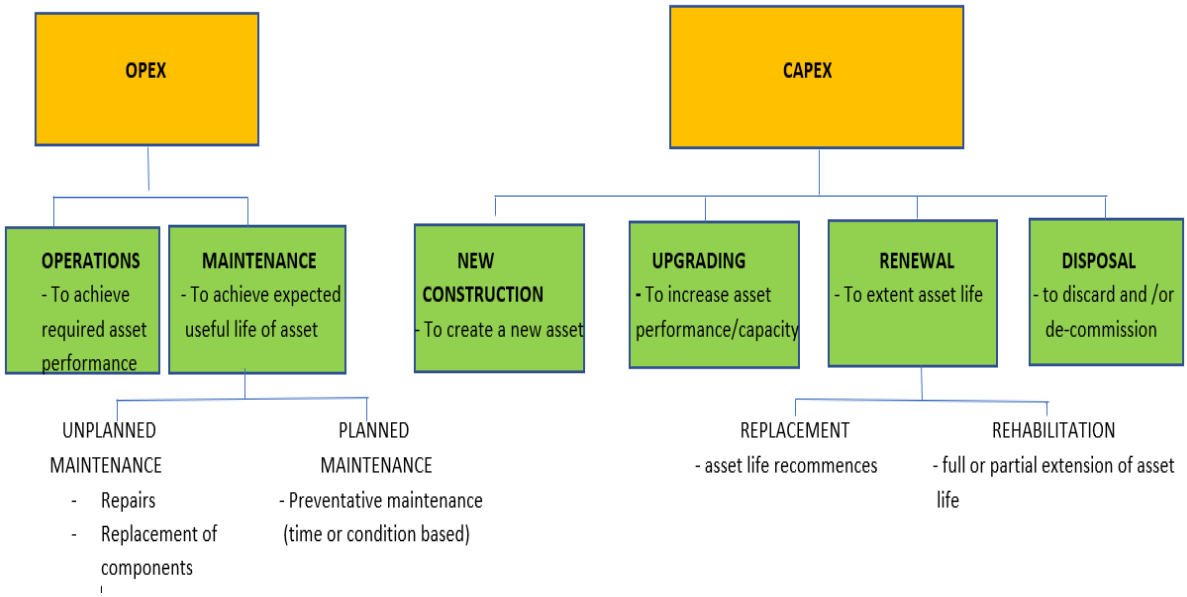
Maintenance carried out at predetermined intervals, or corresponding to prescribed criteria, and intended to reduce the probability of failure or the performance degradation of an item. Preventative maintenance is planned or carried out on opportunity.

- **Interval Based**: Maintenance carried out at predetermined intervals.
- **Condition Based**: Maintenance carried out based on prescribed criteria, such as indicators of condition.

**Corrective Maintenance**

Maintenance carried out after a failure has occurred and intended to restore an item to a state in which it can perform its required function. Corrective maintenance can be planned or unplanned.

- **Planned**: Corrective Maintenance which has been anticipated and planned.
- **Emergency**: Corrective Maintenance which has not been anticipated and results from an emergency/disaster.




# 9. Fixed Assets and Depreciation

## 9.1 Depreciation

Depreciation can only be written off if the useful life of an asset is established.

All assets will be written off on the straight-line method from the acquisition date of the asset on a monthly basis.

The depreciation charge for each period will be recognised as an expense in the Income Statement.

When it is known that an asset will involve significant removal, restoration or other costs at the end of its useful life the accounting procedures will be as follows:

- The estimated cost that will be incurred at the end of the assets useful life will be recognised as an expense over the expected life of the asset as a liability until the expected expense is fully provided for.
- When the cost is incurred it will be offset against the created liability.

The following policies will apply to existing-, purchased and other assets obtained from third parties:-

## 9.2 Computer equipment

Will be recorded at cost and written down to R1 over their useful lives by the straight-line method of depreciation.

## 9.3 Furniture fittings and equipment

Will be recorded at cost and written down to R1 over their useful lives by the straight-line method of depreciation.

## 9.4 Office equipment

Will be recorded at cost and written down to R1 over their useful lives by the straight-line method of depreciation.

## 9.5 Motor vehicles

Will be recorded at cost and written down to R1 over their useful lives by the straight-line method of depreciation.

## 9.6 Leased assets

Fixed assets obtained under finance leases and suspense sale agreements are capitalised at cost excluding finance charges and written down to R1 over the period of the lease.

Lease finance charges are accrued and are written off to the Income Statement as they become due based on the effective rate of interest method.

## 9.7 Research and development

Expenditure on research and development is normally charged against operating income and not deferred. However, development costs are capitalised in respect of unique projects that are deemed to be useful to Kouga Municipality. Costs thus capitalised are amortised over the estimated useful lives of the asset or system.

**Development costs are only capitalised when the following criteria are met:**

- the project is clearly defined and the costs attributable to the project can be separately identified and measured reliably;
- the technical feasibility of the project can be demonstrated;
- the usefulness of the project to Kouga Municipality can be demonstrated;
- Adequate resources exist, or their availability can be demonstrated, to complete the project.
- The cost of the research and development can directly be linked to an asset or category of assets.

# 10 Useful life of Assets

The useful life of infrastructure-, community-, recreational- and other assets are categorised below.

Heritage Assets are not reflected in the asset life schedule below because no useful life can be established for heritage assets as there is difficult to determine the lifespan of painting or statue etc.

In compliance with the requirements of mSCOA and GRAP standards; the CFO shall ensure that all assets are classified under the following headings, and directors of departments shall in writing provide the CFO with such information and assistance as is required to compile a proper classification.

## Useful lives - Estimated useful lives per category of asset are as follows:

| CATEGORY | ASSET LIVE |
|---|---|
| **Infrastructure Assets:** | |
| **Electricity** | |
| Sub stations | 30 years |
| Cooling Towers | 30 years |
| Meters | 15 years |
| Load Control Equipment | 20 years |
| Switchgear Equipment | 20 years |
| Supply/reticulation | 20 years |
| Mains | 20years |
| **Roads** | |
| Motorways | 15 years |
| Other Roads | 10 years |
| Traffic Islands | 10 years |
| Traffic Lights | 15 years |
| Street Lighting | 15 years |
| Overhead Bridges | 30 years |
| Storm Water Drains | 20 years |
| Bridges, Subway & Culverts | 30 years |
| Car Parks | 20 years |
| Bus Terminals | 20 years |
| **Water** | |
| Meters | 15 years |
| Mains | 20 years |
| Rights | 20 years |
| Supply/Reticulation | 20 years |
| Reservoirs and Tanks | 20 years |
| **Sewerage:** | |
| Sewers | 20 years |
| Outfall Sewers | 20 years |
| Purification Works | 20 years |
| Sewerage Pumps | 10 years |
| Sludge Machines | 10 years |

| | |
|---|---|
| **Community Assets** | |
| **Buildings:** | |
| Ambulance Stations | 30 years |
| Care Centres | 30 years |
| Cemeteries | 30 years |
| Clinics and Hospitals | 30 years |
| Community Centres | 30 years |

| | |
|---|---|
| Fire Stations | 30 years |
| Game Reserve and Rest Camps | 30 years |
| Indoor Sport stadiums | 30 years |
| Libraries | 30 years |
| Museum and Art Galleries | 30 years |
| Parks | 30 years |
| Public conveniences | 30 years |
| Recreation Centres | 30 years |
| Stadiums | 30 years |
| Old Age Homes | 30 years |
| Taxi Ranks | 30 years |
| **Recreational Assets:**<br><br>**Facilities:** | |
| Bowling Greens | 20 years |
| Tennis Courts | 20 years |
| Swimming Pool | 20 years |
| Golf Course | 20 years |
| Jukskei Pitches | 20 years |
| Outdoor Sport Facilities | 20 years |
| Lakes and Dams | 20 years |
| Fountains | 20 years |
| Floodlighting | 15 years |
| Cricket Field | 20 years |
| **Security Measures:** | |
| Fencing | 3 years |
| Security Systems | 5 years |
| Access Control | 5 years |
| **Other Assets:**<br><br>**Buildings:** | |
| Caravan parks | 30 Years |
| Compacting Stations | 30 Years |
| Housing Schemes | 30 Years |
| Laboratories | 30 Years |
| Nurseries | 30 Years |
| Office Buildings | 30 Years |
| Quarries | 30 Years |
| Stores | 30 Years |
| Tip Sites | 30 Years |
| Training Centres | 30 Years |
| Transport Facilities | 30 Years |
| Workshops and depots | 30 Years |
| **Office Equipment:** | |
| Computer Hardware | 3 years |
| Computer Software | 3 years |
| Office Machines | 3 years |
| Air Conditioners | 7 years |
| Photocopy Machines over R50 000 | 5 years |
| Other Photocopy Machines | 3 years |

| | |
|---|---|
| Faxes | 3 years |
| **Furniture and Fittings:**<br>Chairs<br>Tables<br>Desks<br>Cabinets<br>Cupboards<br>Fire Cabinets<br>Miscellaneous | <br>10 years<br>10 years<br>10 years<br>10 years<br>10 years<br>10 years<br>10years |
| **Bins and Containers:**<br>Bulk Containers | <br>5 years |
| **Emergency Equipment:**<br>Fire<br>Ambulances<br>Fire hoses<br>Emergency Lights | <br>15 years<br>10 years<br>5 years<br>5 years |
| **Motor Vehicles:**<br>Fire Engines<br>Motor Vehicles<br>Motor Cycles<br>Trucks / Bakkies | <br>10 years<br>5 years<br>5 years<br>5 years |
| **Plant and Equipment:**<br>Graders<br>Tractors<br>Mechanical Horses<br>Farm Equipment & Pesticide Sprayers<br>Lawnmowers<br>Brush Cutters<br>Compressors<br>Laboratory Equipment<br>Radio Equipment<br>Fire Arms<br>Telecommunication Equipment<br>Irrigation Systems<br>Conveyors<br>Feeders<br>Tippers | <br>7 years<br>7 years<br>7 years<br>5 years<br>2 years<br>2 years<br>5 years<br>5 years<br>5 years<br>5 years<br>5 years<br>7 years<br>7 years<br>7 years<br>7 years |

The useful life schedule must be used for all new and existing assets unless:

- A more appropriate useful life can be motivated by the Department that acquires the asset, and
- The change in the useful life of the Asset as motivated by the Department is approved by the Chief Financial Officer.

If the useful life of an asset cannot be determined from the useful life schedule and it is impossible to estimate the useful life of the asset the accounting procedures will be as follows:

- An annual assessment of the asset will be done by Heads of Departments to determine the deterioration of the asset and the potential service delivery for future benefits to the Municipality.

- On this assessment the Municipality will account for a depreciation charge where major deterioration has occurred, through the Income Statement as expenditure.

- The above will adjust the carrying value of the asset on the Financial Statements accordingly.

## 10.1 Review of the useful life of an asset.

All Assets will be investigated annually to ensure that the useful life of the asset is still in line with the original estimated useful life of the asset.

The depreciation charge for current and future periods will be adjusted accordingly, when it is determined that the useful life of an Asset at a specific period differs significantly from the original useful life estimation of the asset.

## 11 Recovery of the carrying amount

### 11.1. Impairment

When the recoverable amount of an Asset has declined below the carrying amount of the asset the accounting procedures will be as follows:

- The carrying amount of the asset will be reduced to the recoverable amount of the asset.

- The amount in reduction will be recognised as an expense in the Income Statement.

### 11.2 Subsequent increase in the recoverable amount of an asset

It can happen that the recoverable value of an asset recovers in such a way that it exceeds the carrying value of an asset that was previously written down by means of impairment.

This asset's carrying value will only be written back to its original value if:

- The circumstances or events that led to the write down of the value of the asset cease to exist.

- There is evidence that the new circumstances and events will persist for the foreseeable future.

- The Asset's original carrying value has never been influenced by impairment or a write-up of the carrying value.

The amount of write-up must be recorded as an income in the Income Statement.

# 12. Initial Measurements of Land and Buildings

There are essentially three major classification of the fixed property namely;

- Property Plant and Equipment;
- Investment Property;
- Heritage Assets

## 12.1 Property Plant and Equipment (GRAP 17)

Property Plant and Equipment (PPE) represents a major portion of the asset base of the Municipality and is therefore significant in the presentation of its financial position (balance sheet).

## 12.2 Investment Property (GRAP 16)

Investment property is land and/or buildings (or part of a building) held to earn rentals and/or capital appreciation and is distinguished from property, plant and equipment that are occupied and used by the municipality.

Investment property is also not land and/or buildings held for sale in the ordinary course of business. As the definition implies, the intention is to earn a return on the investment made in the asset and to benefit from capital appreciation. Houses to asset custodians, hostels, etc. will not qualify as investment property as the primary objective of these facilities are to provide a service, e.g. housing, sport and recreation rather than to earn rental revenue or capital appreciation (or both).

In general, investment property will entail property leased under an operating lease to a lessee, where the Municipality acts as lessor. Property leased under a finance lease will however not qualify as investment property (as the property is “sold” to the lessee).

A property constructed by the Municipality that will be held as an investment property should not be treated as such until it is ready for its intended purpose (i.e. until it meets the definition of investment property). Until such time, it should be accounted for according to GRAP 17. Similarly, property being constructed on behalf of a third party does not constitute investment property and should be accounted for as a construction contract in terms of GRAP 11. Properties held for sale in the ordinary course of business should be recognized as inventory and accounted for in terms of GRAP 12.

It should be clear from the above that the classification of land and/or buildings (or part of a building) as investment property depends on the *intention* of management and therefore requires judgement to determine whether a property qualifies as investment property. Criteria therefore have to be developed to ensure that judgement is exercised consistently.

In practice, the classification of an asset as either PPE or investment property is complicated when the asset is used both for investment and administrative purposes. Separate accounting can only be applied if it is possible for the portions to be sold separately or leased out separately under a finance lease.
For example, the Municipality might own a four storey office building and only use the bottom two floors for its administrative function, whilst renting out the upper two floors. If the municipality could sell floors separately or lease them out on a finance lease, it should

treat the lower half of the building as PPE (owner occupied property) and the upper half as investment property.

Where the portions cannot be sold or leased out separately, the property is only classified as investment property if an insignificant portion is used for service delivery or administrative purposes. It will not be permissible to apportion the property between an "investment" and an "owner occupied" element.

Either the whole building is treated as investment property or as owner occupied property. There is no guidance in the standard as to what constitutes an "insignificant" portion, this is left to the discretion of management based on the specific circumstances of each transaction.

| | |
|---|---|
| Property that the Municipality owns and which is occupied by a municipal entity (or vice versa) cannot be classified as investment property in the consolidated financial statements. From the perspective of the economic entity, the property is owner occupied and should be treated as PPE. Examples of property that would be classified as investment property | Examples of property that would not be classified as investment property |
| • Property held for long-term capital appreciation<br>• Property leased out by another party under an operating lease. Vacant property held for the purpose of leasing in the future **;** and<br>• Land and buildings held for undetermined use | • Property that is leased out to another party under a finance lease;<br>• Property held for sale in the ordinary course of business<br>• Property that is owner occupied<br>• Property that is in the process of being constructed or developed |

All land and buildings must be leased at market related prices.

### 12.3 Heritage Assets (GRAP 17 para 6)

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations. A heritage asset shall be recognised as an asset if, and only if:

(a) It is probable that future economic benefits or service potential associated with the asset will flow to the Municipality; and
(b) The cost or fair value of the asset can be measured reliably.

For the heritage asset to be recognised in accordance with the criteria in (a) and (b)

above, the heritage asset needs to be controlled by the Municipality as a result of past events. Even though the Municipality may be restricted from disposing of a heritage asset based on a stipulation imposed by, for example, a trust, statute or law, or from the transferor's stipulations, the heritage asset is still controlled by the Municipality when it is able to generate future economic benefits or service potential from the asset. Accordingly, the Municipality recognizes the heritage asset when the recognition criteria in paragraph (a) and (b) above are met.

Future economic benefits or service potential flowing from a heritage asset may include revenue, for example an entrance fee charged by a museum. The revenue generated by the entity under such circumstances is normally insignificant compared to the operating costs of the museum and will not result in accounting for the heritage asset as an investment property. The revenue generated is rather used towards the maintenance of the heritage asset. The heritage asset should, however, be accounted for in terms of the GRAP Standards as the heritage value attached to the specific asset constitutes the heritage asset's service potential.

In some instances, items of property, plant and equipment may be required to safeguard the heritage assets. For example, a museum may maintain a constant room temperature to safeguard a manuscript collection using a specialised air conditioning system. Such items of property, plant and equipment are recognised as assets in terms of GRAP 17 on *Property, Plant and Equipment* and not as part of the cost of the heritage asset.

## 12.4 Initial Measurements of Assets cost model

An fixed property item will initially be measured at its cost price

The cost of an asset item will include the following:

- Import duties
- Non Refundable purchase Taxes
- Any other direct attributable costs used to bring an asset to a working condition. (E.g. Delivery and handling cost, installation cost, professional fees etc.)

The cost of an asset will not include the following:

- Trade discount received
- Rebates received
- Interest paid

## 12.5 Capitalisation of Assets Exchanged for dissimilar assets

When an asset is acquired by way of an exchange for a dissimilar asset the following the capitalisation will be as follows:

- The cost of the asset received as a replacement that must be capitalised will be calculated as the fair value of the replaced asset and adjusted by the amount of cash or cash equivalents that was transferred or received.

- The profit or loss of the replaced asset will be calculated as the difference between the cost of the asset received as replacement and the book value of the replaced asset.

## 12.6 Capitalisation of Assets exchanged for similar assets.

When an asset is acquired by exchanging it for a similar asset that is used for a similar activity and that has a similar fair value the following accounting practise will be followed:

- The cost of the asset received as replacement asset will be carried at the same amount as the replaced asset.

- There will be no recognition of profit/loss of fixed assets for an exchange of similar assets.

## 12.7 Subsequent Measurement for Fixed Property

After initial recognition PPE, investment property will be carried at cost or initial valued price less accumulated depreciation and impairment losses in the Financial Statements for its useful life, provided that the carrying amount exceeds the recoverable amount of the asset

After initial recognition Heritage assets will be carried at cost or initial valued price less impairment losses in the Financial Statements for its useful life, provided that the carrying amount exceeds the recoverable amount of the asset

Landfill sites, buildings and other fixed property will be carried at cost or initial valued price less accumulated depreciation and impairment losses in the Financial Statements for its useful life, provided that the carrying amount exceeds the recoverable amount of the asset

Management is permitted to change an accounting policy for certain categories only if the change:

- is required by a standard or interpretation;
- or results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance, or cash flows.

In such an instance Landfill sites, buildings and other fixed property will be re-valued on a four (4) yearly basis when all other properties are re-valued.
These fixed properties will be carried at the value of validation (fair value) less the accumulated depreciation on these properties.

This revaluation will be done to ensure that the carrying value of the fixed properties in the Balance Sheet does not differ materially from the fair value of these fixed properties. The basis of the revaluation will be based on the replacement value for these fixed properties that will be obtained from the evaluation list as supplied by the evaluator appointed by the Kouga Municipality on a four yearly basis.

### 12.7.1 Appreciation of Fixed Properties

The following accounting procedures will be followed when the fixed properties are re-valued at an amount that exceeds the current value carried in the Financial Statements.

- The Accumulated Depreciation at the time of revaluation will be set-off against the gross carrying amount of the fixed property.

- The carrying value on the Balance Sheet will be adjusted to the re-valued amount of the fixed property.

- The difference between the original amount and the re-valued amount will be credited against a future depreciation reserve.

All future depreciation on the fixed property will be set off against this future depreciation reserve.

### 12.7.2. Downwards Revaluation of Fixed Property

The following accounting procedures will be followed when fixed properties are re-valued at an amount lower than the current carrying value of these fixed properties.

- The Accumulated Depreciation at the time of revaluation will be set-off against the gross carrying amount of the fixed property.

- The difference between the carrying value and the revaluation value will be recognised as an expense in the Income Statement unless the difference can be offset against a credit from a revaluation of another fixed property asset that was re-valued at a higher amount as explained above.

### 12.7.5 Revaluation of Assets other than Fixed Property

Assets other than fixed property will be carried at cost or initial valued price less accumulated depreciation in the Financial Statements for its useful life, provided that the carrying amount exceeds the recoverable amount of the asset.

### 12.7.6. Asset Revaluation Reserve

Any surplus arising on the revaluation of assets is credited to the asset revaluation reserve, which is regarded as non-distributable. On disposal of the asset the applicable portion of the surplus is transferred to the retained surplus account

## 13. Inventory Assets

13.1 Assets with a value of less than R2 500-00 will be classified as Inventory Assets and will be written off in the Income Statement when it is purchased.

13.2. An Inventory List will be maintained by the Asset Control Officer for all Inventory Assets. These Inventory Assets will be numbered by barcode for easy reconciliation and verification where possible and cost effective.

13.3. Where it is not possible or cost effective it will be numbered with a permanent marker to ensure that it is accounted for with the yearly asset verification.

13.4 Inventory Assets will be budgeted for under the General Expenditure section of the operational budget and will therefore have an effect on the surplus or deficit of Kouga Municipality.

## 13.4. Policy for the disposal of redundant, obsolete or unserviceable furniture and equipment

Assets that become redundant, obsolete or unserviceable must be treated in the following way to ensure that all financial regulation are met with effective procedures for the proper treatment of these assets.

All assets in a department are the responsibility of the Manager of that department, and are only controlled by the Finance Department for accounting and insurance purposes.

### 14.1 Notification / Recommendation to scrap an asset

The Departmental head is responsible and accountable for the asset in his/her department.

The Senior Managers is also responsible to communicate any asset that must be scrapped through to the Asset management department for approval.

The Senior Managers that requests to scrap an asset must submit a approved “Request to scrap an Asset Form” see annexure A that can be obtained from the Asset department

The following approved information is essential to identify the asset that will be scrapped and must be submitted to the Finance Department as a request to scrap the asset(s).

- The asset number
- The description of the asset
- The physical location
- The cost centre under which the asset was utilised
- The Department
- The reason for scrapping the asset(s).

### 14.2 Financial Control and approval of scrapping of assets

The Asset Manager will evaluate the proposed write offs and reasons for write off and refer the approved recommendations to the Senior Accountant PPE.

The Senior Accountant PPE will investigate the reason for damage where necessary.

The Senior Accountant PPE will include the following information for recommendation of write off to the Asset Manager who in turn will refer it to CFO for final approval.

- The asset number
- The description of the asset
- The physical location
- The cost centre under which the asset was utilised
- The Department
- The reason for scrapping the asset(s).
- The purchase price and the date of purchase of the asset
- The book value of the asset.
- The recommended selling price of the asset.

The Asset Manager will consider all aspects of the asset(s) that must be written off and disposed of.

He/She will then submit the following information to the CFO.

- The asset number
- The asset description
- The purchase date of the asset
- The book value of the asset
- The reason of the scrapping.

The CFO will recommend the disposal or scrapping of the asset(s) to Municipal Manager.

This recommendation of disposal and or scrapping of assets will be submitted to the Management Committee as well as to the Kouga Municipality Council for write off approval.

## 14.3 Scrapping of Inventory Assets

Inventory Assets (assets with a purchase price of less than R2500-00) will be controlled on an inventory list, and the Departmental Head will be responsible for these inventory assets.
It is therefore essential that Inventory Assets be scrapped in the same way as capitalised assets, with the necessary documentation for approval.

## 14.4 Disposal of Assets

Assets are replaced as soon as the asset has no economic value / service potential to the municipality. Senior managers should annually identify possible replacement needs and inform the CFO by no later than 31 January of the estimated costs to be placed on the capital budget for approval.
Where assets are damaged to such extent that it can no longer be used and is needed in the daily operations of the municipality, the senior manager to which this asset relates will submit a report to council to request for an adjustment budget and approval to replace the said asset.

Assets that are disposed of can be sold in one of the following ways, after the reserve price was established for each asset sold:

- By way of Public Auction which notice has been advertised for at least seven days.
- Through the invitation of tenders with a lead time of at least two weeks.
- Sold to the public at a price fixed by law or by resolution of the Municipality.

In the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment

The Kouga Municipality can at any time refuse the disposal of an asset if the reserve price is not met, or it is apparent that it will not benefit the Municipality to sell the asset.

### 14.4.1 Disposal of Fixed Property

The Municipality may only sell fixed property as regulated by the Municipal Finance Management Act (section 90).

This includes the following:

- Fixed Property may not be sold if the fixed property is needed to provide the basic level of municipal services.
- Is sold at a fair market value, and not below the value determined by Council.

### 14.4.2 Disposal of other capitalised- and inventory assets

Assets and Inventory Assets may be sold as prescribed above when the asset is damaged beyond repair, not needed to provide services or any other reason that was approved by Council.

All assets sold or disposed of must be written off by an approved resolution by Council.

### 14.4.3 Losses arising from the scrapping or disposal of assets

All losses arising from the scrapping or disposal of assets will be recognised as an expense in the Income Statement and will be calculated as follows:

- The loss on the scrapping or disposal of the asset will be calculated as the difference between the selling price of the sold asset and the carrying value of the asset.

The accounting treatment will be as follows:

- The asset will be written down to the lower of its carrying amount or its realisable value.
- The amount of the write down will be recognised as an expense in the Income Statement.

### 14.4.4 Surplus arising from the scrapping or disposal of assets

All surpluses arising from the sale of an asset will be transferred to the Capital replacement reserve as an appropriation to make provision for future capital expenditure that may be needed.

The calculation of the surplus on the sale of assets will be determined as follows:

- The surplus will be the difference between the selling price of the asset and the carrying value of the asset.

The accounting treatment will be as follows:

- The asset will be written off in the balance sheet by crediting the accumulated depreciation and the balance to the asset.
- The surplus will be credited to the Capital replacement reserve for future use.

## 15. Insurance Of Capital Assets

15.1. The Chief Financial Officer shall ensure that all capital assets are insured as per the council's short-term insurance policy.
When doing so the insured value to be applied by the Chief Financial Officer are current replacement cost (CRC) with the exceptions of vehicle types. Vehicles, if required to be insured in terms of the insurance policy, should be insured for the AA book value of the specific vehicle.

## 16. Other Regulations and controls not provided for in this document.

Individual Asset management regulations and controls not covered in this document will be covered by prior regulations or Council Resolutions.

Any changes to this document relating to the omissions will be approved by Council before implementation. The Municipal Finance Management Act is to be honoured in all instances pertaining to Assets Management.

## 16.1 Fixed Asset Register and work procedures

16.1.1 All fixed assets with a value of more than R2 500-00 will be recorded on the Fixed Asset Register, and the asset will remain on the register until such time it is disposed of.

16.1.2 All the fixed assets will individually be bar coded when physically possible and cost effective.

16.1.3 All the fixed assets will be captured on the Asset Management System and will be balanced back to the Asset Control Votes on the Financial System.

16.1.4 Where it is not physically possible to mark an asset with a bar-coded strip, the asset will be marked and numbered by way of a permanent marking pen or paint.
These assets will be identified on the Asset Management system as bar-coded assets and will be marked off a list as recorded on the Asset Management system when the annual Asset Verification is done.

16.1.5 The Fixed Asset Register will be updated annually with the replacement values of all assets. (This will only be done for Insurance purposes and will have no effect on the amount carried in the Financial Statements for Assets.)

16.1.6 The following information will be recorded on the asset register

- Asset Number or deed number in respect of property
- Date of Purchase
- Cheque number or document number
- Description
- Category
- Cost Centre
- Location
- Purchase or valued cost
- Depreciation Rate
- Depreciation for the current year
- Accumulated Depreciation
- Book Value of the asset
- Source of finance
- Lifespan of the asset
- Replacement Value if applicable

16.1.7 All assets and inventory assets will be always kept in a safe place.

16.1.8 All assets will be clearly marked for identification purposes when the assets are received.

16.1.9 The asset will be captured on the asset register as well as on an asset inventory sheet that must be fitted behind the door of each office or at a place as specified by the asset control officer.

16.1.9.1 The Senior Managers or as delegated by him/her will sign the asset inventory list to take responsibility of the assets in his/her department

16.1.10 No asset may be moved from its original location without the written approval of the Asset control Officer.
The procedures required to move an asset will be as follows:

- The Senior Managers requesting the move of an asset must submit an approved Asset Move Request Form (available from the Asset Control Officer) to the Asset Control Officer before any asset is moved.
- The Asset Control Officer will ensure that the asset detail is updated on the system and asset register

16.1.11 The Asset Register will be updated on a monthly basis with disposals, scrapings and additions before the depreciation run is performed.

16.1.12 The Asset Control Officer will balance the asset register to the assets as stated on the general ledger on a monthly basis and follow up any discrepancies.

16.1.13 Discrepancies will be communicated to the Chief Financial Officer on a monthly basis.

16.1.14 The Asset Control Officer will report on all additions, scrapings, disposals and loss due to theft or other uncontrollable circumstances on a monthly basis.

16.1.15 No private assets except vehicles are allowed on the premises of the Kouga Municipality.
The CFO or his/her delegate must give written approval to an Official or any other person that requires bringing Private Assets onto the premises of the Kouga Municipality. (A Private Asset Request form is available from the Asset Manager)
This approval form must be in the possession of the Official or any other person at all times, and must be produced as and when it is required.

## 16.2 Fixed Asset Register (Base Units)

Fixed assets will be recorded as follows to ensure that all assets are treated uniformly.

16.2.1 The central processing unit, (including the original software, motherboard and cards), keyboard and mouse of a personal computer;

16.2.2 The monitor of a personal computer;
16.2.3 A printer;

16.2.4 The monitor, keyboard and mouse (if applicable) of a computer terminal;

16.2.5 Each individual item of furniture;

16.2.6 Each individual item of office equipment.

16.2.7 Each component of an Infrastructure Structure Asset where possible. Example for a reservoir the reservoir, pumps and standby power separately.

16.2.8 Each stand and or building

## 17 Risk Management

17.1 All the risks, for losses arising from the damage, destruction or theft of the assets or any liabilities that can arise from the operations of KOUGA MUNICIPALITY, must be evaluated annually in conjunction with reputable risk management advisers to establish a level of risk that of acceptable to the management of KOUGA MUNICIPALITY.

17.2 Fixed assets will be insured at their replacement value, which will be revised annually.

17.3 The replacement value of all other fixed assets will be their actual market value.

## 18 Physical verification

18.1 All fixed assets will be identified with a unique bar coded fixed asset number and recorded on an asset inventory sheet. Management should ensure that all Kouga Municipality employees keep an updated copy of the asset inventory sheet.

18.2 Management should ensure that all fixed assets recorded on the Fixed Asset Register are physically verified at least once a year by means of an asset audit.

18.3 Any differences must be investigated and must be adjusted in the Fixed Asset Register, if agreed and authorised by the responsible Managers and Council. A written explanation of the differences must be supplied by the relevant Head of Department.

18.4 Managers have to ensure that proper documentation is maintained for all their physical verification procedures performed.

18.5 The Asset Control Officer will from time to time do spot checks to ensure that the assets in a specific location agree to the assets listed on the asset inventory sheet of the location. (Both capitalised and Inventory Assets will be checked.)

18.6 The Senior Managers must be informed of damaged- or obsolete assets when it is identified by means of the asset verification process. The Senior Managers must follow the procedures as prescribed in point 14.2 to have the asset scrapped.

## 19 CAPITAL ASSET MANAGEMENT PLANS.

19.1. The asset department will assist senior managers of the different departments with the maintenance of assets.
On an annual basis the asset department will provide the managers with a list of assets within their departments indicating the condition and the remaining useful life as well as those assets that has reached the end of their useful lives.

Based on this information supplied by asset department Senior Managers needs to develop a capital asset management plan for immoveable capital assets that meets the definition of the undermentioned capital asset categories:
a) Infrastructure Assets;
b) Community Assets;
c) Investment Property; and
d) Any other Immoveable assets.

19.2. The capital asset management plan must at least cover the following aspects:

- Purpose of the plan
  Demonstrate the roles and responsibilities of management; Communicate and justify funding requirements and Legislative framework.

- Asset Description
  Summary of all the capital assets cover by the plan.

- Levels of Service
  Summarise the levels of service and performance measures and how they are set for each level.

- Future Demand
  Factors influencing future demand and impact of changing demand on capital assets.

- Lifecycle Management plan
  Summary of all the management strategies (operations, maintenance, disposal, etc.)

- Financial Summary
  Long-term income and expenditure (cash flow projections) for each significant group of capital assets and sources of funding.

- Asset Management Practices
  Summary of AM data, Information systems, processes (decision making) and implementation tactics.

- Monitoring and Improvement Programs
  This section must deal with the physical condition assessments; measurement of functional effectiveness and effective utilisation. It also must also address the economical financial viability by monitoring operational expenses and include the timetable for review of the asset management plans.

19.3. The operational and capital budgets are the short to medium term financial plan for implementing the capital asset management plans and managers shall budget for the executing of the approved maintenance plan.

19.4. Each Senior Manager shall report to the Accounting Officer on issues that will significantly impede the capital assets capacity to provide the required level of service or economic benefit.

Condition assessment table

| Rating | Description | Detail description | Indicative of RUL |
|---|---|---|---|
| | | | |
| 1 | Very good | Sound structure well maintained. | 71-100% EUL |
| | | Only normal maintenance required. | |
| | | | |
| 2 | Good | Services needs but minor deterioration (< 5%). | 46-70% EUL |
| | | Minor maintenance required. | |
| | | | |
| 3 | Fair | Marginal, clear deterioration (10-20%). | 26-45% EUL |
| | | Significant maintenance required. | |
| | | | |
| 4 | Poor | Significant deterioration of structure and/or appearance | 11-25% EUL |
| | | Significant impairment of functionality (20-40%) | |
| | | | |
| 5 | Very poor | Significant renewal/upgrade required. | 0-10% EUL |
| | | Unsound, failed needs ,reconstruction/replacement | |
| | | (> 50% needs replacement) | |
| **Rating Description** | | | |
| EUL' is Expected Useful Life | | | |
| 'RUL' is Remaining Useful Life | | | |

## 20. OTHER MATTERS ARISING FROM ASSETS

### 20.1 Assets held under Finance Leases

Assets held under finance leases will be accounted for as follows:

- The leased asset will be capitalised in the General Ledger of the Lessee at the amount stated in the lease agreement, and

- The asset will be depreciated over the expected useful life of the asset, unless

- There is no certainty that the lessee will obtain ownership of the asset by the end of the lease term, whereby the depreciation period will be calculated over the shorter of the lease term or the expected useful life of the asset.
  Officials must however ensure that the Kouga Municipality obtain ownership for all assets that are purchased under a finance lease.

### 20.2 Other Leases

All other leases will be accounted for as expenditure in the Income Statement of the Municipality and will be budgeted for accordingly.

### 20.3 Assets in Halls

Due to the difficulty of marking movable assets in the halls with barcodes, the following procedures must be put in place to ensure the safekeeping and control over these assets.

- Stackable chairs, tables and other movable assets must be counted before and after every event that takes place in the hall to ensure that all assets are accounted for after the event.

- When assets are moved from the halls an official from the Kouga Municipality must sign the assets removed from the halls out and ensure that all assets are accounted for by signing it in when the assets are returned.
- All discrepancies must be reported to the Senior Accountant PPE as a matter of urgency.
- The Senior Accountant PPE will claim the replacement value of any discrepancies from the responsible person who rented the hall or used the assets outside the hall, via an invoice.

**APPENDIX: 1**

# ASSET CONTROL SHEET

# REQUEST FOR THE SCRAPPING OF AN ASSET

| SECTION 1 – CONTACT DETAILS | |
|---|---|
| Date: | |
| Office Number: | |
| Building: | |
| Department | |
| Cost Centre | |
| Full Name & Surname | |
| Telephone Number | |

| SECTION 2 – ASSET DETAIL | |
|---|---|
| Asset Number | |
| Asset Bar-code Number | |
| Description Of Asset | |
| Room Number | |
| Room Bar-code Number | |
| Serial Number | |
| Model Number | |
| | |

| SECTION 3 – REASON FOR SCRAPPING |
|---|
| Please Supply a reason for the scrapping of this asset |
| |
| |
| |
| |
| |

| SECTION 3 – APPROVAL | |
|---|---|
| **Direct Supervisor:** | |
| Full Name and Surname | |
| Signature | |
| Date | |

| | |
|---|---|
| **Head of Department:** | |
| Full Name and Surname | |
| Signature | |
| Date | |

| KOUGA MUNICIPALITY | | | | | | | |
|---|---|---|---|---|---|---|---|
| TRANSFER OF MOVEABLE ASSET ITEM | | | | | | | |

| | | | |
|---|---|---|---|
| CURRENT LOCATION | | | |
| LOCATION BARCODE | | ITEM BARCODE | |
| ITEM DESCRIPTION | | | |
| | | | |

REASON FOR TRANSFER

| | | | |
|---|---|---|---|
| | | | |
| | | | |
| TO BE TRANSFERRED TO | | LOCATION BARCODE | |
| NEW LOCATION INFORMATION | | | |
| | | | |
| OTHER RELEVANT INFORMATION | | | |
| | | | |
| | | | |
| NAME: | SIGNATURE | DATE: | |
| **AUTHORISED BY MANAGER** | | | |
| NAME: | SIGNATURE | DATE: | |
| RECEIVED BY NEW USER | | | |
| NAME: | SIGNATURE | DATE: | |
| ACKNOWLEDGED BY NEW MANAGER | | | |

| ASSETS SECTION | FOR FINANCE USE ONLY | |
|---|---|---|
| MOVE PROCESSED ON FINANCIAL SYSTEM | | |
| ITEM LOCATION BARCODE VERIFIED | | |
| ITEM VERIFIED AT NEW LOCATION | | |
| | DATE | SIGNATURE |

# *KOUGA MUNICIPALITY*




# *BORROWING POLICY*

**Document Control**

| | |
|---|---|
| Policy Title: | Borrowing Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

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# 1 Introduction

## 1.1 Purpose

In terms of Section 19 of the Municipal Finance Management Act (Act no. 56 of 2003), municipalities are allowed to spend money on capital projects, subject to certain requirements, and incur long term debt for these capital projects in accordance with and subject to any applicable provisions of Section 46 and 47 of this Act. It is for these reasons that a Borrowing Policy has been developed in accordance with a framework that may be prescribed by the Minister of Finance, acting with the concurrence of the Cabinet member responsible for local government.

## 1.2 Scope of the policy

This policy applies to the Kouga Municipality (hereafter referred to as the Municipality).

## 1.3 Objectives

The objectives of the Borrowing Policy of the Municipality are as follows:

- To comply with the legislative requirements;
- To ensure that funding sources are managed efficiently and effectively;
- Ensuring that adequate financial ratios are maintained at all times, for the management of cash flows; and
- To ensure that external funding is received from reputable service providers.

## 1.4 Definitions

The following definitions are applied in this document:

| | |
|---|---|
| Act | Means the Municipal Finance Management Act, No 56 of 2003 and includes Sections 46 and 47 of the Act. |
| Council | Means the Council of the Kouga Municipality. |
| GRAP | Means the statements of Generally Recognised Accounting Practice that details the accounting treatment of Statement of Financial Position and Statement of Financial Performance items. |
| Lead debt arranger (also debt initiator or debt negotiator) | Means a person appointed by the Kouga Municipality to make arrangements for debt within the financial markets by way of loans or bonds. |
| Borrowing | Means funding that will be repaid to a financial service provider over more than one year. |
| MTREF | Means the Medium Term Revenue and Expenditure Framework which is assessed annually, reviewing the budget over a range of multiple years. |
| Municipality | Means the Kouga Municipality (KM). |
| Policy | Means the borrowing policy. |

# 2 Legislation

Section 230 (A) of the Constitution provides the following:

*1) A Municipal Council may, in accordance with national legislation—*

*(a) raise loans for capital or current expenditure for the municipality, but loans for current expenditure may be raised only when necessary for bridging purposes during a fiscal year; and*

*(b) bind itself and a future Council in the exercise of its legislative and executive authority to secure loans or investments for the municipality*

Section 19 of the Municipal Finance Management Act, Act no 56 of 2003 states that:

*1) A municipality may spend money on a capital project only if—*

*(a) the money for the project, excluding the cost of feasibility studies conducted by or on behalf of the municipality, has been appropriated in the capital budget referred to in section 17 (2);*

*(b) the project, including the total cost, has been approved by the council;*

*(c) section 33 has been complied with, to the extent that that section may be applicable to the project; and*

*(d) the sources of funding have been considered, are available and have not been committed for other purposes.*

*(2) Before approving a capital project in terms of subsection (1) (b), the council of a municipality must consider—*

*(a) the projected cost covering all financial years until the project is operational; and*

*(b) the future operational costs and revenue on the project, including municipal tax and tariff implications*

*(3) A municipal council may in terms of subsection (1) (b) approve capital projects below a prescribed value either individually or as part of a consolidated capital programme.*

Section 46 of the Municipal Finance Management Act, Act no. 56 of 2003 states that:

*(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—*

*(a) has, in accordance with section 21A of the Municipal Systems Act—(i) 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—*

*(a) financing costs, including—*

*(i) capitalised interest for a reasonable initial period;*

*(ii) costs associated with security arrangements in accordance with section 48;*

*(iii) discounts and fees in connection with the financing;*

*(iv) fees for legal, financial, advisory, trustee, credit rating and other services directly connected to the financing; and*

*(v) costs connected to the sale or placement of debt, and costs for printing and publication directly connected to the financing;*

*(b) costs of professional services directly related to the capital expenditure; and*

*(c) such other costs as may be prescribed.*

*(5) A Municipality may borrow money for the purpose of re- financing existing long term debt, provided that:*

*(a) the existing debt was lawfully incurred;*

*(b) the long term debt does not extend the terms of the debt beyond the useful life of the assets for which the money was originally borrowed;*

*(c) the net present value of the projected future payments after re- financing is less that the net present value of projected payments before the re- financing; and*

*(d) the discount rate used in projecting the net present value referred to in paragraph (c), and any assumptions must be reasonable and in accordance with criteria set out in a framework that may be prescribed.*

*(6) Municipality's long-term debt must be consistent with its capital budget referred to in section 17 (2)*

In terms of Section 47 of the Municipal Finance Management Act, Act no. 56 of 2003:

*A municipality may incur debt only if-*

*(a) it is denominated in Rand, and is not indexed to, or affected by fluctuations in the value of the Rand against any foreign currency; and*

*(b) if section 48(3) has been complied with, if security is provided to the municipality.*

# 3 Borrowing Policy

## 3.1 Background

It has been the policy of this municipality to fund its capital projects by:

- Firstly, using funding that does not attract finance charges or funding that does not have a direct impact on rates and tariffs, primarily from National and Provincial Government and other grants and transfers;
- Secondly, from the Capital Replacement Reserve (CRR); and
- Thirdly, raising external debt finance (e.g. loans/bonds) from financial services providers.

## 3.2 Legislative and accounting framework

### 3.2.1 Current legislation

The legal requirements, in terms of Section 46 and 47 of the Municipal Finance Management Act, Act no. 56 of 2003 for the raising of a loan are included in detail in section 2 of this document.

### 3.2.2 Accounting Framework

Accounting for long-term funding for capital projects/ assets must be in terms of all applicable statements of Generally Recognised Accounting Practice.

## 3.3 Assessment of funding requirements

Funding requirements for capital projects/ assets must be determined annually, including an assessment of the funding sources. This annual assessment of funding requirements and sources takes into account a multi-year period, and is done in order to determine the adequacy of the funding sources available to meet the determined requirements. Council must take into account how funding decisions affect the operating budget for the multi-year period, which will include the long term impact on tariffs

## 3.4 Raising of external debt for future financing of capital expenditure

The Municipality may consider using the services of an expert, such as a lead debt arranger, to assist in raising external debt.

## 3.5 Compliance with financial service providers' requirements

### 3.5.1 Financial ratios

Where it has been decided that funding will be sourced externally, as it is an option available to the Municipality, it should be noted that financial service providers, when considering an application for external debt from a municipality, take certain financial ratios into consideration.

It is the CFO's responsibility to determine the applicable ratios for borrowing and suggested performance levels.

## 3.6 Raising of external debt with financing institutions and repayment of the debt

Where external debt is raised the loan repayment period should, if possible, be equal to or less than the economic life of the asset to be constructed.

Apart from satisfying the legal and accounting requirements, the Municipality's ability to service the consequential loan repayments must be assessed in the form of an annual financial plan covering the MTREF.

The financial plan must address, at a minimum, the following:

- ability to service the anticipated loan repayments;
- measures to enhance revenue and revenue collection; and
- ability to finance the associated operating costs.

The financial plan must be reviewed on an annual basis and must be submitted to Council, together with any amendments to this policy.

# 4 Review of the policy

This Borrowing Policy is the sole policy, governing long term funding of capital projects undertaken by the Municipality. This policy will be reviewed annually.

KOUGA
local municipality
Good Governance through Service Excellence

# Budget Implementation and Management Policy

**Document Control**

| | |
|---|---|
| Policy Title: | Budget Implementation and Management Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

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## DEFINITIONS

**"Accounting Officer"** in relation to a municipality, means the municipal official referred to in Section 60 of the Local Government: Municipal Finance Management Act No.56 of 2003.

**"Allocation"** means -

(a) a municipality's share of the local government's equitable share referred to in section 214(1)(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 legislation regulating municipal property rates; or

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

"**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 an official designated by the Accounting Officer as the Chief Financial Officer 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) a cash-flow statement;
(d) any other statements that may be prescribed; and
(e) any notes to these statements.

**"Financial year"** means a twelve month period commencing on 1 July and ending on 30 June each year;

**"Financing agreement"** includes any loan agreement, lease, and installment 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 / community"** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act No 32 of 2000, as amended;

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

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

**"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 Local Government: Municipal Structures Act (Act No. 117 of 1998); as amended;

**"Municipal Council"** or "council" means the council of a municipality referred to in section 18 of the Local Government: Municipal Structures Act (Act No. 117 of 1998), amended,

**"Municipal debt instrument"** means any note, bond, debenture or other evidence of indebtedness intended to be used in trade;

**"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);

**"Municipal service"** has the meaning assigned to it in section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended;

**"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
No 1 of 1999;

**"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 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(l)(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(l) (c) of the MFMA;

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

**"Standards of generally recognized accounting practice"**, means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board;

**"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 the process of transferring an approved budgetary provision from one operating cost item or capital project to another within a vote or across a vote during a municipal financial year due to changed circumstances from which prevailed at the time of the previous budget adoption.

"**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.

## 1. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), state 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, analyzed, 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 conceptualization and the operationalisation of the budget must be located within the national government's policy framework.

## 2. OBJECTIVE

The objective of the budget policy is to set out:

a) The principles which the municipality will follow in preparing each medium-term revenue and expenditure framework budget;
b) The responsibilities of the executive mayor, the accounting officer, the chief financial officer and the directors in compiling the budget; and
c) To establish and maintain procedures to ensure adherence to Kouga Municipality's Integrated Development Plan (IDP) review and budget processes.

## 3. BUDGETING PRINCIPLES

c) Kouga Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF)) that will be reviewed annually and approved by Council and;
d) The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.
e) The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs.
f) The level of property rates and tariff increases to ensure the delivery of municipal services on a financially sustainable basis.
g) The need to enhance the municipality's revenue base.
h) In accordance with Section 19 of the Municipal Finance Management Act, the relevant Directors must submit comprehensive reports in relation to new projects, inter alia; dealing with the total project costs, funding sources, future operating budget implications and associated tariff implications, before Council finally approves the implementation of any new projects.
a) The municipality shall not budget for a deficit and should also ensure that revenue projections in the budget are realistic taking into account actual collection levels;
b) Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget;

## 4 BUDGET PREPARATION PROCESS

### 4.1 FORMULATION OF THE BUDGET

a) The Accounting Officer with the assistance of the Chief Financial Officer and Manager responsible for IDP shall draft the process plan as well as the budget timetable for the municipality 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 as well as the guidelines set by National Treasury.

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 (policies on tariff setting, credit, control, debt collection, indigents, investments and cash management, borrowings, etc.)

e) The Municipal Manager, Chief Financial Officer and directors undertake the technical preparation of the budget.

f) The budget must be in the prescribed format by National Treasury and must be divided into capital and operating budget.

g) The budget must reflect the realistically anticipated revenues by major source for the budget year concerned.

h) The budget must be prepared based on the seven segments as prescribed by the mSCOA Regulations (i.e Project, Item, Function, Funding, Costing, Region and Municipal Standard Classification Segments).

i) The budget must be project based for both Operating and Capital Budgets, meaning that the budget will have to be at a Project Level as opposed to historically being at Item or Vote Level.

j) Each project must be aligned to the Integrated Development Plan (IDP), state which National KPA and municipal KPA it is addressing; and reflect which ward the project relates to.

k) The Operating and Capital Budgets must be prepared in terms of the National Treasury requirements of multi-year (three-year) budgeting.

### 4.2 PUBLIC PARTICIPATION PROCESS

(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 and 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 guidelines 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.

4.3 APPROVAL OF THE 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 resolutions must include:
    (i) Setting of municipal tariffs for the budget year;
    (ii) Measurable performance objectives for revenue from each source and for each vote in the budget;
    (iii) Changes to the municipality's budget-related policies.
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; and levying property rates, other taxes and tariffs for the financial year concerned;
    **(ii)** Measurable performance objectives for each budget vote, taking into account the municipality's IDP;
    **(iii)** The projected cash flows for the financial year by revenue sources and expenditure votes;
    **(iv)** Any proposed amendments to the IDP;
    **(v)** Any proposed amendments to the budget-related policies;
    **(vi)** 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;
    **(vii)** Particulars of any proposed allocations or grants to other municipalities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on; and
    **(viii)** Particulars of the municipality's investments

### 4.4 PUBLICATION OF THE BUDGET

The Chief Financial Officer must within 10 working days submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as place it on the municipal website, so that it is accessible to the public.

### 4.5 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)** Service delivery targets and performance indicators for each quarter;

## 5 CAPITAL BUDGET

### 5.1 BASIS OF CALCULATION

a) The zero-based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

b) The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

c) The impact of the capital budget on the current and future operating budgets in terms of finance charges to be incurred on external loans, depreciation of fixed assets, maintenance of fixed assets and any other operating expenditure to be incurred resulting directly from the capital expenditure, should be carefully analyzed when the annual capital budget is being compiled.

### 5.2 BUDGET PRINCIPLES

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.

b) A municipality may spend money on a capital project only if the money for the project has

been appropriated in the capital budget.

c) 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.

d) 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, 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).

e) 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.

f) Council shall approve the annual or adjustment capital budget only if it has been properly cash funded.

g) Capital projects will not be considered for inclusion in the Budget, unless the Directorates clearly indicate in their budget submissions, accurate Ward Numbers in which the projects will be implemented.

h) New Capital Projects will not be considered for inclusion in the Capital Budget, without a proper procurement plan.

i) Where funds of new Capital Projects or/and Operational Projects exceed a value of R 200,000, the Project Budget Request Form must be filled and be submitted in line with the requirement of the budget process.

j) Directorates are required to submit documentary evidence for contractually committed Capital Projects for inclusion in the Capital Budget. This relates to Capital Projects, which are anticipated to be contractually committed prior to 30 June of each financial year, with completion dates continuing into the next financial year and later financial years.

## 5.3 FUNDING OF CAPITAL BUDGET

The main sources of funding for capital expenditure are: -

- Capital Replacement Reserves;
- Borrowings;
- Government grants and subsidies;
- Public donations and contributions; and
- Operating revenue.

Capital Projects will only be considered for inclusion in the Capital Budget based upon written confirmation that the relevant grant, subsidy, public contribution and donation has been secured. The relevant Director will be required to provide written confirmation that the grant and subsidy funding has been allocated by the relevant government agency/donor.

## 6. OPERATING BUDGET

### 6.1 BASIS OF CALCULATION

**a)** The zero-based approach is used in preparing the annual operating budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

b) The annual operating budget shall be based on realistically anticipated revenue, which should be equal to the anticipated operating expenditure in order to result in a balanced budget.

c) An income-based approach shall be used where the realistically anticipated income would be determined first and the level of operating expenditure would be based on the determined income, thus resulting in a balanced budget.

### 6.2 BUDGET PRINCIPLES

a) The municipality shall with each annual and adjustments budget, budget for the contribution to:

- **(i)** Provision for accrued leave entitlements equal to 100% of the accrued leave entitlement of officials as at 30 June of each financial;
- **(ii)** Provision for bad debts in accordance with its rates and tariffs policies, collection levels and GRAP accounting standards;
- **(iii)** Depreciation, costing segmentation implementation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;
- **(iv)** At least 8% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance, subject to affordability

b) When considering the draft annual budget, council shall consider the impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

c) The impact of such increases in rates 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:

- **(i)** Depreciation charges
- **(ii)** Repairs and maintenance expenses
- **(iii)** Interest payable on external borrowings.
- **(iv)** Other operating expenses.

e) The employee related costs must be prepared, based on the staff in service, including positions advertised, but not yet filled and critical vacancies. the employee related costs forecast must be in line with the South African Local Government Bargaining Council agreement.

f) The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes.

## 7. FUNDING OF CAPITAL AND OPERATING BUDGET

The budget may be financed only from:

a) Realistically anticipated revenues, based on current and previous collection levels;
b) Cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
c) Borrowed funds in respect of the capital budget only.

## 8. 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 committed capital expenditure;
b) Only committed 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) Adjustments to the rolled over budget shall be done during the 1st budget adjustment in the new financial year in August after taking into account expenditure the previous financial year; and
e) No unspent operating budget shall be rolled over to the next budget year.

## 9. ADJUSTMENT BUDGET

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.
    **(i)** 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;
    **(ii)** The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under- collection of revenues arises or is apparent;
    **(iii)** 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 in compliance with item 2 of Section 10 of the Municipal Budget and Reporting Regulations;
    **(iv)** The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor;
    **(v)** The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council; and
    **(vi)** Only the Executive Mayor shall table an adjustments budget which shall be done at least once a year and be submitted to Council.

b) 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;

**(iii)** An explanation of the impact of any increased spending on the current and future annual budgets;

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

**(v)** Unauthorised expenses may be authorised in an adjustments budget; and

**(vi)** In regard to unforeseen and unavoidable expenditure, the following apply:

- The Executive Mayor may authorise such expenses in an emergency or other exceptional circumstance;
- The Municipality may not exceed 3% of the approved annual budget in respect of such unforeseen and unavoidable expenses;
- These expenses must be reported by the Executive Mayor at the next Council meeting;
- The expenses must be appropriated in an adjustments budget; and
- Council must pass the adjustments budget within sixty days after the expenses were incurred.

## 10. BUDGET IMPLEMENTATION

### 10.1 MONITORING

a) The Accounting Officer with the assistance of the Chief Financial Officer and other directors is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

**(i)** Funds are spent in accordance with the budget;

**(ii)** Expenses are reduced if expected revenues are less than projected; and

**(iii)** Revenues and expenses are properly monitored.

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.

### 10.2 REPORTING

#### 10.2.1 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.

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;

**(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; and

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

10.2.2 Quarterly Reports

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.

10.2.3 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 and the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
b) The Accounting Officer must submit a report on such assessment to the Executive Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury.
c) 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, the Accounting Officer may in such report make recommendations as to whether an adjustments budget is necessary.

## 11. RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

11.1 Without deviating in any way from the legal responsibilities of the Municipal Manager as Accounting Officer, the Chief Financial Officer shall be responsible for preparing the annual capital and operating budgets (including the budget components required for the ensuing financial years), any required adjustments budgets, the projections of revenues and expenses for the service delivery and budget implementation plan (including the alignment of such projections with the cash management programme prepared in terms of the investments policy), and shall be accountable to the Municipal Manager in regard to the performance of these functions. The Municipal Manager shall ensure that all heads of departments provide the inputs required by the Chief Financial Officer into these budget processes.

11.2 In preparing the operating budget, the Chief Financial Officer shall determine the number and type of votes to be used and the line-items to be shown under each vote, provided that in so doing the Chief Financial Officer shall properly and adequately reflect the organisational structure of the municipality, and further in so doing shall comply – in so far as the organisational structure permits – with the prescribed budget format of National Treasury.

a) The Chief Financial Officer shall determine the depreciation expenses to be charged to each vote, the apportionment of interest payable to the appropriate votes, the estimates of withdrawals from (claims) and contributions to (premiums) the self-insurance reserve, and the contributions to the provisions for bad debts, and accrued leave entitlements.

b) The Chief Financial Officer shall compile monthly budget reports, with recommendations, comparing actual results with budgeted projections, and the heads of departments shall timeously and adequately furnish the Chief Financial Officer with all explanations required for deviations from the budget.

c) The Chief Financial Officer shall submit these monthly reports to the Executive Mayor, Finance Committee and Mayoral Committee, and all other prescribed parties, in accordance with the prescriptions of the Municipal Finance Management Act.

d) The Chief Financial Officer shall provide technical and administrative support to the accounting officer and Executive Mayor in the preparation and approval of the annual and adjustment budgets, as well as in the consultative processes which must precede the approval of such budgets.

e) The Chief Financial Officer shall ensure that the annual and 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.

f) The Chief Financial Officer shall make recommendations on the financing of the capital budget for the ensuing and future financial years, indicating the impact of viable alternative financing scenarios on future expenses, and specifically commenting on the relative financial merits of internal and external financing options.

g) The Chief Financial Officer shall determine the basis for allocating overhead expenses not directly chargeable to votes.

h) The Chief Financial Officer shall ensure that the allocations from other organs of state are properly reflected in the annual and adjustments budget, and that the estimated expenses against such allocations (other than the equitable share) are appropriately recorded.

## 12. Budget Assumptions

The following assumptions forms part of compiling the Budget of Kouga Municipality to determine the cashflows of the Municipality:

- Employee related costs – 1 month payment of pension and medical aid contributions will be paid in the next financial year
- All creditors unpaid at the end of the previous financial year will be paid in the 1st month of the next year
- Contracted services will be deferred for 1 month to the next financial period
- Bulk Electricity will be deferred by 1 month to the next financial period
- Water inventory will also be deferred by 1 month.
- The main source of funding will be allocated as follows:
    - Trading services to fund itself
    - EQS to fund the following expenditures in terms of priority
        - Equitable share allocations to indigent households
        - Councillor remuneration
        - Employee related costs
    - Property rates to fund the balance of operational expenditure

# KOUGA MUNICIPALITY

# Cash Management and Investment Policy

**Document Control**

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|---|---|
| Policy Title: | Cash Management and Investment Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

## DEFINITION OF KEY WORDS

In this policy the following words shall have the meanings assigned as follows: -

1. **"Act"** means the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
2. **"Accounting Officer"** refers to the Municipal Manager of the Municipality.
3. **"Finance Committee"** refers to the committee of Council dealing with the financial affairs of the Municipality.
4. **"Finance Directorate"** refers to the municipal directorate dealing with the financial affairs of the Municipality.
5. **"Chief Financial Officer"** refers to the head of the Finance Directorate.
6. **"Investment Panel"** refers to the Committee responsible for managing municipal investments.
7. **"Investment Register"** refers to an electronic spreadsheet, which contains details of all the municipal investments.
8. **"Investment Regulations"** refers to the regulations as prescribed under the MFMA (Act No. 56 0f 2003) in Government Gazette No. 27431, dated 1 April 2005.
9. **"Investment Manager"** means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act No. 55 of 1989), and Stock Exchanges Control Act, 1985 (Act No. 1 of 1985), contracted by the municipality to: -
    - advise on investments; or
    - manage investments on its behalf.
10. **"Liquidity"** refers to the financial ability of the municipality to service its debts upon falling due.
11. **"MFMA"** refers to the Municipal Finance Management Act, (Act 56 of 2003).
12. **"Minister"** refers to the Cabinet member responsible for Finance.
13. **"KM"** refers to the Kouga Municipality.
14. **"Optimal Yield"** refers to maximum interest earned on investment.
15. **"Policy"** refers to the Cash Management and Investment Policy of the KM.

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## 1. LEGAL COMPLIANCE

In terms of Section 13 (2) of the Municipal Finance Management Act (Act no. 56 of 2003), municipalities are required to establish an appropriate and effective **Cash Management and Investment Policy,** in accordance with any framework that may be prescribed by the Minister, acting with the concurrence of the Cabinet member responsible for local government and consistent with the Municipal Investment Regulations.

National Treasury, in Government Gazette No. 27431, published Municipal Investment Regulations, which municipalities are required to apply as guidelines when preparing a Cash Management and Investment Policy.

## 2. SCOPE OF THE POLICY

This policy applies to the Kouga Municipality.

## 3. OBJECTIVES OF THE POLICY

The objectives of the Cash Management and Investment Policy of the KM are as follows: -

- Ensuring that cash resources are managed efficiently and effectively,
- Ensuring that investments are placed with reputable institutions, for the purposes of safety of capital investment and diversification of the Investment Portfolio,
- Ensuring that adequate liquidity is maintained at all times, for management of cashflows,
- Ensuring that the municipality receives optimal yield / interest on its investments with financial institutions, at minimal risk,
- Striving for reasonable growth on capital investments, in addition to interest earned on investments,
- Ensuring that monies due to Council are collected and banked appropriately, as soon as they are received, and
- Ensuring that payments to creditors are made by the respective due dates.

## 4. EFFECTIVE CASH MANAGEMENT

All efforts must be made to ensure that: -

- Collection of Cash / Revenue,
- Payment of Creditors,
- Management of Proper Cash Flows, and
- Administration of Banking Accounts are properly maintained, to ensure that excess cash is invested.

### 4.1 Collection of Cash / Revenue

The cash collection process as determined by Chapter 9 of the Local Government: Municipal Systems Act (Act 32 of 2000) and the Customer Care and Revenue Management By-Law, should be adhered to at all times.

## 4.2 Payment of Creditors

The payment cycle of all trade creditors must be strictly maintained as required by the Supply Chain Management Policy, or as per the payment terms stipulated in individual contracts. If there are incentives (e.g. trade discounts) favorable to Council when payments are made before due dates, such incentives, where appropriate, must be applied. Wherever possible, payments must be affected by means of electronic transfers, rather than by cheques.

## 4.3 Management of Cashflows

The Chief Financial Officer shall maintain a **cashflow system** and ensure that funds not immediately required, are invested.

## 4.4 Administration of Banking Accounts

The opening and closing of municipal bank accounts, deposits into and withdrawals from the municipal bank accounts, signing of cheques and appointment of cheque signatories, and signing of other payment documents, are the responsibilities of the Accounting Officer, but may be delegated in writing to the Chief Financial Officer.

## 5. INVESTMENT ETHICS, PRINCIPLES AND PROCEDURES

The following ethics, principles and procedures shall apply: -

- The Chief Financial Officer shall be responsible for managing municipal investments.
- The Chief Financial Officer is permitted to appoint a qualified investment manager.
- No improper outside influence or internal interference will be permitted at any time in regard to the management of cash and placing of investments.
- Quotations for call and/or fixed deposits from the approved financial institutions (a minimum of three) will be obtained at the time of contemplating an investment.
- Financial institutions will be required to submit confirmation certificates upon the placement of investments, which will include a declaration that no commission was paid relating to the investment.
- The Chief Financial Officer shall maintain a detailed investment register.
- The Chief Financial Officer shall hold in safe custody all investment certificates and other related documents, for audit purposes and proper recordkeeping,
- Investments made must be in the name of the Kouga Municipality (Section 12 of the Municipal Investment Regulations).
- No funds will be borrowed for the purpose of investments (Section 12 of the Municipal Investment Regulations).
- The Chief Financial Officer shall ensure that interest and capital is received and receipted when due.
- Any risk arising from any investment transaction rests with the municipality (Section 12 of the Municipal Investment Regulations).

## 6. STANDARD OF CARE

Section 5 of the Municipal Investment Regulations emphasizes that investments made by a municipality, through municipal officials, or by an investment manager on behalf of the municipality must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence, who is entrusted with management of public funds, would exercise.

Investments made by the municipality or investment manager may not be made for speculation. A high standard of care which includes:

(i) Preservation and Safety of Capital Invested,

(ii) (ii) Liquidity, and

(iii) (iii) Yield,

must at all times be maintained when making investments.

## 7. PERMITTED INVESTMENTS

In terms of Section 6 of the Municipal Investment Regulations, municipalities are permitted to invest in the following instruments and investments: -

a) Securities issued by the National Government,
b) Deposits with Banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
c) Listed corporate bonds with an investment grade rating from an internationally recognized credit rating agency,
d) Deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioner's Act, 1984 (Act 46 of 1984),
e) Deposits with the Corporations for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act 46 of 1984),
f) Banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
g) Guaranteed endowment policies with the intention of establishing a sinking fund,
h) Repurchase agreements with banks registered in terms of the Banks Act, 1990 (Act 94 of 1990),
i) Municipal bonds issued by a municipality, and
j) Any other investment type as the Minister may identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

## 8. PROHIBITION OF INVESTMENTS DENOMINATED IN FOREIGN CURRENCY

In terms of Section 7 of the Municipal Investment Regulations, municipalities are not permitted to place investments denominated in foreign currencies.

## 9. PAYMENT OF COMMISSION

Section 8 of the Municipal Investment Regulations states that:-

(1) No fee, commission or other reward may be paid to a councillor or official of a municipality or to a spouse or close family member of such councillor, or official in respect of any investment made or referred by a municipality.

(2) Any commission, fee or other reward paid to an **investment manager** in respect of any investment made on behalf of the municipality must be declared to the Council of the municipality by way of a certificate disclosing full details of the payment.

## 10. REPORTING REQUIREMENTS

In compliance with Section 9 of the Municipal Investment Regulations, the Accounting Officer shall report within 10 working days of the beginning of each month to the Executive Mayor the investment position / portfolio of the Municipality as at the end of the previous month. A similar report should also be submitted to the Finance Committee.

Such a report must be provided at a minimum: -

- The market value of each investment was at the beginning of the reporting period,
- Any changes to the investment portfolio during the reporting period,
- The market value of each investment at the end of the reporting period, and
- Fully accrued interest and yield for the reporting period.

In complying with Section 70(2) of the Act, the Accounting Officer must report to the National Treasury and Council whenever the consolidated bank balances show a net overdrawn balance for a period exceeding **14 days (two weeks).**

Such a report must at a minimum provide: -

- The amount by which the accounts are overdrawn,
- Reasons for the overdrawn accounts, and
- Steps taken or to be taken to correct the matter.

## 11. CREDIT REQUIREMENTS

In terms of Section 10 of the Municipal Investment Regulations reasonable and prudent steps shall be taken by the Chief Financial Officer to ensure that investments are placed with credit- worthy institutions. The investment policy of a municipality must determine acceptable investment ratings of financial institutions and must liquidate any investment that no longer has a minimum acceptable rating.

The following will determine the suitability of a financial institution and will set investment limits within which municipal investments can be placed: -

- Must be an approved instrument in terms of Paragraph 7(Permitted Investments) of this policy,
- The institution must be highly rated by credible Rating Agencies,
- The shareholder equity of the institution must be in excess of at least **R10bn**,
- The investment limit per approved financial institution must be limited to **10%** of the bank's distributable reserves, as per their latest financial statements.

## 12. INVESTMENT DIVERSIFICATION

In terms of Section 11 of the Municipal Investment Regulations, municipalities are required to take all reasonable and prudent steps, consistent with its investment policy and standard of care, to diversify its investment portfolio across institutions, types of investments and investment maturities.

The Chief Financial Officer must ensure that municipal investments are placed equitably amongst the approved financial institutions. Investment limits must be determined as stipulated in Paragraph 11 of this policy, and no more than **25%** of municipal investments can be placed with one financial institution. The Chief Financial Officer must review the investment limits with the approved financial institutions at least once a year, or whenever the need exists for a review.

## 13. ACCOUNTING FOR TRUST FUNDS

Unless otherwise required by trust deeds, trust funds will be invested within the terms of this policy but be recorded separately in the municipality's accounting system. If pooled with the Municipality's investments, trust funds will earn the average interest rate applicable to the municipality. The requirements as stipulated in the Trust Deed, will take priority.

## 14. ESTABLISHMENT OF AN INVESTMENT PANEL

The Chief Financial Officer is responsible for establishing an "Investment Panel", which will be responsible for all investment related matters of the municipality, including decisions for placing investments, setting investment limits, signing investment cheques, signing investment correspondence, revision of Cash Management and Investment Policy, etc.

The following Budget and Treasury officials will serve as members of the investment panel: -

- Chief Financial Officer or delegate
- Budget and Treasury Manager, who shall not be the CFO's delegate at that point in time,
- Expenditure Manager or delegate

## 15. RAISING OF DEBT

Municipal debt (short or long term) shall be raised, in strict compliance with the requirements of Chapter 6 of the Municipal Finance Management Act (Act 56 of 2003).

## 16. ACCOUNTING TREATMENT OF INTEREST EARNED ON INVESTMENTS

The interest accrued on all municipal investments shall, in compliance with the requirements of generally recognized accounting practice, be recorded in the first instance in the municipality's statement of financial performance as ordinary operating revenues and may thereafter be appropriated to the fund or account in respect of which such investment was made, depending on the conditions which apply to the fund or account.

## 17. PETTY CASH

- Departments request petty cash through written request with supporting documentation such as , Memo explaining request, quotation , budget verification
- Request must be signed by both Manager and the relevant Director;
- Request shall be sent to Manger Expenditure for approval
- Departments have a limit of R2000.00 per month.
- Invoices must be signed by the relevant manager or Director ;
- No petty cash will be issued if there is outstanding receipts form the relevant Department.

***Certain types of Expenditure may be excluded from Petty Cash when considered necessary.***

**Petty Cash not permitted for the following items,**

- S&T Advances;
- Transport and Subsistence claims.
- Repairs to Labour saving Devices.
- Airtime or Data/ Cellular phone Accounts
- Entertainment as Defined in terms of SCOA, i.e Food / lunch beverages nor any re-imbursements of such.
- Registration Fees.
- Items available on tender or at SCM Stores except if item is not available and its an emergency.
- Any Low valued Items, eg Coffee, tea, Milk etc for any boardroom meetings / office use as such items can be quantified and bought through normal SCM Process.
- No splitting of Invoices. i.e buy same items more than once to slip invoice value.

## 18. REVIEW OF THE POLICY

This Cash Management and Investment Policy is the sole policy governing cash management and investments in the Kouga Municipality and this policy will be reviewed annually.

# *KOUGA LOCAL MUNICIPALITY*

# *COST CONTAINMENT POLICY*

**Document Control**

| | |
|---|---|
| Policy Title: | Cost Containment Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

**IMPLEMENTATION OF COST CONTAINMENT PLAN**

**PREAMBLE**

The object of this policy, in line with the Cost Containment Regulations, and in line with MFMA sections 62(1)(a), 78(1)(b), 95(a) and 105(1)(b), is to ensure that resources of the municipality are used effectively, efficiently and economically by implementing cost containment measures.

The following measures must be implemented, consistently with immediate effect to ensure the containment of costs: -

**1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners**

Measure

- Directors must ensure compliance with all the relevant policies and procedures, as it relates to employment contracts, for the aforementioned employment categories.

Controls

- Directors must ensure that the employment contracts for the aforementioned categories are in line with the applicable HR policies, and must in conjunction with the Corporate Services Directorate, ensure compliance.

- The Corporate Services Directorate must confirm if such proposed appointments are in line with the Municipal Systems Amendment Act (5 July 2011)

- The relevant recruitment notifications must be endorsed by the Salaries and Expenditure Section for budget availability, after HR has confirmed compliance with the applicable HR policies.

**2. Travel claims**

Measure

- Ensure effective control over travel claims.

Controls

- Directors must implement systems in their respective Directorates to ensure cost-effective and time efficient travelling.

- Travelling must be pre-authorised by the appropriate delegated official, before such costs are incurred, whilst the said official must ensure that kilometres claimed are indeed justifiable.

- The respective Directors should exercise control over the distances travelled.

## 3. Credit Cards

The use of credit and debit cards was addressed in an earlier MFMA Circular.

A bank, or any other institution, may not issue credit cards or debit cards linked to a bank account of a municipality or a municipal entity to any councillors, entity board members, municipal or entity officials or any other person. The issuing and use of such cards be it for official purposes:

- contravenes section 11 and 85 of the MFMA as there is no way of ensuring that all purchases made on the card are in accordance with the items listed in the sections or as prescribed.

- contravenes section 167 of the MFMA which provides that any bursary, loan, advance or other benefit paid to a municipal councillor otherwise than in accordance with the provisions of the Remuneration of Public Office Bearers Act constitutes irregular expenditure.

- contravening section 15 of the MFMA by incurring expenditure not authorised in an approved budget.

- non-compliance with section 164 of the MFMA which provides that no municipality or municipal entity may make loans to councillors or officials of the municipality, directors or officials of the entity or members of the public.

- non-compliance with the supply chain management regulations; and

- undermines efforts to safeguard municipal funds, combat fraud and corruption, as well as other irregular practices.

While the use of petrol cards or garage cards for municipal vehicles is permitted, it must be utilised in accordance with an appropriate policy and related procedures to avoid misuse thereof. Cost containment measures should be applied in managing and planning trips. Where officials or councillors incur expenses in relation to official municipal activities, they should use their personal credit cards or cash, and request reimbursement from the municipality in accordance with the relevant municipal policy and processes. Alternatively, the municipality should decide with the service provider that the expenditure be settled directly by the municipality.

## 4. Essential Vehicle User Scheme

Measure

- Limit expenditure under the scheme and apply the applicable policies and procedures consistently.

Controls

- Policy guidelines must be formulated by the Corporate Services Directorate relating to the type of vehicles to be purchased by qualifying employees, requiring vehicles for the execution of their duties.

## 5. Acting Allowances

Measure

Acting allowances must be paid in accordance with the applicable HR policies, SALGBC Collective Agreements and any applicable legislation.

Controls

- Acting appointments should only be cascaded to two levels below the acting position, to curb unnecessary costs.

- Acting **must** only be permitted in positions on the approved organogram, in line with Municipal Systems Amendment Act (5 July 2011).

- Acting **must** only be permitted in funded vacant positions.

- Prior to an employee being assigned to act, the request must firstly be forwarded to the Salaries and Expenditure Section to confirm budget availability.

- Acting for extended periods **must** be discouraged, unless **motivated** to the Municipal Manager, based on operational reasons. This will ensure that the municipality is not exposed to unnecessary litigation.

## 6. Overtime

Measure

- Overtime must be undertaken in compliance with all relevant policies, SALGBC Collective Agreements and applicable legislation (e.g. Basic Conditions of Employment Act).

Controls

- Overtime should only be approved where the necessary budget provision exists, after a need analysis has been undertaken by the relevant Directorate.

- Authority to work overtime in excess of 40 hours per month, must be obtained from the Municipal Manager **prior** to the overtime being worked, as this is in contravention of Section 10 of the Basic Conditions of Employment Act (BCEA).

- The Director **must** ensure that overtime worked in excess of 40 hours, was authorised **by the Municipal Manager prior** to the actual overtime being worked.

.

- The core working hours of the employees to be changed to a shift system, where applicable, to obviate the need for overtime.

- The regulations issued by the Department of Labour, relating to annual salary thresholds within which overtime may be paid, must be adhered to.

- The Corporate Services Directorate must ensure that an Overtime Policy is developed and approved by Council, and such policy **must be** in line with the applicable legislation and regulations.

## 7. Catering Costs

- No catering expenses may be incurred for any meetings where only municipal officials are in attendance. Notwithstanding the above, the accounting officer may incur catering expenses for the following, provided that such last for five (5) continuous hours or more:

    a) The hosting of conferences, workshop, courses, forums, recruitment interviews, training courses, hearings;

    b) Meetings related to commissions or committees of inquiry;

- No expenses may be incurred on alcoholic beverages.

- Ensure that team building and social functions, including year-end functions, are not financed from the municipal budgets or by any suppliers or sponsors.

- Notwithstanding the above, accounting officers may incur no more than the petty cash allocation or limitations on expenditure from their respective budgets to host farewell functions to employees who are either;

    i. proceeding on retirement due to ill health; or

    ii. proceeding on retirement after reaching the qualifying age of a minimum of ten (10) or more years working for the public services.

- Accounting officers may **not** host farewell functions for employees who have:
    a) been dismissed.
    b) elected to resign or leave by accepting severance packages; or
    c) Approached the end of their contractual term.

The following control measures are applicable as it relates to catering and entertainment: -

Control Measures

- Apart from refreshments and sandwiches, catering and refreshments may be provided at Council workshops, retreats, strategic sessions, internal training sessions, official meetings (Standing Committees and other Council committees), Council meetings and Management meetings, at the discretion of the Municipal Manager.

## 8. Events, Advertising and sponsorships

- Eliminate wasteful expenditure on events, advertising in magazines, television, newspapers etc. where the municipality can use other cost effective means such as websites to market the institution or properly publicise the matters or events under consideration.

- Memorabilia, gifts and other novelties should be of token value only and should only be offered in order to acknowledge support or a visit or attendance by a dignitary in connection with a benefit to the local community; to reciprocate the giving of a similar token gift by another organisation; or similar but in all cases there must be an identifiable benefit to the community.

- Limit or stop all unnecessary expenditure on matters such as printing of shirts, hosting of sporting events, festivals and other associated events, cruises, lavish functions, and extraordinary costs associated with visits of dignitaries or induction of new councillors.

## 9. Attendance of Conferences, Seminars & Workshops

Measures and Controls

- Conferences, seminars and workshops **may** be attended by Officials and Councillors, but only when absolutely necessary.

- The Director concerned must submit a motivation to the Municipal Manager, outlining the absolute necessity for attendance.

- The total size of municipal delegations attending conferences, seminars and workshops outside the Municipality, **must** be restricted to two delegates.

- The Director concerned must submit a motivation to the Municipal Manager, if the number of required attendees exceeds two delegates from the Municipality.

- Budget availability must be confirmed by the Budget & Treasury Section, in the first instance.

- In the event of training being provided at no cost to the Municipality, the size of the municipal delegation may be increased, subject to approval by the Municipal Manager.

## 10. Municipal Workshops, Retreats, Strategic Sessions and Internal training

Controls

- Only local municipal venues may be utilised to host municipal workshops, retreats, strategic sessions and internal training.

- The Director concerned must submit a motivation to the Municipal Manager, in the event of local municipal venues not being available.

- Alternative facilities at other government institutions must then be sourced, where such sessions cannot be held in-house.

- The necessary proof must be provided to the Municipal Manager, where local municipal venues or facilities at other government institutions are not available.

- Budget availability must be confirmed by the Budget & Treasury Section in the first instance, prior to the Municipal Manager approving the use of external venues.

## 11. Projects /Programme Launches

Controls

- The number of projects/programme launches must be minimised, so as to limit the associated costs to the Municipality.

- When different projects/programmes are launched in a particular ward, it must be organised as one launch and not as different launches for each and every project.

## 12. Engagement of Consultants

- The Accounting Officer must only contract with consultants after a gap analysis report has confirmed that the municipality does not have the requisite skills or resources in its permanent employment to perform the services required.

- Evidence of acute planning of the project must be visible to all relevant persons including the administration and political oversight mechanisms in place at the municipality.

- Consultants, including construction and infrastructure related services, must only be remunerated at the rates equal to or below those:
    a) determined in the "Guidelines on fees for audits done on behalf of the AuditorGeneral South Africa", issued by the South African Institute of Chartered Accountants (SAICA);
    b) set out in the "Guide on Hourly Fee Rates for Consultants", by the

Department of Public Service and Administration (DPSA); or

c) Prescribed by the body regulating the profession of the consultant.

- Ensure an exacting "specification" of the work to be accomplished accompanies the tender and is used as a monitoring tool, are appropriately recorded and monitored.

- Ensure that contracts for consultants include retention and penalty clauses for poor performance and in this regard against the above specification, the accounting officer must invoke such clauses, where deemed necessary.

- It is mandatory that the accounting officer concludes on the best "value for money", i.e. matching fees against quality and against benchmarked practices.

- The Accounting officer must appoint consultants on a time and cost basis with specific start and end dates.

- Travel and subsistence costs for the appointment of consultants must be in accordance with the travel policy of government, whilst the contract price must specify all travel and subsistence costs.

- If travel and subsistence costs for appointed consultants are exclusive of the contract, the costs must be in accordance with the following provisions:

  a) Hotel accommodation may not exceed the amount mentioned in MFMA Circular No.82

  b) Only economy class air tickets may be purchased for flights;

  c) Only group B vehicles or lower may be hired for engagements, as mentioned in MFMA Circular No. 82

  d) Kilometers claimed for the use of private vehicles may not exceed the rates approved by the National Department of Transport, as updated from time to time.

- Municipalities are urged to develop consultancy reduction plans.

- Undertake all engagements of consultants in accordance with the SCM Regulations and the municipality's SCM policy.

<u>Measure</u>

- The use of consultants must be reviewed and curtailed.

<u>Controls</u>

- All pending appointments of consultants to be reviewed and no consultant services to be procured unless the Municipal Manager, based on a motivation from the Director concerned, endorses the procurement process.

- Directors must review the utilisation of consultants in their respective Directorates to determine if their continued services are still required.

- Requests for extension of consultants' contracts of appointment must be motivated in writing to the Municipal Manager, and he may in turn instruct the Director to table an item via the Bid Committee system to make recommendations in this regard.

- Any SLA or contract signed with consultants, must include

  (i) penalty clauses for poor performance,
  (ii) clauses that deal with skills transfer,
  (iii) period of the contract must be clearly stated, amongst other pertinent clauses.

- Directorates who deal with consultants must ensure compliance with the NT instruction, as it relates to disbursements for travelling and accommodation for consultants.

- The Municipal Manager **must** give instructions to all Directorates to develop a consultancy reduction plan, indicating how the Directorates intend to comply with the National Treasury instruction.

## 13. Telephone costs (Landlines)

Measure

- The Council's policy relating to payment for private calls must be fully enforced by all Directorates.

Controls

- The cost of private calls must be recovered by all Directorates by providing a schedule on a monthly basis to the Finance Directorate (Payroll Office), so that the necessary deductions can be made from the affected municipal employees' salaries.

## 14. Uniforms and Clothing

Controls

- A Uniforms Policy **must** be drafted stipulating the guidelines, including type of uniforms, shoes and frequency of issue, etc in line with the working environment of the respective employees.

- A monthly reconciliation of uniforms purchased and issued to staff members must also be performed by the respective Directorates.

## 15. Office Furnishing

Measure

- Municipalities should exercise due precaution in refurbishing offices, purchasing equipment, etc. especially when new persons are elected or appointed. Use of existing facilities and equipment is encouraged.

- Office furnishing, when required, should be contained to minimal costs, avoiding elaborate and expensive furniture or equipment.

## 16. Travel and Subsistence

In line with the National Treasury instruction 01 of 2013/2014, as it relates to travel and subsistence expenses, the following control measures must be implemented: -

Control measures

- Only economy class tickets to be purchased for employees and Councillors, where the flying time of the flight is five (5) hours or less.

- The Municipal Manager may approve the purchase of business class tickets for employees with disabilities or for those with special needs, where the flying time is five (5) hours or less.

- Purchasing of air tickets for first class travel is not permitted, under any circumstances.

- Domestic hotel accommodation linked to travel and subsistence may not exceed **the relevant rates** per night per person (including dinner, breakfast and parking). National Treasury may periodically review this amount.

- The amount of R1,300 quoted above may be exceeded with approval of the Municipal Manager in instances (i) such as peak holiday periods, and (ii) when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local / international guests in the country or in that particular geographical area.

- Hiring of Vehicles for travelling **must** be undertaken in terms of the Council approved policy as it relates to vehicle groupings that can be hired per the level of employees / Councillors.

- Sharing of the mode of transport when Employees / Councillors travel to the same destination.

- Overnight accommodation **must** be limited to instances where the distance by road exceeds 500 kilometres to and from the destination (return journey).

- When a vehicle is hired, it must be shared between the Employees/Councillors attending the same workshop, conference, seminar, etc. (one vehicle to be hired per occasion).

- Flight bookings must be made timeously, to prevent unnecessary overnight stay costs.

## 17. staff study, perks and suspension costs

- Training attended by employees and councillors may only be attended at pre-approved service providers to ensure sufficient quality of training and to obtain value for money.

- Expenditure associated with overseas study tours by councillors or officials must be reduced and preferably stopped.

- Encourage staff to take time off to make up for overtime worked.

- Planned overtime must be submitted to management for consideration on a monthly basis.

- Unplanned overtime worked must be motivated and approved by management.

- Costs associated with long-standing staff suspensions and legal costs associated
  with not following due processes when suspending and dismissing staff must be eliminated.

- Constant management of staff, improvements in productivity levels and feedback
  must be provided to all staff.

## 18. Vehicles used for political office-bearers

- The threshold limit for vehicle purchases relating to official use by political office -bearers must not exceed R700 000 or 70% (VAT inclusive) of the total annual remuneration package for the different grades of municipalities, 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.

- The procurement of vehicles in sub -bullet point (1) must be undertaken using the national government transversal contract mechanism, unless it may be procured at a lower cost through other procurement mechanisms.

- Before deciding to procure a vehicle as contemplated in sub -bullet point (2), the accounting officer or delegated official must provide the council with information relating to the following criteria which 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 sub -bullet point (1);
(c) extent of service delivery backlogs;
(d) terrain for effective usage of the vehicle; and
(e) any other policy of council.

- If the rental referred to in sub -bullet point (3) is preferred, the accounting officer must review the costs incurred regularly to ensure that value for money is obtained.

- Regardless of their usage, vehicles for official use by political office bearers may only be replaced after completion of 120 000 kilometres.

- Notwithstanding sub -bullet point (5), the municipality may replace a vehicle for official use by political office bearers before the completion of 120 000km only in instances where the vehicle has a serious mechanical problem and is in a poor condition and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

- the accounting officer must ensure that there is a policy that addresses the use of municipal vehicles for official purposes.

**19. <u>Cost containment on other related expenditure items</u>**

- The Accounting Officer to ensure that all commodities and products that the National Treasury has designated as transversal contracts are utilised to benefit from savings where lower prices or rates have been negotiated.

- Periodic or quarterly threat assessments against councillors and key officials should be undertaken by the appropriate authority (SAPS) and reported to the Speaker's Office. Approval for security measures must be informed by such reports, if paid for from municipal funds.

- Municipal funds may not be used to fund election campaign activities, including
the provision of supporting material, clothing, food, inducements to vote either as part of, or during election rallies.

- Printing of documents should carefully considered be back-to-back and use of
colour printing for graphs only, while use of electronic means should be preferred.

- Review and introduce limits on municipal staff telephones and limiting private call to a reasonable amount.

- Every effort must be made to recover debt from consumers before write-off.

Municipalities to avoid the excessive usage of debt collectors and improve its internal capacity for debt collection.

- Ensure synergy between municipal divisions or departments to avoid duplication
of processes and efforts.

- Where possible the warranties on vehicle and computer equipment should be extended instead of procuring new ones.

- Labour saving devices should be shared to optimize the capacity utilization of each device.

- Purchasing of newspapers and other publications for municipal employees to limited and stopped.

- Municipalities should ensure that awareness is raised with municipal staff so that
a high degree of energy saving measures can be introduced, e.g. air-conditioning and lights in buildings are switched off at night and when offices are not in use.

## 20. General measures to be implemented

- In order to curb petrol expenditure, the municipality's vehicle tracking system should be utilised by the Directorates to monitor usage in order to curb abuse of municipal vehicles and excessive petrol consumption.

- E-Learning methods should be considered for in-house training.

- Telephone and/or Video conferencing facilities must be used, where possible, to avoid unnecessary travelling and subsistence costs.

- Where possible, transversal contracts must be used for the procurement of goods and services.

- Consideration must be given to utilising the services of the Government Communications and Information System (GCIS) for media related needs.

- Bulk purchases should be considered for regularly consumed inventory.

## 21. Enforcement Procedures

Failure to implement or comply with this Policy may result in any official of the municipality, political office bearer that authorised or incurred any expenditure contrary to this policy being held liable for financial misconduct or a financial offence in the case of political office bearers as defined in Chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

## 22. Monitoring and evaluation

- The cost containment measures applied by the municipality must be included in the municipal in -year budget reports and annual costs savings disclosed in the annual report.

- The Directors must report on the implementation of the Cost Containment Policy, to the Portfolio Committees monthly (attached template as Annexure A).

- CFO must report on the implementation of the Cost Containment Policy, to Council on a quarterly basis, and the report must be sent to National Treasury and the relevant provincial treasury within seven calendar days after the report is submitted to Council (attached template as Annexure A).

**ANNEXURE A**

KOUGA local municipality
Good Governance through Service Excellence

Cape St Francis
Hankey
Humansdorp
Jeffreys Bay
Loerie
Oyster Bay
Patensie
St Francis Bay
Thornhill

Postal: PO Box 21, Jeffreys Bay, 6330
Tel: 042 200 2200 / 042 200 8300
Fax: 042 200 8606
Email: registry@kouga.gov.za
Website: www.kouga.gov.za

## IMPLEMENTATION OF COST CONTAINMENT PLAN TEMPLATE (ANNEXURE "A")

| CONTROL MEASURES | PROJECT/ITEM DESCRIPTION/UKEY NR | BUDGET ALLOCATION | COST SAVINGS | REPRIORITISATION COST OF SAVINGS |
|---|---|---|---|---|
| 1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners | | | | |
| 2. Travel claims | | | | |
| 3. Essential Vehicle User Scheme | | | | |
| 4. Overtime | | | | |
| 5. Catering Costs | | | | |
| 6. Events, Advertising and sponsorships | | | | |
| 7. Attendance of Conferences, Seminars & Workshops | | | | |
| 8. Municipal Workshops, Retreats, Strategic Sessions and Internal training | | | | |
| 9. Projects /Programme Launches | | | | |

# KOUGA MUNICIPALITY




# FUNDING & RESERVES POLICY

**Document Control**

| | |
|---|---|
| Policy Title: | Funding & Reserves Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

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## 1. INTRODUCTION

### 1.1 Purpose

In terms of regulation 8 of the Municipal Budget and Reporting Regulations, each Municipality must have a funding and reserves policy. It is for this reason that a policy has been developed.

### 1.2 Scope of Policy

This policy applies to the Kouga Municipality (hereafter referred to as the Municipality).

### 1.3 Objectives

The objectives of the funding and reserves policy are as follows:

- To comply with the legislative requirements;
- To ensure that the Municipality's Operating and Capital budgets are adequately funded;
- To ensure that the Municipality's provisions and reserves are maintained at the required levels, in order to mitigate unfunded liabilities in future financial years.

### 1.4 Definitions

The following definitions are applied in this document:

| | |
|---|---|
| Municipality: | Kouga Municipality |
| Act: | Municipal Finance Management Act, Act No. 56 of 2003 |
| IDP: | Integrated Development Plan |
| Council: | Council of the Kouga Municipality |
| SDBIP: | Service Delivery and Budget Implementation Plan |
| MTREF: | Medium Term Revenue and Expenditure Framework |
| Policy: | The Funding & Reserves Policy |

## 2 LEGISLATION

According to the Municipal Budget and Reporting Regulations, each Municipality must have a funding and reserves policy which must set out the assumptions and methodology for estimating:

(a) projected billings, collection and all direct revenues;

(b) the provision for revenue that will not be collected;

(c) the funds the Municipality can expect to receive from investments;

(d) the dividends the Municipality can expect to receive from municipal entities;

(e) the proceeds the Municipality can expect to receive from the transfer or disposal of assets;

(f) the Municipality's borrowing requirements; and

(g) the funds to be set aside in reserves.

## 3. FUNDING AND RESERVES POLICY

### 3.1 Background

The Operating and Capital budgets are prepared on an annual basis for a three-year period, based on the Integrated Development Plan (IDP). The expenditure as proposed in these budgets must be funded from the available revenue streams, without placing an undue financial burden on consumers and ratepayers.

The impact on the Municipality's financial position is also taken into account, when considering the balancing of the budget, i.e. ensuring that revenues are sufficient to meet the proposed expenditure.

### 3.2 Operating Budget Principles

The Operating budget allocates funding to Directorates over the MTREF. The preparation of the Operating budget is underpinned by the following guiding principles:

1. A Balanced Budget is prepared on an annual basis;
2. Property Rates are levied in accordance with the Municipal Property Rates Act, based on land and improvements. The budget is compiled using the latest approved valuation roll as a basis, whilst also taking into account the anticipated growth in the property market. Property Rates Tariffs and Rebates are determined annually as part of the rating policy review process.
3. Projected billings for metered services, such as Electricity, Water and Sanitation - the actual consumption patterns for previous financial years are used as basis, which is then adjusted with the anticipated growth and/or

4. Projected billings for Solid Waste is based on the number of erven receiving the service. The tariffs are determined on an annual basis, as part of the tariff setting process.
5. Projected billings for the Environmental Management Fee is determined on an annual basis, including the fees as part of the tariff setting process.
6. Other income (excluding services charges) is levied in accordance with the Council's approved schedule of fees and charges. The budget is compiled based on historic trends, which is adjusted for anticipated growth in utilisation of municipal services.
7. Actual collection levels for the period immediately preceding the budget year is used as a benchmark for setting the anticipated collection levels for the ensuing financial year.
8. Interest accruing from investments is based on the investments held by the Municipality, as well as the interest income reasonably expected to be earned on surplus cash invested during the year. The budgeted financial statements are used as a guide to determine the available cash for investment purposes.
9. Budget provision is made for income attributable to the transfer or disposal of assets, as and when it arises.
10. The level of the Provision for Debt Impairment is determined, taking into account the annual collection rates targets as set out in the IDP and SDBIP.
11. The Municipality supports the principle of making adequate budgetary provision for the rehabilitation and maintenance of existing assets and infrastructure, taking financial affordability considerations into account.
12. Individual line items in the Operating Budget are subjected to close scrutiny when preparing the annual budget, to ensure proper control over the expenditure. In this regard a zero-based budget approach is followed.
13. The level of property rates and tariff increases takes into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
14. An assessment of the relative capacity to implement the Budget.
15. The need to enhance the municipality's revenue base.
16. Trading services to breakeven or trade a small surplus

### 3.3 Capital Budget Principles

The Capital budget allocates funding to projects over the MTREF. The amounts provided for in the Capital budget will be limited to the available internal and external sources of funding, taking financial affordability considerations into account.

Budget allocations to Directorates, are based on the key service delivery priorities as reflected in the IDP.

### 3.3.1 Impact of Capital budget on future Operating budgets

Capital projects have a recurring effect on future operating budgets. The following main cost components should be considered before capital projects are approved:

- Additional staffing costs to man any new facility, once operational.
- Additional contracted services, i.e. external security, cleaning services, etc.
- Additional general expenditure, i.e. service costs, stationery, cleaning materials, etc.
- Additional costs to maintain the assets.
- Additional finance charges to service loans to fund the Capital budget

Projects may, however, also result in additional revenue generation. The impact that the expenditure has, must be offset by the additional revenue generated, to determine the real impact on the operating budget, and the possible effect on tariffs.

### 3.3.2 Borrowing Requirements

The Municipality's borrowing requirements are determined during its annual budgeting process. The amount of potential borrowing will be limited to the amount that the Municipality can financially afford to service.

## 4. STATEMENT OF FINANCIAL POSITION

As required by GRAP, only provisions are shown separately on the face of the Statement of Financial Position. All reserves are "ring-fenced" as internal reserves within the Accumulated Surplus.

### 4.1 Provisions and Reserves

The Accounting Policy of the Kouga Municipality contains the following sections relating to provisions:

*A provision is recognised when the Municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.*

*Provisions are reviewed at the Statement of Financial Position reporting date and adjusted to reflect the current best estimate.*

***Provision for Rehabilitation of Refuse Landfill Sites***

*The applicable GRAP standard states that a provision should be recognised where there is a present obligation to rehabilitate sites.*

*The Municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the net present value of cost.*

The Landfill Rehabilitation Provision does not require immediate cash backing as the rehabilitation of the landfill sites will occur at a future date.

***Provision for Medical, Pension, Performance bonuses and Long-term Services***

The current provision for Medical, Pension, Performance bonuses and long-term services is expected to be paid out in the following year, therefore these provisions should be fully cash backed.

**Donations and Public Contributions**

The Accounting Policy of the Kouga Municipality contains the following section relating to donations and public contributions:

*"Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by*

*the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue."*

Unspent amounts in relation to donations, public contributions and unspent grant funding are therefore retained in cash; and are not available to fund any items on the operating or capital budget other than in terms of the conditions of the donations, public contributions or grants.

## 4.2 Other items to be cash backed

***Consumer Deposits***

*Consumer deposits are regarded as creditors, i.e. the funds are owed to consumers and can therefore not be utilised to fund the operating or capital budget.*

Consumer Deposits should be retained in cash to the extent of Building deposits and hall deposits only.

***Working Capital***

*Working capital is required to ensure cash availability in the event of emergencies. Council must retain cash for a period of 30 days, as a minimum cash balance to ensure sufficient working capital.*

### *4.3 Capital Replacement Reserve –*

*The following sources of revenue must be transferred to the Capital Replacement Reserve:*

- *All Augmentation fees*
- *Proceeds on Sale of Immovable Property*
- *Value-added Taxation on all Grants (excluding MIG, WSIG, INEP)*

*The Capital Replacement Reserve must be utilised to fund Capital Projects during the tabling of the Annual Mid-year Adjustments Budget only.*

## *5. Implementation of Policy*

*The implementation of the Policy or lack thereof (due to affordability) must be presented to the Budget Steering Committee to recommend to Council during the tabling of the annual budget.*

## 6 Review of Policy

This is the sole policy governing the municipality's funding and reserve levels and must be reviewed annually.

# PROPERTY RATES POLICY

**Document Control**

| | |
|---|---|
| Policy Title: | Property Rates Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Revenue |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Ms. N Mate (Manager: Revenue) |

# PROPERTY RATES POLICY

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**WHEREAS** Section 3 of the Local Government: Municipal Property Rates Act, 6 of 2004 determines that a municipality must adopt a rates policy in accordance with the provisions of the Act.

**NOW THEREFORE** the Council adopts the following policy on the levying of property rates and taxes:

## 1. DEFINITIONS

**"Act"** means the Local Government: Municipal Property Rates Act, 6 of 2004 and includes any regulations, directives and notices proclaimed, made or issued by a competent authority in terms thereof;

**"agent",** in relation to the owner of a property, means a person appointed by the owner of the property:

a) to receive rental or other payments in respect of the property on behalf of the owner; **or**
b) to make payments in respect of the property on behalf of the owner.

"**Agricultural purpose**" means property which is used exclusively for agricultural and/or farming purposes as bona fide farmers but excludes any portion thereof that is used commercially for the hospitality of guests and excludes the use of the property for the purpose of eco-tourism or for the trading in or hunting game including small holdings. In this definition such properties could also be included within the urban edge of a town;

**"annually"** means once every financial year;

**"bona-fide farmers"** means a genuine or real farmer whose dominant income is generated from farming activities, on an agricultural property, within the Kouga municipal area, and is taxed by SARS as a bona-fide farmer.

**"business and commercial property" means**-

a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
b) property on which the administration of the business of private or public entities take place.

**"category"** –

a) in relation to property, means a category of property determined by the Council in terms of Section 8(2) of the Act;
b) in relation to owners of property, means a category of owners determined by the Council in terms of Section 15(2) of the Act;

**"Date of valuation"** means the date determined by the Kouga Local Municipality in terms of

Section 31 (1)

**"district management area"** means a part of a district municipality, which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

**"district municipality"** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category B municipality;

**"exclusion",** in relation to a municipality's rating power, means a restriction of that power as provided for in Sections 16 and 17 of the Act;

**"exemption"**, in relation to the calculation of a rate, means an exemption granted by the Council in terms of Section 15(1)(a) of the Act;

**"financial year"** means the period starting from 1 July in a year to 30 June of the next year;

**"household income"** means the income accruing to all members of the household permanently residing at the address. It includes income of spouses;

**"income tax act"** means the Income Tax Act ,1962 (Act 58 of 1962);

**"industrial property"** means property used for construction, repair, trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity, including silos ;

**"indigent person"** means a person whose household income does not exceed the minimum household income as predetermined by the council;

**"local community"**, in relation to the municipality, means –

a) that body of persons comprising-
   i. the residents of the municipality;
   ii. the ratepayers of the municipality;
   iii. any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
   iv. visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and
b) includes, more specifically, the poor and other disadvantaged Sections of such body of persons;

**"local municipality"** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described

in section l55(1) of the Constitution as a category B municipality;

**"market value",** in relation to a property, means the value of the property determined in accordance with Section 46 of the Act;

**"Mayor"** means the Councilor designated as Mayor of the Municipality in terms of Section 57(1) of the Municipal Finance Management Act, No 56 of 2003;

**"MEC for Local Government"** means the member of the Executive Council of a province who is responsible for local government in that province;

**"mining property"** means a property used for mining operations as defoned in the Mineral and Petroleum Resources Development Act, (Act 28 of 2002);

**“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose as contemplated by Section 9 of the Act;

**“municipal Council” or “Council”** means a municipal council referred to in section 18 of the Municipal Structures Act, and in this policy means the municipal Council of Kouga Municipality;

**“municipal property”** is property registered or vested in the name of Kouga Municipality;

**“Municipal Finance Management Act”** means the Local Government; Municipal Finance Management Act, 2003 (Act 56 /2003);

**“municipality”**-

a) as a corporate entity, means a municipality described in Section 2 of the Municipal Systems Act; and
b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

**“municipal manager”** means a person appointed as municipal manager of the municipality in terms of Section 82 of the Municipal Structures Act, 1998 and includes any official acting in this position and where, in this policy, reference is made to the “accounting officer” such reference shall be construed as the municipal manager acting in this capacity ;

**“occupier”**, in relation to a property, means a person in actual occupation of a property whether or not that person has a right to occupy the property and, where the text so requires, includes a lessee;

**“open space”** means land that is used as a park, garden, for passive leisure or maintained in its natural state and that is zoned as open space;

**“owner”**-

a) in relation to property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;

b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property” in the Act, means the organ of state which owns or controls that public service infrastructure as envisaged by the definition in the Act of the term “publicly controlled”, provided that a person mentioned below shall for the purposes of this policy be regarded by the municipality as the owner of a property in the following cases:
    i. a trustee, in the case of a property in a trust excluding state trust land;
    ii. an executor or administrator, in the case of a property in a deceased estate;
    iii. a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
    iv. a judicial manager, in the case of a property in the estate of a person under judicial management;
    v. a curator, in the case of a property in the estate of a person under curatorship;
    vi. an usufructuary or other person in whose name a usufruct or other personal servitude is registered in the case of a property that is subject to a usufruct or other personal servitude;
    vii. a buyer, in the case of a property that was sold and of which possession was given to the buyer pending registration of ownership in the name of such buyer;

**“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of:

a) any restrictions imposed by:
    i. a condition of title;
    ii. a provision of a town planning or land use scheme; or
    iii. any legislation applicable to any specific property or properties; or

b) any alleviation of any such restrictions;

**“private open space”** means land that is privately owned and used for practising of sport, play- or leisure facilities without financial gain or used as a botanical garden, cemetery or nature area and which is joined as Private Open Space;

“Protected area” means an area that is or has to be listed in the register reffred to in section 10 of the Protected Areas Act.

“Protected Areas Act” means the National Environmental Management: Protected Areas Act, 2003,

**"property"** means:

a) immovable property registered in the name of a person, including, in the case of a Sectional title scheme, a Sectional title unit registered in the name of a person;
b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
d) public service infrastructure;

**"public benefits organisation"** means an organisation conducting specified public benefit activities as defined in the act and registered in terms of the Income Tax Act for tax reductions because of those activities

**"publicly controlled"** means owned by or otherwise under the control of an organ of state including:

a) a public entity listed in the Public Finance Management Act, Act 1 of 1999 a municipality or
b) a municipal entity as defined in the Local Government: Municipal Systems Act, No.32 of 2000

**"public service infrastructure"** means publicly controlled infrastructure as determined in terms of Chapter 1 of the Local Government: Municipal Property Rates Act, No.6 of 2004

**"public service purpose"** in relation to the use of a property, means property owned by an organ of state

**"Places of public worship"** means property registered in the name of and used primarily as a place of worship by a religious community, including an official residence registered in the name of that community which is occupied by an office bearer of the community who officiated at services at the place of worship.

**"Rate ratio"** means a prescribed ratio to the rate as referred to in section 19(1) of the Municipal Property Rates Act

**"rate"** means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;

**"rateable property"** means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;

**"rebate"**, in relation to a rate payable on a property, means a discount granted by the Council on the amount of the rate payable on the property;

**"reduction"**, in relation to a rate payable on a property, means the lowering of the amount for which the property was valued and the rating of the property by the Council at that lower amount;

**"residential property**" means a property included in the valuation roll in terms of Section 48 (2)(b) of the Local Government: Municipal Property Rates Act, No.6 of 2004

**"Vacant land"** means land where no immovable improvements have been erected. Vacant land can be classified as follows:

a) Residential vacant, means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as residential vacant.
b) Business vacant means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as business vacant.
c) Industrial vacant, means a property included in the valuation roll in terms of section 8(2) of the Act (read with section 8 (3) as industrial vacant.

## 2. PURPOSE OF THE POLICY

The purpose of the policy is:

2.1. to comply with the provisions of Section 3 of the Act;

2.2. to determine criteria to be applied in respect of:
i. the levying of differential rates for different categories of properties;
ii. exemptions;
iii. reductions and rebates; and
iv.rate increases;

2.3. to determine or provide criteria for the determination of:
i. categories of properties for the purpose of levying different rates; and
ii. categories of owners of properties or categories of properties, for the purpose of granting exemptions, rebates and reductions;

2.4. to determine how the municipality's powers must be exercised in relation to multi-purpose properties;

2.5. to identify and quantify to the municipality in terms of cost and benefit to the community:
a) exemptions, rebates and reductions;
b) exclusions; and
c) rates on properties that must be phased in;

2.6. to take into account the effect of rates on the poor;

2.7. to take into account the effect of rates on organisations conducting particular public benefit activities;

2.8. to take into account the effect of rates on public service infrastructure;

2.9. to determine measures to promote local economic and social development; and

2.10. to identify all rateable property that is not rated.

## 3. POLICY PRINCIPLES

3.1. The levying of a rate on a property is an exclusive power of the municipality which will be exercised:

a) optimally and comprehensively within the municipality;
b) with consideration of the total income base of the municipality; and
c) with consideration of the fair distribution of the rates requirement over all the properties in the municipal area

3.2. The rating of property will be undertaken impartially, fairly, equitably and without prejudice, and these principles also apply to the determination of criteria for exemptions, reductions and rebates contemplated in Section 15 of the Act.

3.3. The rating of property will be implemented in a way that:

a) is developmentally orientated;
b) supports sustainable local government by providing a stable and constant revenue source within the discretionary control of the municipality;
c) supports local and social economic development; and
d) it remains affordable to all.

3.4. Property rates will be levied to:

a) ensure access to community and subsidised services to all residents; and minimise the effect of rates on the poor.

3.5. The market value of a property as recorded in the municipal valuation roll serves as basis for the calculation of property rates.

3.6. The rates tariff will be based on the value of all rateable properties and the amount required by the municipality to balance its operating budget after taking in account profits generated on trading and economic services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the Council from time to time

3.7. Trading and economic services will be financially ring fenced and tariffs and service charges calculated in such a manner that the income generated covers the cost of the services or generate a surplus to meet specific identified service related objectives.

3.8. Property rates will be used to finance community and subsidised services.

3.9. Budgeted contributions from trade and economic services may be used to subsidise community and subsidised services;

3.10. The provision for working capital and bad debts must relate to the requirements for community services and not to those of trading and economic services.

3.11. The revenue base of the municipality will be protected by limiting reductions, exemptions and rebates to those that are fair and reasonable.

## 4. IMPOSITION OF RATES

Rates are levied in accordance with Section 11 of the MPRA and is an amount in the Rand based on the market value and category as recorded in the valuation roll or supplementary valuation rolls and the tariff determined for the category in the budget of the Municipality.

## 5. CATEGORIES OF PROPERTY

The Council has resolved to levy different rates for different categories of property based on the use of the property concerned. In the event where the use cannot be determined properties will be valued based on the permitted use ie. vacant land

The municipality has identified the following categories of property in accordance with section 8 and 93A of the Act: -

a) residential properties;

b) business and commercial properties;

c) industrial properties;

d) public service infrastructure;

e) Properties owned by Public Benefit Organisations

f) Agricultural properties

g) Properties owned by an organ of state and used for public service purposes;

h) Multiple use properties subject to section 9 of Municipal Property Rates Act;

i) Protected Area

j) Private Open Place/ Space

k) Vacant land subcategorised into the following:

- Residential
- Business
- private open space / private open place
- Industrial
- public service infrastructure

## 6. MULTIPLE PURPOSE PROPERTIES

The municipality shall, for rates purposes, assign a property used for multiple purposes to a category determined by the municipality for properties used for multiple purposes.

A rate levied on a property assigned to a category of properties used for multiple purposes must be determined by apportioning the market value of the property to the different purposes for which the property is used; and applying the rates applicable to the categories determined by the Municipality for properties used for those purposes to the different market value apportionments.

## 7. CATEGORIES OF OWNERS

The following categories of

owners will be recognised in terms of section 15(2) of the Act:

a) indigent status of the owner of a property
b) sources of income or/and monthly household income of the owner of a property
c) owners of property situated within an area affected by-
    i) a disaster within the meaning of the Disaster Management Act, 20002 (Act no 57 of 2002 ; or
    ii) any other serious adverse social or economic conditions;
d) owners of residential properties with a market value below a determined threshold; or
e) owners of agricultural properties who are *bona fide* farmers.

## 8. APPLYING DIFFERENT LEVIES FOR DIFFERENT CATEGORIES OF PROPERTY

The rate charged as an amount-in-the-rand for Residential Properties is the base rate and the rates charged in respect of all other categories of properties are reflected as ratios to the residential rate. The different ratios are as follows:

| 1.1. | Categories of Properties (Residential To Business Ratio 1:2 maximum) | R | Ratio |
|---|---|---|---|
| **1.1.1** | **Residential** | Cent in the rand | 1:1 |
| (i) | Vacant Land | Cent in the rand | 1:1.5 |
| (ii) | Private Open Place/Space | Cent in the rand | 1:1 |
| **1.1.2** | **Business and Commercial Properties** | Cent in the rand | 1:1.25 |
| (i) | Business: Vacant Land | Cent in the rand | 1:1.5 |
| **1.1.3** | **Industrial Property** | Cent in the rand | 1:1.25 |
| (i) | Industrial: Vacant Land | Cent in the rand | 1:1.5 |
| **1.1.4** | **Properties Owned By Organ Of State And Used For Public Service Benefit** | Cent in the rand | 1:1.67 |
| **1.1.5** | **Agricultural** | Cent in the rand | 1:0.25 |
| **1.1.6** | **Other** | Cent in the rand | |
| (i) | Public Benefit Organisation | Cent in the rand | 1:0.25 |
| (ii) | Public Service Infrastructure | Cent in the rand | 1:0.25 |
| (iii) | Mining Properties | Cent in the rand | 1:1.67 |

The Municipality will treat farm properties and smallholdings that are used for residential purposes as residential properties and grant them all the rebates and reductions applicable to other residential properties in the municipal area.

Farm properties and smallholdings that are used for industrial, commercial and business purposes will be rated on the same basis as other such properties in the municipal area.

## 9. EXEMPTIONS

The following property categories are exempt from the payment of property rates:

### a) Municipal properties

Municipal properties are exempted from paying property rates.

### b) Residential properties

All residential property with a market value of less than the amount as annually determined by the Municipality, are exempted from paying property rates. The impermissible rates levied on the first R15 000 of the market value of all residential properties contemplated in terms of section 17(1)(h) of the Act may be supplemented by

Council based on affordability, ratepayer profile and the Municipality's predetermined level of support to the indigent. Vacant land does not qualify for this rebate.

### c) Public Service Infrastructure

Properties categorized as Public Service
Infrastructure will be 100% exempted from paying property rates as its deemed to provide essential services to the community.

**d) Private Open Space/Place**

Properties categorized as Private Open Space/Place will be 100% exempted from paying property rates.

**e) Public Benefit Organisations**

Public Benefit Organisation Property means property owned by public benefit organisations and used for any specified public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 4 (education and development) of part 1 of the Ninth Schedule to the Income Tax Act.

**f)** Exemptions in 9(a) to 9(d) will automatically apply and no application is thus required by the owners of such property.

**g)** A rate-exemption certificate as issued by the South African Revenue Service (SARS), as contemplated in terms of Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No 58 of 1962), must be submitted together with the application.

**h)** The Municipality retains the right to refuse the application for exemption if the details supplied in the application were incomplete, incorrect or false.

## 10. IMPERMISSIBLE RATES

In terms of section 17(1) of the Property Rates Act, 2004, the Municipality may, inter alia, not levy rates:

**a)** on those parts of a special nature reserve, national park or nature reserve within the meaning of the National Environmental Management: Protected Areas Act, 2003 (Act No 57 of 2003), or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004 (Act No 10 of 2004), which are not developed or used for commercial, business, residential or agricultural purposes;

**b)** on mineral rights within the meaning of paragraph (b) of the definition for “property” in section 1 of the Act;

**c)** on the first R15 000 of the market value of all residential properties contemplated in terms of section 17(1)(h) of the Act. Vacant land does not qualify for this rebate.

**d)** on a property belonging to a land reform beneficiary or his or her heirs, provided that the exclusion lapses ten years from the date on which such beneficiary’s title was registered in the Deeds register; and

**e)** on a property registered in the name of and primarily used as a place of public worship, including an official residence registered in the name of the church that is occupied by an office-bearer who acts as officiant of the church.

## 11. REBATES

**Categories of properties**

11.1 The Council may grant rebates in a percentage determined by it by resolution to the owners of rateable industrial enterprises that promote local, social and economic development in its area of jurisdiction, based on the Council's Local, Social and Economic Development Policy.

The following criteria will apply in respect of the grant of such rebate:

a) job creation in the municipal area;

b) social upliftment of the local community; and

c) creation of infrastructure for the benefit of the community.

For purposes hereof, an industrial enterprise shall be deemed to be an enterprise which is lawfully conducted from premises situated on land which is zoned for industrial purposes in terms of the municipality's zoning scheme and which ordinarily employs at least 25 or more fulltime employees.

Rebates must be phased out within five years from the date that the rebate was granted for the first time.

Rebates will be granted upon application subject to:

a) the submission to the municipality of an acceptable business plan issued by the directors of the company indicating how the local, social and economic development objectives of the municipality will be met;

b) the submission to the municipality of an acceptable continuation plan issued by the directors of the company and certified by the auditors thereof stating that the aforementioned objectives have been met in the first year after the company's establishment and how the company plans to continue to meet the identified objectives;

c) an assessment by the municipal manager indicating that the company qualifies for the rebate in terms of the Council's requirements; and

d) a Council resolution.

11.2 The Council may grant rebates in a percentage determined by it by resolution on property tax payable in respect of the under-mentioned properties which have been assigned to the category: Public Benefit Organisation (education and development) upon submission of a valid certificate issued by the SA Revenue Service as proof that the organisation which owns and uses such property for the aforementioned purposes, is registered for tax exemption in terms of the Income Tax Act and provided further that the organisation concerned, on a yearly basis on or before 31 October of each year, applies on a form to be prescribed for this purpose, for a rebate on the tax payable for the ensuing financial year:

a) the provision of education by a “school” as defined in the South African Schools Act, 1996, (Act No. 84 of 1996);
b) the provision of “higher education” by a “higher education institution” as defined in terms of the Higher Education Act, 1997, (Act No. 101 of 1997);
c) “adult basic education and training”, as defined in the Adult Basic Education and Training

d) “further education and training” provided by a “public further education and training institution” as defined in the Further Education and Training Act, 1998, (Act No. 98 of 1998);
e) training for unemployed persons with the purpose of enabling them to obtain employment;
f) the training or education of persons with a severe physical or mental disability; the provision of bridging courses to enable educationally disadvantaged persons to enter a higher education institution as envisaged in sub-paragraph (b);
g) the provision of educare or early childhood development services for pre-school children;

h) training of persons employed in the national, provincial and local spheres of government, for purposes of capacity building in those spheres of government;
i) the provision of school buildings or equipment for public schools and educational institutions engaged in public-benefit activities contemplated in sub-paragraphs (a) to (g);

j) career guidance and counselling services provided to persons for purposes of attending any school or higher education institution as envisaged in sub-paragraphs (a) and (b);
k) the provision of hostel accommodation to students of a public benefit organisation, institution, board of body;
l) programmes addressing needs in education provision, learning, teaching, training, curriculum support, governance, whole school development, safety and security at schools, pre-schools or educational institutions as envisaged in sub-paragraphs (a) to (g);

m) educational enrichment, academic support, supplementary tuition or outreach programmes for the poor and needy.

11.3 The Municipality will treat farm properties and smallholdings that are used for residential purposes as residential properties and grant them all the rebates and reductions applicable to other residential properties in the municipal area.

Farm properties and smallholdings that are used for industrial, commercial and business purposes will be rated on the same basis as other such properties in the municipal area.

## 12. APPLICATIONS FOR EXEMPTION/REBATES

Where it is required that application made for exemption from tax or the granting of a rebate on tax, such applications must be made on a prescribed form which may be obtained from the accounting officer.

The following particulars must be supplied on such prescribed form:

- personal particulars of the applicant;
- postal address of the applicant;
- erf or lot number of the property in respect of which application is made, as depicted in the municipality's valuation records;
- a description of the purpose for which such property is used, and
- any other particulars which the municipality may from time to time deem necessary.

All applications for exemption of tax or a rebate on tax must be considered by the Municipal Manager or his nominee. The application must reach the Municipality before end October of the financial year in which relief is sought.

The Municipal Manager or his nominee may refuse approval of an application for exemption or a rebate on tax if:

- the particulars furnished on the application form are incomplete, incorrect or false; and
- the application form is not received on or before the due date determined for such applications.

## 13. REDUCTIONS

### 13.1 Categories of property

a) Reductions as contemplated in section 15 of the Act will be considered on an ad-hoc basis in the event of the following:

(i) Partial or total destruction of a property; or

(ii) Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

### 13.2 Categories of owners

a) A reduction in the municipal valuation as contemplated in Section 15(1)(b) of the Act will be granted where the value of a property is affected by fire damage, flood, lightning, storms and/or other artificial or natural disasters.

b) Any reduction granted in terms of this paragraph shall be authorised by resolution of the Council.

and

c) If rates were paid in advance prior to granting of a reduction the Municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction.

## 14. RATE ADJUSTMENTS

14.1 The municipality will adjust rates annually during the budget process prescribed in terms of the Municipal Finance Management Act, 2003.

14.2 Rate adjustments will be used to finance operating costs of community services.

14.3 Relating to community services, the following annual adjustments will be made:-

a) all salary and wage adjustments as agreed upon at the Local Government Bargaining Council;

b) an inflation adjustment for general expenditure, repairs and maintenance and contributions to funds; and additional depreciation costs or interest and redemption on loans associated with the assets created during the previous financial year.

14.4 Extraordinary expenditure not foreseen during the previous budget period and approved by the Council during a budget review process, will be financed by an adjustment in property rates.

14.5 All adjustments to property rates will be communicated to the local community as part of the budget consultative processes of the municipality.

## 15. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING-IN OF RATES

15.1 During the budget process, the accounting officer must inform the Council of all the costs associated with the recommended exemptions, rebates, reductions, phasing-in of rates and grants in lieu of rates.

15.2 Provision must be made in the operating budget for:

a) the full potential income associated with property rates; and

b) the full costs associated with exemptions, rebates, reductions, phasing-in of rates and grants in lieu of rates.

15.3 All rebates granted in terms of this policy will be inclusive of any phasing-in discount referred to in the Act.

## 16. PAYMENT ARRANGEMENTS

The following matters pertaining to the payment of property rates are regulated in the municipality's credit control and debt collection policy and related by-laws:

- the date on which rates become due;
- the last date on which rates which are levied annually as well as monthly, must be paid;
- interest on rates in arrear; and
- actions against defaulters.

## 17. RECOVERY OF ARREAR RATES FROM TENANTS, OCCUPIERS AND ABSENT OWNERS

17.1 If the owner of a property is absent, the municipality may recover the amount due for rates on the property in whole or in part from the agent of the owner or other person receiving rent for the property on behalf of the owner.

17.2 The amount the municipality will recover from the agent or other person is limited to the amount of the rent received by the agent or that person, less the commission due to that agent or person subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The amount will only be recovered in this manner after written notice is given to the occupier and if the owner has failed to pay after due notice has been served on such owner.

17.3 The agent or other person, must on request by the municipality, furnish it with a written statement specifying all payments received by that agent or person during a period determined by the municipality for rent on the property.

17.4 The allocation of payments received, or recovered, from whichever source, will be at the discretion of the municipality.

17.5 The supply of basic services may be discontinued, restricted or suspended if rates due become in arrears and the municipality will reinstate such service only if such arrears are paid in full or by the signing of a repayment arrangement.

## 18. LIABILITY FOR RATES

18.1 Residents may apply to pay their rates annually and such a request must be submitted to the Finance Directorate in writing and must be payable on or before30 September of each year.

18.2 Annual rates will be automatically converted to monthly upon default and will not be converted back to annual upon future requests.

18.3 Monthly Rates levies must be paid on or before the due date of the monthly accounts.

18.4 Interest will be charged on rates that are in arrears at the rate determined by Council from time to time.

18.5 The lodging of an objection, a review or an appeal in terms of sections 50, 52 and 54 of the MPRA does not defer liability for the payment of rates.

18.6 The submission of an application for a rebate or exemption does not defer the liability of payment of rates beyond the due date. Any interest raised for non-payment or short payment prior to date of processing the application will be payable irrespective of whether the property/owner qualifies for the rebate/exemption or not.

18.7. In the event that a property has been transferred to a new owner and a Supplementary Valuation took place, the previous owner as well as the new owner will jointly and separately be held responsible for the settling the supplementary rates account.

18.8 A property rate is a debt in respect of taxation in terms of section 11 of the Prescription Act 68 of 1969, and the Kouga Local Municipality can recover rates in arrear for a period of up to 30 years

## 19. ACCOUNTS TO BE FURNISHED

19.1 A municipality must furnish each person liable for the payment of a rate with a written account specifying:

a) the annual amount or the amount of the monthly instalment payable;
b) the date by which the amount is payable;
c) the basis of calculation of the amount;
d) the site value or the improved value of the property depending on which value the rate was based;
e) the particulars of any phasing in of the rate;
f) in the case of an additional rate the amount and the purpose of the rate

19.2 The fact that a person liable for the payment of a rate has not received an account sent by the municipality to that person's postal address as recorded in the municipality's property register, will not affect that person's liability to pay the amount due nor infringe on the right of the municipality to collect such an amount due.

## 20. AMOUNT DUE FOR RATES

The rate levied on property will be:

a) based on the value of the property in accordance with the valuation roll which is currently applicable in the municipality; and
b) an amount in the rand determined by the municipality on the total value of the property.

## 21. CORRECT RATING, OMISSIONS OR ERRORS

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the Municipality or false information provided by the property owner concerned or a contravention of the permitted use applicable to the property concerned, the rates payable shall be appropriately adjusted for the period 12 months preceding the date from which the error or omission is detected.

In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned interest on the unpaid portion of the adjusted rates payable interest will be calculated at the applicable rate and be payable by the property owner.

## 22. CONSULTATION PROCESS

a) Before Council commands a new valuation in terms of the Act, a consultation process involving all interest groups will be undertaken during which the purpose and method of valuation will be explained.

b) Before the Municipality accepts the rates policy the municipal manager will follow a process of public participation, as prescribed in chapter 4 of the Municipal Systems Act, and comply with the following requirements:

   (i) Display the draft property rates policy continuously for a period of thirty (30) days at the Municipality's head office, satellite offices and on the website;

   (ii) Publish a notice in the media stating that the draft property rates policy was compiled for submission to Council and that such a policy is available at the different municipal offices and on the website for public inspection;

   (iii) Property owners and interested persons may obtain a copy of the draft policy from the municipal office during office hours at a prescribed cost per copy;

   (iv) Property owners and interested parties are invited to address written suggestions or representations to the Municipality within the period prescribed in the notice; and

   (v) Council will consider all suggestions and/or representations received during the finalisation of the property rates policy.

## 23. SPECIAL RATING AREAS

Part A of this Policy shall apply to Special Rating Areas as envisaged in Section 22 of the Act.

## 24. FREQUENCY OF VALUATION

The municipality shall prepare a new valuation roll every 4 (four) years and a supplementary valuation roll annually at least once a year.

## 25. DATE OF VALUATION

For the purposes of a general valuation a municipality must determine a date that may be not more than 12 months before the start of the financial year in which the valuation roll is to be first implemented.

The general valuation must reflect the market values of properties in accordance with market conditions which apply as at the date of the valuation, and in accordance with any other applicable provisions of the present Act.

## 26. GENERAL BASIS OF VALUATION

The market value of a property is the amount the property would have realised if sold on the date of valuation in the open market by a willing seller to a willing buyer.

## 27. ENFORCEMENT / IMPLEMENTATION

This policy has been approved by Municipal Council on 29 May 2025.

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## 28. SAVINGS

In the event of conflict between a provision of this policy and a corresponding provision in the Act or any regulation promulgated in terms of the Act, the provisions of the Act and such regulation will prevail.

## 29. SHORT TITLE

This policy is the Property Rates Policy of the Kouga Municipality.

In order for the rates policy to be legally enforceable, a Rates By-Law must be approved and promulgated in the Provincial Gazette as enabling legislation.

# PART A:SPECIAL RATING AREAS

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**WHEREAS** Section 22 of the Act entitles a Municipality to:

- Determine Special Rating Areas as envisaged in Section 22 of the Local Government: Municipal Property Rates Act 6 of 2004; and

- By resolution from time to time determine Special Rating Areas as envisaged in Section 22 of the said Act and levy additional rates on properties in such areas for the purposes of raising funds as contemplated in the said Section.

The following Part A to the Property Rates Policy of the Kouga Municipality shall apply to Special Rating Areas.

## 1. DEFINITIONS & INTERPRETATION

In this Part, unless the context indicates otherwise:

1.1 **"Applicable Legislation"** means, for the purposes of this Part, the Local Government: Municipal Property Rates Act 6 of 2004, the Kouga Local Municipality: Property Rates By-Law and the Companies Act 71 of 2008;

1.2 **"Applicable Property Rate"** means the annual rate in Rand value payable in respect of Rateable Property falling within a SRA as determined by the Municipality prior to the determination of the SRA Rate applicable thereto;

1.3 **"Applicant"** means any Owner who makes an application for the establishment of a SRA in accordance with the provisions of this Part, or when a Management Body is established in terms hereof, any reference to the "Applicant" means the said Management Body;

1.4 **"CFO"** means the Chief Financial Officer of the Municipality;

1.5 **"Council"** means the Council of the Municipality;

1.6 **"Local Community"** has the meaning ascribed to it in the Rates Act;

1.7 **"Management Body"** means the management body of a SRA which shall only be a Non-Profit Company established in terms of the Companies Act 71 of 2008;

1.8 **"Municipality"** means the Kouga Local Municipality;

1.9 **"Owner"** has the meaning ascribed to it in the Rates Act;

1.10 **"Property"** has the meaning ascribed to it in the Rates Act;

1.11 **"Rates Act"** means the Local Government: Municipal Property Rates Act 6 of 2004;

1.12 **"Rates By-Law"** means the Kouga Local Municipality: Property Rates By-Law;

1.13 **"Rates Policy"** means the Kouga Local Municipality: Property Rates Policy including this Part A;

1.14 **"Rateable Property"** means property falling within a SRA or envisaged SRA on which the Municipality levies an Applicable Property Rate in terms of the Applicable Legislation;

1.15 **"Services"** means the improvement or upgrading of a SRA to be undertaken by a Management Body in addition to those undertaken by the Municipality in terms of its constitutional obligations;

1.16 **"SRA"** means a geographical area within the area of jurisdiction of the Municipality determined or to be determined by the Council as a Special Rating Area in terms of Section 22 of the Rates Act and this Part;

1.17 **"SRA Business Plan"** means a business plan applicable to a SRA as proposed by an Applicant;

1.18 **"SRA Property"** means each individual Property falling within a SRA or proposed SRA, excluding any property owned by the Municipality or any Municipal Entity of which the Municipality is the parent Municipality;

1.19 **"SRA Rate"** means an additional rate to be imposed and recovered by the Municipality from Owners of SRA Property, subject to such Property being Rateable Property which shall be a percentage of the Applicable Property Rate expressed in Rands so calculated that the aggregate thereof equals the Applicant's proposed amount in its SRA Business Plan plus VAT;

1.20 **"VAT"** means Value Added Tax as defined in Value-Added Tax Act 89 of 1991;

## 2. PURPOSE OF THIS PART

2.1 This Part shall not detract from the entitlement of the Municipality to initiate the establishment of a SRA and to levy a SRA Rate on SRA Property for the purposes of raising funds for the improvement or upgrading of the SRA in compliance with the Applicable Legislation.

2.2Recognizing that the improvement or upgrading of areas can:

2.2.1 Prevent the degeneration of urban areas and consequential urban decay; and

2.2.2 Facilitate the upliftment, economic growth and sustainable development of areas; and

2.2.3 Encourage investment in areas,

the purpose of this Part is to provide a framework and procedure under which Owners of Properties within the jurisdiction of the Municipality can initiate the establishment of a SRA and undertake the improvement or upgrading of the SRA funded by additional rates to be levied on the SRA Properties by the Municipality, subject to an acceptable

Agreement being concluded between the Municipality and a Management Body to be established by the Owners of the SRA Properties.

2.3 The further purpose of this Part is, without detracting from the discretion of the Accounting Officer of the Municipality, to recognize that where the Services are to be rendered by a Management Body established by the Owners of the majority of SRA Properties and where the Services will be funded by SRA Rates payable by the Owners of SRA Properties, it would be justifiable for the Accounting Officer of the Municipality to dispense with the official procurement processes established by the Supply Chain Management Policy of the Municipality thereof and to prequalify any invitation to prospective parties to render the Services to the effect that only Non-Profit Companies established in terms of the Companies Act 71 of 2008 having members carrying the support of the majority of Owners of the SRA Properties by number will qualify to render the envisaged Services.

## 3. ESTABLISHMENT OF A SPECIAL RATING AREA

3.1 Nothing herein contained detracts from the entitlement of the Municipality to initiate the establishment of a SRA in compliance with the Applicable Legislation.

3.2 Any Owner (Applicant) of Rateable Property within the jurisdiction of the Municipality may apply to the Council for the approval of the establishment of a SRA, the proposed area of which includes such Owner's Rateable Property.

3.3 The application process referred to in clause 3.2 above shall be subject to the provisions of clauses 4 to 10, inclusive of this Part.

## 4. APPLICATION

Any Application for the establishment of a SRA shall be:

4.1 In writing and in such form as the Municipality may from time to time prescribe;

4.2 Submitted to the Municipality not more than 9 (nine) months after the date on which the public meeting referred to in clause 6 is held; and

4.3 Accompanied by:

4.3.1 A SRA Business Plan of at least five (5) years in duration, each year of which shall end on the 30th of June and covering a period ending on the 30th of June of the fifth year after the date proposed for the establishment of the

SRA, which Plan must include at least a description of the Services to be provided by the Management Body, a draft budget and the Annual Aggregate SRA Rates which the Applicant desires the Municipality to levy on all SRA Properties which shall be identified on a schedule reflecting the SRA Property descriptions an Owners thereof;

4.3.2 A draft Memorandum of Incorporation of the proposed Management Body to be established in accordance with the provisions of clause 11 hereof;

4.3.3 Proof of compliance with the provisions of clauses 5 and 6 hereof;

4.3.4 Proposed agreements (if any) the Applicant considers necessary for the Management Body referred to in Section 11 and the Municipality to enter into for the SRA Business Plan to be successfully implemented;

4.3.5 Proof to the satisfaction of the Municipality that a majority of Owners of Rateable Property within the proposed SRA have approved the proposed SRA Business Plan and have consented to the establishment of the proposed SRA; and

4.3.6 A motivation report containing:

4.3.6.1 a list of all Rateable Properties and the registered Owners thereof within the proposed SRA, contact details of all Owners and the value of each property as set out in the Municipality's General Valuation, differentiating between categories of properties as provided for in Section 8 of the Rates Act;

4.3.6.2 a diagram clearly indicating the boundaries of the proposed SRA;

4.3.6.3 an executive summary of the improvement or upgrade proposed for the SRA as set out in the SRA Business Plan;

4.3.6.4 an explanation of how the proposed improvement or upgrade is linked to the geographical area of the proposed SRA;

4.3.6.5 an explanation of why the proposed SRA will not reinforce existing inequities in the development of the Municipal area;

4.3.6.7 an explanation of how the SRA, if determined, will be consistent with the Municipality's Integrated Development Plan;

4.3.7 The SRA Business Plan shall, inter alia, address the following:

4.3.7.1 those Services which will improve or upgrade the SRA;

4.3.7.2 how the proposed improvements or upgrades will be implemented;

4.3.7.3 by when the proposed improvements or upgrades will be achieved;

4.3.7.4 an implementation program, which clearly indicates the implementation milestones, dates and responsibilities; and

4.3.7.5 the aggregate SRA Rates that are proposed to be levied by the Municipality.

4.3.8 Payment of any administration fee as the Municipality may from time to time determine.

## 5. NOTICE OF APPLICATION AND ADVERTISING OF INTENTION TO HOLD A PUBLIC MEETING

5.1 Prior to the public meeting referred to in clause 6, the Applicant must:

5.1.1 Give notice of his or her intention to apply for the approval of the SRA, such notice to be given by:

5.1.1.1 publishing a notice in at least two (2) daily Newspapers circulating in the proposed SRA;

5.1.1.2 placing prominent information posters within the proposed SRA;

5.1.1.3 giving written notice of the application to all Owners of Rateable Property within the proposed SRA, such notice to be given by prepaid registered post, e-mail, facebook, whatsapp or hand delivery or in any other manner approved in writing by the Council.

5.1.2 In the notice referred to in clause 5.1.1:

5.1.2.1 give notice of a public meeting to be held in accordance with the provisions of clause 6, which notice shall state the purpose of such meeting and shall contain details of the place, date and time when such meeting is to be held;

5.1.2.2 state where the documentation specified in clauses 4.3.1, 4.3.2, 4.3.6 and 4.3.7 will be available for inspection;

5.1.2.3 state the municipal offices where, date from which and date by when written objections to the SRA Business Plan may be lodged with the Municipality.

5.2 The public meeting must be held not less than 7 (seven) days and not more than 60 (sixty) days after the date of publication of the last of the notices referred to in 5.1.1.1 above.

## 6. PUBLIC MEETING

6.1 The public meeting must be held at such place, date and time as advertised in terms of clause 5.

6.2 At the meeting, interested parties shall be:

6.2.1 Furnished with all relevant information relating to the proposed SRA including the draft SRA Business Plan; and

6.2.2 Given an opportunity to ask questions and express their views.

6.3 The public meeting must be held at a place within the boundaries of or not more than 5 (five) kilometers from the boundaries of the proposed SRA unless the Council approves another venue in writing before the public meeting is held.

6.4 The public meeting must be chaired by a suitably qualified and experienced person, attended by a representative of the Municipality and minutes of such meeting shall be kept, which minutes shall be available for inspection by the Local Community.

## 7. OBJECTIONS

7.1 Any Owner of Rateable Property within the proposed SRA or members of the Local Community may submit written objections to the establishment of the SRA, which objections must be received by the Municipality not earlier than 7 (seven) days from date of lodgment with the Council of the application in terms of clause 4 and not later than 35 (thirty five) days from such lodgment.

7.2 The Municipality may allow the Applicant and any objector to make oral representations to it, which shall be recorded in writing by an official of the Municipality and signed by the party making the representations.

7.3 The application and all objections must be available for inspection at the offices of the Municipality, for the period referred to in clause 7.1 above.

## 8. APPROVAL

8.1 After the provisions of clauses 4, 5, 6 and 7 have been complied with, the Council shall endeavour to consider the application within 60 (sixty) days from the last date

of the submission of objections in accordance with 7.1 and:

8.1.1 Approve the establishment of a SRA in accordance with the SRA Business Plan; or

8.1.2 Approve the establishment of a SRA and the SRA Business Plan with such amendments or conditions as the Council considers to be in the Municipality's or the public interests; or

8.1.3 Refuse the application, in which event the Council shall within 30 (thirty) days furnish the Applicant with written reasons for not approving the establishment of the SRA or the SRA Business Plan; or

8.1.4 Refer the application back to the Applicant for amendment in such manner as the Council may direct.

8.2 If any application is refused by Council in accordance with the provisions of clause 8.1.3, the Applicant may at any time thereafter reapply to the Municipality for the establishment of the SRA provided that such re-application has been appropriately amended in light of the reasons for refusal by the Council.

8.3 If a SRA Business Plan is at any time before the approval thereof amended in any material respect, the Council may require that the application be re-advertised *mutatis mutandis* in accordance with the provisions of clause 5, that the public meeting envisaged in clause 6 above again be held and shall take cognizance of any objections thereto as envisaged in clause 7.

8.4 In determining whether to approve the establishment of a SRA and SRA Business Plan, the Council may consider, inter alia, the following:

8.4.1 That in terms of Section 22 of the Rates Act, the purpose of a SRA is to allow an additional rate to be levied on SRA Properties to raise funds for improving or upgrading the area;

8.4.2 That SRA's should not be used to reinforce existing inequities in the development of the Municipality's area of jurisdiction;

8.4.3 Whether the determination of the SRA is consistent with the Municipality's integrated development plan;

8.4.4 The views of the Local Community;

8.4.5 Whether the procedure or requirements of Section 22 of the Rates Act has beencomplied with;

8.4.6 Whether the proposed improvement or upgrade has been clearly and fully defined;

8.4.7 Whether the proposed improvement or upgrade can be clearly and logically linked to a geographical area, the boundaries of which can be clearly determined;

8.4.8 Whether there is evidence that it will be financially viable to use a SRA to raise funds for the proposed improvement or upgrade;

8.4.9 The history of payment and/or non-payment by Owners of Rateable Property situated within the proposed SRA of amounts due to the Municipality.

8.5 Notwithstanding the provisions hereof, it shall be at the Council's sole and absolute discretion whether to approve an SRA or SRA Business Plan.

## 9. ESTABLISHMENT OF A SRA AND IMPLEMENTATION OF A SRA BUSINESS PLAN

Pursuant to the determination by the Council that a SRA may be established in terms of clause 8, the SRA Business Plan may only be implemented after:

9.1 The establishment of the Management Body in terms of Section 11; and

9.2 From a date to be determined by Council with due reference to the provisions of the Applicable Legislation governing imposition of additional rates and in particular the SRA Rate to be levied on the SRA properties; and

9.3 After the conclusion of an Agreement between the Municipality and the Management Body regulating the implementation of the Management Body's Business Plan and the respective parties' roles and responsibilities.

## 10. AMENDMENT OF SRA BUSINESS PLANS AND EXTENSIONS OF THE TERM THEREOF

10.1 An amendment of a SRA Business Plan may be approved by Council on written application by the Management Body at any time after the establishment of the SRA.

10.2 An amendment in terms of sub-clause 1 which Council considers not likely to materially affect the rights or interests of any person including the Local Community may be approved forthwith by the Council provided that the Council may require the Management Body to cause notice of the application for such amendment to be published in daily newspapers circulating in the SRA.

10.3 An amendment in terms of sub-clause 1 which the Council considers is likely to materially affect the rights of interests of any person including the Local Community and/or which affects the SRA Rate and/or which changes the boundaries of the SRA may only be approved by Council after the Management Body has complied with clauses 4,5,6 and 7 read in context given the nature of the amendment sought provided that the Council may for good reason and on written application of the Management Body exempt the Management Body from complying with any such provisions or condone any non-compliance with any such provisions and the approval of the amendment shall be subject to the provisions of clause 8 read in context with the amendments sought.

10.4 Not earlier than 90 (ninety) days prior to the expiry of the period of the SRA Business Plan referred to in clause 4.3.1 or the expiry of any extension of the SRA Business Plan under this clause 10.4, the Management Body shall submit to the Council an application for the extension of the term of the SRA Business Plan or any extension thereof for approval by the Council provided that the sub-clause 1,

such extension shall not materially affect the rights or interests of any person or member of the Local Community or change the boundaries of the SRA. The Council may, before taking a decision to extend the term of the SRA Business Plan require the Management Body to cause notice of the application for such extension to be published as envisaged in clause 5.1.1 above.

10.5. The provisions of sub-clauses 1 to 3 above shall apply in the same terms to any

amendment of the SRA Business Plan which has been extended in terms of sub-clause 4 above.

10.6. In the event of any Owner of Rateable Property lodging written proof with the Municipality that Owners of Rateable Properties within the boundaries of the SRA who own not less than 50% in number of such properties do not approve the proposed amendment of extension of the SRA Business Plan, the Council shall not extend or amend the SRA Business Plan.

## 11. ESTABLISHMENT AND COMPOSITION OF MANAGEMENT BODY

11.1 The Applicant shall, before the SRA Business Plan is implemented in accordance with the provisions of clause 9, cause to be established a Management Body for the purposes of managing and controlling the implementation of the SRA Business Plan, which Management Body shall be a Non-Profit Company incorporated in accordance with the provisions of the Companies Act 71 of 2008 and whose Memorandum of Incorporation shall provide that only Owners of SRA properties shall qualify for membership.

11.2 The Memorandum of Incorporation of the Management Body shall furthermore provide that each Owner of each Ratable Property within the SRA shall have one vote.

11.3 The Municipality shall monitor compliance by the Management Body with the Applicable Legislation, this Part, any guidelines or policies adopted by the Municipality in terms of clause 15 and any agreements entered into between the Management Body and the Municipality, by :

11.3.1 Receiving and considering the audited financial statements referred to in clause 12.3 and any other arrangement in respect of monthly reporting and annual reports; and

11.3.2 If it elects to do so, nominating a political representative to attend and participate, but not vote, at meetings of the Management Body.

## 12. POWERS AND DUTIES OF MANAGEMENT BODY

12.1 Within two (2) months after receipt of the first payment by the Municipality to the Management Body in terms of this Part, the Management Body must commence to provide the Services in accordance with the SRA Business Plan and Agreement entered into between the Municipality and the Management Body.

12.2 The Management Body must comply with all Applicable Legislation, this Part and the Guidelines and Policies published by the Council from time to time in terms of clause 15.

12.3 The Management Body must provide the Municipality with its audited financial statements and annual reports for the immediately preceding financial year within three (3) months of the end of each financial year.

## 13. FINANCES

13.1 The financial year end of the Management Body shall coincide with the financial year end of the Municipality, which is the 30th of June.

13.2 Where a SRA has been established, the Municipality shall levy the SRA Rate on each SRA Property in accordance with the Applicable Legislation and more particularly Section 22 of the Rates Act and this Part.

13.3 The SRA Rate shall be a debt due to the Municipality and shall be payable and collected in the same manner as other rates imposed by the Municipality.

13.4 Any payment by the Municipality to the Management Body of a SRA shall be subject to the prior conclusion of an Agreement between the Management Body and the Municipality which Agreement shall regulate, inter alia, the mechanisms and manner of payment and the other terms upon which payment to the Management Body is to be made, VAT invoices to be submitted by the Management Body to the Municipality, the retention of a portion of monies collected to defray bad debt and the payment of such monies retained or portions thereof by the Municipality to the Management Body

once an acceptable amount of retained funds has been reached which will cover any expected or envisaged bad debt.

## 14. DISSOLUTION

14.1 The Municipality may disestablish a SRA:

14.1.1 Upon written application signed by a majority of Owners of Rateable Properties within the boundaries of the SRA; or

14.1.2 After prior consultation with the Management Body, for any other good cause, whereupon the Management Body shall be wound up.

14.2 Upon the winding up of a Management Body, the assets remaining after satisfaction of all its liabilities shall be:

14.2.1 Transferred to another association or institution having objects similar to the main object of the Management Body; or

14.2.2 Utilised by the Municipality to provide additional Services in accordance with the SRA Business Plan.

## 15. GUIDELINES AND POLICIES

The Municipality may at any time publish Guidelines or Policies in respect of the establishment of SRA's including but not limited to guidelines or policies in respect of the areas or categories of area within which SRA's may be established and guidelines or policies regarding the Services that may be provided by the Management Body.

_____ _____

**C DU PLESSIS** **DATE**
**MUNICIPAL MANAGER**

KOUGA
local municipality
Good Governance through Service Excellence

# TARIFF POLICY

**Document Control**

| | |
|---|---|
| Policy Title: | Tariff Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Budget & Treasury |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Mr S Abrahams (Manager: Budget & Treasury) |

# PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy at least should include the principles in section 74 (2);

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

Now therefore the Municipal Council of the Kouga Local Municipality adopts the following tariff policy.

## A. REQUIREMENTS CONTINUED IN THE POLICY

1. EQUITABLE INVESTMENT

   All users of municipal services should be treated equitably.

2. PAYMENT OF INDVIDUALS

   The amount individual users pay for service should be in proportion to their use of that service.

3. POOR HOUSEHOLDS

   Poor households must have access to at cost basic services through:-

   (a) tariffs that cover only maintenance and operating costs.

   (b) special tariffs or lifeline tariffs for low levels of use or consumption of services, or basic levels of services, or

   (c) any other direct or indirect method of subsidization of tariffs for poor households. The subsidization of tariffs for poor households and other categories of users should be fully disclosed.

4. REASONABLE COSTS

   Tariffs must reflect the costs reasonably associated with rendering the service including capital, operating, maintenance, administration, and replacement costs including interest charges.

5. FINANCIAL SUSTAINABILITY

   Tariffs must be set at levels that facilitate the financial sustainability of the service considering subsidisation from sources other than the service concerned.

6. SURCHARGE TARIFFS

   Provision may be made in appropriate circumstances for a surcharge on the tariff for a service.

7. LOCAL ECONOMIC DEVELOPMENT

   Provision may be made for the promotion of Local Economic Development through special tariffs for categories of commercial and industrial users.

8. ENVIRONMENTAL OBJECTIVES

   Appropriate environmental objectives must be encouraged such as economical, effective, and efficient use of resources such as recycling of waste.

9. CATEGORISATION

Tariffs may differentiate between different categories of users, debtors, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination.

10. BY-LAWS TO GIVE EFFECT TO POLICY

The Council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy, and my differentiate between different categories.

**B. POLICY FOR KOUGA LOCAL MUNICIPALITY**

1. RATES TARIFFS

Rates tariffs will be fixed and implemented as contemplated by the rate tariff policy in terms of the Local Government Property Rates Act.

2. ELECTRICITY TARIFFS

Electricity will be measured in two ways namely: -

(a) Pre-paid metering system
(b) Conventional metering systems

2.1 PRE-PAID METERING SYSTEM

One standardised tariff will be applicable throughout the Kouga Municipality and will be equal to the tariff fixed by E.S.K.O.M. This method is preferred for the poor households and the indigent and should be encouraged.

2.2 CONVENTIONAL METERING SYSTEM

This tariff will be calculated during the budget process and based on the cost associated with rendering the service and must include capital, operating, maintenance, administration, replacement costs, and interest charges.

A clear distinction or breakdown of the tariff per cost must be indicated when the tariff is calculated, to enable the user to see how his/her payment is utilized.

An availability (Basic) fee will be charged on all property in the Kouga Municipality area of jurisdiction where and electricity supply is available whether it is connected or just readily available for connection.

There must be a differentiation between the following categories of users pertaining to the availability tariff based on the load factor and supply on the premises:

(a) Single residential
(b) Bulk supply own distribution
(c) Commercial single-phase supply
(d) Commercial three-phase supply
(e) Commercial time of use supply

(f) Industrial three- phase supply
(g) Industrial time of use supply

2.2.1 SINGLE RESIDENTIAL

This tariff will be applicable to single residential houses, flats and chalets separately supplied and metered with a maximum installation of 60 Ampere. If, for special reasons, a residential property is supplied with a three-phase connection with a maximum installation of 60 Ampere per phase, the availability charge will be three times that of a single-phase supply.

2.2.2 BULK SUPPLY OWN DISTRIBUTION

This tariff will be applicable to closed residential premises such as retirement villages, Marinas, etc, with special metering apparatus installed by the developer and under the control of a body corporate. The tariff will be based on the E.S.K.O.M. tariff which comprise a maximum demand charge active energy charge c/KWH based on high, and low demand where the high demand will be for the period April to September and low demand January – March, October to December.

Tariff will be charged on peak, standard and off-peak rates equal to that of E.S.K.O.M. No discount will be allowed for captured-energy used as the discount will be allowed for captured-energy used as the discount is allowed for in the transmission surcharge. A distribution loss charge will be based on 7,5% of the total active energy levied a transmission surcharge of 0.25c/Kwh used. An administration charge of 10% will be levied on the total account before V.A.T. is calculated. A supply point levy can be charged as approved upon during negotiations or per written agreement. The distribution tariffs levied by the body corporate may not exceed the single residential tariffs to private households levied by the Council.

2.2.3 COMMERCIAL SINGLE-PHASE SUPPLY

Commercial single phase supply tariffs for business using less then 2000Kwh per month will pay the single residential tariff. Commercial single-phase connections using more than 2000Kwh per month will pay an availability charge of not more than 2,5 times that of single residential connections.

The maximum circuit break should not exceed 60 Ampere per installation.

2.2.4 COMMERCIAL THREE PHASE SUPPLY

This tariff will be applicable to the commercial premises supplied by a three-phase connection and the availability charge should not be more than three times the tariff for single phase commercial supply. The maximum circuit breaker installed should not exceed 60 Ampere per phase. A discount of 2,5% will be allowed on the standard Kwh charge for usage above 5000Kwh per month.

2.2.5 COMMERCIAL TIME OF USE SUPPLY

This tariff will be applicable to commercial premises where the time of use metering apparatus is installed by the owner at his cost and will be based on the tariff for bulk supply own distributions

except that the charges will be based on full E.S.K.O.M tariffs applicable to the Council plus a 15% administration charge on the total account before V.A.T. is calculated.

2.2.6 INDUSTRIAL THREE PHASE SUPPLY

This tariff will be appliable to industrial premised supplied with a three-phase connection. The availability tariff will be based on the maximum demand metered per month and will be equal to the maximum demand tariff of E.S.K.O.M. A discount of 5% will be allowed on the standard Kwh charge for usage above 10 000Kwh per month.

2.2.7 INDUSTRIAL TIME OF USE SUPPLY

This tariff will be applicable to industrial premises where the time of use metering operates ate installed by the owner at his cost and will be based on the tariff for commercial time of use except that a discount of 5% be allowed on the total account before V.A.T is calculated to encourage industry in the municipal area for job creation.

2.2.8 MUNICIPAL USE

The tariff will be applicable to all municipal connections and should be based on the average Kwh charge per month payable to E.S.K.O.M.

2.2.9 SUNDRY CHARGES

That tariffs be calculated for the following: -

(a) Connection fees for single and three phase (cost +10%)

(b) Disconnection fees

(c) Re-connection fees

(d) Test of meters single, three phase and demand meters

(e) Test and investigation of installations

(f) Visits to premises i.r.o. power failures

(g) Special meter readings

(h) Temporary connections

(i) Moving of streetlamp posts

(j) Tempering with electrical meters and connections

(k) Interest on arrears

2.2.10 GENERAL POLICY

That the tariffs be calculated in such a way that under no circumstances a profit of more than 10% be made on electricity supply services, availability charges on vacant stands must be charged annually.

## 3. WATER TARIFFS

Water will be measured in two ways namely: -

(a) Pre-paid metering system

(b) Conventional metering system

### 3.1 PRE-PAID METERING SYSTEM

Although this system is not used in the area of jurisdiction of the Municipality, this system must be investigated and used to save water and improve the cash flow of the Municipality. This method is preferred for the poor households and the indigent and should be encouraged to all residents in the area. This tariff will be applicable to all properties served with a pre-paid meter and should be calculated in such a way that the indigent and poor households be subsided due to water being an essential service rendered by the Municipality. A lifeline approach should be followed o reach this goal.

### 3.2 CONVENTIONAL METERING SYSTEM

This tariff will be calculated during the budget process and based on the costs associated with the rendering of the service and must include capital, operating, maintenance, administration, replacement costs and interest charges. A clear distribution or break down of the tariff per cost component must be indicated when the tariff is calculated to enable the user to see how his/her payment is utilized. An availability (basic) fee will be charged on all property in the Kouga Municipality area of jurisdiction where a water supply is available whether it is connected or just readily available for connection. There must be a differentiation between the following categories or users pertaining to the availability tariff based on the supply to the premises.

(a) Single resident

(b) High density housing units

(c) Schools, sport fields and amenities

(d) Light industrial and commercial

(e) Bulk supply own distribution

(f) Industrial properties

(g) Municipal use

#### 3.2.1 SINGLE RESIDENTIAL

This tariff will be applicable to single residential properties and must have a lifeline tariff for the indigent connected and billed via a conventional metering system. The connection should not exceed 25mm.

3.2.2 HIGH DENSITY HOUSING UNITS

This tariff will be applicable to high density housing nits serviced through a single connection, and payable by a body corporate. The connection should not exceed 50mm. If individual owners are responsible for their own usage a operate meter for each unit must be installed on the pavement at the developers cost.

3.2.3 SCHOOLS, SPORT FIELDS, AND AMENITIES

This tariff will be applicable to schools, sport fields and amenities where the full cost will be recovered less a 50% discount on the total account before V.A.T is calculated. The sport fields must be open to all communities and the general public. The properties must be separately metered. The connection should not exceed 50mm.

3.2.4 HIGH INDUSTRIAL AND COMMERCIAL

This tariff will be applicable to light industrial and commercial properties serviced by a single supply notwithstanding the fact that the property may also be used for residential. The connection should not exceed 100mm.

3.2.5 BULK SUPPLY OWN DISTRIBUTION

This tariff will be applicable to close residential premises such as a retirement villages and marinas and under the control of a body corporate. The redistribution tariff levied by the body corporate may not exceed the single residential tariff to private households levied by the Council. The connection should not exceed 150mm.

3.2.6 INDUSTRIAL PROPERTIES

This tariff will be applicable to industrial properties and should be calculated in such a way to encourage industry in the municipal area for job creation. A 5% discount should be allowed on the total account before V.A.T. is calculated.

3.2.7 MUNICIPAL AREA

This tariff will be applicable to all municipal properties and metered and should be calculated at cost.

3.2.8 SUNDRY CHARGES

That tariffs be calculated for the following: -

(a) Irrigational water

(b) Connection fees

(c) Disconnection fees (Wal-payment)

(d) Re-connection fees (Wal-payment)

(e) Testing of meters

(f) Special meter readings

(g) Tampering with meters and connections

(h) Interest on arrears: -

Interest on arrears will be charged on all monthly and annual accounts not paid by the due date at the standard rate the same as for electricity.

(i) Availability charges

3.2.9 GENERAL POLICY

That the tariffs be calculated in such a way that under no circumstances a profit of more than 10% be made under water supply services. Availability charges on vacant stands must be charged annually. The municipal Manager is authorised to have delegated authority to impose water restrictions in any area within the municipality after consultation and advised by the Town Engineer responsible for water to do so. There may be different tariffs calculated for different areas within the municipality.

4. REFUSE REMOVAL TARIFFS

There must be differentiation between the following categories of users namely: -

(a) Single residential users.

(b) Soft businesses, offices, guest houses, single residential holiday units and bed & breakfasts;

(c) Commercial, time share units, restaurants, hotels and supermarkets;

(d) Grass cutting and plot clearing contractors;

(e) Industrial

(f) Bulk removal own collection;

(g) Garden refuse;

(h) Medical and surgical disposal.

4.1 SINGLE RESIDENTIAL

This tariff will be applicable to single residential premises and levied annually. The tariff is payable by all households whether occupied regularly or not. The tariff calculated will be for one removal per week and the Council is not obligated to supply refuse bags to all residents. A life line tariff should be calculated for the indigent and poor household.

4.2 SOFT BUSINESSES, OFFICES, GUEST HOUSES, SINGLE RESIDENTIAL HOLIDAY UNITS AND BED & BREAKFAST

This tariff is applicable to soft businesses, offices, guest houses, single residential holiday units and

Bed & Breakfast premises are levied annually. The tariff is payable by all institutions whether occupies regularly or not. The tariff calculated will be for one removal per week and the Council is not obligated to supply refuse bags to all premises.

4.3 COMMERCIAL, TIME SHARE UNITS, RESTAURANTS, HOTELS & SUPERMARKETS

This tariff will be applicable to commercial, time share units, restaurants, hotels and supermarkets and levied annually. The tariff is payable by all institutions whether occupied regularly or not.

The tariff will be per container per month for a maximum of three removals per week.

4.4 GRASS CUTTING AND PLOT CLEARING CONTRACTORS

This tariff will be applicable to grass cutting and plot clearing contractors operating from residential premises, and will be levied annually and include residential refuse.

The tariff calculated will be for one removal per week and the Council is not obligated to supply refuse bags to all premises.

4.5 INDUSTRIAL

This tariff will be applicable to industrial sites and will be levied annually. The tariff calculated will be per container per month for three removals per week.

4.6 BULK REMOVAL OWN COLLECTION

This tariff will be applicable to closed residential properties such as retirement villages and marinas.

The tariff will be levied annually and will be for one removal per container per week.

4.7 GARDEN REFUSE

This tariff will be payable in advance on request and will be per load of part thereof.

4.8 MEDICAL AND SURGICAL DISPOSAL

This tariff will be applicable to doctors, dentists, veterinary surgeons, clinics and hospitals, and will be levied annually. The tariff will be per container plus a 15% handling and administration fee.

The removal will be once a week.

Sundry charge: Special removals:

Special holder tariffs.

4.9 GENERAL POLICY

That the tariff be calculated in such a way that the service pay for itself or not being subsidized by rates by more than 5% per annum. There may be different tariff calculated for different areas within the municipality.

## 5. SEWERAGE TARIFFS

There must be a differentiation between the following categories of users namely;-

(a) Single residential users

(b) Poor households and indigent

(c) General residential, commercial and industrial

(d) Churches, welfare organizations and schools

(e) All other premises

(f) Municipal use

(g) Bulk services and distributions

### 5.1 SINGLE RESIDENTIAL AREA

This tariff will be applicable to single residential properties and must be a fixed amount and levied annually. The tariff will be calculated on the cost component of the service and no difference between a connected and tanker service, but a differentiated tariff may be levied in different areas, as long as the differentiation does not amount to unfair discrimination.

### 5.2 POOR HOUSEHOLD AND INDIGENT

This tariff will be applicable to poor households and the indigent and should be a life line Tariff based on maintenance and operating costs, and will be levied annually.

### 5.3 GENERAL RESIDENTIAL, COMMERCIAL AND INDUSTRIAL

The tariff will be applicable for residential, commercial and industrial properties and will be calculated per surcharge units as fully described in the National Building regulations and determined in the National Building regulations and determined by the Town Engineers Department, and will be levied annually.

### 5.4 CHURCHES, WELFARE ORGANISAATIONS AND SCHOOLS

This tariff will be applicable to churches, welfare organisations and schools and will be calculated per units as described in the National Building Regulations and determined by the Town Engineers Department. There will be a discount of 20% applicable before V.A.T and will be levied annually.

5.5 ALL OTHER PROPERTIES

This tariff will be applicable to all other properties not defined above and will be calculated per surcharge units as described in the National Building regulations and determined by the Town Engineers Department and will be levied annually.

5.6 MUNICIPALITY USE

The single residential tariff will be applicable where a municipal property is connected to the service, and will be levied monthly, and payable by the relevant department.

5.7 SUNDRY CHARGES

That tariffs be calculated for the following;-

(a) Availability charges

(b) Connection fees

(c) Removal of blockages

(d) Interest on arrears

Interest will be charged on all monthly and annual accounts not paid by the due date at the Standard rate the same as for other services.

(e) Sewerage levy

5.8 BULK SERVICES AND DISTRIBUTION

This tariff will be applicable to retirement villages and marinas and will be calculated per residential unit with a fixed charge plus a charge per occupied unite or property sold. The tariff charged by the body corporate must not exceed the single residential tariff charged by the Council.

5.9 GENERAL POLICY

That the tariffs be calculated in such a way that the service pay for itself and are not subsidized by rate income. There may be a different tariff calculated for different areas within the municipality.

## 6 GENERAL TARIFFS

### 6.1 TOWN PLANNING DEPARTMENT

That tariffs be calculated by the Town Planning Department for the following:-

(a) Building storage fees

(b) Building plan fees

(c) Re-inspection fees

(d) Search fees

(e) Town maps fees

(f) Photo copy fees

(g) Building deposits

(h) Building without approval penalty fees

(I) Erf and town planning information

(j) Building line relaxation fees

(k) Land use application fees

(l) Guest houses signs

(m) Advertising board

### 6.2 TOWN ENGINEERS DEPARTMENT

That tariff be calculated by the Town Engineers Department for the following:-

(a) Burial fees

(b) Bulk services fees

(c) Vehicle access fees

(d) Curbing fees

(e) Workshops costs

### 6.3 COMMUNITY SERVICES DEPARTMENT

That tariffs be calculated for the following:-

(a) Plot clearing

(b) Animal carcass removal

(c) Tow away fees abandoned vehicles

(d) Storage of abandoned vehicles

(e) Enquiries water incidents

(f) Hanger fees and rents

(g) Pound fees

(h) Traditional slaughtering

(I) Hawker fees

(j) Poster deposits

(k) Library deposits

(l) Library fees

(m) Photocopies

(n) Engraving hire

(o) Visitors administration and subscription fees(library)

(p) Duplicate subscription tickets

(q) Rent activity hall library

(r) Caravan Parks rental

(s) Rent for halls and amenities

(t) Rent of chalets

(u) Deposits

(v) Sale of wood

(w) Shell kiosk rent

6.4 ADMINISTRATION DEPARTMENT

That tariffs be calculated for the following:-

(a) Voters roll

(b) Rent boathouses

(c) Beach and boat permits

(d) Riparian levies

6.5 TOWN TREASURY DEPARTMENT

That tariffs be calculated for the following:-

(a) Discount on rates

(b) Services deposits

(c) Property list print outs

(d) Valuation certificate

(e) Search fees

(f) Dog tax

(g) Cheques refer to drawer

# *KOUGA MUNICIPALITY*




# *Draft*

# *VIREMENT POLICY*

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## 1. Definitions

**"Accounting officer"** The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA.

**"Approved budget"** means an annual budget approved by a municipal council.

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

**"Chief financial officer"** means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.

**"Capital budget"** this is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods.

**"Council"** means the council of a municipality referred to in section 18 of the Municipal Structures Act.

**"Financial year"** means a 12- month year ending on 30 June.

**"Line item"** an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures.

**"mSCOA"** stands for "standard chart of accounts" and provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting.

**"Operating budget"** the town's financial plan, which outlines proposed expenditures for the coming financial year and estimates that revenues used to finance them.

**"Ring fenced"** an exclusive combination of line items grouped for specific purposes for instance salaries and wages.

**"Service delivery and budget implementation plan"** means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (*c*) (ii) for implementing the municipality's delivery of municipal services and its annual budget.

.

**"Virement"** is the process of transferring an approved budget allocation from one operating line item to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

**"Vote"** means of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

## 2. Abbreviations

**CFO**- Chief Financial Officer
**IDP**- Integrated Development Plan
**MFMA**- Municipal Finance Management Act
**SDBIP**- Service Delivery and budget implementation plan
**CM**- Council Minute/'s
**mSCOA –** Municipal Standard Chart of Accounts

## 3. Objective

To allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure, or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

## 4. Virement Clarification

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

## 5. Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments is identified at the earliest possible opportunity. (Section 69 MFMA)

The Accounting Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78.

## 6. Virement Restrictions

a. If virement result in a mSCOA segment change, by adding a new project, changing the region, or funding source, it is not allowed. Such a shifting of budgetary allocations may only be done through an adjustments budget. (MFMA mSCOA Circular Nr. 8, page 2, last paragraph)

b. No funds may be transferred between Votes.

c. Virements between votes will only be allowed where the proposed shifts in funding facilitate sound risk and financial management (e.g., virements in fuel & oil, cell phones, vehicle registration, insurance premiums etc from separate votes).

d. Accumulated virements may not exceed a maximum 10% of the total approved operating expenditure of that Vote budget.

e. A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (Section 21 MFMA)

f. No Virements may be made to a budget that is included in the approved SDBIP. These budget allocations can only be adjusted through an adjustment budget approved by Council. (Section 54(1)(C) MFMA)

g. No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's recourses in the following financial year.

h. No virement may be made where it would result in over expenditure. (Section 32 MFMA)

i. No virement shall add to the establishment of the Municipality or increase personnel expenditure.

j. Virements may not be made in respect to ring-fenced allocations, e.g., Environmental Management Fee budget.

k. No virements are permitted between Trading Services e.g., Water, Sewerage, Electricity and Refuse.

l. Budget may not be transferred from Interdepartmental cost, Capital Financing, Depreciation, Impairment, Interest charges, Contributions, Conditional Grants (except where specific in the relevant conditional grant framework), Bulk Purchases, Insurance, VAT or Income Forgone.

m. Funds may only be transferred between personnel expenditure budgets within the same vote if approved by the CFO.

n. Virements are not permitted for capital budget allocations. The capital budget can only be adjusted through an Adjustment budget approved by Council.

o. No virements are permitted in the first and last month of the financial year.

p. No virement proposal shall affect amounts to be paid to another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)

q. Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)

r. 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.

s. Virements may not be made between Expenditure and Income.

t. Virements exceeding R5m will require the approval of Council with a full motivation.

u. Virements will be allowed for mSCOA alignment with the segmentations required by the regulations and related Circulars with the approval of the Budget and Treasury Manager and Chief Financial Officer.

## 7. Virement Procedure

a. All virement proposals must be completed on the Transfer of Funds Form (attached as **"Annexure A")** and forwarded to the relevant Finance Officer for checking and implementation.

b. All virements must be signed by the Vote holder (per department) and the Manager within which the vote is allocated. (Section 79 MFMA)

c. Virements less than R 10,000 require the approval of the Manager in Budget and Treasury office.

d. Virements in excess of R 10,000 require the approval of the CFO and the Municipal Manager. (Section 79 MFMA)

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

f. All virement forms must be allocated a sequential number by the Budget and Treasury office.

g. The Municipal Manager will report to the Finance Portfolio Committee on a quarterly basis on all virements approved during that quarter on the Virement Reports Template (attached as **"Annexure B"**).

# INDIGENT SUPPORT POLICY



# INDIGENT SUPPORT POLICY

**Document Control**

| | |
|---|---|
| Policy Title: | Indigent Support Policy |
| Reference Number: | 25/05/FED1 |
| Previously Approved: | Yes |
| Directorate Responsible: | Finance and Economic Development |
| Department | Revenue |
| Status of the Document: | Approved |
| Review Date: | 03 March 2025 |
| Contact Details: | Ms. N Mate (Manager: Revenue) |

**MUNICIPALITY**
**INDIGENT SUPPORT POLICY**

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**DEFINITIONS AND ABBREVIATIONS:**

**LED –** Local Economic development
**IDP -** Integrated Development Plan
**ID –** Identity document
**UIF-** Unemployment Insurance Fund
**SARS-** South African Revenue Services
**SASSA-**South African Social Security Agency

**"child headed household"** means a household where both parents are deceased and where all occupants of the property are children of the deceased and are under the legal age to contract for services;

**"household"** means a registered owner with or without children who reside on the same premises;

**"indigent"** means any household or category of households, including a child headed household, earning a combined gross income, as determined by the municipality annually in terms of a social and economic analysis of its area, which qualifies for rebates/remissions, support or a services subsidy; provided that child support grants are not included when calculating such household income;

**"Indigent Management System"** an electronic management system applied by Kouga Municipality for the management of the register of indigent households;

"**municipality**" means Kouga Municipality, established in terms of Section 12 of the Municipal Structures Act, 117 of 1998, and includes any political structure, political office bearer, councilor, duly authorized agent or any employee acting in connection with this by-law by virtue of a power vested in the municipality and delegated or subdelegated to such political structure, political office bearer, councilor, agent or employee;

**"Programme officer"** an official duly authorized by the municipality, or an employee of a service provider appointed by the municipality, who is responsible for the following:

(a) to ensure that applications for indigent support are received and assessed;
(b) to ensure that applications are captured on the Indigent Management System;
(c) to ensure that information on applications are verified and that regular audits are executed; and
(d) to authorize expenditure regarding indigent support.

**'occupier'** means the person who controls and resides on or controls and otherwise uses immovable property, provided that -

(a) the spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;

(b) where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

**'indigent register'** means Kouga Municipality's financial database, which has to be updated on a monthly basis, designed to contain all the inputted data contained within completed indigent application forms.

'Sub- Economic Area' means an area that is earmarked for Low Cost Housing or RDP Housing that is

I. Informal settlements
II. Already developed areas

**'owner'**, in relation to immovable property, means -

(a) the person in whom is vested the legal title thereto provided that -
    (i) the lessee of immovable property which is leased for a period of not less than fifty years, whether the lease is registered or not, shall be deemed to be the owner thereof; and
    (ii) the occupier of immovable property occupied in terms of a servitude or right analogous thereto shall be deemed the owner thereof;

(b) if the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;

(c) if the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or

(d) if the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

(e) If the owner is absent from the republic and address is known, a letter from an attorney must accompany the application to indicate that the applicant is using the property for beneficial use.

**'premises'** includes any piece of land, the external surface boundaries of which are delineated on -

(a) a general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);

(b) a general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;

(c) **'rates'** means any tax, duty or levy imposed on property by the Council;

**PREAMBLE**

As a developmental institution, the municipality needs to commit to supporting measures that assist and empower its community. It is accepted that large sections of the community cannot exist without intervention and it is therefore the duty of the municipality to support and to ensure that citizens are able to access their constitutional right to have access to a basic level of services.

The Kouga municipality must strive to fulfill the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's IDP. With regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The municipality therefore adopts an indigent support policy which embodies an indigent support programme not only providing procedures and guidelines for the subsidization of service charges to indigent households in its area of jurisdiction, but also to increase the quality of life of the beneficiaries by assisting them to exit from indigence.

## 1. POLICY PRINCIPLES

In recognition of the abovementioned National Framework the municipality undertakes to promote the following principles:

1.1 To ensure that the Equitable Share received annually will be utilized for the benefit of the poor only and not to subsidize rates and services charges of those who can afford to pay.

1.2 To promote an integrated approach to free basic service delivery; and 1.3 To engage the community in the development and implementation of this Policy.

## 2. POLICY OBJECTIVES

In support of the above principles the objective of this policy will be to ensure the following:

2.1 The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;

2.2 The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidization;

2.3 Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and an exit strategy;

2.4 The provision of procedures and guidelines for the subsidization of basic charges and the provision of free basic energy to indigent households; 2.5 To ensure co-operative governance with other spheres of government; and

2.6 To enhance the institutional and financial capacity of the municipality to implement the policy.

2.7 To control the indigent register of the Kouga Local Municipality.

## 3. THE LEGISLATIVE FRAMEWORK

This policy is designed and implemented within the framework of the following legislation:

- The Constitution of the RSA, 1996;
- National Framework for Municipal Indigent Policies of 2005;
- The Municipal Systems Act, 2000 (Act 32 of 2000);
- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- The Property Rates Act, 2004 (Act 6 of 2004) and Amended Property Rates Act 29 of 2014.

## 4. QUALIFICATION CRITERIA

Qualification criteria for indigent support shall be determined by the municipality from time to time, provided that until the municipality determines otherwise, the following criteria shall apply:

4.1 The applicant must be a resident of the municipality within the jurisdiction of Kouga and occupy the premises.

4.2 The applicant must be a South African citizen and in possession of a valid South African identity document.

4.3 The combined or joint gross income of all occupants or dependents in a single household which receives services from the municipality may not exceed R7500 per month .

4.4 The combined bank balances of all occupants or dependents in a single household which receives services from the municipality may not exceed R7500 per month the

.

4.5 Where there are income earning tenants or any other people living on the property with income it has to be declared on the application form and included in the gross household income. The norm should be that the applicant do not receive indigent benefits for services also used by people living on the premises or a tenant with income.

4.6 The following child grants received by a household will be **excluded** from determining household income, provided proof of such grant is supplied by the applicant:

- Foster Child Grant
- Care Dependency Grant
- Child Support Grant
- Grant in Aid
- Court Ordered Child Maintenance
- Ward Committee Stipend
- Disability Grant

4.7 The applicant must be the owner who receives municipal services and is registered as an account holder on the municipal financial system; provided that the requirement of being registered as an account holder does not apply to households in informal settlements where no accounts are rendered nor in rural areas where no accounts are rendered.

4.8 The owner of the single household referred to above may not own any property in addition to the property in respect of which indigent support is provided.

4.9 Property value limit: The qualifying property for indigent subsidy either through Occupation or ownership may not exceed a property valuation of R 1 600 000.00

4.10 Registered owners of residential properties which have a municipal valuation of between R1.00 and R 400 000.00in sub economic arears will be deemed to meet the indigent qualifying criteria.

4.11 The account of a deceased estate, may be subsidized if the surviving spouse or dependents of the deceased who occupy the property, applies for assistance, providing a letter of authority from the Court.

4.12 A child headed household where both parents are deceased and all occupants of the property are children of the deceased and are all under the legal age to contract for service and are considered as minors by law, presently the age 18 years , can apply for assistance ; **Note: Income of the legal Guardian will be exempted .**

4.13 Family members occupying premises where proof can be submitted that the relevant account / property owner has absconded and the owner whereabouts is unknown, be granted subsidy. The abscondment must be reported to the police and the applicant/s must provide a police case number.

4.14 The indigent subsidy will not apply to the following property types or related factors –

- Vacant stands;.
- Properties in the name of a Municipality;
- Applicant has more than one property;

- Applicant who is not a residential account holder; and
- Properties owned by the State or Government

4.15 Non -Profitable organisations such as crèches, children homes, charity organizations are exempted from the income criteria , under par 4.3. Such institutions must be the owner of the property and must provide proof from SARS that proves that they are exempted from paying taxes / NPO certificate.

4.1.6 Where there are 2 properties in 1 erven with separate municipal serves / meters , each property will be accessed separately for indigent application.

**5. EXTENT OF INDIGENT SUPPORT**

The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.

Within the abovementioned budgetary process, and in striving to create situation where poor households will be granted access to a full social package, the following assistance and support may be granted:

**5.1 Water**

Each registered indigent household shall receive water fully subsidized to a maximum of 9 kl per month, including the basic charges for such supply; provided that –

5.1.1 Where the consumption exceeds 9kl per month the municipality shall be entitled to restrict water supply to the property; and

5.1.2 Where excessive consumption is partly due to leaking or poor plumbing, the municipality may install a yard connection to the outside of the dwelling and meter the consumption. The indigent beneficiary may also apply for rectification under 6.6 of this Policy.

5.1.3 The municipality may install a water restrictor to ensure that the indigent household does not exceed the 9 kl provided.

5.1.4 The municipality may install a prepaid meter if the household is on conventional to ensure better management of water consumption.

### 5.2 Electricity

Each registered indigent household shall receive electricity fully subsidized to a maximum of 75 kWh per month. This subsidy may also apply to registered indigent households in rural areas where the municipality is the electricity supplier while agreements with Eskom, where the latter is the supplier, may be negotiated to support such households.

### 5.3 Refuse removal and Environmental Management Fee

Each registered indigent household shall be fully subsidized for refuse removal and the environmental management fee as provided for in the annual budget.

### 5.4 Sanitation

Each registered indigent household shall be fully subsidized for sanitation as provided for in the annual budget. Where an indigent household has a sewerage/septic tank, only 1 (one) sanitation suction will be granted free of charge per month.

### 5.5 Property Rates

Each registered indigent household may be subsidized for property rates as provided for in the annual budget and subject to the provisions of the Municipal Property Rates Act, 2006 and Amended Act 29 of 2014.

### 5.6 Leakages, repairs and installation costs

5.6.1 Where water leakages occur at indigent principle households, such leakages can be repaired at Council's expense and the cost thereof recovered from the equitable share grant. Excess consumption due to the leak will be credited in condition that sufficient proof of repair is provided.

5.6.2 Where electricity meter problems occur at indigent principle households, such problems can be repaired at council's expense and the cost thereof recover from the equitable share grant.

5.6.3 Where sewerage problems occur at indigent principle households, such problems can be repaired at Council's expense and the cost thereof recovered from the equitable share grant.

5.6.4 The conversion to Pre-Paid Meters of indigent principle households, such conversions can be converted at council's expense and the cost thereof recovered from the equitable share grant.

5.6.5 Installation of the Smart and/or Split meters of indigent principle households can be converted at council's expense and the cost thereof recovered from the equitable share grant.

**5.7 Rental (Dwellings and Sites)**

100% subsidy will be granted to indigent households in respect of all dwellings or sites belonging to the municipality in the event of an existing contract between the municipality and the beneficiary to pay rent.

**5.8 Burials**

In the event of the death of a member of an indigent household, the municipality may exempt the household from the cost of digging and preparation of a grave, provided that the burial takes place in a municipal cemetery.

**5.9 Transfer of properties**

In the event of the death of the title holder of a property in an indigent household, the municipality may enter into agreements with local attorneys, the Legal Aid Board or the provincial law society for the administration of the estate and the transfer of the property into the name of the successor at the lowest possible cost.

**5.10 Assistance on arrears**

5.10.1 Upon registration as an indigent household or deemed indigent household, the arrears on the account of the applicant will be kept pending for a period of at least three (3) months after which it may be written off.

5.10.2 No interest may be calculated on the arrears as contemplated in 5.10.1

5.10.3 If the applicant exits from the indigent support programme within the three months period in 6.10.1, the arrears will be re-introduced on the account and will be subject to the credit control and debt collection policy of the municipality.

5.10.4 Indigent support will be provided to approved-applicants in the form of a once off writing off all debt. This include all service related arrears (rates, electricity, refuse removal, sewerage disposal, sundries), on the consumer's account.

5.10.5 Where customers have qualified and received indigent subsidy and where debt was written off, but the account is in arrears again, or where a customer has not fulfilled his responsibilities with regards to an arrangement made, the applicable debt may be allocated to the prepaid services system. The debt

will be recovered in the form of auxiliaries at a percentage rate approved by Council from time to time, of the value of electricity purchases. This will be done until the arrear debt is settled in full.

5.10.6 All current account debt must be settled as prescribed by the Customer Care, Credit Control and Debt Collection Policy. Failing to adhere to this prerequisite could result in the constraining of the services being provided. In addition, such debts may be loaded on the prepayment system. The debt will be recovered in the form of auxiliaries at a rate approved by Council from time to of the value of electricity purchases. This will be done until the arrear debt is settled in full.

## 6. INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES

Indigent consumers living in retirement centres or old age homes shall be eligible to qualify for assistance and support in terms of this policy, subject to the following rules and procedures:

6.1The onus will be on the Board of Trustees/Managing Agent (hereinafter referred to as the representative) to apply to the municipality, for indigent status to be granted in respect of water consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification.

6.2 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect property rates and related charges.

6.3 The representative will submit applications to the Chief Financial Officer.

6.4 The Programme Officer must verify all applications and he or she must notify:

6.4.1 The representative, whether an application was successful or not, with regard to the water consumption; and

6.4.2 The unit owner whether an application was successful or not, regarding the property rates and other related charges.

## 7. ASSISTANCE PROCEDURES

### 7.1 Communication

The municipality must develop a communication strategy in terms of which communities will be informed and educated to have a clear understanding of this policy and its implementation. Regular information dissemination and awareness campaigns must be undertaken to eliminate unrealistic expectations both in terms of qualifying for subsidy as well as service delivery in general and methods of communication may include, but will not be limited to:

7.1.1 ward committees;
7.1.2 traditional leaders, where applicable;
7.1.3 community based organizations;
7.1.4 local radio stations and newspapers;
7.1.5 municipal accounts;
7.1.6 imbizo's and road shows; and
7.1.7 jamborees where government and municipal officials are made available to assist residents with applications such as ID applications, pension- and social grant applications, etc.

**7.2 Institutional arrangements**

The municipality must designate existing staff, appoint officials if necessary, or engage properly Community Development Workers who have been trained in terms of the municipality's directions to assist with the implementation of this policy and must establish appropriate registration points in its area, the cost of which may be funded through the equitable share allocation.

**7.3 Application/Registration**

7.3.1 A person applying for indigent support must complete a formal indigent support application form available at approved registration points.

Applications must be accompanied by the following:

- Certified copies of all occupants' identity documents;
- The latest municipal account/copy thereof;
- Certified documentary proof of income, or proof of registration as unemployed from UIF or Department of Labour, plus bank statement (Where applicable);
- Particulars of any other grants received by the accountholder;
- Recent pre-paid electricity token.
- Any additional document required to assist with the assessment.

7.3.2 Consent for the installation of any form of pre-paid meters or flow limited water meters as a system to limit the consumption of services and to abate the accumulation of debt, needs to be obtained from the applicant.

7.3.3 As part of the application, the applicant must be willing to give consent for external scans and credit bureau checks;

7.3.4 If the application is approved, the indigent debtor who is in arrears will have the initial arrears on approval of indigence written off by the Municipality as per conditions of 6.10 above.

7.3.5 The indigent status for a household will be valid as follows:

7.3.5.1 If the applicant is on pensionable age living with underage dependents, the indigent status will remain valid for 24 months. The municipality will review the application every 24 months by means of an **ITC check** and if status remain the same the status will automatically be renewed for 12 months after verification.

7.3.5.2 If the applicant is below 60 years, the indigent status is valid for 12 months. The Municipality will review the application every 12 months by means of an ITC check and if status is the same, the status will automatically be renewed for 12 months.

7.3.6 All accepted applications must include certified supporting documentation of which certification must not be older than 3 months.

### 7.4 Assessment & Screening of Applicants

Upon registration of an application, all information must be verified by the Programme Officer.

The applicant should provide access to the property for the municipality to do proper assessment and screening. If the owner does not provide access the application will be automatically terminated.

The applicant should provide all the documentation requested by the municipality. It is the responsibility of the applicant to provide valid documents, submission of fraudulent documentation will result to automatic rejection of the application.

The applicant should give consent to the municipality to conduct verification if information provided through SARS, UIF, SASSA, Credit Information Agencies. Failure to give consent the application will be rejected.

### 7.5 Recommendation and Approval

Once the verification has been completed a recommendation from the responsible Chief Accountant based on the information obtained and must be submitted to the Manager: Revenue for approval.

That applicants be informed within 14 days, not exceeding 30 days on the status of their application via sms/letter/email or any other means.

### 7.6 Right of appeal

An applicant who feels aggrieved by a decision taken in respect of his or her application may lodge an appeal with the Office of the Municipal Manager within 21 (twenty one) days from the date on which the decision was communicated to the applicant.

## 8. PROCESS MANAGEMENT

### 8.1 Validity period

The validity period of assistance will be for the duration that the applicant remains indigent. Households, in terms of the audit and review process, will be subjected to scrutiny to determine any change in status. Households may have to periodically re-apply, but this would be determined by the municipality from time to time.

### 8.2 Death of Registered Applicant

If the approved applicant passes away the heir/s of the property must re-apply for indigent support, provided that the stipulated criteria are met.

### 8.3 Publication of Register of Indigent Households

Names of indigent beneficiaries must be open for public perusal and comment. Written objections from the public must be referred to the Programme Officer who will be responsible for investigating the validity of the complaint and referral to the Manager: Revenue for appropriate action.

### 8.4 Excess usage of allocations

8.4.1 If the level of consumption of the indigent household exceeds the consumption level approved by the municipality, the household will be obliged to pay for the excess consumption on a monthly basis. Such accounts will be subject to the municipality's credit control and debt collection measures.

8.4.2 If a consumer's consumption or use of a municipal service is less than the subsidized service, the unused portion may not be accrued to the consumer and it will not entitle the consumer to cash or a rebate with regard to the unused portion.

8.4.3 Credits on indigent accounts will be utilized as payment prior applying the subsidy.

**8.5 Termination of Indigent Support**

Indigent Support will be terminated under the following circumstances:

8.5.1 Death of the accountholder.

8.5.2 Upon sale of the property in respect of which support is granted.

8.5.3 When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded.

8.5.4 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply:

8.5.4.1 All arrears will become payable immediately.

8.5.4.2 Stringent credit control measures will apply; and

8.5.4.3 The applicant will not be eligible to apply for indigent support for a period of 2 years.

**8.6 Audit and review**

The municipality may conduct regular audits of the indigent register regarding the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of applicants. The frequency of such audits will depend on the institutional capacity of the municipality to do so. It is proposed that at least monthly targeted audits and reviews are undertaken, with a complete review scheduled for at least every two (2) years.

**9. MONITORING AND REPORTING**

9.1 The Chief Financial Officer must report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council and other interested parties. Such report shall reflect on:

9.1.1 Number of indigent household applications received;

9.1.2 Amount of subsidy allocated per benefit category;

9.1.3 Amount of debt accumulating and debt recovery information (number of customers; enquires; default arrangements; growth or diminishing of arrear debtors; ideally divided into wards, domestic, state, institutional and other such divisions);

9.1.4 Performance against targets set in respect of indigent support and poverty relief and to the following:

9.1.4.1 Number of applications for indigent support dealt with;

9.1.4.2 Time taken to process and finalise applications;

9.1.4.3 Site visits undertaken;

9.1.4.4 Awareness initiatives; and

9.1.4.5 Exit initiatives.

9.1.5 Changes in the registered status of indigents.

## 10. CALCULATION OF SUBSIDY

10.1 The subsidies will be funded from the "equitable share" contribution received from National Treasury and may include an amount from the Municipality's own income as budgeted for in the financial year in question. The subsidies will only be granted to qualifying households to the extent that the above mentioned funds are available for allocation.

10.2 The accounts of qualifying applicants are credited monthly by the subsidies calculated and the expense debited to revenue forgone.

**MR C DU PLESSIS**
**MUNICIPAL MANAGER**

**MR R LORGAT**
**CHIEF FINANCI**

# POLICY NAME / DESCRIPTION

| | |
|---|---|
| Policy Title: | Supply Chain Management Policy |
| File plan reference number: | SCM 25-26- Pol 1 |
| Previous Council approval date | 13 December 2024 |
| Directorate: | Finance and Economic Development |
| Section: | Supply Chain Management |
| Responsible Official: | Manager: Supply Chain Management |
| Version: | 6 |
| Status of the document: | Draft |
| Review date: | |
| Council approval date | |
| Council resolution number | |
| Future review date: | |

# REVISED
# SUPPLY CHAIN MANAGEMENT POLICY FOR KOUGA LOCAL MUNICIPALITY

Contact details: **scmp@kouga.gov.za** or **tenders@kouga.gov.za**

*Approved by council on the: 29 March 2018(Item No: 18/03/F1)*

*Amendment and approved by council on the: 28 August 2020(Item No:20/08/F3)*

*Last approved by council on the: 31 May 2023(Item No:23/05/F2)*

*Amended and approved by Council on the 27March 2024(Item No:24/03/FED15.)*

*Amended and approved by Council on the 13 December 2024(Item No:24/12/BP9)*
*Amended- 4 July 2025/Jan/10 Feb 2026*

# KOUGA MUNICIPALITY
## REVISED MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY
## LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003

**Date of adoption**:

Council resolves in terms of section 111 of the Local Government Municipal Finance Management Act (No. 56 of 2003), to adopt the under-mentioned revised policy as the Supply Chain Management Policy of the municipality.

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## 1. Definitions

In this policy and any bid documentation or directive issued in terms thereof, the singular includes the plural and vice versa, any one gender includes both genders and, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Municipal Finance Management Act has the same meaning as in this Act and -

Words importing the singular shall include the plural and vice versa and words importing the masculine gender shall include females and words importing persons shall include companies, close corporations and firms, unless the context clearly indicates otherwise.

Unless otherwise indicated, all amounts/limits stated in this document shall be deemed to be inclusive of all applicable taxes.

**"Abuse"** in terms of the Kouga's Supply Chain Management System means conduct by an official or person that is tantamount to:

a. fraud.
b. corruption.
    - favoritism.
    - unfair, irregular and unlawful practices.
    - misrepresentation on information submitted for the purposes of procuring a contract with the municipality misrepresentation regarding the supplier's B-BEE status level of contributor, expertise and capacity to perform in terms of a contract procured via the supply chain management system.
    - breach of a contract procured via the supply chain management system.
    - failure to comply with the supply chain management system; or
    - and any other conduct referred to under the heading of" Combatting Abuse of the Supply Chain Management System".

**"Accounting Officer"** means the manager of the municipal administration and accounting officer of the municipality appointed by the council in terms of section 54A of the Local Government: Municipal Systems Act No. 32 of 2000 and includes any employee of the municipality who acts in his stead and, in the event of the municipality being subject to an intervention in terms of section 139 of the Constitution or any other applicable law, includes the "Administrator" appointed as a consequence of such intervention or in terms of the conditions pertaining thereto;

**"All applicable taxes"** includes value-added tax, pay as you earn, income tax, skills development levies and unemployment insurance fund contributions.

**"B-BBEE"** means broad-based black economic empowerment as defined in section 1 of the Broad-Based Black Economic Empowerment Act.

**"B-BBEE status level of contributor"** means the B-BBEE status received by a measured entity based on its overall performance using the relevant scorecard contained in the Codes of Good Practice on Black Economic Empowerment.

**"Bid"** means a written offer in a prescribed or stipulated form in response to an invitation to bid issued by the municipality for the procurement of goods, services or works through price quotations, advertised competitive bidding processes, limited

bids or proposals or for the disposal of assets and **"tender**" has a corresponding meaning.

**"Bid Committees"** means the committees established in terms of this policy to prepare bid specifications, bid documentation, evaluate responsive bids and, where so authorized, to adjudicate responsive bids and any reference in section 117 of the Municipal Finance Management Act to municipal tender committees shall be construed as a reference to the aforesaid committees.

**"Bid documentation"** means all documentation relating to or necessary in order to complete a procurement or disposal including but not limited to such specification, bidding, certification and contractual documentation as may be prescribed by National Treasury or the Construction Industry Development Board, as the case may be, for municipal supply chain management purposes and the implementation of this policy.

**"Bidder**" means any person who submits a bid or quotation to the municipality in response to an invitation to bid or quote and includes a **"tenderer'**.

**"Bid rigging"** means a prohibited collusive bidding practice in terms of which bidders that would normally be expected to compete in a procurement process either singularly or by association with other persons or firms in a horizontal relationship, secretly conspire to raise prices or lower the quality of goods and/or services or agree not to compete against each other in such process.

**"Black people"** is a generic term which means Africans, Colored's and Indians and any updated category as amended.

''**blacklisting/restricting''** shall mean the act of disqualifying a person or an entity from participating in the procurement process of Kouga Local Municipality Municipality and /or as referred to by relevant National Treasury Restriction guidelines

**"Broad-Based Black Economic Empowerment Act"** means the Broad-Based Black Economic Empowerment Act No. 53 of 2003.

**"Chief Financial Officer"** means the official of the municipality designated as such in terms of section 80(2)(a) of the Municipal Finance Management Act.

**"CIDB"** means the Construction Industry Development Board.

**"CIDB regulations"** means any regulations issued in terms of the Construction Industry Development Board Act No. 38 of 2000.

**"Codes of Good Practice"** means the Codes of Good Practice on Black Economic Empowerment issued in terms of section 9 (1) of the Broad-Based Black Economic Empowerment Act and contained in General Notice 12 of 9 February 2007.

**"Comparative price**" means the price after the factors of a non-firm price and all unconditional discounts that can be utilized, have been taken into consideration.

**"Competitive bidding process"** means a transparent procurement method in which bids from competing contractors, suppliers or vendors are invited by openly advertising the scope, specifications, terms and conditions of the proposed contract

as well as the criteria by which responsive bids received will be evaluated.

**"Competitive bid"** means a bid in terms of a competitive bidding process.

**"Community Based Supplier"** means a supplier of goods, services and/or construction works who resides and operates in a specific area or community, who meets the criteria for Community Based Suppliers as determined by the Director: Supply Chain Management from time to time, and who is registered as such on the KLM's Supplier Database and at its respective Sub-Council.

**"Consortium or joint venture"** means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract.

**"Construction works"** or **"works'** means the provision of a combination of goods and services arranged for the development, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of a fixed asset including building and engineering infrastructure.

**"Contractor"** means a person or body of persons who undertakes to execute and complete procured construction works for or on behalf of the municipality.

**"Contract"** means the agreement that results from the acceptance of a bid by the municipality in accordance with this policy.

**"Council"** means the council of Kouga Local Municipality.

**"Day"** unless expressly otherwise provided in this policy, means a calendar day, provided that when any particular number of days is prescribed for the doing of any act, or for any other purpose, the same shall be reckoned exclusively of the first and inclusively of the last day, unless the last day happens to fall on a Sunday or on any public holiday, in which case the time shall be reckoned exclusively of the first day and exclusively also of every such Sunday or public holiday;

**"Delegating authority"** means the council, a duly authorized political structure or office bearer thereof, the Accounting Officer or other employee to whom original powers are assigned in terms of legislation and, in relation to a sub-delegation of a power, that delegated body.

**"Delegation"** means the issuing of a written authorization by a delegating authority to a delegated body to act in his stead and, in relation to a duty, includes an instruction or request to perform or to assist in performing the duty and "delegate" and sub-delegate has a corresponding meaning.

**"Delegated body"** in relation to the delegation of a power means the person to whom a power has been delegated by the delegating authority in writing.

**"Designated group" means-**

- **(a)** black designated groups;
- **(b)** black people;
- **(c)** women;
- **(d)** people with disabilities; or
- **(e)** small enterprises, as defined in section 1 of the National Small

Enterprise Act, 1996 (Act No. 102 of 1996);

**"Designated Official"** means the official of the municipality to whom the accounting officer or the chief financial officer, as the case may be, have, in accordance with sections 79 and 82 of the Municipal Finance Management Act No. 56 of 2003 delegated or sub-delegated powers, functions and duties in connection with the application and implementation of this policy provided that a sub-delegation by the chief financial officer to an official that has not been allocated to him by the accounting officer or to a person contracted by the municipality for the work of its budget and treasury office may only be so authorized with the concurrence of the accounting officer and provided further that the said chief financial officer is satisfied that effective systems and procedures are in place to ensure control and accountability by the person concerned.

**"Designated sector"** means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content.

**"Director"** in terms of this policy means a director of a company as defined in the Companies Act, 1973 and 2008 (Act No. 61 of 1973 and Act No. 71 of 2008); a member of a close corporation as defined in the Close Corporations Act, 1984 (Act No. 69 of 1984); a trustee of a trust or a person holding an equivalent position in a firm.

**"Disposal"** means a process of preparing, negotiating and concluding a written contract relating to the alienation or a capital asset whether movable or immovable owned by or under the control of the municipality or rights in respect thereof, by means of a sale, lease, donation or cession and **"dispose of"** has a similar meaning.

**"Final award"** in relation to bids or quotations submitted for a contract, means the final decision on which a bid or quote was accepted.

**"Firm price"** means the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy or tax which, in terms of any applicable law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies or the rendering costs of any service, for the execution of a contract.

**"Formal written price quotation"** means a written or electronic offer to the KLM in response to an invitation to submit a quotation. "Formal Written Price Quotation", "Written Price Quotation", "Quotation" or" shall have a similar meaning. Also referred to as "Bids."

**"Framework Agreement Bid/ Term Bid / Panels / Rates Based Bid"** means a bid for the supply of goods, services or construction works, which are of an ad-hoc or repetitive nature on an "as instructed basis" where the terms are approved for use over a predetermined period of time without guaranteeing any quantum of expenditure utilizing the contract;

**"Fronting Practice (Also referred to as Tokenism or Window dressing)"** means a transaction, arrangement or other act or conduct that directly or indirectly

undermines or frustrates the achievement of the objectives of the B-BBEE Act or the implementation of any of the provisions of the B-BBEE Act, including but not limited to practices in connection with a B-BBEE initiative:

- in terms of which black persons who are appointed to an
- enterprise are discouraged or prohibited from substantially participating in the core activities of that enterprise;
- in terms of which the economic benefits received as a result of the broad-based black economic empowerment status of an enterprise do not flow to black people in the ratio specified in the relevant legal documentation.
- involving the conclusion of a legal relationship with a black person for the purpose of that enterprise achieving a certain level of broad-based black economic empowerment compliance without granting that black person the economic benefits that would reasonably be expected to be associated with the status or position held by that black person; or
- involving the conclusion of an agreement with another enterprise in order to achieve or enhance broad-based black economic empowerment status in circumstances in which:
- there are significant limitations, whether implicit or
- explicit, on the identity of suppliers, service providers, clients or customers; the maintenance of business operations is reasonably considered to be improbable, having regard to the resources available; the terms and conditions were not negotiated at arm's length and on a fair and reasonable basis.

**"Functionality"** means the ability of a tenderer to provide goods or services in accordance with specifications as set out in the tender documents. This is determined by the measurement according to predetermined norms, as set out in the bid documents, of the totality of features and characteristics of the goods or services that bears on the ability of thereof to satisfy the stated or implied needs. "Functionality" is also referred to as "Quality."

**"Granting of Rights"** means the granting by the KLM of the right to use, control or manage capital assets in circumstances where sections 14 and 90 of the MFMA and Chapters 2 and 3 of the Municipal Asset Transfer Regulations do not apply. In other words, where the granting of such rights does not amount to "transfer" or "disposal" of the asset and which includes leasing, letting, hiring out, etc., of the capital asset.

**"Green Procurement"** is defined as taking into account environmental criteria for goods and services to be purchased in order to ensure that the related environmental impact is minimized.

**"Head of Department or Director"** means a senior manager as defined in the Municipal Finance Management Act and who is responsible for a vote as assigned by the accounting officer.

**"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.

**"Imported content"** means that portion of the bid or tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its sub-contractors) and which costs are inclusive of the costs abroad, plus freight.
and other direct importation costs, such as landing costs, dock dues, import duty, sales duty or other similar tax or duty at the South African port of entry.

**"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 constitution within the meaning of the Act and the Public Finance Management Act, 1999 (Act No. 1 of 1999);

**(e)** A member of the accounting authority of any national or provincial public entity; or

**(f)** An employee of Parliament or provincial legislature.

**"Influencing the Bid Process"** means directly, indirectly or tacitly influencing or interfering with the work of relevant KLM Officials involved in the bid process in order to influence the process in order to inter alia:

- influence the process and/or outcome of a bid.
- incite breach of confidentiality and/or the offering of bribes.
- cause over and under invoicing.
- influence the choice of procurement method or technical standards; or
- influence any KLM Official in any way which may secure an
- unfair advantage during or at any stage of the procurement process.

**"Joint Venture or Consortium"** means an association of persons, formalised by agreement between such persons, formed for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;

**"KLM"** means Kouga Local Municipality, a municipality established in terms of the Municipal Structures Act, 1998, (Act 117 of 1998), any employee of KLM is acting in terms of the delegated authority.

**"Line manager"** means a manager reporting directly to a senior manager and who is

responsible for a cost Centre as assigned by the relevant senior manager.

**"Local content"** means that portion of the bid or tender price, which is not included in the imported content, provided that local manufacture does take place.

**"Long term contract"** means a contract with a duration period exceeding one year.

**"List of accredited prospective providers"** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 15 of this policy.

**"Mayor"** means the councillor elected by the council as Mayor in terms of section 48 of the Local Government: Municipal Structures Act No. 117 of 1998 read with section 58 of the Municipal Finance Management Act.

"**Municipality"** means the Kouga Municipality, a local municipality established in terms of section 12 of the Local Government: Municipal Structures Act No. 117 of 1998 and includes any employee entitled to or duly authorized to perform any function or duty in terms of this policy and/or is responsible for the implementation of this policy or any part thereof.

**"Municipal Finance Management Act"** means the Local Government: Municipal Finance Management Act No. 56 of 2003 and, unless otherwise stated in this policy, any reference to "the Act" shall mean a reference to this Act.

**"Municipal Systems Act"** means the Local Government: Municipal Systems Act No. 32 of 2000 and includes the regulations under this Act.
**"Non-firm prices"** means all prices other than "firm" prices.

**"Military Veteran"** has the meaning assigned to it in section 1 of the Military Veterans Act, 2011 (Act No. 18 of 2011);

**"Municipal Asset Transfer Regulations"** means the Municipal Asset Transfer Regulations published in Government Gazette 31346 of 22 August 2008;

**"Municipal Council (Council)"** means the council referred to in Section 18 of the Local Government Municipal Structures Act 117 of 1998;

**"Municipal Entity"** means an entity as defined in the Municipal Systems Act;

**"Municipal Finance Management Act"** (MFMA): means the Local Government: Municipal Finance Management Act, 2003, (Act 56 of 2003);

**"Municipal Restriction Policy"** refers to the Council Approved policy on restriction of suppliers.

**"Municipal Structures Act"** means Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

**"Municipal Systems Act"** means Local Government Municipal Systems Act, 2000 (Act 32 of 2000)

**"National Treasury"** has the meaning has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 18 of 1999;

**"Non-compliant Contributor"** means a person who does not meet the minimum score to qualify as a status level 8 B-BBEE Contributor, or a person who is not verified in terms of the applicable codes of good practice;

**"Non-exempted Capital Asset"** means a municipal capital asset which is not exempted by section 14(6) or 90(6) of the MFMA, from the other provisions of that section;

**"Non-firm Prices"** means all prices other than "firm" prices;

**"Objective Criteria"** for the purpose of section of 2(1)f of the procurement Act must be criteria other than the additional to criteria relating to equity ownership by HDI's or whether or not a bidder was located in a particular province or municipal area

**"Other applicable legislation"** means any other legislation applicable to municipal supply chain management, including but not limited to –

a) the Preferential Procurement Policy Framework Act No. 5 of 2000.
b) the Broad-Based Black Economic Empowerment Act No. 53 of 2003.
c) the Construction Industry Development Board Act No. 38 of 2000.
d) the Local Government: Municipal Systems Act No. 32 of 2000 (Municipal Systems Act).
e) the Promotion of Administrative Justice Act No. 3 of 2000.
f) the Promotion of Access to Information Act No. 2 of 2000.
g) the Protected Disclosures Act No. 26 of 2000.
h) the Competition Act No. 89 of 1998.
i) the Prevention and Combating of Corrupt Activities Act No. 12 of 2004.
j) the Updated Preferential Procurement Regulation dated 16 January 2022

**"Person"** includes an enterprise, partnership, trust, association, consortium, joint venture or a juristic person.

**"Petty cash"** means a relatively small amount of cash kept at hand for making immediate payment for miscellaneous small expenses incurred the municipality.

**"People with Disabilities"** has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

**"Preferential Procurement Regulations"** means the Preferential Procurement Regulations, 2011 contained in Government Notice R 502 of 8 June 2011 promulgated in Government Gazette No. 34350 of this date; as well as the updated Preferential Procurement Regulations of 2022 dated 16 January 2023.

**"Procurement"** means the processes leading to the negotiation and conclusion of contracts whether in writing or verbally for the acquisition of goods, services or construction works or any combination thereof or the disposal of assets whether movable or immovable or any rights in such assets by means of purchase, sale, lease or donation and includes the preparation of all associated bid and contractual

documentation and **"procured"** or **"procuring"** has a similar meaning.

**"Preferred Bidder"** means a bidder with whom negotiations may be entered into to conclude the final terms of a contract

**"Preferential Procurement Policy Framework Act"** (PPPFA) means the Preferential Procurement Policy Framework Act, 2000, (Act 5 of 2000);

**"Preferential Procurement Regulations"** means the regulations pertaining to the PPPFA;

**"Price"** includes all applicable taxes less unconditional discounts;

**"Prime Supplier"** shall have the same meaning as "Contractor" (see also Supplier);

**"Promotion of Access to Information Act (PAIA)"** means Promotion of Access to Information Act, 2000 (Act 2 of 2000);

**"Proof of B-BBEE Status Level of Contributor"** means the B-BBEE status level certificate issued by an authorized body or person, a sworn affidavit as prescribed by the B-BBEE Codes of Good Practice or any other requirement prescribed in terms of the Broad-Based Black Economic Empowerment Act;

**"Policy"** means this Supply Chain Management Policy as amended from time to time;

**"Promotion of Administrative Justice Act (PAJA)"** means the Promotion of Administrative Justice Act, 2000, (Act 3 of 2000);

**" Qualifying Small Enterprise (QSE)"** means a qualifying small enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Quality"** also referred to as "Functionality" (see clause 1.49 above);

**"Quotation"** means a stated price that a supplier expects to receive for the provision of specified services, goods or works.

**"QSE"** means a qualifying small business enterprise in terms of a code of good practice on black economic empowerment issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act;

**"Rand value"** means the total estimated value of a contract in South African currency calculated at the time of bid invitations and includes all applicable taxes and excise duties, calculated at the time of the bid invitation.

**"Region"** means the district and/or Sarah Baartman District Municipality.

**"Responsive bid"** means a bid that complies in all material aspects with the requirements set out in or contained in an invitation to bid including the applicable specification.

**"Representative"** means any representative of a supplier in relation to the relevant tender, whether authorized or not, including but not limited to directors, members, employees and agents and include Legal Representatives.

**"Republic"** means the Republic of South Africa.

**"Responsible Agent"** means either an internal project manager (being an employee of the KLM) or an external consultant (appointed by the KLM), as the case may be, who is responsible for the implementation of a project or part thereof;

**" Restricted list"** means the list of Suppliers or person whom have been barred from doing business with government. This includes both the Municipal Restricted list and or National Treasury list of restricted suppliers and tender defaulters as published.

" **Restriction Period"** means the period that Suppliers or person have been barred from doing business with government.

**"Rural Area"** means a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area or an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system;

**"Rural area" means-**

**(a)** a sparsely populated area in which people farm or depend on natural resources, including villages and small towns that are dispersed through the area; or

**(b)** an area including a large settlement which depends on migratory labour and remittances and government social grants for survival, and may have a traditional land tenure system

**"SANAS"** means the South African National Accreditation System.

**"SARS"** means the South African Revenue Services;

**"Small enterprise"** means a separate and distinct business entity, together with its branches or subsidiaries, if any, including cooperative enterprises, managed by one owner or more predominantly carried on in any sector or sub-sector of the economy mentioned in column 1 of the Schedule to the National Small Business Act No. 102 of 1996 which is contained in Annexure B to this policy and classified as a micro-, a very small, a small or a medium enterprise by satisfying the criteria mentioned in columns 3, 4 and 5 of the said schedule;

**"Stipulated minimum threshold"** means that portion of local production and content as determined by the Department of Trade and Industry from time to time or as stipulated in terms of any relevant regulation of the Preferential Procurement Regulations

**"Sub-contract"** means the prime supplier's assigning, leasing, making out work to, or employing, another person to support such prime supplier in the execution of part of a contract;

**"Sub-contractor"** means any person that is assigned, leased, employed or contracted by the prime supplier to carry out work in support of the prime supplier in the execution of a contract;

**"Supplier/Vendor"** are generic terms which may include suppliers of goods and services, contractors and/or consultants and must be applied as the context requires;

**"Supply Chain Management (SCM) Regulations"** means the Municipal Supply Chain Management Regulations published in terms of the Municipal Finance Management Act, 2003, (Act 56 of 2003);

**"Sub-contract"** means the primary contractor's assigning, leasing, making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of a contract.

**"Total revenue"** bears the same meaning assigned to this expression in the Codes of Good Practice.

**"Trust"** means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person.

**"Trustee"** means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

**"Treasury guidelines"** means any guidelines on supply chain management issued by the Minister of Finance in terms of section 168 of the Municipal Finance Management Act.

**"The Regulations"** means the Local Government: Municipal Finance Management Act, 2003: Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005.

**"Targeted Labour"** means those individuals employed by a supplier, or sub-contractor, in the performance of a contract, who are defined in the contract as the target group, and who permanently reside in the defined target area;

**"Targeted Enterprises"** means those enterprises (suppliers, manufacturers, service providers or construction works contractors) that own, operate or maintain premises within the target area defined in the contract, for the purposes of carrying out their normal business operations;

**"Tender/Tenderer"** means "bid/bidder";

**"Township"** means an urban living area that at any time from the late 19th century until 27 April 1994, was reserved for black people, including areas developed for historically disadvantaged individuals post 27 April 1994;

**"Transaction Value"** means the actual contract value (the bid sum or price) in South African currency, inclusive of all applicable taxes in respect of the goods, services or construction works that are contracted for;

"Treasury" has the meaning assigned to it in section 1 of the Public Finance Management Act, 1999 (Act No. 18 of 1999);

**"Treasury Guidelines"** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the MFMA;

**"Unsolicited Bid"** means an offer submitted by any person at its own initiative without having been invited by the KLM to do so;

**"Verification Certificate**" means a B-BBEE certificate issued in compliance with the B-BBEE Codes of Good Practice and all Sector Codes issued in terms of Section 9(1) of the Broad-Based Black Economic Empowerment Act.

**"Written quotations"** means quotations referred to in paragraph 12(1)(c) of this policy.

**"Youth"** has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

## 1. SUPPLY CHAIN MANAGEMENT POLICY: POLICY STATEMENT AND OBJECTIVES

**a)** Section 111 of the Municipal Finance Management Act 56 of 2003 ("the Act") stipulates that each municipality and each municipal entity must have and must implement a Supply Chain Management (SCM) Policy which gives effect to the requirements of the Act.

**b)** Furthermore, the Preferential Procurement Policy Framework Act prescribes that an organ of state must determine its Preferential Procurement Policy for implementation within the prescribed framework. In this Policy, such is articulated in the Preferential Procurement section of this Policy.

**c) APPLICATION AND DESIRED OUTCOMES BY KOUGA LOCAL MUNICIPALITY (KLM) FROM THE SCM MANAGEMENT POLICY:**

**1)** The desired outcome of this Policy is to provide a mechanism to ensure sound, sustainable and accountable supply chain management within the KLM, whilst promoting black economic empowerment, which includes general principles for achieving the following socio-economic objectives:

**a)** The purpose of this Policy is to regulate all Supply Chain Management practices within the KLM and its municipal entity. This Policy implements the Supply Chain Management practices as envisaged in terms of Section 217 of the Constitution of the Republic of South Africa, and by the Act and its Regulations.

**b)** The Policy, as far as possible sets out a system of procurement that is fair, transparent, equitable, competitive and cost-effective. All KLM employees shall adhere, implement and observe the provisions and requirements of this Policy.

**c)** The Policy also strives to align the KLM's procurement practices with its strategic goals, as identified in the five outcomes of the Growth and Development Strategy. In particular, the Policy aims to promote quality, sustainable services and honest, transparent and responsive local government.

**d)** Further to the above, the Policy seeks to address the following socio-economic objectives:

**I.** Stimulation and promotion of local economic development and facilitating job creation and business growth opportunities, especially focused on previously disadvantaged groups.

**II.** Promoting resource efficiency and reducing the negative environmental impact of the daily operations of the KLM, through taking a green approach to procurement.

**III.** Improving the KLMs ability to fulfil its service delivery mandate through efficient and cost-effective procurement practices that holds service providers to account and ensures delivery against contractual obligations.

**IV.** Actively fighting fraud and corruption in procurement practices through a system of checks and balances.

**V.** Modernization of the KLM's procurement practices through the use of e-Procurement system and other measures aimed at increasing efficiency; and

**VI.** Improving the KLM's financial sustainability through measures that ensure that the KLM derives maximum value for money.

**e)** To stimulate and promote local economic development in a targeted and focused manner.
**f)** To promote resource efficiency and reduce the negative environmental impact of daily operations of the KLM.
**g)** To facilitate creation of employment and business opportunities for the people of KLM with particular reference to specific goals.
**h)** To promote the competitiveness of local businesses.
**i)** To increase the small business sector access, in general, to procurement business opportunities created by Council.

**2)** This Policy will also strive to ensure that the objectives for uniformity in supply chain management systems between organs of state, in all spheres, is not undermined and that consistency with national economic policy on the promotion of investments and doing business with the public sector is maintained.

## 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 Section 217 of the Constitution and Part 1 of Chapter 11 and other applicable provisions of the Act;

**(b)** is fair, equitable, transparent, competitive and cost effective;

**(c)** complies with the Regulations and any minimum norms and standards that may be prescribed in terms of section 168 of the Act;

**(d)** is consistent with other applicable legislation;

**(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 the conduct of business with the public sector.

**(2)** This policy applies when the municipality –

**(a)** procures goods or services.

**(b)** disposes of goods no longer needed;

**(c)** selects contractors to provide assistance with the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or

**(d)** selects 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, but not limited to -

**(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.

**(c)** the provision of goods or services to KLM by entities that have been preapproved by Provincial Department and National Department

**(d)** the provision of a municipal service or assistance in the provision of a municipal service

**(e)** any other contractual agreements between organs of state for whatever reasons

**(4)** Notwithstanding anything to the contrary in this policy, the municipality shall not award a contract to a contractor in respect of the undertaking, carrying out or completion of any construction works or a portion thereof in terms of a competitive bidding or quotation process provided for in this policy unless such contractor is registered with the Construction Industry Development Board established by section 2 of the Construction Industry Development Board Act No. 32 of 2000 and holds a valid registration certificate issued by such Board or is exempted from such registration either in terms of this Act or the "CIDB Regulations".

**(5)** A report must be submitted to the accounting officer or delegated authority seeking authority to contract with another organ of state.

## 3. AMENDMENT AND ADOPTION OF THE SUPPLY CHAIN MANAGEMENT POLICY

**(1)** The accounting officer must at least annually review the implementation of this policy and, when necessary, submit proposals for the amendment thereof to the council through the Mayor acting in conjunction with the mayoral committee.

**(2)** If the accounting officer submits proposed amendments to this policy to the council, he must ensure that same comply with the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies.

**(3)** The accounting officer must report any deviation from the Regulations and Treasury guideline standards determining standards for municipal supply chain management policies to the National and Eastern Cape Provincial Treasuries.

**(4)** When amending this policy, the need for uniformity in supply chain practices, procedures and forms between all spheres of organs of state particularly to

promote accessibility of supply chain management systems for small businesses, must be taken into account.

## 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 him –

**(a)** to discharge the supply chain management responsibilities conferred on accounting officers in terms of -

**(i)** chapters 8 or 10 of the Act; and

**(ii)** this policy; and

**(b)** to maximize administrative and operational efficiency in the implementation of this policy; and

**(c)** to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favoritism and unfair and irregular practices in the implementation of this policy; and

**(d)** to comply with his 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 the 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 27 of this policy.

## 5. SUB-DELEGATIONS

**(1)** The accounting officer may, in terms of section 79 of the Act, sub-delegate any supply chain management powers and duties, including those vested in him in terms of legislation or delegated to him in terms of this policy or by resolution of the council, but any such sub-delegation must be consistent with subparagraph (2) and paragraph 4 of this policy.

**(2)** The power to make a final award -

**(a)** above R10 million (VAT included) may not be sub-delegated by the accounting officer;

**(b)** above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated by the accounting officer but only to -

**(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;

**(c)** not exceeding R2 million (VAT included) may be sub-delegated by the accounting officer but only to -

**(i)** the chief financial officer;
**(ii)** a senior manager;
**(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 whom or which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must, within five days of the end of each month, submit to the official referred to in subparagraph (4) 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 (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 was a member;

**(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 was not a member.

**(5)** Subparagraphs (3) and (4) 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)** The Council may, in terms of section 79 of the Act, sub-delegate any supply chain management powers and duties, by resolution of the council to the Municipal Manager

**(8)** No supply chain management decision-making powers may be delegated to an advisor or consultant.

## 6. OVERSIGHT ROLE OF THE COUNCIL

**(1)** No councilor may be a member of a bid committee or any other committee evaluating or approving quotations or bids nor attend any meeting of such committees as an observer.

**(2)** The council must maintain oversight over the implementation of this policy to ensure that the accounting officer implements all supply chain management activities in accordance therewith.

**(3)** For the purposes of such oversight, the accounting officer must -

**(a)** within 30 days of the end of each financial year, submit a report on the implementation of this policy to the council through its mayor;

**(b)** whenever there are serious and material problems in the implementation of this policy, immediately submit a report thereon to the council through its mayor.

**(4)** The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of this policy to the mayor.

**(5)** The aforesaid reports must be made public in accordance with section 21A of the Municipal Systems Act.

## 7. SUPPLY CHAIN MANAGEMENT UNIT

**(1)** A supply chain management unit is hereby established to implement this policy.

**(2)** the supply chain management unit shall operate under the direct supervision of the chief financial officer which operates under the direct supervision of the Manager: Supply Chain Management, to whom this duty is subdelegated in terms of Section 82 of Act.

## 8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

The training of officials involved in implementing this policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management

## 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; and

**(vi)** Performance management.

### Part 1: Demand management

### 10. SYSTEM OF DEMAND MANAGEMENT

**(1)** The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality supports its operational commitments and its strategic goals as outlined in the municipality's Integrated Development Plan.

**(2)** The demand management system must -

**(a)** include timely planning and management processes to ensure that all goods, services and works required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates and are of the appropriate quality and quantity procured at a fair cost;

**(b)** take into account any benefits of economies of scale that may be derived in the case of procurements of a repetitive nature;

**(c)** provide for the compilation of the required specifications to ensure that municipal needs are met;

**(d)** allow for the undertaking of appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

**(e)** be able to do a forecasting of future needs, identifying of critical delivery days, identifying the frequency of the need, be able to determine requirements (including the internal capacity to implement projects)

**(3)** The accounting officer must, prior to issuing an invitation to bid-

**(a)** properly plan for, and, as far as possible, accurately estimate the costs for the provision of goods, services and/or works for which an invitation to bid is to be issued;

**(b)** determine the appropriate preference point system to be utilized in the

evaluation and adjudication of bids to be received in response to the contemplated invitation to bid; and

**(c)** determine whether the goods, services and/or works for which an invitation to bid is to be issued has been designated for local production and content in terms of the Preferential Procurement Regulations

**(4)** The accounting officer must indicate in an invitation to submit a bid and in the applicable bid specification or terms of reference-

**(a)** that such bid will be evaluated on functionality and, in such event, the following shall be clearly stated:

**(i)** the evaluation criteria for measuring functionality which criteria must be objective;

**(ii)** the weight of each criterion which should not be generic but be determined separately for each bid on a case by case basis;

**(iii)** the applicable values that will be utilized when scoring each criterion which values must be objective;

**(iv)** the minimum qualifying score for functionality in order to enable the bid concerned to be further evaluated in terms of this policy provided that the aforesaid qualifying score:

**(a)** should not be generic but be determined separately for each bid on a case by case basis; and

**(b)** should not be prescribed so low that it may jeopardize the quality of the service or works required nor be so high that it may be restrictive to the extent that it jeopardizes the fairness of the supply chain management system;

**(c)** the fact that no bid will be regarded as an acceptable bid if the bidder or the goods, services and/or works to be procured, as the case may be, fails to achieve the minimum qualifying score for functionality as indicated in the invitation to bid and the relevant bid specification or terms of reference; and

**(d)** that bids that have achieved the minimum qualification score for functionality will be evaluated further in terms of the preference point systems.

**(5)** Any system designed in terms of this paragraph shall take cognizance of the provisions of this policy.

## Part 2: Acquisition management

## 11. SYSTEM OF ACQUISITION MANAGEMENT

**(1)** The accounting officer must implement an efficient system of acquisition management in order to ensure -

**(a)** that goods, services and works are procured by the municipality in accordance with authorized processes only;

**(b)** that expenditure on goods, services and works 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 the general conditions of a contract, are in accordance with any applicable legislation; and

**(e)** that any Treasury guidelines on acquisition management are properly taken into account.

**(2)** When procuring goods or services from an organ of state as contemplated in section 110 (2) of the Act, 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.

**(3)** The Municipality may make use of panel appointments to fast-track procurement process and each panel shall at minimum comply with the following condition prior to commencement;

**(a)** drafted business process (implementation process) per panel process.

**(b)** signing of a Service level agreement with each Service Provider on the Panel

## 12. RANGE OF PROCUREMENT PROCESSES

**(1)** Goods and services may only be procured by way of -

**(a)** petty cash purchases up to a transaction value of R2,000 (VAT included) at such locations as may be determined by the accounting officer;

**(b)** at least one written quotation for procurements of a transaction value up to R2, 000 (VAT included);

**(c)** formal written quotations for procurements of a transaction value over R2,000 up to R300 000 (VAT included);

**(d)** All quotes ranging from R0.00 to R 30 000(Vat Inclusive) for goods or services **MUST** be sourced from service providers or suppliers who resides within Kouga Area *(that would be covering all the Wards of Kouga Local Municipality)*. If services providers or suppliers of Kouga Area are unable to provide such service or good, proof indicating such must be provided to SCM Unit. Thereafter an invite to request quotations will be extended to service providers or suppliers who are coming outside of the boundaries of Kouga Local Municipality. This application is in line

with Local Economic Development and the Ward Development Fund Policy of KLM. The following must however be considered for the preferred quote:

**(i)** Value for money.
**(ii)** Price/s offered must be market related.
**(iii)** Where SCM Unit has found the prices to be not market related, the Supply Chain Manager or person subdelegated is entitled to negotiate with the preferred service provider up to and including the third service provider who quoted. Where the quoted price remains to be not market related, the SCM Manager must report such to the Chief Financial Officer for adjudication. That must be concluded in three (3) days from the date assessing quotes received.

**(e)** Formal written price quotations for procurements of a transaction value over R30,000 up to R300,000 provided that, in addition to any other relevant requirements contained in this policy, procurement invitations shall be advertised for at least seven days on the website and also on official notice board of the municipality. Proper written specification for advertisement of a transaction value over R30,000 up to R300,000 (VAT Included) is/ are approved by the Chief Financial Officer.

**(f)** a competitive bidding process for -

**(i)** procurements above a transaction value of R300 000 (VAT included); and
**(ii)** the procurement of long-term contracts.

**(2)** The accounting officer may, in writing:

**(a)** lower but not increase, the different threshold values specified in subparagraph (1) above; or

**(c)** direct that a competitive bidding process be followed for any specific procurement of a transaction value lower than R300 000.

**(3)** Procurement invitations may not deliberately be split into parts or items of a lesser value than the threshold amounts referred to in subparagraph (1) merely to avoid compliance with the requirements of this policy or any applicable legislation. When determining transaction values, a requirement for goods, services or works 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

**(1)** A written quotation or bid may not be considered unless the bidder who submitted the quotation or bid concerned -

**(a)** has furnished his -

**(i)** full name or names including trading name;

**(ii)** identification number or company or other registration number;

**(iii)** tax reference number and VAT registration number, if any;

**(b)** has provided the municipality with a "Certificate of Independent Bid Determination" on Form MBD 9 or a similar form;

**(c)** has provided a certificate issued by the municipality or any other municipality to which he may be indebted to the effect that he and, in the event of the bidder being a company, also any of its directors, is not indebted to the municipality or to any other municipality or municipal entity for rates, taxes and/or municipal service charges which are in arrear for a period of more than one month and that no dispute exists between such bidder and municipality or municipal entity concerned in respect of any such arrear amounts;

**(d)** has submitted an affidavit certifying -

**(i)** that he is **not** in the service of the state or has been in the service of the state in the previous twelve months;

**(ii)** that, in the event of the bidder not being a natural person, none of its directors, managers, principal shareholders or stakeholders are in the service of the state nor have they been in the service of the state in the previous twelve months;

**(iii)** that neither his spouse, child or parent nor a 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;

**(iv)** that he is not an advisor or consultant contracted by the municipality to advise it on the procurement under consideration;

**(e)** the requirements for submission of declarations as stated in sections 13 (1) (b), (c) and ( d) above is not applicable for request for quotations that falls within the threshold value or formal written quotations up to the value of R30 000.00 including VAT. Such requirements will be accepted as part of annual declarations made within the requirements for database registrations.

**(2)** This paragraph must be read in conjunction with paragraph 21 of this policy.

**(3)** The Kouga Municipality reserves its rights not to register a service provider/bidder/ vendor or not to make a Final Award, revoke a Final Award already made or cancel a Contract where the implementation of the Contract may result in reputational risk or harm, to the Municipality, which includes the service provider/ bidder/ vendors' Subcontractor(s), (which may be linked to the main tenderer and/or any of its' Sub-contractor(s)), as a result of (inter alia):

**a.** reports of poor governance or unethical behaviour, or both;

**b.** association with known red flagged ~~notorious~~ individuals ~~and family of notorious individuals~~;

**c.** poor performance issues, known to or which came to the attention of the Municipality;

**d.** negative media reports, including negative social media reports; and

**e.** adverse assurance (e.g. due diligence) report outcomes.

Circumstances where the relevant service provider/bidder/contractor/vendor has employed, or is directed by, anyone who was previously employed in the service of the state (as defined in this Policy), where the person is or was negatively implicated in any SCM irregularity.

**(4)** No bid must be accepted from any company that appears on the Municipal restricted list.

## 14. LISTS OF ACCREDITED PROSPECTIVE PROVIDERS OF KLM

**(1)** The accounting officer through the office the SCM Manager must -

**a.** keep a list of accredited prospective providers who are also registered on the Centralized Supplier Database of goods and services that must be used for procurements through written quotations and formal written price quotations; and

**b.** at least once a year through newspapers commonly circulating locally, the municipal website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;

**c.** specify the listing criteria for accredited prospective providers; and

**d.** disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

**e.** the accounting officer shall disallow the registration of any prospective supplier on the KLM's Supplier Database who does not comply with the requirements of the Supplier Registration Application.

**f.** the accounting officer shall 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.

**g.** bidders who are not registered on the KLM's Supplier Database are not precluded from submitting bids but must however register when called upon to do so.

**h.** all persons forming part of a Joint Venture or Consortium must comply with the requirements of KLM database form.

**i.** in addition to the requirements of the KLM's Supplier Database, it is a

requirement for all Suppliers to be registered on the National Treasury Web Based Central Supplier Database (CSD) that can be accessed at **https://secure.csd.gov.za**.

**j.** bidders who are not registered on the CSD are not precluded from submitting bids but must however register with CSD and get the CSD Number prior to submitting or the closing date, this must be taken under the good spirit of service delivery. Therefore, waiting for a CSD registration from a prospective bidder after the closing date of a quote or bid is not ideal for operational requirements. Therefore, a quote that meets all the minimum requirements will be considered provided that such quote/bidder is registered on CSD. This is inline with Treasury Instruction Note 4A of 216/2017, paragraph 3.4 and 3.5

**(2)** The aforesaid list must be updated at least bi-weekly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

## 15. ACCREDITATION CRITERIA

- A valid SARS Tax Compliance Pin Printout
- Copy of National Treasury CSD Summary Report
- A copy of formal business registration documents/ Trust Documentation/ Partnership Agreement etc. indicating ownership/directorship
- Change of company name certificate- if applicable
- Authority of signatory for persons with signing powers and certified identification document of the signatories.
- Proof of banking in the name of the entity (Business Bank Account – original cancelled cheque or an original signed and stamped letter issued by your bank not older than three (3) months
- Latest municipal billing certificate for business premises – copy of a valid lease agreement can be submitted if premises are being rented, copy of latest paid municipal account.
- Latest municipal billing certificate for each director/partner/member/owner- copy of a valid lease agreement can be submitted if premises are being rented, copy of latest paid municipal account.
- Certified identity copies of owners (members, directors, partners etc.)
- Certified copy of B-BBEE status level certificate or EME certificate
- Certified proof of professional qualifications for specialized services eg. construction, engineering, travel agency, training institute, Valuer, Legal services
  - would have to submit CIDB, NHBRC, ECSA, CESA ASATA, IATA, SACPVP, SETA, Dept of Higher Education, PSIRA, High Court Order/Cape Law Society
- Certificate of Acceptability for food premises to be submitted by all companies offering catering services
- PDP to be submitted by all transport companies as well as proof of Public Liability Insurance.

## 16. PETTY CASH PURCHASES

**(a)** The transactional value of an individual petty cash purchase is R2,000 VAT included. That the total petty cash float is R10, 000 VAT included.

**(b)** Petty cash purchases may only be made in accordance with the Standard Operating Procedures for Petty Cash of the municipality.

**(c)** The management of petty cash is done under the Manager Expenditure.

**(d)** Petty Cash purchases are to be used for ad hoc goods/services and not routinely occurring needs

**(e)** The council must, from time to time, determine the maximum amount of the permissible petty cash expenditure per month;

**16.1** A monthly reconciliation report must be provided to the chief financial officer within five days of the end of each month by the Manager: Expenditure and such report shall contain particulars of each final award made by such official during that month, including:

**(i)** the total amount of petty cash purchases for that month; and

**(ii)** receipts and supporting documents for each purchase.

## 17. FORMAL WRITTEN PRICE QUOTATIONS

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 Centralised Supplier Database and the accredited list of prospective providers of the municipality.

**(b)** In the event of it not being possible to obtain quotations from at least three different providers whose names appear on the list of accredited prospective providers of the municipality, quotations may be obtained from providers who are not so listed, provided that such providers meet the listing criteria determined or for registration as Kouga Municipal Supplier, provided further that, the reason for obtaining such quotations and not meeting the criteria of 3 quotations is recorded and dealt with under a deviation and dealt with terms of section 36.

## 18. 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 who is listed on the Centralised Supplier Database, the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

**(b)** All requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website of KLM and on the official notice board of the municipality; such requirements would be approved by CFO as per the delegations. The SCM Manager would then make recommendation to the CFO for approval. Thereafter, seven-day notices would be advertised on the regulated medial platforms.

**(c)** The Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotation is not abused;

**(d)** Offers below R30 000 (all taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest comparative based price taking into account unconditional discounts; provided that the accounting officer may direct, in appropriate cases, that the applicable provisions of the Preferential Procurement Regulations or any later amendments be applied in respect of the calculation of preference points for price;

**(e)** Offers above R30 000 (all applicable taxes included) must be awarded based on compliance with specifications, conditions of contract, ability, capacity and capability to deliver the required goods and/or services and lowest comparative based price taking into account unconditional discounts provided that the accounting officer may direct, in appropriate cases, that the applicable provisions of the Preferential Procurement Regulations or any later amendments be applied in respect of the calculation of preference points for price and specific goals;

**(f)** Prior to the award of a contract , the designated official must verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s) by checking the Data Base of Restricted Suppliers maintained by National Treasury in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;

**(g)** A call for quotations in terms of the preceding paragraphs must be in writing and contain a specification for the goods and/or services to be procured as well as details of the preference points system to be used in evaluation and adjudicating quotations;

**(h)** The designated official must, in writing, notify the chief financial officer on a monthly basis of all formal written price quotations accepted or approvals given in terms of this paragraph;

**(i)** The chief financial officer must ensure that adequate systems are in place to meet the requirements for proper record keeping;

**(j)** Upon finalization of the evaluation and the bidder who scored the highest total number of points is identified in price, the preferred bidder must be assessed to determine if the preferred bidder is complying with specific goals as set out in the tender document.

**(k)** The procurement contract must be awarded to the bidder who scored the combined highest points (price and specific goals) in accordance with the stipulated requirements. Further than that, *paragraph* ***27. 8(1), must be applied.***

## 19. COMPETITIVE BIDDING PROCESS

**(1)** Subject to paragraph 11 (2) of this policy, goods, services or works above a transaction value of R300 000 (VAT included) and long-term contracts may only be procured through a competitive bidding process.

**(2)** Subject to subparagraph (3), no requirement for goods or services above an estimated transaction value of R300 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)** The accounting officer may split unduly large quantities of work into smaller contracts (units) to promote manageability and provide opportunities for emerging entrepreneurs. This procedure may only be followed when technically, logistically and financially feasible.

**(4)** A senior manager responsible for a vote must submit the under-mentioned information to the chief financial officer prior to the publication of any public invitation of bids in respect of procurements estimated to exceed R10m (all taxes included):

**(i)** proof that budgetary provision exists for the procurement concerned;

**(ii)** details of any ancillary budgetary implications related to the bid concerned;

**(iii)** details of any multi-year budgetary implications associated with a project which will be undertaken over a period of more than one year as well as details of the anticipated expenditure per financial year.

**(5)** A procurement referred to in subparagraph (4) may only be advertised for competitive bids after the chief financial officer has verified in writing that budgetary provisions exists to enable the relevant project to commence.

**(6)** Procurement requirements referred to in subparagraph (4) may not be deliberately split into parts or items of lesser value merely to avoid the information being submitted.

## 20. 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 - after the award of a bid, the accounting officer and the bidder must enter into a written agreement.

**(h)** Proper record keeping;

**(i)** Original/legal copies of written contracts agreements should be kept in a secure place for reference and audit purposes.

## 21. BID DOCUMENTATION FOR COMPETITIVE BIDS

Bid documentation for a competitive bidding process must, in addition to compliance with the requirements listed in paragraph 14, comply with the following requirements:

**(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;

**(iii)** the requirements of the Construction Industry Development Board, in the case of a bid relating to construction works;

**(iv)** relevant B-BBEE verification and certification requirements;

**(v)** relevant local content or production requirements.

**(b)** Include the preference points system to be used in adjudicating bids, namely 80/20 or 90/10 as prescribed in the Preferential Procurement Regulations;

**(c)** Compel bidders to declare, by means of an affidavit, 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, his audited annual financial statements -

**(a)** for the past three years; or

**(b)** since establishment, if established during the past three years;

**(ii)** a certificate signed by the bidder certifying that he 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 contracts;

**(iv)** a statement indicating whether or not any portion of the goods or

services required by the municipality are expected to be sourced from outside the Republic, and, if so, what portion and also whether or not any portion of the payment to be made by the municipality 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)** Bid Documents shall include:

- A declaration that subcontractors or local SMME's shall be paid within 7 days after submitting their valid invoice for works completed to the Contractor unless the bidder provides the payment arrangement within their structure, however this may not exceed 14 calendar days, notwithstanding payment claims received by the Municipality**.**
- A condition for a draft Project Implementation Plan (PIP) to be submitted with tender document and that a final PIP be included in the Service Level Agreement, if applicable. The PIP must include project milestones linked to cash flow projection.

**(g)** The Municipality shall make use of additional vetting methods to confirm the Contractors ability to execute the Project.

## 22. 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 National Treasury E-tender Portal, website of the municipality and in any other appropriate manner (which may include an advertisement in the Government Tender Bulletin); and

**(b)** the information contained in such public advertisement, must include -

**(i)** subject to subparagraph 2, 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, reckoned from the date on which the advertisement is first placed in the aforesaid newspapers;

**(ii)** a statement that bids may only be submitted on the bid documentation provided and deposited in the box as indicated in the by the municipality; and

**(iii)** a statement that bids will only be considered if it was deposited into the tender box indicated in the bid invitation

**(iv)** the date, time and venue of any compulsory site meeting or briefing session if applicable;

**(v)** a statement to the effect that a bid from a prospective bidder who did not attend a prescribed compulsory site meeting or briefing session referred to in subparagraph (iv) will not be considered.

**(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 in any exceptional case where it is impractical or impossible to follow the official procurement process and such fact shall, for auditing purposes, be recorded in the authority to invite bids. The reduced period may not as a result lead to any compromise on legislative prescripts unless specifically stated in this policy subject to approval by Council. The memo must be submitted by end user signed by relevant Head of Department and Municipal Manager for Bid Specification. The Bid Specification Committee may, through its chairperson, advise the Municipal Manager through the approval of Specification document if not in agreement and provide reasons thereof for the Accounting Officers' decision.

**(3)** Bids submitted must be sealed and marked in a manner stipulated in the invitation to bid.

**(4)** Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies. The electronic format must contain the exact same information as the hard copy. Bidders will be disqualified if not submitted.

**(5)** Communication with bidders, the SCM Manager shall authorize communication with bidders, such would include extension of closing date, addendums( subject to clause 8 below) and all that requires communication prior to the closing date.

**(6)** Any communication shall be in the form of a written notice be issued to all bidders by either e-mail or as appropriate. A copy of the notice together with transmission proof shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date.

**(7)** Amendments before closing date: the Municipality is entitled to amend any bid condition, validity period, specification or plan, extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised and /or where possible and a compulsory clarification meeting was held, communication be sent only to those potential bidders.

**(8)** All amendments, excluding validity period extension and minutes of clarification/ site meeting shall be approved by the Accounting officer or Chief Financial Officer.

**(9)** Notwithstanding a request for acknowledgement of receipt of any notice issued, the bidder will be deemed to have received such notice if the procedures in clause 22(6) have been complied with.

## 23. 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 published closing time or period has expired for the submission of bids; and

**(iii)** received after the published closing time or period should not be considered and be immediately returned to the bidder, unopened.

**(b)** Any bidder or member of the public has the right to request that the names of the bidders who submitted bids before the closing time or period be read out and, if practical, also each bidder's total bidding price;

**(c)** No information, except the information referred to in subparagraph (b), relating to a bid should be disclosed to bidders or other persons until the successful bidder is notified of the award of the relevant bid; and

**(d)** The designated official opening received bids must record in a register to be provided for these purposes, all bids received before the closing time or period for the submission of same and such register shall contain as least the following information: in addition to such information as may be prescribed in terms of section 75 of the Act:

**I.** the reference number of the bid concerned;

**II.** the description of the relevant goods, services or works project to be procured;

**III.** the names of all bidders;

**IV.** where practical, the total price submitted by all bidders that submitted bids in relation to the relevant bid invitation;

**V.** if the bidder submitted an electronic document;

**VI.** make the aforesaid register available for public inspection during the normal office hours of the municipality; and

**VII.** publish the entries in the aforesaid register including the B-BBEE Status level of Contribution of all bidders, where applicable, available on the website of the municipality within ten (10) working days,

**(h)** Where possible submission and handling of all requirements more than R30 000, but less than R300 000(VAT included) may be handled through **tenders@kouga.gov.za**. The opening and recording of bids would be done by the delegated official. The requirements of the abovementioned paragraph would still be applicable. That requirement would be approved of by the delegated official being the **Chief Financial Officer.**

## 24. 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 -

**(a)** does not allow any preferred bidder a second or unfair opportunity;

**(b)** is not to the detriment of any other bidder; and

**(c)** does not lead to a higher price than the bid as submitted- subject to provisions that competitive position does not change and reasonable ness of correction is considered.; and

**(d)** does not lead to a lower price in the respect of sale of land /goods

**(e)** will not be contrary to any legal requirement or amount to a prohibited practice.

**(2)** Minutes of such negotiations must be kept for record for audit purposes. If no official meeting is held, negotiations taking place through written context must be kept with the contract file. Recordings of virtual meetings must be kept and transcribed in written format, signed by relevant officials.

## 25. TWO-STAGE BIDDING PROCESS

**(1)** A two-stage bidding process is permissible 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.

## 26. COMMITTEE SYSTEM FOR COMPETITIVE BIDS

**(1)** The accounting officer shall establish a procurement committee system for competitive bids consisting of at least the following committees:

**(a)** a bid specification committee;

**(b)** a bid evaluation committee; and

**(c)** a bid adjudication committee;

**(2)** The accounting officer shall, in writing, appoint the members of each committee in respect of each competitive bid invitation, taking into account the provisions of section 117 of the Act in terms of which no councilor may be

a member of any such committee nor attend any of its meetings as an observer. As for BSC and BEC a pool of members would be appointed which would constitute senior managers, managers, chief/superintendent or chief accountants or any senior official to serve in those two committees on an ADHOC basis. Formulation of those mini committees would be approved/ authorized by the accounting officer.

**(3)** A neutral or independent observer, appointed by the accounting officer, may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.

**(4)** The committee system must be consistent with -

**(a)** paragraphs 27, 28 and 29 of this policy; and

**(b)** any other applicable legislation.

The accounting officer may, in appropriate cases and in his sole discretion, apply the committee system to formal written price quotations.

**27. BID SPECIFICATION COMMITTEES**

**(a)** A bid specification committee must compile the specifications or, where applicable, the terms of reference for the procurement of goods, services or works by the municipality.

**(b)** The Bid Specification Committee shall be comprised of at least two KLM officials as members, consisting of an appointed Chairperson and a responsible technical official. The Supply Chain Management Practitioner serving a member of that committee and also on advisory capacity, relating to SCM matters. No bid committee meeting shall proceed without an SCM practitioner. Disagreements on the advice provided by the Supply Chain Management Practitioner must be dealt with in terms of the Rule of Order for Bid Committees and be recorded accordingly.

**(c)** 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.

**(d)** Where a bid specification or terms of reference are compiled with due regard to the findings and recommendations contained in a prior, associated feasibility study, the person, advisor or corporate entity who or which prepared the said feasibility study may be prohibited from bidding for the resulting contracts in circumstances where such person, advisor or corporate entity may or is likely to obtain an unfair advantage or where a conflict of interest may arise.

**(e)** A specification or terms of reference referred to in this paragraph must be approved by the accounting officer or delegated official in writing prior to publication of the invitation for bids in terms of paragraph 22.

**(f)** The Municipal Manager, or his delegated authority, shall, taking into account section 117 of the MFMA, appoint the members of the Bid Specification Committees

**(g)** Where appropriate a representative of Internal Audit and/or Legal Services and/or other specialist advisors (internal or external) may form part of this committee.

**27.A Bid Specifications or Terms of Reference**

**27.1 General Requirements**

Bid Specifications or terms of reference, as the case may be -

**(a)** must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services to the municipality;

**(b)** must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization or an authority accredited or recognized 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)** If the bid relates to construction works as contemplated by the Construction Industry Development Board Act, then the requirements of that Act must be taken into account in the bid documentation together with any Circulars published by National Treasury and the National Treasury Standard for Infrastructure Delivery Management System (SIPDMS) to the extent adopted by Council.

**(g)** The bid documentation and evaluation criteria shall not be aimed at hampering competition, but rather to ensure fair, equitable, transparent, competitive and cost-effective bidding, as well as the protection or advancement of persons, or categories of persons, as embodied in the preferential procurement section of this Policy.

**27.2 Identification of preference point system, designated sector, objective criteria and subcontracting**

**27.2.1.** The Municipality must;

**a)** determine and stipulate in the tender documents

**(i)** the preference point system applicable to the tender as envisaged in regulation 6 or 7; or

**(ii)** if it is unclear which preference point system will be applicable, that

either the 80/20 or 90/10 preference point system will apply and the lowest acceptable tender will be used to determine the applicable preference point system;

**b)** determine whether pre-qualification criteria are applicable to the tender as envisaged in regulation 4;

**c)** determine whether the goods or services for which a tender is to be invited, are in a designated sector for local production and content as envisaged in regulation 8;

**d)** determine whether compulsory subcontracting is applicable to the tender as envisaged in regulation 9; and

**e)** determine whether objective criteria are applicable to the tender as envisaged in regulation 11.

### 27.3 Functionality

Where functionality is utilized as an evaluation criterion, bid specifications or terms of reference, as the case may be, must clearly specify:

**(i)** if the tender will be evaluated on functionality

**(ii)** The evaluation criteria for measuring functionality must be objective.

**(ii)** The tender documents must specify

- **a)** the evaluation criteria for measuring functionality;
- **b)** the points for each criteria and, if any, each sub-criterion; and the minimum qualifying score for functionality.

**(iv)** the minimum qualifying score for functionality for a tender to be considered further

- **a)** must be determined separately for each tender; and
- **b)** may not be so(i) low that it may jeopardize the quality of the required goods or services; or (ii) high that it is unreasonably restrictive.

**(v)** Points scored for functionality must be rounded off to the nearest two decimal places.

**(v)** A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.

**(vi)** Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria.

### 27.4 80/20 Preference Points System

Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works up to a Rand value of R50 million (all applicable taxes included):

**(1)** the following formula will be used to calculate the points for price in respect of bids (including price quotations) with a Rand value equal to, or above R 30 000 and up to a Rand value of R50 million (all applicable taxes included):

$$Ps = 80\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

*Where;*

*Ps = Points scored for price of tender under consideration.*

*Pt = Price of tender under consideration; and*

*Pmin = Price of lowest acceptable tender.*

**2)** *A maximum of 20 points may be awarded to a tenderer for the specified goals for the tender.*

**3)** *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*

**4)** *Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.*

**80/20 Preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million**

**1.** 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*

**2)** *A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.*

**3)** *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*

**I.** As indicated by the table depicted below; a 50% of the 20/10 points will be allocated to promote this goal and points will be allocated in terms of the B-BBEE scorecard as follows.

**II.**

| **B-BBEE Status Level of Contributor** | **Number of Points for Preference (80/20)** |
|---|---|
| 1 | 10 |
| 2 | 8 |
| 3 | 6 |
| 4 | 4 |
| 5 | 3 |

| | |
|---|---|
| 6 | 2 |
| 7 | 2 |
| 8 | 2 |
| Non-compliant contributor | 0 |

**III.** a maximum of 20 points on an 80/20 point system may be allocated for specific goals

**IV.** the points scored by a bidder in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i); and those of specific goals.

**A tenderer must submit proof of its B-BBEE Status level of contributor.**

**1)** A tender failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but –

**a.** May only score points out of 80 for price,

**b.** Scores 0 for non-submission of B-BBEE or required documents for specific goals.

**2)** A tenderer may not be awarded points for B-BBEE Status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

**3)** The points scored must be rounded off to the nearest two decimal places.

**4)** Subject to sub regulation (3.7), the contract must be awarded to the Tenderer scoring the highest points.

**5) (a)** If the price offered by the tenderer scoring the highest points is not market related, the organ of state may not award the contract to that tenderer.

**(b)** the organ of state may-

**(i)** negotiate a market related price with the tenderer scoring the highest points or cancel the tender.

**(ii)** if the tender does not agree to a market related price, negotiate a market-related price with the tenderer scoring the second highest scoring points or cancel the tender.

**(iii)** if the tender scoring the second highest points does not agree to a Market related prices, negotiate a market- related price with the Tenderer scoring the third highest scoring points or cancel the tender;

**(c)** If the market- related price is not agreed as envisaged in paragraph 5.

**(d)** the organ of state must cancel the tender.

**27.5 90/10 Preference Points System**

Where applicable, bid documentation must include the following preference points evaluation system for the procurement of goods, services or works with a Rand value above R50 million (all applicable taxes included):

**1)** the following formula will be used to calculate the points for price in respect of

bids with a Rand value above R50 million (all applicable taxes included):

$$Ps = 90\left(1 - \frac{(Pt - Pmin)}{Pmin}\right)$$

*Where;*

*Ps = Points scored for price of tender under consideration;*

*Pt = Price of tender under consideration; and Pmin = Price of lowest acceptable tender.*

**2)** *A maximum of 10 points may be awarded to a tenderer for the specified goals for the tender.*

**3)** *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*

**90/10 Preference point system for tenders for income-generating contracts with Rand value above R50 million**

**1.** 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*

**2)** *A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.*

**3)** *The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.*

**4)** *Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.*

**I.** As indicated by the table depicted below; a 50% of the 20/10 points will be allocated to promote this goal and points will be allocated in terms of the B-BBEE scorecard as follows.

| B-BBEE Status Level of Contributor | Number of Points for Preference (90/10) |
|---|---|
| 1 | 5 |
| 2 | 4 |
| 3 | 3 |
| 4 | 2 |
| 5 | 1 |
| 6 | 1 |

| | |
|---|---|
| 7 | 1 |
| 8 | 1 |
| Non-compliant contributor | 0 |

**II.** a maximum of 10 points out of 90/10-point system may be allocated for specific goals.

**III.** the points scored by a bidder in respect of B-BBEE contribution contemplated in subparagraph (ii) must be added to the points scored for price as calculated in accordance with subparagraph (i); and those of specific goals.

**A tenderer must submit proof of its B-BBEE Status level of contributor.**

**1)** A tender failing to submit proof of B-BBEE status level of contributor or is a non-compliant contributor to B-BBEE may not be disqualified, but –

**(a)** May only score points out of 90 for price

**(b)** Scores 0 for non submission of B-BBEE or zero(0) for none submission of specific goals.

**2)** A tenderer may not be awarded points for B-BBEE Status level of contributor if the tender documents indicate that the tenderer intends subcontracting more than 25% of the value of the contract to any other person not qualifying for at least the points the tenderer qualifies for, unless the intended subcontractor is an EME that has the capability to execute the subcontract.

**(3)** The points scored must be rounded off to the nearest two decimal places.

**(4)** Subject to sub regulation (4.7), the contract must be awarded to the tenderer scoring the highest points.

**(5)** (**a)** If the price offered by the tenderer scoring the highest points is not Market related, the organ of state may not award the contract to that tenderer.

**(b)** the organ of state may-

**(i)** negotiate a market related price with the tenderer scoring the Highest points or cancel the tender

**(ii)** if the tender does not agree to market related prices, negotiate a market- related price with the tenderer scoring the second highest scoring points or cancel the tender;

**(iii)** if the tender scoring the second highest points does not agree to market related prices, negotiate a market- related price with the tenderer scoring the third highest scoring points or cancel the tender;

**(c)** If the market- related price is not agreed as envisaged, the organ of state must cancel the tender.

**(27.6) Preference in terms of the specific goals**

Specific Goals Categories, the weighting below can be changed or vary from project to project.

***The table below depicts the allocation of points:***

| NO | Specific Goals Categories | Max points allocation Number of Points for Preference (80-Price/20 Specific Goals); | Max points allocation Number of Points for Preference (90-Price/10 Specific Goals); |
|---|---|---|---|
| 1 | BBBE | 10 | 5 |
| 2 | Local area of supplier or contractors | 10 | 5 |
| 3 | The promotion of SMMEs. | 10 | 5 |
| 4 | The creation of new jobs or the intensification of labour absorption. | 10 | 5 |
| 5 | The empowerment of the workforce by standardizing the level of skill and knowledge of workers. | 10 | 5 |
| 6 | 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 | 10 | 5 |
| 7 | The upliftment of communities through, but not limited to, housing, transport, schools, infrastructure donations, and charity organizations. | 10 | 5 |
| 8 | The promotion of export orientated production to create jobs. | 10 | 5 |
| 9 | An EME or QSE which is at least owned by disabled people | 10 | 5 |
| 10 | An EME or QSE which is at least owned by women. | 10 | 5 |

**(27.6.1) Preference in terms of locality of the service provider/contractor rendering services to Kouga Local Municipality.**

| Local area of supplier | Number of Points for Preference | |
|---|---|---|
| | 80/20 | 90/10 |
| Within the boundaries of the Kouga Local Municipality | 10 | 5 |
| Within the boundaries of Sarah Baartman District Municipality and Nelson Mandela Metro Municipality | 6 | 3 |
| Within the boundaries of the Eastern Cape | 4 | 2 |
| Outside of the boundaries of the Eastern Cape | 1 | 1 |

*This can be used as a criterion for specific goal.*

## 27.7 Additional Conditions

Bid documentation must include a reference to the following additional conditions, where applicable:

### 27.7.1 Award of contracts to tenderers not scoring highest points

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 an equal total number of points, the objective criteria in addition to those contemplated justify the award to the tenderer that scored the highest points in terms in accordance with section 2(1)(f) of the Act.

c) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

### 27.7.2 Sub-contracting as condition of tender

**(1)** If the municipality applies subcontracting as contemplated in sub-regulation (1), the municipality **must** advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract, ***where possible of feasible*** to:

**a)** an EME or QSE
**b)** an EME or QSE which is at least 51% owned by black people;
**c)** an EME or QSE which is at least 51% owned by black people who are youth;
**d)** an EME or QSE which is at least 51% owned by black people who are women;
**e)** an EME or QSE which is at least 51% owned by black people with disabilities;
**f)** an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
**g)** a cooperative which is at least 51% owned by black people;
**h)** an EME or QSE which is at least 51% owned by black people who are military veterans; or more than one of the categories referred to in paragraphs (a) to (h).

**(2)** The municipality must make available the list of all suppliers registered on a database approved to provide the required goods or services in respect of the applicable designated groups mentioned in sub regulation (iv) from which the tenderer must select a supplier (that being applicable for deviation and emergency projects.

**(3)** As for projects that have been publicly advertised by KLM, the appointed main contractor would be expected to undertake a process of appointing subcontractors. The appointed contractor being assisted by the PSP managing the project MUST publicly prepare an advert to solicit SMME's from KLM Area. First preference in appointing the SMME's MUST be give the SMME's of the Ward where the works is taking place. Where SMME's could not be found in the that Ward the main contractor must extend the invite to the neighboring Ward/s.

**4)** The sub-contracting of work is required for all construction and non-construction related project, **and their thresholds stated below MUST be adhered by all directorates:**

- **a)** For any project < R2.5 M the Bidder may sub-contract what might be feasible.
- **b)** R2.5M >, but <R5M requires Bidder to sub-contract 5% of the value of the project
- **c)** R 5M>, but < R 10M requires Bidder to sub-contract 10% of the value of the project
- **d)** R 10M >, but < R 15M requires Bidder to sub-contract 15% of the value of the project
- **e)** R 15M>, but < R20 requires Bidder to sub-contract 20% of the value of the project
- **f)** R 20M >, but < R 30M requires Bidder to sub-contract 25% of the value of the project
- **g)** R 30M> requires Bidder to sub-contract 30% of the value of the project to EME's QSE. The feasible work-packages for subcontracting must be identified by the Project Manager or appointed PSP prior to advertisement.

**5)** The sub-contracting value will be based on the estimated value of the project either determined by the director or project manager. Where the successful bidder's price falls within any other range, the sub-contracting range included in the Bid Document will be applied.

**6)** All successful bidders must sign a declaration that any subcontractor or local SMME's shall be paid within 7days after payment received from Kouga Municipality unless the bidder provides the payment arrangement within their structure, however this may not exceed 14 calendar days.

**7)** The municipality may include sub-contracting for any other none CIDB-related project as may be requested by the Director of the Department to promote local development.

**8)** Community based Suppliers or service providers/ward-based suppliers or service providers must be considered for subcontracting by the main contractor. The first preference for subcontracting must be given to community or ward-based suppliers of that ward where the project is taking place. If the

required skill or expertise is not available from the ward / area where the project is taking place, the main contractor is permitted to accept service providers/contractors/suppliers within the KLM jurisdiction. Those service provider or suppliers would then contract directly with the main contractor.

**27.7.3 Subcontracting after award of tender**

**a)** A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
**b)** A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
**c)** A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

**27.8 Miscellaneous Special Conditions of Contract**

Bid documentation must, inter alia, include the following conditions as Special Conditions of Contract:

**(1) General**

**(a)** Only a bidder who has completed and signed the declarations part of a bid may be considered;

**(b)** When comparative prices must be calculated, any discounts which have been offered unconditionally will be taken into account;

**(c)** A discount which has been offered conditionally will, despite not being taken into account for evaluation purposes, be implemented when payment to a bidder in respect of an accepted bid is effected;

**(d)** Points scored in any applicable scoring system will be rounded off to the nearest 2 decimal places.

**(e)** **(i)** 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.

**(ii)** Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

**(2) Declarations**

**(a)** A bidder must -

**I.** declare that the information provided in any bid document is true and correct;

**II.** declare that the signatory to a bid document is duly authorized; and

**III.** undertake to submit documentary proof regarding any bidding issue when required to the satisfaction of the municipality.

**IV.** complete and submit the Certificate of Independent Bid Determination

**V.** declare their previous supply chain management practices and state whether or not they have

- **a.** 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 willfully 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 in the Register for Tender Defaulters in terms of Section 29 of the Prevention and Combating of Corrupt Activities Act, No 12 of 2004.

**27.9 Remedies**

**(1)** Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, locality information within the boundaries of Kouga Municipal Area or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must:

**a.** inform the tenderer accordingly.

**b.** give the tenderer an opportunity to make representations within 14 days as to why:

- **(i)** the tender submitted should not be disqualified during the 14-day period or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
- **(ii)** if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalized up to 10 percent of the value of the contract; and
- **(iii)** the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and

**c.** if it concludes, after considering the representations referred to in sub regulation (1)(b), that

- **(i)** such false information was submitted by the tenderer
  - (a) disqualify the tenderer or terminate the contract in whole or in part; and
  - (b) if applicable, claim damages from the tenderer; or
- **(ii)** the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalize the tenderer up to 10 percent of the value of the contract.

**(2)** The Municipality must follow the processes stipulated within their Council approved municipal restriction policy or derived thereof within its standard

operating procedure or in its absence follow the National Treasury restriction process.

**(3)** If upon receipt of non-satisfactory presentation from a Service Provider on any claim submitted with regards to the above sections, The Municipality must deduct any points claimed from the tender submission for the allocated criterion. A submission may be made to restrict bidder doing business with the Municipality. This section must be read with the provisions as contained in the Municipal Restriction Policy.

### 27.10 Cancellation of Tender

**1.** The Municipality may, before the award of a tender, cancel a tender invitation if-

**a)** due to changed circumstances, there is no longer a need for the goods, services or construction works requested;

**b)** funds are no longer available to cover the total envisaged expenditure;

**c)** no acceptable bids are received;

**d)** there is a material irregularity in the tender process; or the validity period expired prior to award of tender.

**e)** negotiations have failed with the preferred tenderer up to and including the tenderer who scoring the third highest points where the prices offered is not market related.

**2.** If it becomes necessary to cancel or re-advertise formal bids, then a report to this effect shall be submitted to the Bid Adjudication Committee for decision. Such approval must be attached to the report submitted to the Bid Adjudication Committee.

**3.** The Bid Evaluation committee may make a submission to Bid Adjudication to cancel any bid which could not be concluded within 120 working days or cancel any tender that is required to be extended either beyond the 120 working days or extended three times whichever comes first taking into account the feasibility of continuation with the process..

**4.** If a bid has been cancelled, then all bidders must be notified in writing.

**5.** A decision to cancel a bid in terms of clause 27.10(a) to (e) above must be published in the media in which the original bid invitation was advertised. Cancellation must be published within 30 days of decision and participating bidders notified within 48 hours of BAC decision to recommend cancellation

**6.** It is not necessary to notify original bidders when calling for new bids, which will be advertised.

**7.** Unless no acceptable bids have been received, no bid may be re-advertised before the Bid Adjudication Committee has resolved to cancel the original bid, and all bidders have been notified accordingly.

**27.11 27.12 Alternative Bids**

**a)** Alternative bids can be submitted provided that an acceptable bid, which complies with the bid conditions and specifications and submitted strictly in accordance with the bid documents, is also submitted.

**b)** An alternative bid shall be submitted on a separate complete set of bid documents or in accordance with such conditions as may be set out in the bid document and shall be clearly marked "Alternative Bid" to distinguish it from the acceptable bid referred to above.

**c)** All acceptable bids (excluding alternative bids) shall first be evaluated in accordance with the bid conditions and ranked in terms of the preference point system described in the Preferential Procurement section of this policy. Only the alternative of the highest ranked acceptable bid (that is, submitted by the same bidder) may be considered, and if appropriate, recommended for award.

**d)** Alternative bids of any but the highest ranked acceptable bid, shall not be considered.

**e)** If the alternative bid of the highest ranked acceptable bid is considered to have merit, then the alternative bid shall be ranked along with all of the acceptable bids received.

**f)** An alternative of the highest ranked acceptable bid that is priced higher than the first ranked bid may be recommended for award, provided that the ranking of the alternative bid is higher than the ranking of the next ranked acceptable bid.

**g)** KLM will not be bound to consider alternative bids.

**27.13 Samples**

**a)** Where samples are called for in the bid documents, samples (marked with the bid and item number as well as the bidder's name and address) shall be delivered separately (to the bid) to the addressee mentioned in the bid documents.

**b)** Bids may not be included in parcels containing samples.

**c)** If samples are not submitted as required in the bid documents or within any further time stipulated by the KLM in writing, then the bid concerned may be declared non-responsive.

**d)** Samples shall be supplied by a bidder at his/her own expense and risk. KLM shall not be obliged to pay for such samples or compensate for the loss thereof, unless otherwise specified in the bid documents, and shall reserve the right not to return such samples and to dispose of them at its own discretion.

**e)** If a bid is accepted for the supply of goods according to a sample submitted

by the bidder, that sample will become the contract sample. All goods/materials supplied shall comply in all respects to that contract sample.

**28. BID EVALUATION COMMITTEES**

**(1)** A bid evaluation committee must, as far as possible, be composed of-

**(a)** officials from departments requiring the goods, services or works; and

**(b)** at least one supply chain management practitioner of the municipality.

**(c )** one independent Chairperson who is also an official of the Municipality

**(2)** A bid evaluation committee must -

**(a)** evaluate bids in accordance with the relevant bid specification or terms of reference, as the case may be, inclusive of unconditional discounts, sub-contracting and this policy and any applicable legislation; and

**(b)** evaluate each bidder's ability to execute the contract provided that, where bids are invited on the basis of functionality as a criterion, the bid must be evaluated on the basis of the criterion set in the documentation issued.

**(c)** bids must be evaluated in terms of the criteria embodied in the bid specification or terms of reference document which may include any special conditions of contract, any prequalification criteria as set out in terms of designated sectors or other.

**(d) Evaluation in terms of the 80/20 or 90/10 preference point systems as set out in the tender conditions**

**i.** check in respect of the recommended bidder whether or not such bidder's municipal rates and taxes and municipal service charges are not in arrears;

**ii.** verify the status of recommended bidders (including their directors(s), owners(s) or trustee(s)) by checking the Data Base of Restricted Suppliers maintained by National Treasury or the Municipal Restriction list in order to ensure that no recommended bidder or any of its directors/owners/trustees are listed as companies or persons prohibited from doing business with the public sector;

**iii.** submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter provided that:

- a contract must be awarded to the bidder who scored the highest total number of points in terms of the preference points systems referred to in paragraphs 29(3.3) and 29(4.3) as may be applicable; and

- in exceptional circumstances and as provided in paragraph 29.9 of this policy, a contract may be awarded to a bidder that did not score the highest number of points

provided that the reasons for such a recommendation must be recorded for audit purposes and be defendable in a court of law.

**29. BID ADJUDICATION COMMITTEES**

**(1)** 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 of the municipality if the municipality has such an expert.

**(2)** The accounting officer must appoint the chairperson of the committee who shall preferably be the chief financial officer. 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 and such election must be recorded in the minutes of the meeting concerned.

**(3)** Only with the consent of the accounting officer and upon request by the bid adjudication committee, a member of a bid specification, bid evaluation committee and/or an advisor or person assisting these committees may attend a meeting of a bid adjudication committee only for the purpose of providing clarity and an explanation of difficult technical aspects relating to the bid being adjudicated and without having any right to vote on the said bid being adjudicated.

**(4)** 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 on how to proceed with the relevant procurement.

**(5)** 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 -

**(a)** check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in

arrears; and

**(b)** notify the accounting officer.

**(6)** The accounting officer may -

**(a)** after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in subparagraph 5; and

**(b)** if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

**(7)** 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.

**(8)** If a bid other than the one recommended in the normal course of implementing this policy is approved, the accounting officer must, in writing and within 10 working days, notify the Auditor-General and the National and Provincial Treasuries of the reasons for deviating from such recommendation.

**(9)** Subparagraph 8 does not apply if a different bid was approved in order to rectify an irregularity.

**(8)** Notwithstanding any provision to the contrary in this paragraph or any other
provision in this policy:

**(a)** contracts above a value of R10m (all applicable taxes included) may only be awarded to the preferred bidder after the chief financial officer has verified in writing that budgetary provision exists for the procurement concerned and that it is consistent with the Integrated Development Plan of the municipality.

**(b)** during a competitive bidding and adjudication process or before the award of a contract, the accounting officer may, at his/her discretion, specifically request the internal audit function of the municipality or, when so required, an independent external audit service provider (including an organ of state) to carry out audit procedures and provide an opinion on compliance of the bidding process with supply chain management legislation applicable to the municipality.

**(9)** The accounting officer shall cause details of all bids awarded through a competitive bidding process to be advertised on the website of the municipality and such notification shall include at least the following information:

**(a)** Contract numbers and description of goods, service or works projects procured;

**(b)** Names of the successful bidder(s) and the total point scored for specific goals.

**(c)** The contract prices(s);

**(d)** Brand names and dates for completion of contracts.

**(12) Notification of the decision made by accounting officer based on BAC recommendations;**

**a)** The successful and unsuccessful bidders shall be notified in writing once a Final Award has been made.

**b)** The successful bidder shall, in addition, be advised of the 14-day appeal period, and be notified that no rights accrue to him/her until the bid is formally accepted in writing.

**c)** Where a preferred bidder has been identified and is referred to the accounting officer by the Bid Adjudication Committee in order to authorize the negotiation of the final terms of a contract, the preferred bidder shall be notified of its preferred bidder status.

**d)** Every notification of decision shall be sent via electronic mail to the address chosen by the bidder, with proof of transmission kept for record purposes,

**30. PROCUREMENT OF BANKING SERVICES**

**(1)** A contract for banking services -

**(a)** must be procured through competitive bidding;

**(b)** must 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 23 (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 does not agree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National and Provincial Treasuries and the Auditor-General.

**32. PROCUREMENT OF GOODS AND SERVICES UNDER CONTRACTS SECURED BY OTHER ORGANS OF STATE**

**(1)** 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; and

**(d)** that other organ of state and the provider concerned have consented to such procurement in writing.

**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 wherever 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 or the official duly authorized in terms of the Occupational Health and Safety Act 85 of 1993 or any amended version.

**34. PROUDLY SA CAMPAIGN**

**(1)** The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services in line with the Updated Preferential Procurement Regulation

**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 services are procured.

**(2)** Consultancy services must be procured through competitive bids if -

**(a)** the value of the contract exceeds R300 000 (VAT included); or

**(b)** the duration 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.

## 36. DEVIATION, AND RATIFICATION OF MINOR BREACHES OF, PROCUREMENT PROCESSES

1. The accounting officer may –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;** the conditions warranting *emergency dispensation* should include the existence of one or more of the following:

**a.** the possibility of human injury or death;

**b.** the prevalence of human suffering or deprivation of rights;

**c.** the possibility of damage to property, or suffering and death of livestock and animals;

**d.** the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the KLM as a whole;

**e.** the possibility of serious damage occurring to the natural environment;

**f.** the possibility that failure to take necessary action may result in the KLM not being able to render an essential community service; and the possibility that the security of the state could be compromised.

**ii.** if such goods or services are produced or available from a single or sole provider only in circumstances where such supplier:

**iii.** for the acquisition of special works of art or historical objects where specifications are difficult to compile

**iv.** acquisition of animals for zoos and/or nature and game reserves; or

**v.** in any other exceptional case where it is impractical or impossible to follow the official procurement processes; 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 (1) (a)(i) to (v) and S36(1) (b) of this policy and report them to the next meeting of the council and also include such reasons as a note to the annual financial statements of the municipality.

**(3)** Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

**(4)** For all Deviations, the standard Deviation Form (**Attached as Annexure C**) must be completed appropriately and required declarations with the necessary reviews and recommendations prior to the Municipal Manager's approval.

## 37. UNSOLICITED BIDS

**(1)** An unsolicited bid is a bid that is submitted by a prospective supplier to the municipality without any procurement requirement first having been identified and advertised. This situation arises when a supplier identifies an opportunity to render services or supply products not ordinarily required by the municipality.

**(2)** In accordance with section 113 of the Act, there is no obligation upon the municipality to consider unsolicited bids received outside a normal bidding process.

**(3)** The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid but 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 the municipality or have exceptional cost advantages;

**(c)** the person who made the bid is the sole provider of the product or service concerned; and

**(d)** the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

**(4)** If the accounting officer decides to consider an unsolicited bid that complies with sub-paragraph (3), his 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 on the proposal within 30 days of the publication of the relevant notice.

**(5)** The accounting officer must submit all written comments received pursuant to subparagraph (4), including any responses from the unsolicited bidder, to the National and Provincial Treasuries for comment.

**(6)** Subject to subparagraphs (7) and (8) below, the adjudication committee must consider the unsolicited bid and may, depending on its delegations, award the bid or make a recommendation to the accounting officer.

**(7)** A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

**(8)** 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 and Provincial Treasuries.

**(9)** If any recommendations of the National and Provincial Treasuries are rejected or not followed, the accounting officer must submit to the Auditor-General and the National and Provincial Treasuries the reasons for rejecting or not following those recommendations.

**(10)** 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 be entered into or signed within 30 days of the submission.

**(11)** The processes to be followed by the municipality with regard to the acceptance or rejection of an unsolicited bid shall clearly be made known to the bidder who submits the unsolicited bid concerned.

**(10)** The council shall exercise caution when interviewing a potential supplier or a person who may wish to offer services to the municipality in circumstance which may be tantamount to the submission of or negotiation with regard to an unsolicited bid and shall not do anything or cause anything to be done which may be contrary to this policy.

## 38. 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 a 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 and Municipal Restriction 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 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 one month; 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;

**(e)** 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;

**(f)** cancel a contract awarded to a person if -

**(i)** such 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 process or the execution of the contract that benefited that person; and

**(g)** 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 willfully 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 and Provincial Treasuries in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) above.

**(3)** If the accounting officer, on reasonable grounds, believes that a bidder or a contractor has engaged in bid rigging, he shall refer the matter to the Competition Tribunal for investigation and the taking of action against the bidder or contractor concerned in a manner contemplated in the Competition Act No. 89 of 1998 or any amended version.

## Part 3: Logistics, Disposal, Risk and Performance Management

### 39. LOGISTICS MANAGEMENT SYSTEM

**(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; the following process must be adhered to;

**i.** Purchase orders will be created with reference to requisitions where the supply source is either bids or quotations.

**ii.** All purchase orders will be captured on the KLM SAMRAS system exclusive of VAT.

**iii.** Standing/Planned Purchase Orders may be used in cases where longer term arrangements, necessitating interim payments, are required.

**iv.** Purchase order approvals will be systems based and shall be authorized by the Stores Section through the office of Manager: SCM. That will happen after all the requisition have been approved by the duly delegated officials.

**v.** In respect of goods and services no work shall commence, or goods be delivered before an official order has been placed with the supplier.

**vi.** KLM shall not be liable for payment for any goods delivered or services rendered in contravention of clause 39(c)(v) above.

**(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.

**(2)** Receiving of Orders; Goods received will be captured on the SAMRAS system via a *Goods Received Note* with reference to the relevant purchase order. Where applicable, the Budget and Treasury Office or the Assets Section (for asset creation) and Insurance Section (for claims) will be informed of the purchase. It must be noted that requisitions for the acquisition of assets must be verified by the assets section and the requisition must be stamped to confirm the process the be followed. The asset section must keep records of those requisition for asset register and insurance purpose.

**(3)** Deliveries of goods may not exceed the order quantity. Short deliveries will keep the purchase order open until the balance of the order is received or cancelled.

**(4)** Valuation of stock; Stock is valued on the weighted average costing method per stock item and is VAT exclusive. Stock is valued in terms of the generally recognized accounting procedures as adopted by the KLM.

**(5)** Stock items shall be systematically replenished using the re-order point planning strategy. Open reservations shall be taken into account during the replenishment run.

**(7)** Goods will be issued from stock with reference to reservations. Goods can be issued for consumption against internal orders, cost centres, projects and assets under construction.

**(8)** Purchase orders will be created, where applicable, with reference to replenishment requisitions in respect of term supply contracts for goods. Replenishment requisition approvals will be systems based. All replenishment will be processed via the Acquisition Management System.

**(9)** Stores Management; The stores function shall be centralized and will operate under the jurisdiction of the Supply Chain Management Department. The Supply Chain Manager must ensure proper financial, budgetary control; uphold the principle of effective administration, proper stock holding and control, product standardization, quality of products and a high standard of service levels. The Manager: Supply Chain Management will develop and implement appropriate stock management procedures.

## 40. DISPOSAL MANAGEMENT SYSTEM

**(1)** In terms of section 14 of the Act, the municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a

capital asset needed to provide the minimum level of basic municipal services.

**(2)** A municipality may transfer ownership or otherwise dispose of capital asset other than one contemplated in subsection (1), but only after the council, in a meeting open to the public-

**(a)** has decided on reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services; and

**(b)** has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

**(3)** An asset may be disposed of by -

**(i)** transferring the asset concerned to another organ of state in terms of a provision of the Act enabling the transfer of assets;

**(ii)** transferring the asset concerned to another organ of state at market related value or, when appropriate, free of charge;

**(iii)** selling the asset concerned; or

**(iv)** destroying such asset.

**(4) The accounting officer must ensure that -**

**(a)** when immovable property is sold by means of a competitive bidding process, the highest price offered shall be accepted, provided such price is equal to or higher than the market related price for the relevant immovable property;

**(b)** in other cases, only at a market related price except when the public interest or the plight of the poor demands otherwise in which event the sale price shall be determined in accordance with the applicable land disposal or indigent policy adopted by the council;

**(c)** movable assets are sold either by way of written price quotations, a competitive bidding process or by public auction at the highest offered price, provided such price is market related;

**(d)** 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;

**(e)** immovable property is let at market related rentals except when the public interest or the plight of the poor demands otherwise in which event the rental shall be determined in accordance with the applicable land disposal or indigent support policy adopted by the council;

**(f)** all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;

**(g)** where assets are traded in for other assets, the highest possible trade-in price is negotiated; and

**(h)** in the case of the free disposal of computer equipment, the provincial

department of education is first approached to indicate, within 30 days, whether or not any of the local schools are interested in such equipment.

**(5)** This paragraph must be read with and applied in conjunction with the Municipal Asset Transfer Regulations contained in Government Notice R. 878 of 22 August 2008 and the associated policies adopted by the council. In the event of conflict, the provisions of the aforesaid Regulations shall be applied.

## 41. RISK MANAGEMENT

**(1)** The accounting officer must establish and implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system.

**(2)** Risk management must include -

**(a)** the identification of risks on a case-by-case basis;

**(b)** the allocation of risks to the party best suited to manage such risks;

**(c)** acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

**(d)** the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and

**(e)** the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

## 42. 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 authorized supply chain management processes were followed and whether the objectives of this policy were achieved.

**1)** Performance management shall accordingly be characterized by a monitoring process and retrospective analysis to determine whether:

- **a.** value for money has been attained;
- **b.** proper processes have been followed;
- **c.** desired objectives have been achieved;
- **d.** there is an opportunity to improve the process;
- **e.** suppliers have been assessed and what that assessment is; and
- **f.** there has been deviation from procedures and, if so, what the reasons for that deviation are.

**2)** The performance management system shall accordingly focus on, amongst others:

- **a.** achievement of goals;
- **b.** compliance to norms and standards;
- **c.** savings generated;
- **d.** cost variances per item;
- **e.** non-compliance with contractual conditions and requirements; and
- **f.** the cost efficiency of the procurement process itself.

**3)** bidder who fails to perform satisfactory in line with the tender specifications and / or subsequent PIP and/or SLA or found to be in breach of contract, shall be subject to the provisions contained in the Municipal Restrictions Policy.

## Part 4: Other matters

## 43. TAX MATTERS

**1)** In terms of the Act municipalities are prohibited from awarding bids to persons whose tax matters have not been cleared by SARS.

**2)** Before making an award to a person, the Supply Chain Management Unit, must verify the tax compliance status of a taxpayer on the SARS e-Filling system.

**3)** The National Treasury's Centralized Supplier Database and the Tax Compliance Pin are the approved methods to be used to prove tax compliance.

**4)** Where goods and services are procured from foreign supplier with tax obligations in South Africa, proof of tax compliance status should be obtained from supplier.

**5)** Foreign Suppliers with neither South African tax obligations nor history of doing business in South should complete a pre-award questionnaire on the 2018 revised MBD 1 for their tax obligation categorization. The Accounting Officer must submit a copy of this completed MBD 1 received from the awarded bidder to SARS. SARS will issue a letter to the procuring entity confirming whether or not foreign supplier has tax obligations in South Africa.

**6)** Where the recommended bidder is not tax compliant, the bidder should be notified of their non – compliant status and the bidder must be requested to submit to the municipality within seven (7) working days, proof from SARS that they have remediate their tax compliance status. The proof of tax compliance status submitted by the bidder must be verified in terms of section 43(3) or via CSD or e-Filling.

**7)** The Accounting Officer should reject a bid submitted by the bidder if such bidder fails to provide proof of tax compliance status within the specified timeframe as stated in section 43(6) above.

**8)** If a bidder was tax compliant at the time of award, purchase order and thereafter, and the goods and services has been delivered satisfactorily without any dispute, the Accounting Officer should not delay processing payment of invoices due to outstanding tax matters. This only applies where bidder was tax compliant on the date of tender award or the processing of official purchase order.

**9)** The tax status of all bidders procured through formal quotes which are less than R 30 000 **MUST** be Tax Compliant prior to the generation of purchase order/s. If the recommended bidder is Tax Non-Compliant, then the second highest scorer on points should be considered and so on, provided that the Tax Status is **Tax Compliant.**

## 44. PROHIBITION ON AWARDS TO PERSONS IN THE SERVICE OF THE STATE

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 director, manager, principal shareholder or stakeholder is a person in the service of the state; or

**(c)** who is an advisor or consultant contracted with the municipality.

## 45. AWARDS TO CLOSE FAMILY MEMBERS OF PERSONS IN THE SERVICE OF THE STATE

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 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.

## 46. ETHICAL STANDARDS

**(1)** The code of ethical standards annexed to this policy as Annexure A shall apply to all 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 aforesaid 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 of a role player who is not an employee, through other appropriate means with due regard to the severity of the breach;

**(c)** in all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act and for applicable regulations pertaining to financial misconduct by officials.

## 47. 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 of 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 any official; or

**(2)** The accounting officer must promptly report any alleged contravention of sub-paragraph 1 to the National Treasury to consider 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.

**48. SPONSORSHIPS**

The accounting officer must promptly disclose to the National and Eastern Cape 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 to the municipality; or

**(b)** a recipient or prospective recipient of goods disposed of or to be disposed of by the municipality.

**49. OBJECTIONS AND COMPLAINTS**

**a)** In terms of Section 62 of the Municipal Systems Act, a person whose rights are affected by a decision taken by the KLM may appeal against that decision by giving written notice of the appeal, the service provider or contractor that is aggrieved must write and state the reasons to the accounting officer within 14 days of the date of receipt of the notification of the decision.

**b)** Bid documents must state that any appeal must be submitted to the accounting officer at the address stated, and must contain the following:

**(i)** must be in writing;
**(ii)** reasons for the appeal;

**(iii)** the way in which the appellant's rights have been affected;

**(iv)** the remedy sought by the appellant; and

**(v)** a copy of the notification advising the person of the decision.

**50. RESOLUTION OF DISPUTES, OBJECTIONS, COMPLAINTS AND QUERIES**

**(1)** The accounting officer must appoint an independent and impartial person who is 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 Eastern Cape Provincial Treasury if -

**(a)** if it is not resolved within 60 days of lodgment; or

**(b)** no response is forthcoming within 60 days of lodgment.

**(5)** If the Eastern Cape Provincial Treasury does not or cannot resolve the matter, the dispute, objection, complaint or query concerned 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 competent court, at any time, for such order as may be just and necessary in the circumstances.

## 51. CONTRACTS PROVIDING FOR COMPENSATION BASED ON TURNOVER

If a service provider acts on behalf of the municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to him is fixed as an agreed percentage of turnover for the service concerned or the amount collected, the contract between such service provider and the municipality must stipulate -

**(a)** a cap on the compensation payable to him; and

**(b)** that such compensation must be performance based.

## 52. CONTRACT MANAGEMENT:

### (1) Issue of expansion and variation orders

**(a)** The accounting officer or nominee may, subject to the provisos to this subparagraph and subparagraphs (b) to (d) authorize the issue of expansion or variation orders (herein referred to as "variations orders")

in respect of contract specifications or conditions of contract in order to accommodate costs for additional work either unforeseen when contracts were awarded for , essential or necessary additional work or in instances where factors beyond the control of an appointed contractor has led to or will lead to a delay in a contract completion date provided that:

**(i)** 15% for goods and/or services; and, provided further –

**(ii)** 20% for construction related project, that is informed by CIDB prescripts and Standard for Uniformity.

**(iii)** that any expansion or variation order issued in excess of the aforesaid thresholds shall be dealt with in a manner provided in section 116 (3) of the MFM Act.

**(b)** A variation order may only be issued after -

**(i)** the need for such order has been fully motivated by the responsible project manager and supported by the head of department and reviewed by a Bid Evaluation Team, preferably the original Evaluation team, concerned; and

**(ii)** the chief financial officer has certified that funds are available to cover the cost the required additional work.

**(ii)** A request for the issue of a variation order in an amount exceeding R200 000 shall first be referred to the Bid Adjudication Committee through the Bid Evaluation Committee .

**(c )** No request for a variation order may be approved in circumstances where new bids may be invited for the additional work concerned.

**(d)** Any variation which exceeds the value of an allowable variation or extension of scope shall be dealt with in terms of Section 116 (3) of the Act subject to Kouga Municipal delegations framework.

**(e)** The line manager responsible for the implementation of a project undertaken either departmentally or through an appointed contractor must keep a proper record of all variation orders issued in respect of a project.

**(2) Application of contract management by the responsible officials:**

**a)** Contract management includes all activities and administrative duties associated with a contract that has arisen through one of the acquisition/procurement processes described in this policy.

**b)** Line departments are fully responsible for contract management and administration. Departmental Heads (Directors) shall be responsible to ensure that a contract manager who will be an internal official and is assigned to ensure the effective management of the contract. The contract manager will typically be the internal project manager assigned to the contract as a whole but may also be a cost centre owner or other responsible official.

**c)** The contract manager's duties and powers shall be governed by the applicable conditions of contract, this Supply Chain Management Policy, any Policies, Frameworks and Procedures relating to contract management adopted by the KLM and the general law.

**d)** Departmental Heads (Directors) shall ensure that contract managers are assigned to each contract within the Department Head's area of responsibility and, where possible, should ensure that such contract manager be involved from the earliest stages of the acquisition process.

**e)** Departmental Heads (Directors) shall further be responsible for ensuring that contract managers:

- **i.** take all reasonable steps to ensure that a contract procured through the provisions of this policy is properly enforced;
- **ii.** are adequately trained so that they can exercise the necessary level of responsibility in the performance of their duties;
- **iii.** in administering a contract, adhere to applicable legislation and legal precedent, regulations, policy and formalised guidelines.

**f)** In discharging his duties, the contract manager shall:

- **I.** ensure that all the necessary formalities in signing up the contract and/or issuing the purchase order(s) are adhered to;
- **II.** ensure that contracts related to the procurement of goods and services are captured on the KLM's SAMRAS system in the form of a price schedule when appropriate;
- **III.** ensure that all original contract documentation is lodged with the Supply Chain Management Department for record purposes;
- **IV.** monitor, update and report, on a monthly basis, the cost status and delivery forecast of the contract and the performance of the supplier in order to ensure that all of the terms and conditions of the contract are met, including the supplier's obligations as regards preferential procurement, targeted
- **V.** labour and/or resources and local production and content, as applicable;
- **VI.** where necessary, take appropriate action where a supplier is
- **VII.** underperforming or is in default or breach of the contract;
- **VIII.** where appropriate, authorize payments due in terms of the contract by processing payment certificates (if applicable), and ensuring that the necessary Service Entry Sheets or Goods Received Notes are captured on the KLM's SAMRAS financial system;
- **IX.** manage contract variation or amendment procedures in compliance with the latest directive in this regard as issued by the municipal manager and approved by the applicable delegated authority;
- **X.** administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;
- **XI.** maintain adequate records in sufficient detail on an appropriate

contract file to provide an audit trail;

**XII.** ensure that contractual actions relating to supplier liquidation proceedings are correctly and timeously taken to ensure the KLM's rights are protected and any negative impact on service delivery is mitigated, such options should include inter alia:

**1)** supplier proposal (via the liquidator) is deemed acceptable, by the relevant Director, to the KLM utilizing the appropriate contractual mechanisms; or

**a.** cancelling the contract, as the liquidator proposed supplier is deemed unacceptable to the KLM, and the KLM appointing an alternate supplier via appropriate procurement mechanisms); act with care and diligence and observe all accounting and legal requirements; and

**b.** for construction contracts, ensure that all contract administrative requirements of the CIDB is complied with.

## 53. APPLICATION OF POLICY TO MUNICIPAL ENTITIES

**(a)** The provisions of this policy generally do not apply to municipal entities.

**(c)** The supply chain management system of a municipal entity shall be applied with due regard to the provisions of this policy and the Regulations and, in the event of conflict, the provisions of the Regulations shall enjoy preference.

## 54. FRONTING

**(a)** For purposes of this paragraph, "fronting" shall include the under-mentioned acts on the part of a bidder or any person or party associated with a bidder:

**(i)** **Window-dressing:** This includes cases in which black people are appointed or introduced to an enterprise on the basis of tokenism and may subsequently be discouraged or inhibited from substantially participating in the core activities of the enterprise concerned and/or be discouraged or inhibited from substantially participating in the declared areas and/or levels of their participation;

**(ii)** **Benefit Diversion:** This includes initiatives where the economic benefits received by an organization for having B-BBEE Status do not flow to black people in the ratio specified by law;

**(iii)** **Opportunistic Intermediaries:** This includes enterprises that have concluded agreements with other enterprises in order to leverage the opportunistic intermediary's favorable B-BBEE status in circumstances where the agreement involves:

**(a)** Significant limitations or restrictions on the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;

**(b)** The maintenance of their business operations in a context reasonably considered improbable having regard to resources; and

**(c)** Terms and conditions that are not negotiated at arms-length

on a fair and reasonable basis.

**(b)** Where the accounting office detects fronting, he must act against the bidder concerned in terms of paragraph 27(9.3) and, in addition, report such fronting to the Department of Trade and Industry.

**55 CONDITIONS RELATING TO THE GRANTING OF PREFERENCE:**

**(1) Local Production and Content,**

**a)** The Department of Trade and Industry may, in consultation with the National Treasury designate a sector, sub-sector or industry or product in accordance with the national development and industrial policies for local production and content, where only locally produced services or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content taking into account economic and other relevant factors and stipulate a minimum threshold for local production and content. The National Treasury must inform KLM of any designations made through the issue of a circular.

**b)** In the case of designated sectors, such bids must be advertised with a specific condition of bidding that only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content will be considered.

**c)** any instructions, circulars and guidelines issued by National Treasury in the above regard must be complied with.

**d)** Where there is no designated sector, bids may include, as a specific condition of bidding, that only locally produced goods or locally manufactured goods with a stipulated minimum threshold for local production and content, will be considered, on condition that such prescript and threshold(s) are in accordance with the specific directives issued for this purpose by the National Treasury in consultation with the Department of Trade and Industry.

**e)** A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.

**f)** A bid that fails to meet the minimum stipulated threshold for local production and content is an unacceptable bid.

**(2) Subcontracting as a condition of tender/bid:**

Subcontracting as condition of a bid:

**a.** If feasible to subcontract for a contract above R30 million, the KLM must apply subcontracting to advance designated groups.

**b.** If KLM applies subcontracting as a condition of a bid, the KLM must advertise the bid with a specific bid condition that the successful bidder must subcontract a minimum of 30% of the value of the contract to:

**1)** an EME or QSE;

**2)** an EME or QSE which is at least 51% owned by black people;
**3)** an EME or QSE which is at least 51% owned by black people who are youth;
**4)** an EME or QSE which is at least 51% owned by black people who are women;
**5)** an EME or QSE which is at least 51% owned by black people with disabilities;
**6)** an EME or QSE which is at least 51% owned by black people living in rural or undeveloped areas or townships;
**7)** a co-operative which is at least 51% owned by black people;
**8)** an EME or QSE which is at least 51% owned by black people who are military veterans; or
**9)** more than one of the categories referred to in this clause.

**c.** The KLM must make available the list of all suppliers registered on a database approved by the National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in the preceding clause from which the bidder must select a supplier.

**(3) Unbundling Strategies:**

**a)** In order to encourage increased participation and the sustainable growth of the small business sector, the unbundling of larger projects into smaller, more manageable, contracts is encouraged. Unbundling must however be considered in the context of:

**1.** economies of scale being lost;
**2.** abortive work becoming necessary;
**3.** additional demands (not only financial) being placed on the KLM's resources; and
**4.** the risk of later phases not being completed as a result of budget cuts becoming necessary in the future.

**b)** Unbundling, and all of its associated implications, must therefore be carefully considered at the planning stage of any project and the budgets for, and design thereof, should be structured accordingly.

**c)** It is important to note that while it is the KLM policy to procure goods, services or construction works in the smallest practicable quantities, the practice of parceling such procurement in order to avoid complying with the requirements of the different range of procurement processes described in this policy is not permitted.

**(4) Increasing Employment Opportunities:**

**a)** One of the KLM key socio-economic objectives is to facilitate the creation of employment for the people of KLM.

**b)** Increasing employment opportunities through procurement may be achieved by specifying labour intensive technologies and/or methods of construction in the bid documents.

**c)** It is up to Responsible Agents to thoroughly investigate the options available in the above regard, to evaluate the positive versus negative impact of any proposals, and to specify labour intensive technologies and/or methods where appropriate.

**d)** All labour earning less than a threshold wage, determined in accordance with National Guidelines, that is employed for the provision of services or construction works for KLM, shall be reported in the prescribed format, on a monthly basis, to the Directorate responsible for Extended Public Works Programme (EPWP).

**(5) Targeted Labour and or Targeted Enterprises:**

**a)** The targeting of labour and/or enterprises from specific areas within the boundaries of the KLM area may be achieved, where appropriate, by specifying in the bid documents, a minimum level of participation (a contract participation goal) that must be achieved in respect of targeted labour and/or targeted enterprises in the performance of the contract. Bidders in this instance must make use of the Koua Municipal labour database for short-term contractual appointments.

**b)** Specified contract participation goals must be measurable and achievable, and the performance in respect of which must be monitored by the Responsible Agents during the execution of the contract.

**c)** Where a minimum contract participation goal has been specified in respect of targeted labour and/or enterprises, the supplier is obliged to meet that goal, and must be penalized if he or she does not.

**d)** Contract participation goals in respect of targeted labour and/or enterprises may not be introduced into the preference point system used for the evaluation of bids.

## 56 ARCHIVE OF BIDDING DOCUMENTS

(1) Bidding documents have to be kept in a safe.

(2) The following will be applicable before the destruction of any documents:

a) The tender documents must be kept for a minimum of seven (7) years.

b) The original tender document of the successful bidder for all project related commitments must kept on record and an electronic copy must be kept.

c) For all other types of tenders, the successful bidder's document may only be destroyed if an electronic copy is kept. Subject to the approval from Province for disposal/ destruction of tender documents

## 57 CONSTRUCTION INDUSTRY DEVELOPMENT BOARD

**1)** The Construction Industry Development Board (CIDB) has been established by government to promote the uniform application of policy to the construction industry. All CIDB regulations and its latest amendments shall be observed.

**a)** When calling for construction related bids:

- **i.** the prescribed CIDB (uniformity standard bid documents) may be utilized.
- **ii.** only Contractors registered with the CIDB may be used.
- **iii.** all tenders must be advertised on the CIDB i-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,
- **vi.** works or services related to the project; and (vii) subcontract arrangements and joint venture initiatives must be aligned to CIDB guidelines and requirements.
- **vii.** the same Bid Committee system as for all other bids will be applicable.

**b)** When evaluating construction related bids - (i) the registration and grading on the CIDB website must be verified; (ii) the contractor and has to be valid on the day the Bid Evaluation Committee evaluates the bid as well as date of Bid Adjudication when awards are recommended; (iii) the CIDB contractor requirements; and (iv) calculations for joint venture gradings must be done according to the CIDB prescriptions.

**2)** Other matters –

**(a)** all projects approved by the Municipality must be registered with the CIDB;

**(b)** contracts registered on the i-tender systems must be updated and completed;

**(c)** non-performance and non-compliance of contractors must be reported to the CIDB as per the CIDB guidelines; and

**(d)** Sub-contracting arrangements and joint-venture initiatives must be aligned to the CIDB guidelines and requirements.

**e)** Appointed Contractors shall immediately inform the Municipality of any CIDB grading changes or non -compliant status in terms of CIDB.

## 58 PUBLIC-PRIVATE PARTNERSHIPS

Public-Private Partnerships will be procured in terms of Part 2 of Chapter 11 of the Act.

## 59 TRANSVERSAL CONTRACTS

All commodities, services and products covered by a transversal contract concluded by the National Treasury must be considered before approaching the market, to benefit from savings where lower prices or rates have been negotiated.

## 60 FRAMEWORKS FOR INFRASTRUCTURE DELIVERY

### 1) The Infrastructure Delivery Management

### Project Processes

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 municipality's process reflects engagement between the Budget & Treasury Office, Engineers and Planners 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**<br>**(i)** The Initiation Report defines project objectives, needs, acceptance criteria, organization's priorities and aspirations, and procurement strategies, which set out the basis for the development of the Concept Report.<br>Or<br>I. 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.<br>**Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.** |
| **2** | **Concept** | **Concept Report or Feasibility Report**<br>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 |

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|---|---|---|
| | | the project, premised on available budget, technical solutions, time frame and other information that may be required.<br><br>II. The Concept Report should provide the following minimum information:<br>**(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. 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.<br>**(b)** Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project.<br>**(c)** Include a site development plan, or other suitable schematic layouts, of the works.<br>**(d)** Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project.<br>**(e)** 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.<br>**(f)** Contain a risk report, need for further surveys, tests, investigations, con-sents and approvals, if any, during subsequent stages. |

| | | |
|---|---|---|
| | | (iii) A Feasibility Report must provide the following minimum information: a) Details regarding the preparatory work covering:<br>• A needs and demand analysis with output specifications.<br>• An options analysis.<br>b) A viability evaluation covering:<br>• A financial analysis.<br>• An economic analysis, if necessary.<br>c) A risk assessment and sensitivity analysis;<br>d) A professional analysis covering:<br>• A technology options assessment.<br>• An environmental impact assessment.<br>• A regulatory due diligence.<br>e) An implementation readiness assessment covering:<br>• Institutional capacity.<br>• A procurement plan.<br>**Stage 2 is complete when the Concept Report or the Feasibility Report is approved.** |

| | | |
|---|---|---|
| **3** | **Design Development** | **Design Development Report**<br>(i) The Design Development Report must, as necessary:<br>a) Develop, in detail, the approved concept to finalize the design and definition criteria.<br>b) Establish the detailed form, character, function and costings.<br>c) Define the overall size, typical detail, performance and outline specification for all components.<br>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.<br>e) Confirm that the project scope can be completed within the budget or propose a revision to the budget.<br><br>**Stage 3 is complete when the Design Development Report is approved.** |
| **4** | **Design Documentation** | **Design Documentation**<br>(i) Design documentation provides:<br>a) the production information that details performance definition, specification, sizing and positioning of all systems and components<br>b) that will enable construction;<br>c) the manufacture, fabrication and construction information for specific components of the work, informed by the production information.<br>**Stage 4 is complete when the Design Documentation Report is approved.** |
| **5** | **Works** | **Completed Works capable of being used or occupied (**i) Completion of the Works Stage requires:<br>a) Certification of the completion of the works in accordance with the provisions of the contract; or<br>b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract.<br>**Stage 5 is complete when the Works Completion Report is approved.** |
| **6** | **Handover** | **Works which have been taken over by the user or owner; Completed**<br>**Training; Record Information**<br>(i) The handover stage requires the following activities to be undertaken:<br>**(a)** Finalize and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained;<br>**(b)** Hand over the works and record information to the user organization and, if necessary, train end user staff in the |

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|---|---|---|
| | | operation of the works.<br>**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**<br>(i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when:<br>a) Record information is archived;<br>b) Defects certificates and certificates of final completion are issued in terms of the contract;<br>c) Final amount due to the contractor is certified in terms of the contract;<br>d) Close-Out Report is prepared by the Implementer and approved by the Municipality.<br>**Stage 7 is complete when the Close-out Report is approved.** |

**61 FRAMEWORKS 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 transformational needs, as specified in the IDP.

**2) Minimum requirements for infrastructure procurement**

**a)** Infrastructure procurement must be undertaken in accordance with the Local Government Framework for Infrastructure Delivery and Procurement Management and all applicable infrastructure procurement-related legislation.

**b)** Infrastructure procurement must be implemented in accordance with the institutional Supply Chain Management System, which promotes differentiated procurement for infrastructure.

**c)** Infrastructure procurement must be implemented in accordance with the procurement gates prescribed in paragraph 56 below.

**d)** 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.

**e)** 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.

**f)** Procurement gates provided in paragraph 56 below must be used as appropriate, to:

**(i)** Authorize 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.

**1)** The authorization 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.

**2)** The accounting officer must develop and implement effective and efficient emergency procurement procedures, including relevant approval delegation, in compliance with relevant legislation.

**a)** 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 continuing with the procurement strategy.

**b)** 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.

**c)** All assets must be recorded in the municipal asset register as required by the GRAP standards.

## 62 INFRASTRUCTURE PROCUREMENT GATES (PG)

### 1) Procurement Gate 1

**a)** Initiate a procurement process

**b)** Minimum Requirement for Gate 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 work.

**(vi)** Confirm the budget.

**(vii)** Compliance with section 33 of the MFMA with respect to community and stakeholder participation.

**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.

**2) Procurement Gate 2**

**a)** Approve procurement strategy to be adopted.

**b)** Minimum Requirement for Gate 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 form of contract.

**(vi)** 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.

**3) Procurement Gate 3**

**a)** Approve procurement documents

**b)** Minimum Requirements for Gate 3

(i) Prepare procurement documents that are compatible with:

(ii) Approved procurement strategies

(iii) Project management design documentation.

**c)** PG 3 is complete when the bid specification committee approves the procurement document.

**4) Procurement Gate 4**

**a)** Confirm that cash flow processes are in place to meet projected contractual obligations.

**b)** Minimum Requirement for Gate 4:

**(i)** Confirm that cash flow processes are in place to meet Contractual obligations.

**(ii)** Establish control measures for settlement of payment 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.

**5) Procurement Gate 5**

**a)** Solicit tender offers.

**b)** Minimum Requirements for Gate 5

**(i)** Invite contractors to submit tender offers.

**(ii)** Receive tender offers.

**(iii)** Record tender offers.

**(iv)** 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) Procurement Gate 6**

**a)** Evaluate tender offers premised on undertakings and parameters established in procurement documents.

**b)** Minimum Requirement for Gate 6

(i) Determine whether tender offers are complete.

(ii) Determine whether tender offers are responsive.

(iii) Evaluate tender submissions.

(iv) Review minimum compliance requirements for each tender.

(v) Perform a risk analysis.

(vi) Prepare a report on tender offers received, and on their achievement of minimum compliance.

PG 6 is complete when the chairperson of the Bid Evaluation Committee approves the BEC report.

**7) Procurement Gate 7**

**a)** Award the contract.

**b)** Minimum Requirement for Gate 7

**(i)** Bid adjudication committee review of the BEC evaluation report.

**(ii)** Bid adjudication committee makes a recommendation of an award.

**(iii)** Accounting Officer approval of the tender process.

**(iv)** Notify successful tenderer and unsuccessful tenderers of the outcome.

**(v)** Sign contract document.

**(vi)** Formally accept tender offer.

**c)** PG 7 is complete when the Accounting Officer, or the Bid Adjudication

**d)** Committee, where delegated, confirms that the tenderer has provided evidence of complying with all the requirements as stated in the tender data and formally accepts the tender offer in writing, and issues the contractor with a signed copy of the contract.

**8) Procurement Gate 8**

**a)** Administer and monitor the contract.

**b)** Minimum Requirements for Gate 8:

**(i)** Contract Management to:

**(a)** Capture contract award data.

**(b)** Administer contract in accordance with the terms and provisions of the contract.

**(ii)** Financial Services to Manage cash flow projection.

**(iii)** User Department to Ensure compliance with contractual requirements.

**c)** PG 8 is complete when a delegated person captures the contract completion/termination data (close out reports and relevant documents), including payment certificates due.

**63 GATEWAY REVIEWS**

**1)** Gateway reviews for mega capital projects

**a)** 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."

**b)** The LGFIDPM prescribes the Gateway Review at the end of stage 2, as the minimum requirement to comply with section (i) above.

**c)** The focus of such a review must be on the quality of the documentation in the first instance, and thereafter on:

**(i)** Deliverability: the extent to which a project is deemed likely to deliver;

**(ii)** Expected benefits: within the declared cost, time and performance area;

**(iii)** Affordability: the extent to which the project's level of expenditure and financial risk can be accepted, given the organization's overall financial position, both singly, and when considering its other current and projected commitments; and

**(iv)** Value for money: The optimum combination of whole life costs and quality (or fitness of purpose), to meet the user's

requirements.

**d)** 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.

**e)** 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.

**f)** 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.

**g)** The gateway review team must base its findings primarily on:

**(i)** The information contained in the end-of-stage deliverable;

**(ii)** Supplementary documentation, if any, provided by key staff and obtained during an interview process; and

**(iii)** Interviews with key staff members and stakeholders.

**h)** 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.

**i)** The gateway review findings must be classified by the gateway review team as:

**1)** Critical: Findings that pose adverse effect to the project or package. Critical findings are findings related to the stage deliverable that are wholly unacceptable.

**2)** 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.

**3)** 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.

**j)** A Stage 2 deliverable must not be approved until such time that all findings have been resolved.

**64 COMMENCEMENTS**

This policy takes effect on the date of its adoption by the council.

**ANNEXURE A**

# KOUGA LOCAL MUNICIPALITY

## CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

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.

### 1. General Principles

The 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 which implies 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 gratuity from any person or provider / contractor either for themselves, their family, their friends and business associates.

Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively, with integrity and in accordance with applicable legislation, policies and guidelines. They should ensure that public resources are administered responsibly.

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 and they should also 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 and fairly;

**(b)** may not use his/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;

**(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 give rise to 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 him/her in the performance of his/her official duties; and

**(i)** should not take improper advantage of his/her previous office after leaving his/her official position.

## 3. Accountability

**3.1** Practitioners are accountable to the public for their decisions and actions.

**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, services or works.

**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 in such a system for any reason whatsoever.

**3.5** Practitioners must assist the accounting officer in combating fraud, corruption, favoritism, 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 they may become aware of, including but not limited to -

**(i)** any alleged fraud, corruption, favoritism 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 mayor 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 the supply of information only if it is in the public interest to do so.

## 5. Confidentiality

**5.1** 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 the relevant bidder's/contractors' personal rights.

**5.2** 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 they have left the service of the municipality.

## 6. Bid Specification / Evaluation / Adjudication Committees

**6.1** Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality 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 municipality; or

**6.4.2** amend or tamper with any price quotation / bid after its submission.

## 7. Combative Practices

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.

**Annexure B**

| **DELEGATION OF POWERS AND DUTIES PARAGRAPH 4.1** | | |
|---|---|---|
| **As far as contractual obligations are concerned:** Personnel to be nominated in writing by the Municipal Manager, and Directors, subject to the undermentioned criteria, and further subject to the municipality's Supply Chain Management Policy, financial regulations and council resolutions where applicable. | | |
| **4.2.1** | ***APPROVAL / AWARD / CANCELLATION* OF QUOTATIONS, FORMAL QUOTATIONS AND TENDERS** | |
| **RAND VALUE (VAT inclusive)** | **LEVEL OF APPROVAL** (With due regard to proper segregation of duties) | **QUOTATIONS / TENDERS PROCESS FOLLOWED** |
| Up to R2 000 | Level of approval as delegated by relevant director | Petty cash Purchases in terms of the Petty Cash Policy AND / OR One (1) written quotation |
| R2 000.01 – R300 000.00 | Chief Financial Officer (As for approval of requisition the CFO would delegate, and such would be in writing for each manager. | Make recommendation to the CFO for formal written price quotations in terms of Paragraph 18(b) of the SCM Policy |
| R300 000.01 – R10 million | Bid Adjudication Committee | Competitive Bidding – committee system |
| > R10 million | Municipal Manager after recommendation from the Bid Adjudication Committee | Competitive Bidding – committee system |
| **36.1** | ***APPROVAL OF DEVIATIONS*** | |
| All deviations regardless of the amount. | Accounting Officer | |
| **39** | ***APPROVAL OF REQUESTS* FOR PURCHASE MUNICIPAL STORE ISSUES** | |
| All orders | Level of approval as delegated to SCM Manager, that has been further delegated to Senior Accountant Acquisition& Chief Accountant: Logistics. | |
| **4.2.81.4** | ***CERTIFICATION AND AUTHORISATION OF ALL PAYMENTS* inclusive of where an official order has been issued in terms of subparagraph 4.2.1 above** | |
| **RAND VALUE (VAT inclusive)** | **LEVEL OF APPROVAL (With due regard to proper segregation of duties)** | |
| All ranges | The recipient of the service or good from the user department is expected to sign the good receive note is provided. If not, the recipient will append his/her signature as an acknowledgement that a service or good was delivered. Thereafter the delegated PM by the director of each directorate will sign or authorize the invoice for payment. | |

| 4.2.81.5 | *APPROVAL OF SPECIFICATIONS* FOR COMPETITIVE BIDS, in terms of Paragraph 27(2)(g) of the SCM Policy | |
|---|---|---|
| **Cryptic description of Power or Duty** | **Sub-delegated to** | **Remarks, Limitations or Conditions** |
| Specifications for Competitive Bids must be approved prior to the publication of the invitation for bids in terms of **[clause]** paragraph 22 of the SCM Policy. | All Directors | This delegation applies in so far as each director's responsibility for managing the respective votes of the municipality and to whom powers and duties for this purpose have been delegated in terms of Section 79 of the MFMA (Act 56 of 2003). |

| 4.2.81.6 | *APPROVAL OF COMMUNICATION* WITH PROSPECTIVE BIDDERS | |
|---|---|---|
| **Cryptic description of Power or Duty** | **Sub-delegated to** | **Remarks, Limitations or Conditions** |
| The budget holder must approach the bid specification committee to consider authorizing communication with bidders prior to the closing date of tenders in terms of paragraph 22(6)(a) of the SCM Policy | Bid Specification Committee | This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer |
| The budget holder must approach the bid evaluation committee to consider authorizing communication with bidders after the closing of tenders in terms of paragraph 24(3)(c) of the SCM Policy | Bid Evaluation Committee | This delegation applies in so far as the tender to which the communication relates and the members of the committee as appointed by the accounting officer |

| 52.1 | APPROVAL OF EXPANSIONS / VARIATIONS / AMENDMENTS IN THE CONTRACT SUM OR PERIOD | |
|---|---|---|
| **/RAND VLUE (VAT inclusive)** | **LEVEL OF APPROVAL** | **PROCESS FOLLOWED** |
| R0 – R300 000.00 (total inclusive of Vat) | Manager: SCM reviews those submission and makes recommendation to CFO for approval subject to the requirement of how approval was obtained initially | Circular 62 Expansion / Variation |
| R300 000.01 – R10 million (total inclusive of amendment) | Bid Adjudication Committee | Circular 62 Expansion / Variation |
| R10 million- unlimited | Municipal Manager with consent from Council | S116(3) Amendments |

**Annexure C**

Deviation No:

## SUPPLY CHAIN MANAGEMENT DEVIATION FORM

| | |
|---|---|
| **DIRECTORATE** | |
| **SECTION:** | |

| | |
|---|---|
| Supplier / Service Provider name: | |
| Nature of Goods Supplied / Services rendered | |
| Estimated value of Goods/ Services procured (incl. VAT): | |
| Date of request: | |

Reasons for Supply Chain Management Deviation per sec 36 of the Supply Chain Management Policy and the Regulation 36 of MFMA:

| | | |
|---|---|---|
| sec 36 (1)(a)**(i)** | In the case of an emergency: | |
| | a. the possibility of human injury or death. | |
| | b. the prevalence of human suffering or deprivation of rights. | |
| | c. the possibility of damage to property or suffering and death of livestock and animals. | |
| | d. the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the KLM as a whole. | |
| | e. the possibility of serious damage occurring to the natural environment | |
| | f. the possibility that failure to take necessary action may result in the KLM not being able to render an essential community service; and the possibility that the security of the state could be compromised. | |
| sec 36 (1)(a)**(ii)** | If such goods or services are produced or available from a single provider only; | |

| | | |
|---|---|---|
| sec 36 (1)(a)**(iii)** | For the acquisition of special works of art or historical objects where specifications are difficult to compile; or | |
| sec 36 (1)(a)**(iv**) | Acquisition of animals for zoos and/or nature and game reserves | |
| sec 36 (1)(a)**(v)** | In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and | |
| sec 36 (1)**(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. | |

**BACKGROUND**

……

**MOTIVATION**

……

**RECOMMENDATION:**

……

**To be completed by Budget and Treasury Office:**

| | |
|---|---|
| **BUDGET AVAILABLE** | |
| **UKEY** | |
| **CHECKED BY: BUDGET & TREASURY OFFICE** | |
| **DATE** | |

**Compulsory documents (to attach):**

| | |
|---|---|
| Registration on National Treasury Supplier database (CSD)- SCM | |
| MBD 4 Declaration of Interest Form | |
| MBD 8 Declaration of Past Supply Chain Practices | |
| MBD 9- Certificate of Independent Bidding | |

| | **SIGNATURE** | **DATE** |
|---|---|---|
| PREPARER OF DEVIATION | | |
| HEAD OF DEPARTMENT | | |

| | | |
|---|---|---|
| | | |
| REVIEWED BY SCM MANAGER | | |
| RECOMMENDED BY CHIEF FINANCIAL OFFICER | | |
| The Accounting Officer certifies that the Deviation meets all the requirements in accordance with Section 36 of the Supply Chain Management Policy. | | |
| **APPROVED BY: ACCOUNTING OFFICER** | | |

Council of the Kouga Municipality has in terms of section 156(2) of the Constitution of the Republic of South Africa read in conjunction with section 11 of the Local Government: Municipal Systems Act No. 32 of 2000, approved the following Policy.

# POLICY NAME / DESCRIPTION

| | |
|---|---|
| Policy Title: | **MUNICIPAL RESTRICTION (BLACKLISTING) OF SUPPLIERS POLICY** |
| File plan reference number: | SCM 25-26- Pol 2 |
| Previous Council approval date | N/A- new |
| Directorate: | Finance and Economic Development |
| Section: | Supply Chain Management |
| Responsible Official: | Manager: Supply Chain Management |
| Version: | 1 |
| Status of the document: | Draft |
| Review date: | |
| Council approval date | |
| Council resolution number | |
| Future review date: | |

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**DEFINITIONS**

**''Award''** shall mean the acceptance of a bid or proposal.

''**Blacklisting/restricting''** shall mean the act of disqualifying a person or an entity from participating in the procurement process of Kouga Local Municipality Municipality.

**"Collusion"** means any agreement, arrangement, understanding, or coordinated conduct, whether formal or informal, between two or more parties, including suppliers, officials, or third parties, which is intended to improperly influence procurement outcomes, pricing, competition, or decision-making processes, or to deceive or prejudice the Municipality.

**''Contract period''** shall mean the duration of the contract as set out in the contract.

**'' Council''** shall mean the Council of Kouga Local Municipality.

**'' Day''** unless expressly otherwise provided for in this policy shall mean calendar day.

**''Delisting''** shall mean removal of a person/entity, after the period of blacklisting expires.

**"Fraud"** means any unlawful, intentional act or omission, including a misrepresentation by words, conduct, or non-disclosure, made by a supplier, service provider, or any associated person, which causes or has the potential to cause prejudice, loss, or risk of loss to the Municipality, whether financial or otherwise.

**''Fronting'** shall mean the deliberate circumvention or attempted circumvention of the Broad Based Black Economic Empowerment Act and the Codes of Good Practice.

**'Irregular practice''** shall include, but not be limited to:
(i) fronting,
(ii) misrepresentation on eligibility documents or application forms or any other returnable document which contains information which will have a material bearing on the award,
(iii) attempt to bribe/bribing an official by monetary or non-monetary inducements or attempt to influence an official directly or indirectly involved with the procurement process, in order to:
- obtain a tender
- retain a tender
- withdraw from a tender
(iv) deliberately omitting information, or misrepresenting information which would have a bearing on the award of a tender,
(v) committing of fraud or extortion in relation to the bidding process,
(vi) obtaining information on the contents of other bids in the same tender which one would not ordinarily be entitled to in terms of the Promotion of Access to Information Act (PAIA) No. 2 of 2000 or as amended, which information is in the possession and under the control of the municipality,
(vii) collusive tendering,
(viii) restrictive horizontal and vertical practices as defined by the Competition Act,
(ix) committing an exclusionary act as defined by the Competition Act; and
(x) any other activity which is not specifically set out in this definition but constitutes an unlawful or unfair/improper business practice.

''**Municipality**'' shall mean Kouga Local Municipality

''**Municipal Restriction Authority''** shall mean the person/s or committee/s that have, delegated authority to blacklist or restrict a tenderer/supplier/contractor.

**''Non-performance ''** shall mean default on a contract in the public/ government sector by wilfully or negligently:

(i) failing to perform at all,
(ii) failing to complete work timeously without good reason,
(iii) delivering defective performance, i.e. poor workmanship, or substandard materials,
(iv) being in breach of a material term of the contract,
(v) failing to achieve a specified participation goal as set out in the tender documents; and
(vi) despite being given written notice to remedy non-performance.

**"' Restriction/blacklisting period''** shall mean the period for which the tenderer is barred from participating in the procuring processes.

**"Risk"** means the reasonably foreseeable possibility that the conduct, omission, or continued engagement of a supplier may expose the Municipality to financial loss, legal liability, reputational harm, service delivery failure, or non-compliance with applicable legislation.

## 1. PURPOSE

The purpose of this Policy is to enhance the integrity, accountability, and effectiveness of the Municipality's Supply Chain Management system by providing a clear framework for the **restriction of suppliers from doing business with the Municipality**, including restriction **outside of the National Treasury restriction process**, while ensuring fairness, proportionality, and compliance with applicable legislation.

## 2. OBJECTIVES

2.1 To prevent the municipality from doing business with persons, business, organizations or entities who abuse the supply chain management system by committing a corrupt, fraudulent, unfair or irregular practice/s.

2.2 To prevent the municipality from doing business with individual persons, business, organizations or entities who default on any contract, performance wilfully or negligently.

2.3 To develop a uniform criteria and a fair process for barring such persons, tenderers and business entities who engaged in 2.1 and/or 2.2 above.

2.4 To prevent persons who are blacklisted from re-entering the procurement arena by setting up new business entities and by using existing business entities to tender for public sphere work, during the blacklisting period.

## 3. LEGAL FRAMEWORK

This policy is adopted in accordance with:

- Section 217 of the Constitution of the Republic of South Africa, 1996;
- Sections 112 and 116 of the Municipal Finance Management Act, 56 of 2003;
- The Municipal Supply Chain Management Regulations;
- Applicable National Treasury Instructions, and
- The Promotion of Administrative Justice Act, 3 of 2000.

## 4. RESTRICTION OF SUPPLIERS

### 4.1 Authority to Restrict Suppliers

4.1.1 The Municipality may, **independently of the National Treasury restriction process**, restrict a supplier, contractor, service provider or any associated person from doing business with the Municipality where such conduct undermines the integrity, fairness, transparency or effectiveness of the supply chain management system.

4.1.2 This municipal restriction process shall function as an **internal control and risk-management mechanism** and shall not replace or contradict the National Treasury restriction process.

4.1.3 The Accounting Officer shall be the final authority for approving any restriction imposed in terms of this policy.

### 4.2 Grounds for Restriction

A supplier must be restricted from doing business with the Municipality if the supplier has:

a) Failed to perform satisfactorily in terms of a municipal contract, including persistent poor performance after written warnings;

b) Breached any material term or condition of a contract with the Municipality;

c) Submitted **fraudulent, false or misleading information**, including but not limited to:

- Fraudulent or falsified B-BBEE certificates or affidavits;
- Misrepresentation of experience, capacity, qualification, financial standing or subcontracting arrangements;

d) Engaged in fraud, corruption, collusion, bribery or unethical conduct;

e) Attempted to improperly influence municipal officials, councillors or SCM role-players;

f) Failed to comply with applicable legislation where such non-compliance materially affects performance;

g) Been convicted of an offence involving dishonesty, fraud, corruption or financial misconduct.

h) If found that the appointment of the bidder/vendor/service provider caused or poses a reputational risk to the Municipality in line with the provisions of the Kouga Municipality Supply Chain Management Policy.

i) is listed on the National Treasury or any other Governmental Restriction or blacklisting list.

**4.3 Restriction Periods and Sanctions**

4.3.1 Restriction periods shall be **proportionate to the severity, intent and impact** of the offence.

4.3.2 Without limiting the Municipality's discretion, the following guideline sanctions apply:

a) **Fraudulent B-BBEE Submissions or other Documentation**

- Restriction for **up to five (5) years** from doing business with the Municipality;
- Mandatory reporting to National Treasury for possible national restriction;
- Possible termination of existing contracts, subject to legal advice.

b) **Fraud, Corruption, Collusion or Bribery**

- Restriction for **up to five (5) years**;
- Reporting to National Treasury and law-enforcement agencies.

c) **Poor Performance or Contractual Breach**

- Restriction for **one (1) year to five (5) years**, depending on severity and recurrence.

d) **Misrepresentation (excluding B-BBEE fraud) and Reputational Damage**

- Restriction for **one (1) to five (5) years**.

**4.4 Establishment of a Municipal Supplier Restriction Committee**

4.4.1 The Accounting Officer shall establish a **Municipal Supplier Restriction Committee**.

4.4.2 The Committee shall comprise of:

- A senior official appointed as Chairperson i.e. Deputy Municipal Manager or Director;
- Legal Services Manager;
- Risk or Internal Audit Manager;
- Any co-opted expert where necessary (non-voting).

**4.5 Procedural Fairness**

4.5.1 No supplier shall be restricted without being afforded procedural fairness, including:

- Written notice of allegations;
- Access to relevant information;
- A reasonable opportunity to make representations.

4.5.2 The Committee shall consider all evidence and representations before making a recommendation.

4.5.3 The decision, reasons and duration of restriction shall be communicated to the supplier in writing.

**4.6 Consideration of Corrective Measures**

4.6.1 A supplier may submit **corrective measures** for consideration prior to a final restriction decision.

4.6.2 Corrective measures may include, but are not limited to:

- Remedial action plans addressing poor performance;
- Replacement of responsible personnel;
- Strengthening of governance, ethics or compliance controls;
- Proof of statutory or tax compliance;
- Training on public sector procurement compliance.

4.6.3 Corrective measures **shall not negate restriction** where the offence involves:

- Fraudulent B-BBEE documentation;
- Fraud, corruption, collusion or bribery;
- Deliberate misrepresentation.

4.6.4 In such cases, corrective measures may only be considered in determining the **duration or conditions** of restriction.

**4.7 Effect of Restriction**

4.7.1 A restricted supplier:

- Shall be barred from quoting or tendering;
- Shall not be awarded any contract;
- Shall not participate as a subcontractor or joint venture partner during the restriction period.

4.7.2 The Municipality shall maintain an **internal register of restricted suppliers**.

4.7.3 The register of restricted suppliers shall be published on the municipal website.

**4.8 Review of Restriction**

4.8.1 A restricted supplier may apply in writing for review after **half of the restriction period** has elapsed.

4.8.2 The Accounting Officer's decision on review shall be final.

**5. IMPLEMENTATION**

5.1 This Policy shall take effect on the date of approval by Council.

5.2 All officials involved in supply chain management shall ensure strict implementation of this Policy.

**6. POLICY REVIEW**

The Policy must be reviewed every three (3) years or sooner if amended legislation requires a review of the Policy.

REVIEWED: 25.05.2022
APPROVED BY COUNCIL: 29.07.2022
ITEM NO: 22/07/F2

# POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

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REVIEWED: 25.05.2022
APPROVED BY COUNCIL: 29.07.2022
ITEM NO: 22/07/F2

# POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

## 1. DEFINITIONS

For the purposes of this policy the following definitions are applicable:

**"Debt"** - means an amount owing to the Municipality;
**"Debtor"** – means a person who owes the Municipality money for rates/services rendered;
**"Accounting Officer"** – the Municipal Manager appointed;
**"Council"** – means the council of the Municipality;
**"Municipality"** – means the Kouga Municipality.
**"First time"** – means from the 2014 / 2015 financial year and onwards.

## 2. PURPOSE OF POLICY

2.1. This policy provides guidelines on treatment of the impairment and write-off of debtors.

The policy seeks that household consumers with no or lower income are not denied a reasonable service and that the municipality is not financially burdened with non-payment of services.

2.2. Section 96 of the Local Government: Municipal Systems Act, 32 0f 2000, provides that a municipality must collect all money that is due and payable to it, subject to the provisions of that Act and other applicable legislation. The Council is faced with a significant amount of outstanding debt and the continuous defaulting by certain consumers who can afford to pay for services.

2.3. It is recognized, however, that circumstances may arise which may make the recovery of certain debts impossible, impractical or financially unfeasible, and that such debts may have to be written off.

2.4. The purpose of this policy is to provide a framework for:

2.4.1. limiting the circumstances contemplated in 2.3;

2.4.2. determining, when such circumstances have arisen, whether to write-off any debts; and
2.4.3. the procedures for writing off such debts.

2.5. The municipality will maintain audit trails in such an instance and document the reasons for the abandonment of the action or claim in respect of the debt.

2.6. In addition, the policy further stipulated that "Council must appoint a committee in terms of its delegations to review and **recommend to Council to approve all bad debt write off cases."**

2.7. **The effective management of debtors include, amongst others, the following processes:**

- **Implementation/ maintenance of the appropriate Information and Communication Technology (ICT) Systems and Business Processes;**
- **Accurate Billing;**
- **Customer Care and Accounts enquiry management;**
- **Effective and timeous Credit Control;**
- **Impairment of Debtors (Provision for Doubtful Debtors); and**
- **Write-off of uncollectable debtors.**

2.8. The objectives of this policy are:

2.8.1. To ensure that the debtors disclosed in the annual financial statements are stated at amounts that are deemed to be collectable; and
2.8.2. To ensure that uncollectable debt is written off within guidelines of applicable policies and legislation.

## 3. IMPAIRMENT OF DEBTORS

Consumer debtors, other debtors and statutory receivables are stated at amortised cost.
In accordance with GRAP 104 (Financial Instruments) and GRAP 108 (Statutory Receivables), the Municipality assesses at each reporting date whether there is objective evidence that a financial asset or statutory receivable is impaired. For financial assets within the scope of GRAP 104, impairment is determined using an expected credit loss approach, taking into account historical loss experience, current economic conditions and forward-looking information. For statutory receivables within the scope of GRAP 108, impairment is recognised when there is objective evidence that the receivable is not fully recoverable.

Accounts that are past due by 30 days or more are considered to have experienced a significant increase in credit risk and are assessed for impairment accordingly. In

addition, receivables that are past due may be subject to further credit risk evaluation based on payment history, repayment arrangements, disputes, economic conditions and the financial position of the debtor.

The Municipality adopts detailed impairment methodologies as approved by the Chief Financial Officer. Impairment losses and subsequent reversals, where appropriate, are recognised in the Statement of Financial Performance. The allowance for impairment is reviewed at each reporting date and adjusted to reflect current conditions and reasonable and supportable information available at that date.

## 4. RESPONSIBILITY / ACCOUNTABILITY

The Council has the overall responsibility for adopting and approving the Provision for Bad Debts and Writing Off of Irrecoverable Debt.

## 5. WRITE-OFF OF DOUBTFUL DEBTORS

5.1 The following should be the guiding principles in implementing the Policy on Writing Off of Irrecoverable Debt:-

5.1.1 The policy is in accordance with the Local Government Municipal Finance Management Act 2003, Local Government Municipal System Act 2000, as amended and other related legislation.

5.1.2 Before any debt is written off it must be proven that the debt has become irrecoverable. To ensure that recommendations for write off are consistent and accurate, irrecoverable debt will be defined as:-

5.1.2.1 Where the tracing of the debtors is unsuccessful; and

5.1.2.2 All reasonable steps, at the discretion of the appointed write off committee, were taken by the officials to recover the debt.

5.1.3 Bad debt write offs must be considered in terms of cost benefit; when it becomes too costly to recover and the chances of collecting the debt are slim, a write off should be considered.

5.1.4 Time value of money is very important because the older the debt becomes, the more difficult and costly it becomes to collect. It is therefore imperative that a proper system of credit control is implemented and maintained to avoid debt reaching the stage of becoming too expensive to recover.

5.1.5 Differentiation must be made between those household consumers who cannot afford to pay for basic services and those who just do not want to pay for these services.

5.1.6 Debt can only be written off if the required provision exists in the Municipality's budget and/ or reserves.

## 6. CATEGORIES OF DEBTORS THAT MAY QUALIFY FOR THE WRITING-OFF OF IRRECOVERABLE DEBT

### 6.1 Approved Indigent Household Consumers in terms of the Municipality's Indigent Policy

6.1.1 Debt owed to Council by an Indigent Household, when registering for the first time in terms of the official Indigent Policy, shall be written off as a once off concession, subject to a thorough audit investigation and certification to the effect that the household is a bona fide indigent as stipulated in the Indigent Policy.

6.1.2 Debt owed by the deceased estate of the breadwinner of a registered indigent household shall be written off up to the date of the death of the owner.

### 6.2 Balances too small to recover considering the cost for recovery

6.2.1 Where final accounts have been submitted and paid by the respective consumer and the remaining balance after finalisation of any final readings and other administrative costs results in a balance of one hundred rand (R100) or less, such account must be forwarded once to the consumer for payment.

Should the new owner not qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of the previous owner till the date of the new service application remain payable by the new owner and cannot be written off.

Should the new owner qualify to be registered as an Indigent, in terms of the Council's Indigent Policy, the outstanding rates and service charges for the period from the death of the previous owner till the date of the new service application can be written off in instances where the next of kin/new owner present proof that the property transfer fees has been paid and the service contract is signed in his/her name.

### 6.3 Insolvency of the Debtor and Insolvent Deceased Estates

6.3.1 Where a debtor becomes insolvent the Municipality must ensure that a creditor's claim is timeously registered. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to an insolvent estate must, after notification, be written off.

6.3.2 In case of death of the debtor, a creditor's claim must be timeously registered against the deceased's estate. Any amount not being recovered due to insufficient funds or if there is a risk of a contribution being made to a deceased estate must, after notification, be written off.

**6.4 Untraceable Debtors**

6.4.1 Where for any reason the forward address of a debtor becomes untraceable or the debtor becomes untraceable from the current address, such account must be handed over to a collection agent for recovery of the debt. The collection agent will be paid an all- inclusive fee that will be negotiated. The Terms of Reference for such collection agent must include the appointment of a tracing agent to locate the debtor. Should a debtor be untraceable, the collection agent must report to the Municipality on the actions that were taken to attempt to trace the debtor.

6.4.2 Any amount owed by a debtor that has become untraceable must, after notification, be written off or sold to a debt collection agency at a discount.

6.4.3 Debt written off in the above instances will automatically result in the debtor being reported to the credit bureau by the Municipality.

**6.5 Special Arrangements in order to obtain a Clearance Certificate**

6.5.1 In terms of legislation the Municipality will under normal circumstances not issue a Clearance Certificate on any property unless all outstanding amounts are paid to date, or alternatively payment of the current year and two years preceding the date of application for the certificate have been fully paid, and a guarantee by the attorney handling the property transfer is issued in favour of the Municipality for the balance of the debt.

**6.6 Special Incentives introduced by Council for Household Consumers in terms of the Approved Revenue Enhancement Strategy**

6.6.1 Notwithstanding the Municipality's Credit Control Policy a debtor may enter into a written agreement with the Municipality to repay any outstanding and due amount to the Municipality under the following conditions:-

6.6.1.1 The outstanding balance, costs and any interest thereon shall be paid in

regular and consecutive monthly instalments;

6.6.1.2 The current monthly amount must be paid in full; and

6.6.1.3 The written agreement has to be signed on behalf of the Municipality by a duly authorised officer.

6.6.2 Due to ineffective/ non implementation of credit control measures in the past, the majority of household consumers have accumulated significant arrear amounts and that these consumers are not in a position to pay of these arrear amounts in full together with their current monthly accounts. In order to improve the current payment levels from consumers the Council of Kouga Municipality may resolve to implement special incentives to address the arrear debt.

**6.7 Special cases:**

The allocation of RDP houses by the Directorate Planning, Development and Tourism has in some instances resulted in debt raised for the property in the name of the person allocated the house, but who never took occupation due to one of the following reasons:

- Occupation taken up by illegal occupants;
- Failure to inform the rightful owner about the allocation; - Alteration of allocation not effected in Council records;

In the above-mentioned cases there will never be a need to implement the Credit Control and Debt Collection Policy; therefore write-off should take place immediately when the Directorate involved in the allocation of property issues a memorandum that confirms the above. Furthermore the write-off should be affected and later reported to Council for ratification purposes.

## 7. ESTABLISHMENT OF A COMMITTEE TO MONITOR ANY DEBT TO BE WRITTEN OFF

7.1 Council will establish and appoint a Committee to monitor the implementation of this Policy.

7.2 The Committee will consist of the following members:-

7.2.1. The Municipal Manager (Chairperson) or delegated authority.

7.2.2. Chief Financial Officer (Alternative Chairperson).

7.2.3. Chairperson of the Finance Committee.

7.2.4. A member of each Political Party.

7.2.5. One member of the Finance Committee to be nominated by the Finance Committee.

7.3. The above Committee will meet at least quarterly to receive and review a report from the Chief Financial Officer containing full details of any actions taken by officials with respect to this Policy, and to consider any circumstances not covered by this Policy.

7.4. The quorum for the Committee shall be 50% of the members plus one.

7.5. Formal minutes of Committee meetings must be prepared and submitted to Council.

7.6. The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off any amounts to the maximum of;

7.6.1. in the case of a household consumer an amount of R10,000 (excluding interest and penalties) per submission;

7.6.2. in the case of a business consumer an amount of R20,000 (excluding interest and penalties) per submission; and

7.6.3. any amount in excess of the delegation provided for in paragraph 7.6.1 and 7.6.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager or delegated authority will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off any amounts to the maximum of:-

7.6.4. in the case of a household consumer an amount of R20,000 (excluding interest and penalties) per submission; and

7.6.5 in the case of a business consumer an amount of R50,000 (excluding interest and penalties) per submission.

7.7. Any amount in excess of the delegation provided for in paragraph 7.6.4 and 7.6.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

7.8. All write-offs as per 7.6 is to be reported to the Committee to Monitor Debt to be written off.

## 8. DELEGATED POWERS ON WRITING-OFF INTEREST AND PENALTIES ON RECOVERABLE DEBTS

8.1 The Chief Financial Officer will, after thorough review of any applications in terms of this Policy, be delegated to write off interest and penalties, **subject to full settlement account**, to the maximum of;

8.1.1 in the case of a household consumer an amount of R10 000 per submission;

8.1.2 in the case of a business consumer an amount of R20 000 per submission; and

8.1.3 any amount in excess of the delegation provided for in paragraph 8.1.1 and 8.1.2 above must be submitted together with a recommendation to the Municipal Manager for consideration. The Municipal Manager will, after thorough review of any recommendation by the Chief Financial Officer and in terms of this Policy, be delegated to write off interest and penalties, **subject to full settlement of the account**, to the maximum of:

8.1.4 in the case of a household consumer an amount of R20,000 per submission; and

8.1.5 in the case of a business consumer an amount of R50,000 per submission.

8.2 Any amount in excess of the delegation provided for in paragraph 8.1.1 to 8.1.5 above may only be reviewed by the Committee to Monitor Debt to be written off and must be submitted together with a recommendation to Council for consideration.

8.3 All write-offs as per 8.1.1 is to be reported to the Committee to Monitor Debt to be written off.

## 9. PREVENTION OF PRESCRIPTION OF DEBT

### 9.1 Prevention:

Proceedings out of the appropriate court for the recovery of a debt must be commenced as soon as it is appropriate in order to prevent prescription of the debt. A summons process for payment of the debt must be successfully concluded to prevent prescription of the debt in terms of the Prescription Act.

### 9.2 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:-

(i) By the service on the debtor of any process whereby the creditor claims payment of the debt (Section 15). "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.

(ii) the debtor acknowledges liability, whether expressly or tacitly

(Section 14); 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 (Section 13).

### 9.3 In terms of Section 11 of the Prescription Act, 1969 (Act 68 of 1969), the periods of prescription of debts are as follows:

(i) **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.

(ii) **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.

(iii) **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.

(iv) **Three years** in respect of all other debts, save where an Act of Parliament provides otherwise.

## 10. 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.

## 11. IMPLEMENTATION

This policy will be effective on the date of adoption by Council.

All future submissions for the writing off of debt must be considered in accordance with this policy.

**APPROVED ON:**

**COUNCIL RESOLUTION NUMBER: 22/07/F2**

31 May 2025

**C DU PLESSIS**
**MUNICIPAL MANAGER**

**DATE**

# ANNEXURE "F"

| PP Ref # | DESCRIPTION OF GOODS / SERVICES / PROJECT | DEPARTMENT | PROJECT NO | CAPITAL / OPERATIONAL | PROJECT TYPE | BUDGET | CURRENT TENDER # | CURRENT SERVICE PROVIDER | CONTRACT END DATE | Procurement required (YES / NO) | ESTIMATED PROJECT VALUE | ENVISAGED DATE OF BSC ITEM SUBMITTED TO SCM | ENVISAGED DATE OF BSC | ENVISAGED DATE OF ADVERTISEMENT IN THE WEBSITE, NEWSPAPERS OR OTHER MEDIA | ENVISAGED CLOSING DATE OF BID | ESTIMATED TIMEFRAME FOR CHECKLIST- SCM REPORTS-END USER/ CONSULTANT REQUIRED | ENVISAGED DATE OF BEC | ENVISAGED DATE OF BAC | ENVISAGED DATE OF AWARD | REPSONSIBLE PERSON/ PROJECT MANANGER | KPI-90 CALENDER DAYS FROM DATE OF ADVERT TO APPOINTMMENT | KPI EVALUATE WITHIN 30 CALENDER DAYS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PP001 | Supply, Delivery , Installation and Maintenance of an ink Jet Plotter (Lease option) for a period of Three Years | DMM | OP_1 | Operational | Services | 131 061 | 142 / 2023 | Sky Metro Equipment (Pty) Ltd | 31-Mar-26 | Yes | n/a | 01-May-26 | 14-May-26 | 25-May-26 | 24-Jun-26 | 06-Jul-26 | 23-Jul-26 | 05-Aug-26 | 21-Aug-26 | M. Rossouw | 88 | 29 |
| PP002 | Supply Delivery And Support Of Multifunction Printers And Print Management Software - 3 Years ( Formal Tender) | DMM | OP_1 | Operational | Goods | 300 000 | 158/2022 | Sky Metro Equipment Pty Ltd | 30-Jun-26 | yes | n/a | 26-Apr-26 | 07-May-26 | 18-May-26 | 17-Jun-26 | 29-Jun-26 | 16-Jul-26 | 29-Jul-26 | 14-Aug-26 | M. Rossouw | 88 | 29 |
| PP003 | Computer Equipment | DMM | CP_4 | Capital | Goods | 1 500 000 | 43/2024 | Metro Computers | 19-Sep-26 | Yes | n/a | 11-May-26 | 22-May-26 | 02-Jun-26 | 02-Jul-26 | 14-Jul-26 | 31-Jul-26 | 13-Aug-26 | 31-Aug-26 | M. Goduka | 90 | 29 |
| PP004 | **Rental Office Building starting 1 July 2027** | DMM | OP_1 | Operational | Project | 11 550 000 | Dev/ SLA | Bambelela Properties Pty Ltd | 30-Jun-27 | Yes | n/a | 31-Jan-26 | 12-Feb-26 | 23-Feb-26 | 25-Mar-26 | 06-Apr-26 | 23-Apr-26 | 06-May-26 | 22-May-26 | M. Rossouw | 88 | 29 |
| PP005 | SP to provide Cloud Hosting Services, Cloud Disaster Recovery and Data Centre Continuity for a period of three years **starting 1 June 2027** | DMM | OP_1 | Operational | Project | 11 550 000 | 177/2023 | Gracol Solutions (Pty) Ltd | 27-May-27 | Yes | n/a | 18-Jan-27 | 29-Jan-27 | 09-Feb-27 | 11-Mar-27 | 23-Mar-27 | 09-Apr-27 | 22-Apr-27 | 10-May-27 | M. Rossouw | 90 | 29 |
| PP006 | Supply, Support and Maintenance of Telephone Systems for a period of 3 years starting **1 June 2027** | DMM | OP_1 | Operational | Services/ Goods | 11 550 000 | 90/2023 | Sky Metro Equipment/ Upstream JV | 27-May-27 | Yes | n/a | 18-Jan-27 | 29-Jan-27 | 09-Feb-27 | 11-Mar-27 | 23-Mar-27 | 09-Apr-27 | 22-Apr-27 | 10-May-27 | M. Rossouw | 90 | 29 |
| PP007 | Provision of Cleaning Services for a period of a period of 3 years starting **1 June 2027** | DMM | OP_1 | Operational | Services | 11 550 000 | 1/2024 | Mavukamavusi Projects Pty Ltd | 27-May-27 | Yes | n/a | 18-Jan-27 | 29-Jan-27 | 09-Feb-27 | 11-Mar-27 | 23-Mar-27 | 09-Apr-27 | 22-Apr-27 | 10-May-27 | M. Rossouw | 90 | 29 |
| PP008 | Provision of a Secure Off-Site Storage Facility to render Document Management Services for a period of 3 year period **1 May 2027** | DMM | OP_1 | Operational | Services | 11 550 000 | 5/2024 | Metrofile Pty Ltd | 30-Apr-27 | Yes | n/a | 25-Nov-26 | 08-Dec-26 | 20-Jan-27 | 19-Feb-27 | 03-Mar-27 | 22-Mar-27 | 02-Apr-27 | 20-Apr-27 | M. Rossouw | 90 | 31 |
| PP009 | Appointment of a service provider to render services in aerial photography, videography and aerial videography and other related services for a period of 3 years starting **1 June 2027** | DMM | OP_1 | Operational | Services | 11 550 000 | 35/2024 | Integrated Aerial Systems (Pty) Ltd | 27-May-27 | Yes | n/a | 18-Jan-27 | 29-Jan-27 | 09-Feb-27 | 11-Mar-27 | 23-Mar-27 | 09-Apr-27 | 22-Apr-27 | 10-May-27 | M. Basson | 90 | 29 |
| PP010 | Appointment of SP for individual Screening for a 3 year period starting **August 2027** | DMM | OP_1 | Operational | Services | 11 550 000 | 101/2024 | KTO Digital Pty Ltd | 05-Aug-27 | Yes | n/a | 25-Mar-27 | 07-Apr-27 | 16-Apr-27 | 18-May-27 | 28-May-27 | 16-Jun-27 | 29-Jun-27 | 15-Jul-27 | J. Thomas | 90 | 29 |
| PP011 | Provision of an Anti Virus Solution for a 3 year period starting **1 Feb 2027** | DMM | OP_1 | Operational | Services | 11 550 000 | 145/2020 | Litle Pig CC | 31-Jan-27 | Yes | n/a | 11-Aug-26 | 24-Aug-26 | 02-Sep-26 | 02-Oct-26 | 14-Oct-26 | 02-Nov-26 | 13-Nov-26 | 01-Dec-26 | M. Goduka | 90 | 31 |
| PP012 | Provision of Internet services, Microsoft Licenses 0365,0365 Deployment and migration to Azure. Deploy additional services on 0365 and fully manage all services a period of 36 months starting **Nov 2026** | DMM | OP_1 | Operational | Project | 11 550 000 | 97/2023 | Vodacom Pty Ltd | 05-Nov-26 | Yes | n/a | 12-Jun-26 | 25-Jun-26 | 06-Jul-26 | 05-Aug-26 | 17-Aug-26 | 03-Sep-26 | 16-Sep-26 | 02-Oct-26 | M. Goduka | 88 | 29 |
| PP013 | Digital Transformation Change Management Programme**(26/27)** | DMM | OP_1 | Operational | Project | 11 550 000 | n/a | n/a | N/A | Yes | n/a | 20-Jul-26 | 31-Jul-26 | 11-Aug-26 | 10-Sep-26 | 22-Sep-26 | 09-Oct-26 | 22-Oct-26 | 09-Nov-26 | M. Goduka | 90 | 29 |
| PP014 | Supply and Delivery of Corporate Wear for a period of Two Years starting **1 April 2027 (26/27)** | DMM | PO_706 | Operational | Goods | 100 000 | 233/2025 | new appointment in objection phase | 31-Mar-27 | Yes | n/a | 15-Nov-26 | 26-Nov-26 | 25-Jan-27 | 24-Feb-27 | 08-Mar-27 | 25-Mar-27 | 05-Apr-27 | 21-Apr-27 | M. Basson | 86 | 29 |
| PP015 | Advertising services in broadcast (radio) media and other related services for a period of Two Years starting 1 April 2027 **(26/27)** | DMM | OP_1 | Operational | Services | 1 000 000 | 199 / 2023 | objection phase to be finalised | 31-Mar-27 | Yes | n/a | 15-Nov-26 | 26-Nov-26 | 19-Jan-27 | 18-Feb-27 | 02-Mar-27 | 19-Mar-27 | 30-Mar-27 | 15-Apr-27 | M. Basson | 86 | 29 |
| PP016 | Supply & delivery of branded promotional items for a period of Two Years. **(26/27)** | DMM | PO_706 | Operational | Goods | 100 000 | 213/2025 | Infinity Printing and Technology CC<br>JK Tech Promo Pty Ltd<br>Zleo Properties (Pty) Ltd<br>L and P Construction and Services (Pty) Ltd | 31-Jan-27 | Yes | n/a | 15-Nov-26 | 26-Nov-26 | 30-Jan-27 | 02-Mar-27 | 12-Mar-27 | 31-Mar-27 | 09-Apr-27 | 27-Apr-27 | M. Basson | 87 | 29 |
| PP017 | Appointment of a Service Provider to Provide Interpreting, Translation and Editing Services for a period of Two Years **(26/27)** | DMM | OP_1 | Operational | Services | 1 000 000 | 170 / 2024 | Banafrica 1 Foreign Languages and Transport Agency | 12-Mar-26 | Yes | n/a | 05-Jun-26 | 16-Jun-26 | 25-Jun-26 | 27-Jul-26 | 06-Aug-26 | 25-Aug-26 | 03-Sep-26 | 21-Sep-26 | M. Basson | 88 | 29 |
| PP018 | Facilitation of Training Interventions for a period of 3 three years **(26/27- same dates kept as current PP of 25/26)** | DMM | EC57201 | Operational | Services | 80 004 | 42/2023 | Imbawula training Institute Pty ltd- **( U/S 60155)**/ Femtoflash CC t/A Promeetse **(U/S 60189, U/S 242860)** | 27-Aug-26 | Yes | n/a | 31-Mar-26 | 13-Apr-26 | 22-Apr-26 | 22-May-26 | 03-Jun-26 | 22-Jun-26 | 03-Jul-26 | 21-Jul-26 | J. Thomas | 90 | 31 |
| PP019 | Fumigation Services for a period of 3 years **(26/27)** | DMM | OP_738 | Operational | Services | 100 000 | n/a | n/a | n/a | Yes | n/a | 30-Apr-26 | 13-May-26 | 22-May-26 | 23-Jun-26 | 03-Jul-26 | 22-Jul-26 | 04-Aug-26 | 20-Aug-26 | M. Rossouw | 90 | 29 |
| PP020 | Fire Services - Vehicle or Equipment(DISTRICT) **26/27** | CS | FI911 | Capital-District | Project | 955 034 | n/a | n/a | n/a | Yes | n/a | 07-Jul-25 | 18-Jul-25 | 29-Jul-25 | 28-Aug-25 | 11-Sep-25 | 25-Sep-25 | 08-Oct-25 | 24-Oct-25 | D. Barnard | 87 | 28 |
| PP021 | Computer Equipment- Libraries | CS | CP_04 | Capital-District | Project | 1 043 478 | n/a | n/a Requirement may be addressed with institutional tender to be done through IT | n/a | Yes | n/a | 07-Jul-26 | 20-Jul-26 | 29-Jul-26 | 28-Aug-26 | 11-Sep-26 | 25-Sep-26 | 08-Oct-26 | 26-Oct-26 | L. Jack | 89 | 28 |
| PP022 | Furniture & Equipment- Libraries | CS | CP_04 | Capital-District | Project | 391 305 | n/a | n/a Requirement may be addressed with institutional tender | n/a | Yes | n/a | 15-Jul-26 | 28-Jul-26 | 06-Aug-26 | 07-Sep-26 | 21-Sep-26 | 05-Oct-26 | 16-Oct-26 | 03-Nov-26 | L. Jack | 89 | 28 |
| PP023 | Supply and Delivery of Uniforms for Fire Services **(26/27)** | CS | CP30201 | Operational | Project | 250 000 | 140/2024 | view platinum suppliers | Sep-27 | Yes | n/a | 05-Sep-25 | 18-Sep-25 | 29-Sep-25 | 29-Oct-25 | 12-Nov-25 | 26-Nov-25 | 09-Dec-25 | 25-Dec-25 | C. Venter | 87 | 28 |
| PP024 | Supply and Delivery of Fire Protection Equipment- Fire Extinguishers**( 26/27**) | CS | CP30201 | Operational | Project | 250 000 | 140/2024 | Transfer Eastern Cape Pty Ltd | Sep-27 | Yes | n/a | 14-May-27 | 27-May-27 | 07-Jun-27 | 07-Jul-27 | 21-Jul-27 | 04-Aug-27 | 17-Aug-27 | 02-Sep-27 | D. Barnard | 87 | 28 |
| PP025 | Professional Fees -Professionals (Coastal/Estuary) (OPEX) 3 years | CS | OP3109<br>OP3110 | Operational | Services | 500 000 | 157 / 2025 | n/a | n/a | Yes | n/a | 01-Aug-25 | 14-Aug-25 | 25-Aug-25 | 24-Sep-25 | 08-Oct-25 | 22-Oct-25 | 04-Nov-25 | 20-Nov-25 | C. Venter | 87 | 28 |
| PP026 | Appointment of Service Provider for the Provision of Advanced Road Safety Law Enforcement Solution to Kouga Local Municipality for a period of three (3) years | CS | OP3148 | Operational | Services | 3 500 000 | Notice 26/2022 | TMT Services and Supplies | 16-Nov-25 | Yes | n/a | 06-Aug-25 | 19-Aug-25 | 28-Aug-25 | 29-Sep-25 | 13-Oct-25 | 27-Oct-25 | 07-Nov-25 | 25-Nov-25 | S. Petersen | 89 | 28 |
| PP027 | Procurement of 240liters bins starting Oct 2027 (26/027) | CS | OP3144 | Operational | Project | 7 000 000 | n/a | Unico | Oct-27 | Yes | n/a | 01-Jun-27 | 14-Jun-27 | 23-Jun-27 | 23-Jul-27 | 06-Aug-27 | 20-Aug-27 | 02-Sep-27 | 20-Sep-27 | C. Venter | 89 | 28 |

| PP Ref # | DESCRIPTION OF GOODS / SERVICES / PROJECT | DEPARTMENT | PROJECT NO | CAPITAL / OPERATIONAL | PROJECT TYPE | BUDGET | CURRENT TENDER # | CURRENT SERVICE PROVIDER | CONTRACT END DATE | Procurement required (YES / NO) | ESTIMATED PROJECT VALUE | ENVISAGED DATE OF BSC ITEM SUBMITTED TO SCM | ENVISAGED DATE OF BSC | ENVISAGED DATE OF ADVERTISEMENT IN THE WEBSITE, NEWSPAPERS OR OTHER MEDIA | ENVISAGED CLOSING DATE OF BID | ESTIMATED TIMEFRAME FOR CHECKLIST- SCM REPORTS-END USER/ CONSULTANT REQUIRED | ENVISAGED DATE OF BEC | ENVISAGED DATE OF BAC | ENVISAGED DATE OF AWARD | REPSONSIBLE PERSON/ PROJECT MANANGER | KPI-90 CALENDER DAYS FROM DATE OF ADVERT TO APPOINTMMENT | KPI EVALUATE WITHIN 30 CALENDER DAYS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PP028 | Bush Clearing/ Grass cutting | CS | OP3145 | Operational | Services | 500 000 | n/a | n/a | n/a | Yes | n/a | 01-Sep-26 | 14-Sep-26 | 23-Sep-26 | 23-Oct-26 | 06-Nov-26 | 20-Nov-26 | 03-Dec-26 | 21-Dec-26 | R. Ludick | 89 | 28 |
| PP029 | Repairs of grass cutting equipment | CS | OP3145 | Operational | Services | 500 000 | n/a | n/a | n/a | Yes | n/a | 01-Oct-26 | 14-Oct-26 | 23-Oct-26 | 24-Nov-26 | 08-Dec-26 | 22-Dec-26 | 04-Jan-27 | 20-Jan-27 | R. Ludick | 89 | 28 |
| PP030 | Hiring of Mulchers | CS | OP3145 | Operational | Services | 500 000 | n/a | n/a | n/a | Yes | n/a | 01-Aug-26 | 13-Aug-26 | 24-Aug-26 | 23-Sep-26 | 07-Oct-26 | 21-Oct-26 | 03-Nov-26 | 19-Nov-26 | R. Ludick | 87 | 28 |
| PP031 | Appointment of A Service Provider for The Implementation, Operation, Support and Maintenance of an Advanced Traffic Contravention Management System for a 3 year period | CS | OP3146 | Operational | Services | 70 000 | n/a | TCS | 7day notice | Yes | n/a | 15-Jul-26 | 28-Jul-26 | 06-Aug-26 | 07-Sep-26 | 21-Sep-26 | 05-Oct-26 | 16-Oct-26 | 03-Nov-26 | S. Petersen | 89 | 28 |
| PP032 | Technical Financial Support to Enhance the Financial Sustainability and Improve the Audit Outcomes at Kouga Local Municipality for a Period of three (3) years | FED | CP_23 | Operational | Services | 620 600 | n/a | n/a | n/a | Yes | n/a | 15-Mar-26 | 26-Mar-26 | 06-Apr-26 | 06-May-26 | 20-May-26 | 03-Jun-26 | 16-Jun-26 | 02-Jul-26 | S. Abrahams | 87 | 28 |
| PP033 | Appointment of a Service Provider for the Review/ Recovery of Value Added Tax (VAT) Apportionment Percentage and Application thereof for Contract Duration of 36 Months | FED | PC22601 | Operational | Services | - | 163/2022 | Maxprof | 31-Oct-26 | Yes | n/a | 15-Jun-26 | 26-Jun-26 | 07-Jul-26 | 06-Aug-26 | 20-Aug-26 | 03-Sep-26 | 16-Sep-26 | 02-Oct-26 | S. Abrahams | 87 | 28 |
| PP034 | Management of short term insurance for Kouga Municipality for a period of three years | FED | PC22601 | Operational | Services | - | 3/2024 | Lateral Unison Insurance Brokers | 31-Oct-26 | Yes | n/a | 20-Mar-27 | 01-Apr-27 | 12-Apr-27 | 12-May-27 | 26-May-27 | 09-Jun-27 | 22-Jun-27 | 08-Jul-27 | S. Abrahams | 87 | 28 |
| PP035 | Consumer Account Printing and Mailing | FED | OP_1 | Operational | Services | 2 610 000 | 175/2021 | Mailtronic Direct Marketing CC | 31-Jan-26 | Yes | n/a | 31-Mar-26 | 13-Apr-26 | 22-Apr-26 | 22-May-26 | 05-Jun-26 | 19-Jun-26 | 02-Jul-26 | 20-Jul-26 | N. Mate | 89 | 28 |
| PP036 | Compilation of the Valuation Roll and Supplementary Valuation Rolls and Maintenance thereof for the financial years starting 1 July 2026 | FED | OP10102 | Operational | Services | 700 000 | 18/2022 | DDP Valuers | 30-Jun-26 | Yes | n/a | 12-Apr-26 | 23-Apr-26 | 04-May-26 | 03-Jun-26 | 17-Jun-26 | 01-Jul-26 | 14-Jul-26 | 30-Jul-26 | N. Mate | 87 | 28 |
| PP037 | Appointment of Professional Service Providers to perform Professional Electrical Engineering Services for a period of Three Years **starting 1 November 2026** | EMS | OP19099/OP_1 | Operational | Services | 2 000 000 | 76 / 2023 | Hamsa Consulting Engineers Pty Ltd, Asca consulting Engineers / Vokon Afrika Consulting, CVW Consulting Engineers Pty Ltd, IX Infrastructure Excellence, Clinkscales Maughan- Brown Pty Ltd, Bosch Projects | 31-Oct-26 | Yes | n/a | 25-May-26 | 05-Jun-26 | 16-Jun-26 | 16-Jul-26 | 28-Jul-26 | 14-Aug-26 | 25-Aug-26 | 10-Sep-26 | B. Mpongwana | 86 | 29 |
| PP038 | Supply, Delivery and Off-loading of Miniature Substation and Distribution Transformers for a period of three years.(PP26-27) starting **1 March 2027** | EMS | | Capital | Goods | | 193 / 2023 | Actom Electrical Products, Jocastro (Pty) Ltd | 28-Feb-27 | Yes | n/a | 15-Nov-26 | 24-Nov-26 | 19-Jan-27 | 18-Feb-27 | 02-Mar-27 | 19-Mar-27 | 30-Mar-27 | 15-Apr-27 | B. Mpongwana | 86 | 29 |
| PP039 | Supply, Delivery and Off-loading of Switchgears for a three year period years.(PP26-27) | EMS | | Capital | Goods | | n/a | n/a | n/a | Yes | n/a | 01-May-26 | 12-May-26 | 21-May-26 | 22-Jun-26 | 02-Jul-26 | 21-Jul-26 | 30-Jul-26 | 17-Aug-26 | B. Mpongwana | 88 | 29 |
| PP040 | Supply, Delivery and Off-loading of ...KV Ring Main units with Spare Parts for a period of three years **starting 1 May 2027** | EMS | CP19021 | Capital | Goods | | 200 / 2023 | Jocastro (Pty) Ltd, ABB South Africa Pty Ltd , Tgood South Africa Pty Ltd, WJ Milne Electrical t/a Milne Electrical | 30-Apr-27 | Yes | n/a | 12-Jan-27 | 21-Jan-27 | 01-Feb-27 | 03-Mar-27 | 15-Mar-27 | 01-Apr-27 | 12-Apr-27 | 28-Apr-27 | B. Mpongwana | 86 | 29 |
| PP041 | Appointment of Service Providers for Electrical Maintenance and Construction Works for a period of Three Years starting **1April 2027** | EMS | CP19021 | Operational | Services/ Goods | | 152 / 2023 | Zingco 110 CC t/a Scheyisa Powerlines, Phakamihle Pty Ltd,Eyabantu Professional Services Pty ltd | 31-Mar-27 | Yes | n/a | 20-Nov-26 | 01-Dec-26 | 19-Jan-27 | 18-Feb-27 | 02-Mar-27 | 19-Mar-27 | 30-Mar-27 | 15-Apr-27 | B. Mpongwana | 86 | 29 |
| PP042 | Electrification Projects ( grant funded) | EMS | CP19004 | Capital- INEP | Services/ Goods | 5 026 086 | n/a | INEP grant funded -annual projects advertised based on funding | | Yes | n/a | 14-Jul-26 | 23-Jul-26 | 03-Aug-26 | 02-Sep-26 | 14-Sep-26 | 01-Oct-26 | 12-Oct-26 | 28-Oct-26 | B. Mpongwana | 86 | 29 |
| PP043 | High Mast Lights Projects (UISP grant funded) | EMS | CP19005 | Capital-UISP | Services/ Goods | 4 347 826 | | VE Reticulation | 30-Jun-27 | Yes | n/a | 14-Jul-26 | 23-Jul-26 | 03-Aug-26 | 02-Sep-26 | 14-Sep-26 | 01-Oct-26 | 12-Oct-26 | 28-Oct-26 | B. Mpongwana | 86 | 29 |
| PP044 | Appointment of a Panel of Service providers for body refurbishments for a period of 3 years | EMS | OP13C40 | Operational | Services | | 153/2025 | **Rencor Engineering (Pty) Ltd Billson Trucks PE Pty td Intercomp Twenty Five t/a Ferobrake PE Pty Ltd** | 31-Oct-26 | Yes | n/a | 11-Jul-26 | 23-Jul-26 | 03-Aug-26 | 02-Sep-26 | 16-Sep-26 | 30-Sep-26 | 13-Oct-26 | 29-Oct-26 | N. Gouws | 87 | 28 |
| PP045 | Supply and delivery of SEM grader cutting edges, retainer plates, digging tips for bell, bull new Holland and Komatsu TLB's and miscellaneous parts for falcon f50/150 tractor drawn bush cutters for three years starting after **July 2026** | EMS | OP_1 | Operational | Goods | | 248/2025 **(RFQ)** | Earthmac Mining & Construction Equipment (Pty) Ltd | 30-Jun-26 | Yes | n/a | 31-Mar-26 | 09-Apr-26 | 20-Apr-26 | 20-May-26 | 01-Jun-26 | 18-Jun-26 | 29-Jun-26 | 15-Jul-26 | N. Gouws | 86 | 29 |
| PP046 | Supply and delivery of Bell TLB 315 SL,4X4 Parts starting after **July 2026** | EMS | OP_219 | Operational | Goods | | 249/2025 **(RFQ)** | Earthmac Mining & Construction Equipment (Pty) Ltd | 30-Jun-26 | Yes | n/a | 31-Mar-26 | 09-Apr-26 | 20-Apr-26 | 20-May-26 | 01-Jun-26 | 18-Jun-26 | 29-Jun-26 | 15-Jul-26 | N. Gouws | 86 | 29 |
| PP047 | F2/2025 Supply and delivery of various vacuum sewerage suction pump parts and vacuum exhauster pumps starting after **July 2026** | EMS | OP_219 | Operational | Goods | | 166/2025, Contract F2/2025 | Rencor Engineering (Pty) Ltd | 30-Jun-26 | Yes | n/a | 30-Apr-26 | 11-May-26 | 20-May-26 | 19-Jun-26 | 01-Jul-26 | 20-Jul-26 | 29-Jul-26 | 14-Aug-26 | N. Gouws | 86 | 31 |
| PP048 | F3/2025 Supply and delivery of various batteries starting after **July 2026** | EMS | OP_1 | Operational | Goods | | 166/2025, Contract F3/2025 | BEB Motors (Pty) Ltd t/a Algoa Nissan | 30-Jun-26 | Yes | n/a | 30-Apr-26 | 11-May-26 | 20-May-26 | 19-Jun-26 | 01-Jul-26 | 20-Jul-26 | 29-Jul-26 | 14-Aug-26 | N. Gouws | 86 | 31 |
| PP049 | Strategic Roads Tender- Project 4 **(26/27)** | CWS | CP72012 | Capital | Construction | 30 434 783 | n/a | n/a | n/a | Yes | R 30 424 783,00 | 16-Oct-25 | 29-Oct-25 | 07-Nov-25 | 09-Dec-25 | 23-Dec-25 | 06-Jan-26 | 19-Jan-26 | 04-Feb-26 | A. Nyathela | 89 | 28 |
| PP050 | Supply, delivery and offloading of miscellaneous engineering items including pipes, fittings and manholes and couplings **(26/27)** | CWS | OP78013 | Operational | Goods | 250 000 | 252/2021-001 | KFC Engineering & Industrial Supplies Pty Ltd | 21-Apr-25 | Yes | n/a | 15-Jul-26 | 24-Jul-26 | 04-Aug-26 | 03-Sep-26 | 15-Sep-26 | 02-Oct-26 | 15-Oct-26 | 02-Nov-26 | A. Botha | 90 | 29 |
| PP051 | Supply, Delivery and Off-loading of Bitumen Products, Emulsions, Cold Asphalt and Road Patches within Kouga Municipality for a period of three (3) years | CWS | OP72006 | Operational | Goods | 3 500 000 | 213/2023 ( I&E 2 of 2023) | Wynford Civils Pty Ltd Lonmaq | 04-Apr-27 | Yes | n/a | 20-Jan-27 | 02-Feb-27 | 11-Feb-27 | 15-Mar-27 | 29-Mar-27 | 12-Apr-27 | 23-Apr-27 | 11-May-27 | A. Nyathela | 89 | 28 |
| PP052 | Hiring of 10 000L Super Sucker for a period of three years **(26/27)** | CWS | OP75002 | Operational | Services | 280 000 | 165/2022 | Abaphumeleli Trading 651 t/a Pollution Control | 09-Mar-26 | Yes | n/a | 20-Mar-26 | 31-Mar-26 | 09-Apr-26 | 11-May-26 | 21-May-26 | 09-Jun-26 | 22-Jun-26 | 08-Jul-26 | A. Botha | 90 | 29 |
| PP053 | Contractor for Mechanical Maintenance on Water and Waste Water Infrastructure for a period of 3 years **(26/27)** | CWS | OP78004/OP1 | Operational | Goods/ Services | 4 500 000 | n/a | n/a | n/a | Yes | n/a | 20-May-26 | 29-May-26 | 09-Jun-26 | 09-Jul-26 | 21-Jul-26 | 07-Aug-26 | 20-Aug-26 | 07-Sep-26 | R. van der Ryst | 90 | 29 |

| PP Ref # | DESCRIPTION OF GOODS / SERVICES / PROJECT | DEPARTMENT | PROJECT NO | CAPITAL / OPERATIONAL | PROJECT TYPE | BUDGET | CURRENT TENDER # | CURRENT SERVICE PROVIDER | CONTRACT END DATE | Procurement required (YES / NO) | ESTIMATED PROJECT VALUE | ENVISAGED DATE OF BSC ITEM SUBMITTED TO SCM | ENVISAGED DATE OF BSC | ENVISAGED DATE OF ADVERTISEMENT IN THE WEBSITE, NEWSPAPERS OR OTHER MEDIA | ENVISAGED CLOSING DATE OF BID | ESTIMATED TIMEFRAME FOR CHECKLIST- SCM REPORTS-END USER/ CONSULTANT REQUIRED | ENVISAGED DATE OF BEC | ENVISAGED DATE OF BAC | ENVISAGED DATE OF AWARD | REPSONSIBLE PERSON/ PROJECT MANANGER | KPI-90 CALENDER DAYS FROM DATE OF ADVERT TO APPOINTMMENT | KPI EVALUATE WITHIN 30 CALENDER DAYS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PP054 | Contractor for Electronic instrumentation and systems integration for Maintenance on Water and Waste Water Infrastructure for a period of 3 years **(26/27)** | CWS | OP78004/OP1 | Operational | Goods/ Services | 2 500 000 | n/a | n/a | n/a | Yes | n/a | 08-May-26 | 19-May-26 | 28-May-26 | 29-Jun-26 | 09-Jul-26 | 28-Jul-26 | 10-Aug-26 | 26-Aug-26 | R. van der Ryst | 90 | 29 |
| PP055 | Johnsons Ridge- Sewer Reticulation | CWS | ? | Capital | Project | 8 100 000 | n/a | n/a | n/a | Yes | n/a | 31-Mar-27 | 13-Apr-27 | 22-Apr-27 | 24-May-27 | 07-Jun-27 | 21-Jun-27 | 02-Jul-27 | 20-Jul-27 | J. Du Toit | 89 | 28 |
| PP056 | Lamer Rising Main -Phase 2 | CWS | CP26006/ CP78003 | Capital-Internal/MIG | Project | 424 883 | n/a | n/a | n/a | Yes | n/a | 07-Mar-27 | 18-Mar-27 | 29-Mar-27 | 28-Apr-27 | 12-May-27 | 26-May-27 | 08-Jun-27 | 24-Jun-27 | J. Du Toit | 87 | 28 |
| PP056 | Tools and Equipment ( Concrete mixer/ walk behind drum rollers/ plate compactors) | CWS | CP26074 /CP26072 CP26073/ | Capital | Project | 250 000 | n/a | n/a | n/a | Yes | n/a | 07-Mar-27 | 18-Mar-27 | 29-Mar-27 | 28-Apr-27 | 12-May-27 | 26-May-27 | 08-Jun-27 | 24-Jun-27 | A. Nyathela | 87 | 28 |
| PP057 | Installation of new dosing equipment at WTW and WWTW plants | CWS | CP98032 | Capital | Goods | 450 000 | n/a | n/a | n/a | Yes | n/a | 26-Jan-26 | 06-Feb-26 | 17-Feb-26 | 19-Mar-26 | 02-Apr-26 | 16-Apr-26 | 29-Apr-26 | 15-May-26 | R. van der Ryst | 87 | 28 |
| PP058 | Yellow Small Plant Hiring Services ( institutional) | CWS | OP55001 | Operational | Services | 90 000 | n/a | n/a | n/a | Yes | n/a | 31-Oct-25 | 13-Nov-25 | 24-Nov-25 | 24-Dec-25 | 07-Jan-26 | 21-Jan-26 | 03-Feb-26 | 19-Feb-26 | A. Botha/ N Gouws | 87 | 28 |
| PP059 | Ad hoc Yellow Plant Hiring Services (TLB, Low-bed, water Truck etc) **( Institutional)** | CWS | OP98002 | Operational | Services | 150 000 | n/a | n/a | n/a | Yes | n/a | 29-Aug-25 | 11-Sep-25 | 22-Sep-25 | 22-Oct-25 | 05-Nov-25 | 19-Nov-25 | 02-Dec-25 | 18-Dec-25 | A. Botha/ N Gouws/ C Venter | 87 | 28 |
| PP060 | Laboratory services for water **(26/27)** | CWS | OP78004 | Operational | Services | 500 000 | 142/2022 | ELIDZ/ deviation -Qpoint for CWS and NHLS For CS- | Termination and settlement to be finalised | Yes | n/a | 03-Aug-26 | 14-Aug-26 | 25-Aug-26 | 24-Sep-26 | 08-Oct-26 | 22-Oct-26 | 04-Nov-26 | 20-Nov-26 | Renier van der Ryst | 87 | 28 |
| | | | | | | | | | | | | | | | | | | | | | | |

# ANNEXURE “G”

| *Legend/ guidance to complete the ‘Road Map’:* | |
|---|---|
| | |
| **Phase** | Select the most appropraiate phase applicable to the road map. Kindly refer to Phase tab to obtain an understanding of each Phase. |
| **Focus Area (***These are applicable to* ***module Implementations*** *therefore* ***if applicable*** *select the most* ***appropriate area*** *for the line item on the road map and* ***if*** **Support** *select* ***Not applicable.*** *Kindly select applicable area under the business process and sub process tab)* | **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution.<br><br>**Governance and institutional arrangements** – is there a functional mSCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on mSCOA 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.<br><br>**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 mSCOA enabling financial system.<br><br>**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 mSCOA chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that mSCOA is institutionalised as an organisational reform and not only a financial reform.<br><br>**Module Implementation** - Data Migration, Conversion, Entrenchment, Consolidation and Deployment. |
| **Business Process** | Select the applicable business process as outlined in Circular 80 as per Annexure C. |
| **Sub-Process** | Select the applicable sub - Process as outlined in Circular 80 as per Annexure C. |
| **Activities** | The **tasks, actions** and **processes** that takes place to achieve the desired objective. |
| **Responsibility (Municipal Official)** | The municipal staff member responsible for the task or activity. This would be the **Manager** responsible for the unit or division. |
| **Milestones** | **Fundamental markers** that signify major accomplishments, pivotal events, or the completion of key deliverables with in project timelines |
| **Start Date** | The **commencement** date for a specific activity. |
| **Completion Date** | The intended or **planned completion** date for the specific activity. |
| **Revised Date** | The **adjusted** date if the completion date has not been met hence revising the date. |
| **Reason** | Kindly provide a **detailed and relevant** reason for adjusting the completion date. |
| **Progress / Status (%)** | The **situation** or **state** of the current activity. If its completed, still in progress **or** not yet started. |
| **Issue Log (Yes/No)** | Is there any **Issues linked** to this activity, If yes then it needs to be completed on the issue log and linked to the applicable Road Map Milestone. |

| | |
|---|---|
| **Comments** | Provide any **relevant** or **additional** comments relating to the activity. |

**mSCOA Compliance:**

Municipalities must ensure when examining the functionality of their current systems of financial management and internal control that it meets the minimum business processes and system requirements as stated in the objective of the mSCOA Regulation, namely; a system of financial management and internal control capable of providing for the uniform recording and classification of both municipal budget and financial information at a transaction level in the prescribed municipal standard chart of accounts, for both municipalities and municipal entities.

Circular 80 indicates any system of financial management and internal control, as a minimum, must comply with the seven main business and process components. The seven components must integrate seamlessly with the mSCOA general ledger and comply at a posting level to the mSCOA Regulations and GRAP.

Seamless integration is the process where a new module or feature of an application or hardware is added or integrated without resulting in any discernible errors or complications. It simply means that whatever change is being applied to a system, it happens without any negative impact resulting from the integration.

Seamless integration means that a system is able to transfer information to another system without any human interference in the data provided. The two systems should be able to transfer data seamlessly between each other without having to create files that are placed on a network drive or other location.

**mSCOA Support:**

Project Closure - Closing is just a matter of acknowledging that everything agreed has been delivered and you are currently in the support phase. Support means responding as quickly and satisfactorily as possible to user questions after deployment or implementation of the specific module. The support phase is a crucial part of the project, which often fosters the acceptance of the change. Backed by strong leadership, quick responses, solid technical intervention and the smooth flow of information.

Province of the EASTERN CAPE PROVINCIAL TREASURY
PRIVATE BAG X0029, BHISHO, 6606 REPUBLIC OF SOUTH AFRICA
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Eastern Cape Provincial Treasury @ectreasury

Municipality: KOUGA LOCAL MUNICIPALITY
Demarcation Code: EC108
Date: 11-Mar-26





| Item Number | Phase | Focus Area | Business Process | Sub-Process | Tasks /Activities | Responsibility | Milestones | Start Date | Completion Date | Revised Date | Reason | Progress / Status (%) | Issue Log (Yes/No) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | mSCOA Compliance | System functionality | Full Asset Life Cycle Management including Maintenance Management | Asset Management | *3rd party sub-systems seamlessly integrating with the mSCOA enabling financial system* | Neville Swarts | N/A | | 30-Jun-27 | N/A | | 0% | No | *Referred to Mscoa Steering Con* |
| 2 | mSCOA Compliance | Proficiency of municipal officials to use the financial system | Full Asset Life Cycle Management including Maintenance Management | Asset Management | *Training of Assets Unit Team on the main financial system asset module* | Neville Swarts | N/A | | 30-Jun-27 | N/A | | 0% | No | *Referred to Mscoa Steering Con* |
| 3 | mSCOA Compliance | Module Implementation | Full Asset Life Cycle Management including Maintenance Management | Asset Management | | Neville Swarts | N/A | | on-going | N/A | | 0% | No | *Referred to Mscoa Steering Con* |

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**Municipality:** KOUGA LOCAL MUNICIPALITY
**Demarcation Code:** EC108
**Date:** 11-Mar-26

HOME OF LEGENDS VISION: We envision a prosperous province supported by sound financial and resource management.



| Item ! | Phase | Focus Area | Business Process | Sub-Process | Tasks /Activities | Responsibility | Milestones | Start Date | Completion Date | Revised Date | Reason | Progress / Statu | Issue Log (Yes/No) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Request and Obtain the required reports and reconciliations.* | | N/A | | | | | 100% | Yes | *Referred to Mscoa Steering Committee* |
| 2 | mSCOA Compliance | Module Implementation | Municipal Budgeting, Planning and Financial Modellin | Human Resources (HR) /Payroll | *Budget Assessment* | | N/A | | | | | 100% | No | *Referred to Mscoa Steering Committee* |
| 3 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Key configurations and Payroll Constants Assessment* | | N/A | | | | | 100% | No | *Referred to Mscoa Steering Committee* |
| 4 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Leave Assessment* | | N/A | | | | | 100% | | *Referred to Mscoa Steering Committee* |
| 5 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Assessments reviewed and signed Off by Municipality** | | 1 | | | | | 100% | No | *Referred to Mscoa Steering Committee* |
| 6 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Assessments recommendations approved for Implementation* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 7 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Recommendations implemented and data prepared for migration.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 8 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Final migration tables and supporting schedules sent for review and sign off.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 9 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Final Take on Sheet and supporting schedules reviewed and signed off by the municipality.** | | 2 | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 10 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Request and obtain required reports and confirmations for master setups.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 11 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Master setups completed and sign off document prepared for review* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 12 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Master setups reviewed and signed off by the Municipality** | | 3 | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 17 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Final Take on Sheet migrated, imported onto system database for verification.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 18 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *1st Verification: Validations or exception reports extracted and verified for corrections.* (If applicable) | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 19 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Exceptions or Validations corrected on migration sheets or tables.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 20 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Revised Take on sheet migrated or update onto system database for verification.* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Final Verification: Validations or exception reports extracted and verified for corrections.* (If applicable) | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 21 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Validation reports cleared and Take on sheet uploaded successfully.** | | 4 | | | | | 80% | No | *Referred to Mscoa Steering Committee* |
| 22 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Reports extracted on migrated data for review and sign off.* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 23 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Migrated data verified on reports by the municipality.* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 24 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Municipality verifies migrated data and signs off system report.** | | 5 | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 25 | mSCOA Compliance | Proficiency of municipal officials to use th | Human Resource and Payroll Management | Payroll | *Training on Constants and Master Setup review.* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 26 | mSCOA Compliance | Proficiency of municipal officials to use th | Human Resource and Payroll Management | Payroll | *Training to municipality on maintaining master employee information* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 27 | mSCOA Compliance | Proficiency of municipal officials to use th | Human Resource and Payroll Management | Payroll | *UAT/ system training to municipal staff members regarding payroll run preparations and trial run reviews.* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 28 | mSCOA Compliance | Proficiency of municipal officials to use th | Human Resource and Payroll Management | Payroll | **UAT/ system training report signed off by the muncipality.** | | 6 | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 29 | mSCOA Compliance | Proficiency of municipal officials to use th | Human Resource and Payroll Management | Payroll | ***Implementation - Parrallel Run 1 - New Business Process Preparation*** | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 30 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Staff Establishment (Job and Position Profile)* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 31 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Maintain Dranogram* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 32 | mSCOA Compliance | Module Implementation | Municipal Budgeting, Planning and Financial Modellin | Human Resources (HR) /Payroll | *Manage Employee Cost Budget* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 34 | mSCOA Compliance | Module Implementation | Municipal Budgeting, Planning and Financial Modellin | Human Resources (HR) /Payroll | **Budget & Organisational Management Tasks Completed** | | 7 | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 35 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Employee Registration (New Employees,)* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 36 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Employee Termination* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 37 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Manage Employee Benefits (Link and setup benefit plans and dependants)* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 38 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | **Employee & Benefit Management Tasks Completed** | | 8 | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 39 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Manage Employee Shifts* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 40 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Manage Overtime* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 41 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | *Manage Leave* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 42 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Human Resources (HR) | **Time & Attendance Management Tasks Completed** | | 9 | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 43 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Manage Claims* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 44 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Manage Instalments* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 45 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Manage Payroll Transactions* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 46 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Manage Payroll: Trial Run (Generate Reports and Review)* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 47 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | *Manage Payroll: Final Run (Review and Approve, EFT processed)* | | N/A | | | | | 80% | | *Referred to Mscoa Steering Committee* |
| 48 | mSCOA Compliance | Module Implementation | Human Resource and Payroll Management | Payroll | **Payroll Processing Completed** | | 10 | | | | | | | *Referred to Mscoa Steering Committee* |

Province of the EASTERN CAPE PROVINCIAL TREASURY
PRIVATE BAG X0029, BHISHO, 6606 REPUBLIC OF SOUTH AFRICA
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Municipality: KOUGA LOCAL MUNICIPALITY
Demarcation Code: EC108
Date: 11-Mar-26

HOME OF LEGENDS VISION: We envision a prosperous province supported by sound financial and resource management.

| Item Number | Phase | Focus Area | Business Process | Sub-Process | Tasks /Activities | Responsibility | Milestones | Start Date | Completion Date | Revised Date | Reason | Progress / Status (%) | Issue Log (Yes/No) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Human Resources (HR) | *Server hardware* | | N/A | | | | | 100% | Yes | *Referred to Mscoa Steering Con* |
| 2 | mSCOA Compliance | System landscape | Municipal Budgeting, Planning and Financial Modelling: (IDP driven, project b | Human Resources (HR) /Payroll | *Server Operating Systems* | | N/A | | | | | 100% | No | *Referred to Mscoa Steering Con* |
| 3 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *IT Policies and documents* | | N/A | | | | | 80% | No | *Referred to Mscoa Steering Con* |
| 4 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Human Resources (HR) | **IT infrastructure and systems review completed** | | 1 | | | | | | | *Referred to Mscoa Steering Com* |
| 5 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *Local and wide area networks* | | N/A | | | | | 100% | No | *Referred to Mscoa Steering Con* |
| 6 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *Server room and cable cabinets* | | N/A | | | | | 100% | No | *Referred to Mscoa Steering Con* |
| 7 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | **Network Infrastructure review completed** | | 2 | | | | | 0% | No | *Referred to Mscoa Steering Con* |
| 8 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *Assessment report compiled for review and sign off.* | | N/A | | | | | 50% | No | *Referred to Mscoa Steering Con* |
| 9 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *Assessment report submitted to the municipality for review and sign off.* | | N/A | | | | | 50% | No | *Referred to Mscoa Steering Con* |
| 10 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | **Assessment report signed off by the municipality** | | 3 | | | | | 0% | No | *Referred to Mscoa Steering Con* |
| 11 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | *Assessments recommendations approved for upgrade and improvement of enviroment* | | N/A | | | | | 50% | No | *Referred to Mscoa Steering Con* |
| 12 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | Final review of IT Infrastructure, systems and network infrastructure after upgrades | | N/A | | | | | 50% | No | *Referred to Mscoa Steering Con* |
| 13 | mSCOA Compliance | System landscape | Human Resource and Payroll Management | Payroll | **ICT enviroment tested and confirmed ready for module implementation** | | 4 | | | | | 0% | No | *Referred to Mscoa Steering Con* |

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Municipality: KOUGA LOCAL MUNICIPALITY
Demarcation Code: EC108
Date: 11-Mar-26

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| Item Number | Phase | Focus Area | Business Process | Sub-Process | Tasks /Activities | Responsibility | Milestones | Start Date | Completion Date | Revised Date | Reason | Progress / Status (%) | Issue Log (Yes/No) | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | mSCOA Compliance | Governance and Institutional arrangements | Full Asset Life Cycle Management including Maintenance Management | Asset Management | *Formal assignment and appointment of mSCOA Champion.* | | N/A | | | | | 100% | Yes | |
| 2 | mSCOA Compliance | Governance and Institutional arrangements | Full Asset Life Cycle Management including Maintenance Management | Asset Management | *Establishment of Steering Committee.* | | N/A | | | | | 50% | No | |
| 3 | mSCOA Compliance | Governance and Institutional arrangements | Human Resource and Payroll Management | Payroll | *Prepare meeting schedule for all members.* | | N/A | | | | | 0% | No | *in progress* |
| 4 | mSCOA Compliance | Governance and Institutional arrangements | Human Resource and Payroll Management | Human Resources (HR) | *Project Management, Coordination and Steering Committee meetings* | | N/A | | | | | | | *in progress* |
| 5 | mSCOA Compliance | Governance and Institutional arrangements | Human Resource and Payroll Management | Payroll | *Steering Committee or dedicated structure reviews road map and discuss mSCOA related matters.* | | N/A | | | | | 0% | No | *in progress* |
| 6 | mSCOA Compliance | Governance and Institutional arrangements | Human Resource and Payroll Management | Payroll | **Steering Committee or dedicated structure reports progress and challenges to EXCO and Council at least on a quarterly basis** | | 1 | | | | | 0% | No | *in progress* |

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**Municipality:** KOUGA LOCAL MUNICIPALITY
**Demarcation Code:** EC108
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HOME OF LEGENDS VISION: We envision a prosperous province supported



| Item Number | Phase | Focus Area | Business Process | Sub-Process | Tasks /Activities | Responsibility | Milestones | Start Date | Completion Date | Revised Date | Reason | Progress / Status (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | mSCOA Compliance | System functionality | Corporate Governance | System Configurations | *Integration of secondary authentification systems such as biometric devices.* | ICT Manager | N/A | | | | | 50% |
| 2 | mSCOA Compliance | System functionality | Corporate Governance | System Configurations | *Integration of sub-systems such as asset management sub-system.* | ICT Manager | | | | | | 0% |
| 3 | mSCOA Compliance | Module Implementation | Corporate Governance | System Configurations | *Integration and automation of the annual financial statements (AFS)* | ICT Manager/Manager BTO | | | | | | 0% |
| 4 | mSCOA Support | Not applicable | Corporate Governance | Municipal Web Site | *Maintenance of municipal website and publication of municipal documents in line with the MFMA s75, MBRR, mSCOA Regulations, Municipal Systems Act and Municipal Property Rates Act.* | ICT Manager | N/A | | | | | 0% |
| 5 | mSCOA Support | Not applicable | Corporate Governance | Document Management | *To provide support for a secure and reliable document management system.* | Manager Administration & Auxilliary Services | N/A | | | | | 0% |
| 6 | mSCOA Support | Not applicable | Corporate Governance | Reporting mechanisms | Ensure that mSCOA segmented reports can be produced on any level of the mSCOA chart with any combination of segments. | Manager BTO | N/A | | | | | 80% |
| 7 | mSCOA Compliance | System functionality | Corporate Governance | Reporting mechanisms | Provide municipal manager and senior management with the key performance areas information in a continues real time. | Manager BTO | | | | | | 60% |
| 8 | mSCOA Support | Not applicable | Municipal Budgeting, Planning and | Main Budget | *Linking budgeting to the final integrated development plan (IDP) priorities* | Manager BTO/Manager IDP | N/A | | | | | 50% |
| 9 | mSCOA Support | Not applicable | Municipal Budgeting, Planning and | Main Budget | *Budgeting on the factual elements of typical work streams.* | Manager BTO | | | | | | 20% |
| 10 | mSCOA Support | Not applicable | Municipal Budgeting, Planning and | Human Resources (HR) /Payroll | *Budgeting on the full organogram (organisational structure)* | Manager Human Resources/Manager Expenditure | N/A | | | | | 30% |
| 11 | mSCOA Support | Not applicable | Municipal Budgeting, Planning and | Human Resources (HR) /Payroll | *Apply costing allocation to projects and percentage based allocation of administration costs to trading service departments using direct calculation methods.* | Manager Human Resources/Manager Expenditure | | | | | | 0% |
| 12 | mSCOA Support | Not applicable | Financial Accounting | General Ledger (Core Financials) | *Reporting functionality for all financial reports in the full mSCOA segmented transactions.* | all | N/A | | | | | 0% |
| 13 | mSCOA Compliance | System functionality | Financial Accounting | Accounts Receivable | Integration of sundry systems such as traffic fines system. | Manager Revenue/Manager BTO | N/A | | | | | 0% |
| 14 | mSCOA Compliance | Module Implementation | Financial Accounting | Accounts Payable | *Maintaining retention register with automated update, pay-out and balancing.* | Manager Expenditure | N/A | | | | | 0% |
| 15 | mSCOA Compliance | Module Implementation | Financial Accounting | Accounts Payable | *Maintening a loan register capable of circulating repayments and schedule payments within the workflow.* | Manager BTO | | | | | | 0% |
| 16 | mSCOA Compliance | Module Implementation | Financial Accounting | Accounts Payable | *Produce a reconciliation of the loan register with all required documentation* | Manager BTO | | | | | | 0% |
| 17 | mSCOA Support | Not applicable | Financial Accounting | Accounts Payable | *Trace all financial asset transactions to the asset level.* | Manager Assets; Funding & Investment | | | | | | 0% |
| 18 | mSCOA Support | Not applicable | Financial Accounting | Accounts Payable | *Ensure that all asset transactions are aligned with mSCOA regulations.* | Manager Assets; Funding & Investment | | | | | | 0% |
| 19 | mSCOA Compliance | System functionality | Costing and Reporting | Cost Planning | *A full costing module aligned to the mSCOA costing segment to assist in calculation of tariffs and real costs. Charges must have a direct effect on tariffs* | Manager BTO | N/A | | | | | 0% |
| 20 | mSCOA Support | Not applicable | Treasury and Cash Management | Cash Management | Full implementation of mSCOA segmentation in the cashbook module. | Manager BTO | | | | | | 0% |
| 21 | mSCOA Compliance | Module Implementation | Procurement Cycle: Supply Chain M | Supply Chain Management (SCM) | Implementation of SCM module. | Manager SCM | | | | | | 0% |
| 22 | mSCOA Compliance | Module Implementation | Grant Management | Subsidies | Maintain a grant register that is linked to ledger accounts. | Manager BTO | | | | | | 0% |
| 23 | mSCOA Compliance | System functionality | Full Asset Life Cycle Management i | Asset Management | Seamless integration with the core financial system. | Manager Assets; Funding & Investment | | | | | | 0% |
| 24 | mSCOA Support | Not applicable | Human Resource and Payroll Mana | Human Resources (HR) | *Completed* | Manager Human Resources | | | | | | 100% |
| 25 | mSCOA Support | Not applicable | Human Resource and Payroll Mana | Payroll | *Completed* | Manager Human Resources | | | | | | 100% |
| 26 | mSCOA Compliance | System functionality | Customer Care, Credit Control and | Credit Control | *Indigent management: online application.* | Manager Revenue | | | | | | 0% |
| 27 | mSCOA Compliance | System functionality | Customer Care, Credit Control and | Credit Control | *Arrear arrangements: online application* | Manager Revenue | | | | | | 0% |
| 28 | mSCOA Compliance | Not applicable | Valuation Roll Management | Valuation Roll Management | *Completed* | Manager Revenue | | | | | | 0% |
| 29 | mSCOA Compliance | Module Implementation | Land Use Building Control | Land use | Property maintenance/property register | Manager Land & Property Administration | | | | | | 0% |
| 30 | mSCOA Support | Not applicable | Revenue Cycle Billing | Billing | Completed | Manager Revenue | | | | | | 50% |