KOUGA MUNICIPALITY (EC 108)
ORDINARY COUNCIL MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE: 28 MAY 2026
ITEM NO: **26/05/FED3**

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 seek Council approval for the Medium-Term Revenue and Expenditure Framework (MTREF) – Budget for the 2026/27 – 2028/29 financial years, in accordance with Section 24 of the Municipal Finance Management Act.

2. **Background**

In accordance with the Municipal Finance Management Act, Section 24(1) stipulates that the municipal council must at least 30 days before the start of the budget year consider approval of the annual budget.

(2) An annual budget-

a) Must be approved before the start of the budget year;
b) Is approved by the adoption by the council of a resolution referred to in section 17(3)(a)(i); and
c) Must be approved together with the adoption of resolutions as may be necessary –
    i. Imposing any municipal tax for the budget year;
    ii. Setting any municipal tariffs for the budget year;
    iii. Approving measurable performance objectives for revenue from each source and for each vote in the budget;
    iv. Approving any changes to the municipality's integrated development plan; and
    v. Approving any changes to the municipality's budget-related policies.

In accordance with the Municipal Budget and Reporting Regulations, Regulation 17(1) stipulates that a municipal council must consider the full implications, financial or otherwise, of the annual budget and supporting documentation before approving the annual budget.

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 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 Annual Budget Documents are attached as follows:

- 2026/27 Annual Budget Report – "**Annexure A".**
- 2026/27 Annual Budget Schedule A - **"Annexure B".**
- 2026/27 Capital Expenditure **"Annexure C".**
- 2026/27 Annual Tariffs - "**Annexure D".**
- 2026/27 Budget Related Policies - **"Annexure E".**
- 2026/27 Procurement Plan **"Annexure F".**
- 2026/27 ICT Due Diligence Process Plan "**Annexure G"**
- 2026/27 Provincial Treasury Draft Budget Funding Assessment Report **"Annexure H".**

In relation to the 2026/27 mSCOA Road Map, the municipality's current financial system is not fully compliant with the minimum business processes and system specifications in support of mSCOA requirements, and the Service Provider has indicated that they will not upgrade the current financial system to meet the upcoming mSCOA regulations on minimum business processes and system specifications.

The municipality will not submit the 2026/27 mSCOA Road Map as required, because the municipality will be undertaking an ICT due diligence process to procure a new financial system. Attached as **"Annexure G"** is an ICT Due Diligence Process Plan.

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 24 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 the Municipal Council approve the recommendations below, it shall serve as the approval of the 2026/27 Annual Budget, and municipal expenditure shall be bound by the approved 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 noted

8.4 **Director: Electro-Mechanical Services**

Item noted

8.5 **Director: Community Services**

Item noted

8.6 **Deputy Municipal Manager**

Item noted

8.7 **Municipal Manager**

Item noted

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 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003:

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

a) Consolidated Budget Summary [Table A1] [Page 25]
b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] [Page 27]
c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] [Page 29]
d) Budgeted Financial Performance (revenue by source and expenditure by type); [Table A4] [Page 30]
e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] [Page 32]

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 34]
b) Budgeted Cash Flows; [Table A7] [Page 36]
c) Cash backed reserves and accumulated surplus reconciliation; [Table A8] [Page 37]
d) Asset management; [Table A9] [Page 38]
e) Basic service delivery measurement. [Table A10] [Page 41]

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 Capital Expenditure, **"Annexure C"**.

10.1.6. That the Council approves the tariffs, as reflected in "**Annexure D"**.

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

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

10.1.9. That the ICT Due Diligence Process Plan be noted. **"Annexure G".**

10.1.10. That the Provincial Treasury's 2026/27 Draft Budget Funding Assessment Report be noted, **"Annexure H".**

10.2. That the 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 the Executive Mayor:

“ANNEXURE A”

KOUGA LOCAL MUNICIPALITY

2026/27 – 2028/29

ANNUAL BUDGET

Copies of this document can be viewed:

- At www.kouga.gov.za

TABLE OF CONTENTS

		Page
PART 1 – ANNUAL BUDGET		
1.1	Executive Mayor's Report	5
1.2	Council Resolutions	8
1.3	Executive Summary	9
1.4	Operating Revenue Framework	11
1.5	Operating Expenditure Framework	17
1.6	Capital Expenditure	23
1.7	Annual Budget Tables	24
PART 2 – SUPPORTING DOCUMENTATION		
2.1	Overview of annual budget process	43
2.2	Alignment of annual budget with Integrated Development Plan	43
2.3	Measurable performance objectives and indicators	45
2.4	Overview of budget related policies	48
2.5	Overview of budget assumptions	49
2.6	Overview of budget funding	51
2.7	Expenditure on allocations and grant programmes	63
2.8	Allocations and grants made by the municipality	65
2.9	Councillors' and employee benefits	66
2.10	Monthly targets for revenue, expenditure and cash flow	68
2.11	Annual budgets and service delivery and budget implementation plans – Directorates	71
2.12	Legislation compliance status	71
2.13	Municipal Manager's quality certification	73

LIST OF TABLES

Table No.	Title	Page
1.	Overview of 2026/27 MTREF	10
2.	Summary of main revenue sources	12
3.	Mix of main revenue sources	13
4.	Operating transfers and grant receipts	14
5.	Summary of operating expenditure by standard classification item	18
6.	Repairs and maintenance per asset class	22
7.	2026/27 medium term capital budget per vote	23
8.	Budget summary	25
9.	Budgeted financial performance (revenue and expenditure by standard classification)	27
10.	Budgeted financial performance (revenue and expenditure by municipal vote)	29
11.	Budgeted financial performance (revenue and expenditure)	30
12.	Budgeted capital expenditure by vote, standard classification and funding source	32
13.	Budgeted financial position	34
14.	Budgeted cash flow statement	36
15.	Cash backed reserves/accumulated surplus reconciliation	37
16.	Asset Management	38
17.	Basic service delivery measurement	41

Table No.	Title	Page
18.	Breakdown of the operating revenue over the medium term	51
19.	Investment information	53
20.	Sources of capital revenue over MTREF	54
21.	Capital transfers and grant receipts	56
22.	Budgeted cash flow statement	57
23.	Cash backed reserves/accumulated surplus reconciliation	58

LIST OF FIGURES

Figure No.	Title	Page
1.	Main operational expenditure categories for the 2026/27 financial year	20
2.	Figure 2 Consolidated Expenditure for the 2026/27 financial year	21
3.	Capital Expenditure over the 2026/27 MTERF	23
4.	Breakdown of operating revenue over the 2026/27 MTREF	51
5.	Sources of capital revenue for the 2026/27 financial year	54
6.	Debt Service Cost over the 2026/27 MTREF	55
7.	Trading Deficit over the 2026/27 MTREF	61

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 24 of the Local Government: Municipal Finance Management Act, Act 56 of 2003:

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

a) Consolidated Budget Summary [Table A1] [Page 25]

b) Budgeted Financial Performance (revenue and expenditure by standard classification); [Table A2] [Page 27]

c) Budgeted Financial Performance (revenue and expenditure by municipal vote); [Table A3] [Page 29]

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e) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source. [Table A5] [Page 32]

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 34]
b) Budgeted Cash Flows; [Table A7] [Page 36]
c) Cash backed reserves and accumulated surplus reconciliation; [Table A8] [Page 37]
d) Asset management ; [Table A9] [Page 38]
e) Basic service delivery measurement. [Table A10] [Page 41]

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 Capital Expenditure, **"Annexure C"**.

1.2.1.6 That the Council approves the Tariffs, as reflected in "**Annexure D"**.

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

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

1.2.1.9 That the ICT Due Diligence Process Plan be noted. **"Annexure G".**

1.2.1.10 That the Provincial Treasury's 2026/27 Draft Budget Funding Assessment Report be noted, **"Annexure H".**

1.2.1.11 That the 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	1 553 676	6,28%	1 649 812	6,19%	1 756 963	6,49%
Total Expenditure	1 545 173	1 620 567	4,88%	1 721 193	6,21%	1 811 009	5,22%
Surplus/(Deficit)	(83 308)	(66 891)	-19,71%	(71 381)	6,71%	(54 046)	-24,28%
Total Capital	322 565	79 618	-75,32%	51 534	-35,27%	51 830	0,57%

Total operating revenue has increased by 6.28% or R 91,811 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 6.49% respectively, resulting in a total revenue growth of R 295,098 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 66,891 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 6.21% and 5.22% respectively. The 2027/28 and 2028/29 budgets reflect operating deficits of R 71,381 million and R 54,046 million respectively.

The major operating expenditure items for 2026/27 are bulk electricity purchases (29.88%), employee related costs (29.43%), contracted services (9.59%), 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 (50.22%), property rates (21.03%), grants and subsidies received from National and Provincial Governments (14.4%).

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 79,618 million for 2026/27 is R 242,947 million or 75.32% 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	223 742	231 843	237 897
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**	**1 553 676**	**1 649 812**	**1 756 963**

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	33,39%	564 561	34,22%	621 017	35,35%
Service charges - Water	123 885	8,47%	126 386	8,13%	133 969	8,12%	142 007	8,08%
Service charges - Waste Water Management	71 792	4,91%	78 477	5,05%	82 400	4,99%	86 520	4,92%
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	0,73%
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		0,00%		0,00%		0,00%		0,00%
Property rates	307 899	21,06%	326 717	21,03%	343 053	20,79%	360 206	20,50%
Surcharges and Taxes	25 277	1,73%	25 399	1,63%	26 669	1,62%	28 002	1,59%
Fines, penalties and forfeits	90 465	6,19%	94 988	6,11%	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%	223 742	14,40%	231 843	14,05%	237 897	13,54%
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%**	**1 553 676**	**100,00%**	**1 649 812**	**100,00%**	**1 756 963**	**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 (33.39%), property rates (21.03%), operating grants & subsidies (14.4%), water (8.13%), wastewater 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**	**2 584**	**2 584**	**2 584**
Libraries, Archives and Museums	3 034	2 584	2 584	2 584
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**	**223 742**	**231 843**	**237 897**
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**	**20 741**	**450**	**450**
Infrastructure	51 858	20 291	–	–
Libraries, Archives and Museums	–	450	450	450
District Municipality:	**1 098**	**1 098**	**1 098**	**1 098**
All Grants	1 098	1 098	1 098	1 098
Total Capital Transfers and Grants	**104 291**	**77 504**	**59 264**	**59 604**
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
Expenditure				
Employee related costs	440 383	476 961	501 730	527 801
Remuneration of councillors	16 550	15 767	16 161	16 566
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	155 487	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	105 811	110 038
Other Losses	15 051	15 617	15 617	15 617
Total Expenditure	**1 545 173**	**1 620 567**	**1 721 193**	**1 811 009**

The total operating expenditure increased by R 75,394 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 155,487 million and equates to 9.59% 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.

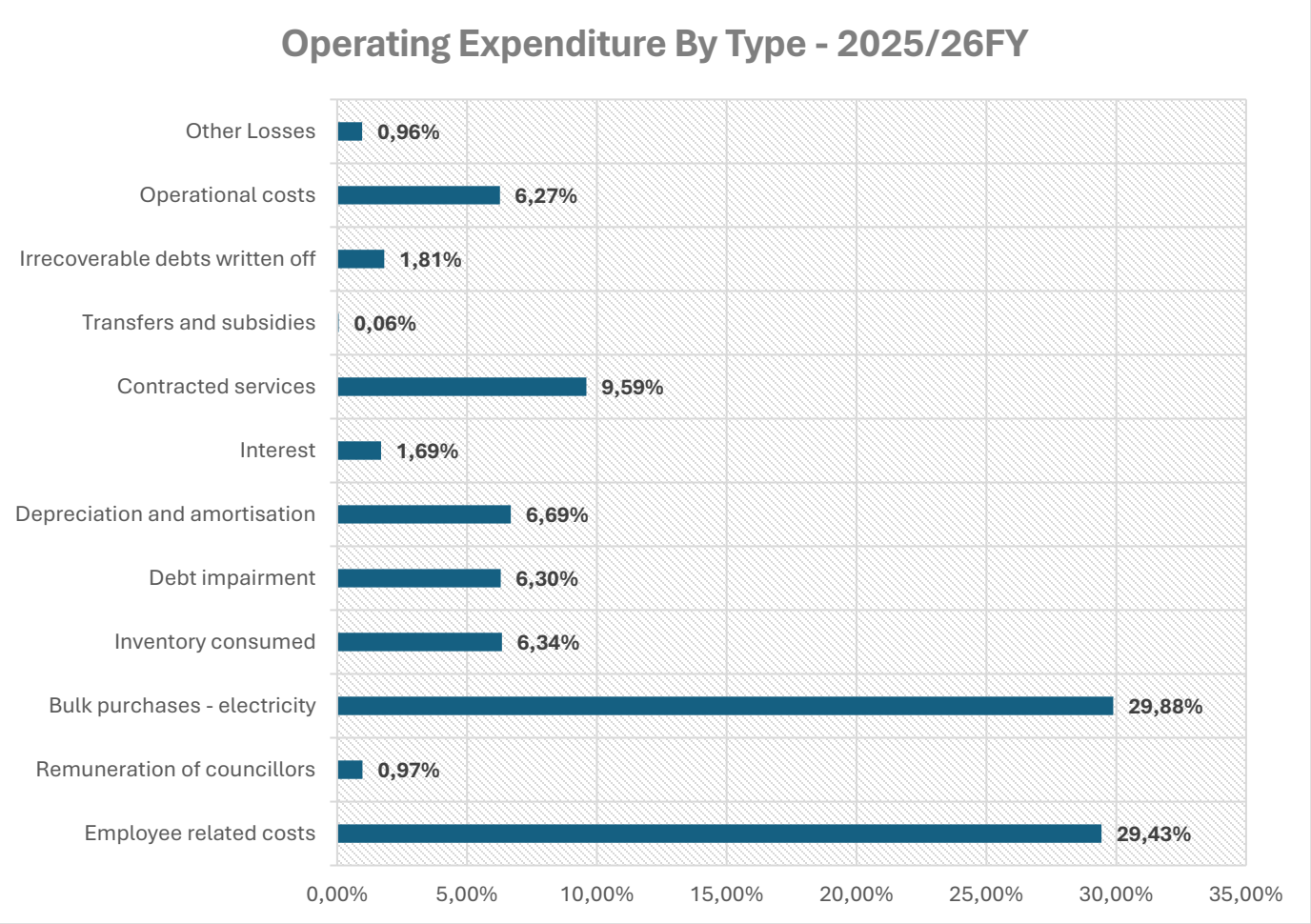


Figure 1 Main operational expenditure categories for the 2026/27 financial year.

The graph below reflects the operating expenditure by function components for the 2026/27 financial year.

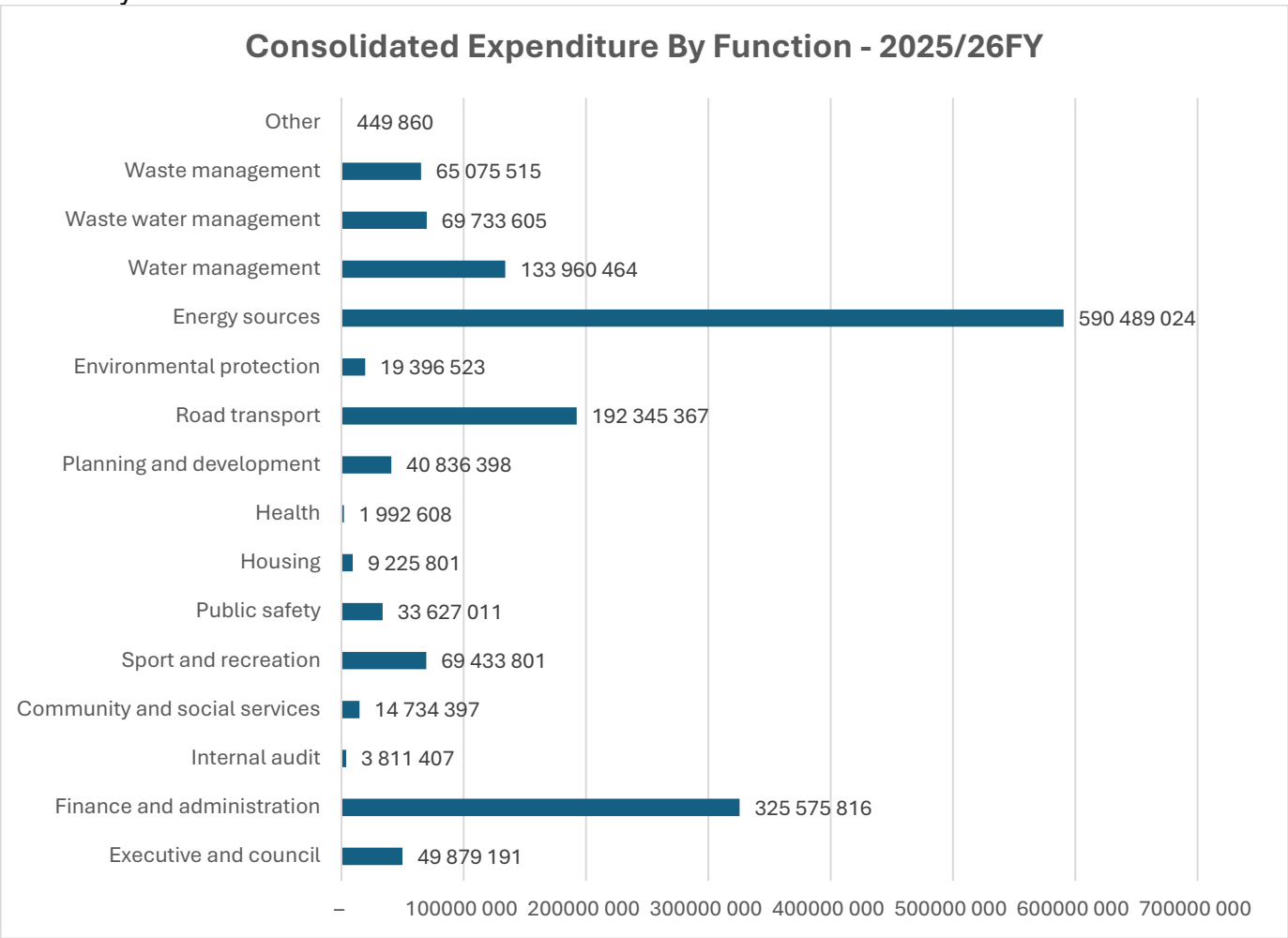


Figure 2 Consolidated Expenditure for the 2026/27 financial year.

The major operating expenditure by function are Energy Sources with the budget allocation of R 590,489 million, Finance and Administration R 325,576 million, Road Transport R192,345 million, Water Management R 133,960 million, Wastewater Management R 69,734 million, Sport and Recreation R 69,433 million and Waste Management R 65,076 million.

1.5.1 Priority relating to repairs and maintenance.

The repairs and maintenance expenditure in the 2026/27 financial year increased by R 14,746 million or 7.87% compared to the 2025/26 approved Adjustments Budget.

It is to be noted that repairs and maintenance constitute 12.47%, 13.33% and 12.8% 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**	**202 082**	**229 468**	**231 776**
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	48 106	56 137	53 858
Sanitation Infrastructure	25 771	24 543	28 473	29 532
Coastal Infrastructure	2 743	2 043	2 043	2 043
Infrastructure	***142 585***	***157 022***	***183 158***	***182 545***
Community Facilities	22 549	21 248	22 250	23 304
Sport and Recreation Facilities	3 627	3 200	3 200	3 200
Community Assets	***26 176***	***24 448***	***25 450***	***26 504***
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 157,022 million (77.7%) 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	1,88%	–		–	
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	1 335	0,41%	–		–		–	
Vote 4 - COMMUNITY SERVICES	4 890	1,52%	1 346	1,69%	1 346	2,61%	1 346	2,60%
Vote 5 - CIVIL AND WATER SERVICES	247 075	76,60%	67 398	84,65%	37 092	71,98%	43 303	83,55%
Vote 6 - ELECTRO/MECHANICAL SERVICES	42 935	13,31%	9 374	11,77%	13 096	25,41%	7 180	13,85%
Vote 7 - PLANNING AND DEVELOPMENT	23 666	7,34%	–		–		–	
Total Capital Expenditure - Vote	**322 565**	**100,00%**	**79 618**	**100,00%**	**51 534**	**100,00%**	**51 830**	**100,00%**

Civil and Water Services receives the highest allocation of R 67,398 million in 2026/27, which equates to 84.65%, followed by Electro/Mechanical Services at R 9,374 million (11.77%), Office of the Deputy Municipal Manager at R 1,500 million (1.88%) and Community Services at R 1,346 million (1.69%) respectively.

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

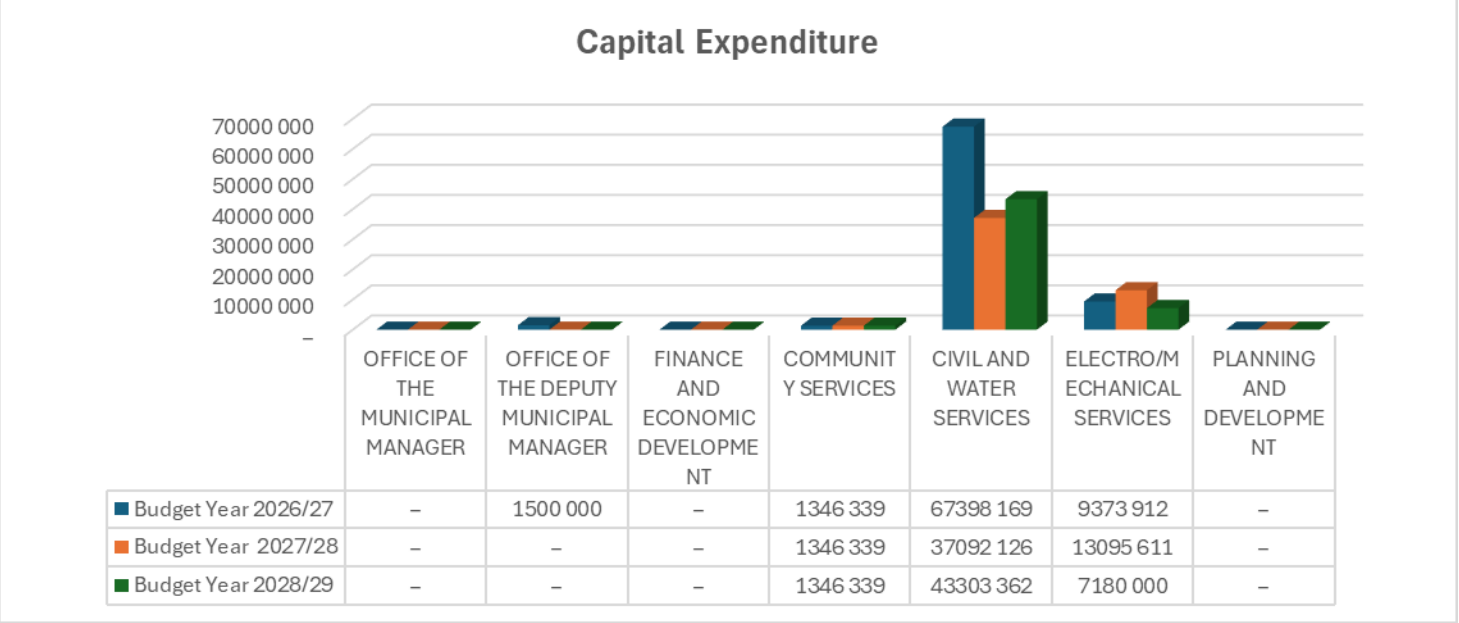


Figure 3 Capital Expenditure over the 2026/27 MTREF

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 Year2027/28	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	223 742	231 843	237 897
Other own revenue	199 539	205 938	216 642	228 104
Total Revenue (excluding capital transfers and contributions)	1 461 865	1 553 676	1 649 812	1 756 963
Employee costs	440 383	476 961	501 730	527 801
Remuneration of councillors	16 550	15 767	16 161	16 566
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	554 003	587 114	646 467	705 194
Transfers and subsidies	950	930	950	970
Other expenditure	351 323	404 061	419 803	422 446
Total Expenditure	1 545 173	1 620 567	1 721 193	1 811 009
Surplus/(Deficit)	(83 308)	(66 891)	(71 381)	(54 046)
Transfers and subsidies - capital (monetary allocations)	125 262	77 504	59 264	59 604
Transfers and subsidies - capital (in-kind)	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	41 954	10 612	(12 117)	5 558
Share of surplus/ (deficit) of associate	–	–	–	–
Surplus/(Deficit) for the year	41 954	10 612	(12 117)	5 558
Capital expenditure & funds sources				
Capital expenditure	322 565	79 618	51 534	51 830
Transfers recognised - capital	111 403	67 394	51 534	51 830
Borrowing	153 003	–	–	–
Internally generated funds	58 159	12 224	–	–
Total sources of capital funds	322 565	79 618	51 534	51 830
Financial position				
Total current assets	317 762	335 813	370 700	433 413
Total non current assets	2 592 388	2 558 989	2 493 296	2 423 209
Total current liabilities	325 248	336 466	330 717	330 722
Total non current liabilities	473 581	424 507	411 923	405 092
Community wealth/Equity	2 111 322	2 133 829	2 121 356	2 120 808

Description	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Adjusted Budget	Budget Year 2026/27	Budget Year2027/28	Budget Year 2028/29
Cash flows				
Net cash from (used) operating	182 062	140 198	117 271	139 685
Net cash from (used) investing	(318 092)	(91 562)	(59 207)	(59 548)
Net cash from (used) financing	76 010	(31 566)	(23 178)	(17 424)
Cash/cash equivalents at the year end	120 562	137 632	172 518	235 232
Cash backing/surplus reconciliation				
Cash and investments available	120 562	137 632	172 518	235 232
Application of cash and investments	114 447	132 073	136 077	140 083
Balance - surplus (shortfall)	6 115	5 559	36 441	95 149
Asset management				
Asset register summary (WDV)	2 592 388	2 558 989	2 493 296	2 423 209
Depreciation	142 422	108 376	112 885	117 574
Renewal and Upgrading of Existing Assets	94 083	34 993	14 997	32 065
Repairs and Maintenance	187 177	202 082	229 468	231 776
Free services				
Cost of Free Basic Services provided	(65 676)	68 057	(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**	**43 202**	**43 279**	**45 320**
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	18 700	19 635	20 617
Trading services	**870 298**	**944 831**	**1 013 667**	**1 092 966**
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	82 410	86 525	90 847
Other	**–**	**–**	**–**	**–**
Total Revenue - Functional	**1 587 126**	**1 631 179**	**1 709 076**	**1 816 567**
Expenditure - Functional				
Governance and administration	**376 867**	**379 266**	**389 450**	**404 074**
Executive and council	60 880	49 879	50 983	52 581
Finance and administration	312 768	325 576	334 458	347 275
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	13 095	14 734	15 407	16 130
Sport and recreation	63 050	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**	**252 578**	**267 231**	**279 615**
Planning and development	33 922	40 836	41 628	43 544
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**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) for the year	**41 954**	**10 612**	**(12 117)**	**5 558**

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 Year 2027/28	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	148 008	152 849
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	126 048	135 674	137 256	142 660
Vote 4 - COMMUNITY SERVICES	331 156	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**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) for the year	**41 954**	**10 612**	**(12 117)**	**5 558**

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	223 742	231 843	237 897
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**	**1 553 676**	**1 649 812**	**1 756 963**
Expenditure				
Employee related costs	440 383	476 961	501 730	527 801
Remuneration of councillors	16 550	15 767	16 161	16 566
Bulk purchases - electricity	440 010	484 306	527 070	579 777
Inventory consumed	113 993	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	120 068	155 487	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	97 788	101 540	105 811	110 038
Other Losses	15 051	15 617	15 617	15 617
Total Expenditure	**1 545 173**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit)	**(83 308)**	**(66 891)**	**(71 381)**	**(54 046)**
Transfers and subsidies - capital (monetary allocations)	125 262	77 504	59 264	59 604
Surplus/(Deficit) after capital transfers & contributions	**41 954**	**10 612**	**(12 117)**	**5 558**
Surplus/(Deficit) after income tax	41 954	10 612	(12 117)	5 558
Surplus/(Deficit) attributable to municipality	41 954	10 612	(12 117)	5 558
Surplus/(Deficit) for the year	**41 954**	**10 612**	**(12 117)**	**5 558**

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 1,554 billion in 2026/27 and increases to R 1,757 billion in 2028/29.This represents a year-on-year increase of 6.28% for the 2026/27 financial year and increases of 6.19% for the 2027/28 financial year and increases of 6.49% 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 21.03% 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 50.22% 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 4.21% for 2026/27, increases by 3.62% for 2027/28 and increased by 2.61% 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	955	955	955
Vote 5 - CIVIL AND WATER SERVICES	247 075	67 218	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**	**79 047**	**51 143**	**51 438**
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**	**79 618**	**51 534**	**51 830**
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**	**1 346**	**1 346**	**1 346**
Community and social services	50	391	391	391
Sport and recreation	–	–	–	–
Public safety	2 390	955	955	955
Housing	19 016	–	–	–
Health	–	–	–	–
Economic and environmental services	**191 012**	**23 717**	**12 850**	**11 238**
Planning and development	8 276	9 642	6 887	3 741
Road transport	182 736	14 075	5 962	7 497
Environmental protection	–	–	–	–
Trading services	**105 186**	**53 055**	**37 338**	**39 245**
Energy sources	42 935	9 374	13 096	7 180
Water management	30 749	15 722	5 019	600
Waste water management	30 002	27 959	19 224	31 465
Waste management	1 500	–	–	–
Other	**–**	**–**	**–**	**–**
Total Capital Expenditure - Functional	**322 565**	**79 618**	**51 534**	**51 830**

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	18 036	391	391
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**	**67 394**	**51 534**	**51 830**
Borrowing	153 003	–	–	–
Internally generated funds	58 159	12 224	–	–
Total Capital Funding	**322 565**	**79 618**	**51 534**	**51 830**

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 67,394 million (84.65%) and amount to R 51,830 million for 2028/29 (100%). Internally generated funds amounted to R 12,224 million (15.35%) 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	137 632	172 518	235 232
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	23 840	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	**317 762**	**335 813**	**370 700**	**433 413**
Non current assets				
Investments	–	–	–	–
Investment property	246 427	246 427	246 427	246 427
Property, plant and equipment	2 345 450	2 312 350	2 246 657	2 176 571
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**	**2 558 989**	**2 493 296**	**2 423 209**
TOTAL ASSETS	**2 910 150**	**2 894 802**	**2 863 995**	**2 856 622**
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	198 607	237 250	237 302	237 260
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	**325 248**	**336 466**	**330 717**	**330 722**
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	**798 828**	**760 973**	**742 640**	**735 815**
NET ASSETS	**2 111 322**	**2 133 829**	**2 121 356**	**2 120 808**
COMMUNITY WEALTH/EQUITY				
Accumulated surplus/(deficit)	2 091 822	2 110 329	2 093 856	2 089 308
Reserves and funds	19 500	23 500	27 500	31 500
Other	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**2 111 322**	**2 133 829**	**2 121 356**	**2 120 808**

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	116 720	117 285	118 360
Transfers and Subsidies - Operational	214 845	223 742	231 843	237 897
Transfers and Subsidies - Capital	104 291	77 504	59 264	59 604
Interest	16 273	17 086	17 941	18 838
Dividends	–	–	–	–
Payments				
Suppliers and employees	(1 422 023)	(1 482 934)	(1 586 453)	(1 673 755)
Interest	(19 267)	(26 308)	(21 523)	(18 375)
Transfers and Subsidies	(950)	(930)	(950)	(970)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**182 062**	**140 198**	**117 271**	**139 685**
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)	(91 562)	(59 207)	(59 548)
Retention (Capital)	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(318 092)**	**(91 562)**	**(59 207)**	**(59 548)**
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)**	**17 070**	**34 886**	**62 713**
Cash/cash equivalents at the year begin:	180 582	**120 562**	**137 632**	**172 518**
Cash/cash equivalents at the year-end:	**120 562**	**137 632**	**172 518**	**235 232**

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 137,632 million to R 235,232 million.

4. Cash and cash equivalents amount to R 137,632 million as at the end of the 2026/27 financial year and increase to R 235,232 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	137 632	172 518	235 232
Other current investments > 90 days	–	–	–	–
Non-current Investments	–	–	–	–
Cash and investments available:	**120 562**	**137 632**	**172 518**	**235 232**
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	79 006	79 059	79 017
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**	**132 073**	**136 077**	**140 083**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	**6 115**	**5 559**	**36 441**	**95 149**
Creditors transferred to Debt Relief - Non-Current portion	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	**6 115**	**5 559**	**36 441**	**95 149**

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 5,559 million in 2026/27 to a funding surplus of R 95,149 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 2027/28	Budget Year 2028/29
CAPITAL EXPENDITURE				
Total New Assets	**228 482**	**44 626**	**36 537**	**19 764**
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	–	–	–
Sport and Recreation Facilities	–	–	–	–
Community Assets	***1 400***	**–**	**–**	**–**
Licences and Rights	300	–	–	–
Intangible Assets	***300***	**–**	**–**	**–**
Computer Equipment	**3 738**	**1 500**	**–**	**–**
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	–	1 090	–	–
Storm water Infrastructure	11 320	400	–	–
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	–	–
Housing	–	–	–	–
Other Assets	**–**	***300***	**–**	**–**
Machinery and Equipment	**–**	**50**	**–**	**–**
Total Upgrading of Existing Assets	**78 155**	**27 545**	**11 509**	**31 465**
Roads Infrastructure	4 536	2 478	–	–
Storm water Infrastructure	–	–	–	–
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***	***20 818***	***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	–	–

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
Housing	–	–	–	–
Other Assets	**–**	***320***	**–**	**–**
Computer Equipment	**–**	**131**	**–**	**–**
Total Capital Expenditure	**322 565**	**79 618**	**51 534**	**51 830**
Roads Infrastructure	171 461	14 286	5 962	7 497
Storm water Infrastructure	11 320	400	–	–
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***	***67 514***	***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	–	–
Housing	–	–	–	–
Other Assets	**–**	***620***	**–**	**–**
Licences and Rights	300	–	–	–
Intangible Assets	***300***	**–**	**–**	**–**
Computer Equipment	**3 738**	**1 631**	**–**	**–**
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**	**79 618**	**51 534**	**51 830**
ASSET REGISTER SUMMARY - PPE (WDV)	2 592 388	2 558 989	2 493 296	2 423 209
Roads Infrastructure	489 163	498 109	496 751	495 339
Storm water Infrastructure	48 976	49 406	49 341	49 273
Electrical Infrastructure	152 282	155 302	154 843	154 367
Water Supply Infrastructure	362 049	347 167	346 493	345 792
Sanitation Infrastructure	354 505	362 174	361 010	359 799
Solid Waste Infrastructure	3 944	4 497	4 413	4 325
Infrastructure	***1 410 920***	***1 416 654***	***1 412 851***	***1 408 896***
Community Assets	96 800	49 642	49 627	49 611
Investment properties	246 427	246 427	246 427	246 427
Other Assets	481 954	495 649	436 510	371 057
Intangible Assets	512	212	212	212
Computer Equipment	7 000	4 880	3 361	3 342
Furniture and Office Equipment	1 466	2 266	1 940	1 787
Machinery and Equipment	6 974	5 551	5 082	5 030
Transport Assets	88 810	89 082	88 661	88 222
Land	251 526	248 626	248 626	248 626
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**2 592 388**	**2 558 989**	**2 493 296**	**2 423 209**

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 OTHER ITEMS				
Depreciation	142 422	108 376	112 885	117 574
Repairs and Maintenance by Asset Class	**187 177**	**202 082**	**229 468**	**231 776**
Roads Infrastructure	29 137	31 835	39 269	45 251
Storm water Infrastructure	1 427	3 450	7 650	6 850
Electrical Infrastructure	35 800	47 046	49 586	45 011
Water Supply Infrastructure	47 197	48 106	56 137	53 858
Sanitation Infrastructure	25 652	24 543	28 473	29 532
Coastal Infrastructure	2 769	2 043	2 043	2 043
Information and Communication Infrastructure	–	–	–	–
Infrastructure	***141 983***	***157 022***	***183 158***	***182 545***
Community Facilities	22 449	21 248	22 250	23 304
Sport and Recreation Facilities	3 401	3 200	3 200	3 200
Community Assets	***25 850***	***24 448***	***25 450***	***26 504***
Operational Buildings	3 520	4 385	4 385	4 385
Housing	–	–	–	–
Other Assets	***3 520***	***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**
Furniture and Office Equipment	**–**	**–**	**–**	**–**
Machinery and Equipment	**1 356**	**1 316**	**1 316**	**1 316**
Transport Assets	**14 183**	**14 095**	**14 344**	**16 209**
TOTAL EXPENDITURE OTHER ITEMS	**329 598**	**310 458**	**342 353**	**349 350**
Renewal and upgrading of Existing Assets as % of total capex	*29,2%*	*44,0%*	*29,1%*	*61,9%*
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%*	*7,9%*	*9,2%*	*9,5%*
Renewal and upgrading and R&M as a % of PPE and Investment Prop	*10,8%*	*9,2%*	*9,8%*	*10,9%*

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 44.0% of the capital budget, whilst repairs and maintenance constitute 7.9% 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	24 629	26 107	27 673
Sanitation (free sanitation service to **indigent households**)	14 617	15 410	16 181	16 990
Electricity/other energy (50kwh per **indigent** household per month)	2 243	10 265	11 171	12 288
Refuse (removed once a week **for indigent households**)	25 847	23 154	24 312	25 528
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	–
Total cost of FBS provided	**65 676**	**73 459**	**77 771**	**82 479**
Highest level of free service provided per household				
Property rates (R value threshold)	400 000	400 000	400 000	400 000
Water (kilolitres per household per month)	9	9	9	9
Sanitation (kilolitres per household per month)	–	–	–	–
Sanitation (Rand per household per month)	378	360	378	396
Electricity (kwh per household per month)	50	50	50	50
Refuse (average litres per week)	–	–	–	–
Revenue cost of subsidised services provided (R'000)				
Property rates **(tariff adjustment)** (**impermissable values per section 17 of MPRA**)	1 836	1 836	1 927	2 024
Property rates exemptions, reductions and rebates **and impermissable values in excess of section 17 of MPRA)**	4 207	4 363	4 581	4 810
Water **(in excess of 6 kilolitres per indigent household per month)**	–	–	–	–
Sanitation **(in excess of free sanitation service to indigent households)**	–	–	–	–
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**	–	–	–	–
Refuse **(in excess of one removal a week for indigent households)**	–	–	–	–
Municipal Housing - rental rebates	–	–	–	–
Housing - top structure subsidies	–	–	–	–
Other	–	–	–	–
Total revenue cost of subsidised services provided	**6 043**	**6 198**	**6 508**	**6 834**

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 May 2026. The Budget and IDP will be tabled by the Executive Mayor at a Council meeting scheduled for 28 May 2026. After this meeting, it will be submitted to National and Provincial Treasury.

The budget consultation had taken 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 of the aforementioned consultations were taken into consideration, whilst the Executive Mayor will table the 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 took 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 was 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	1.00	1.12	1.31
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.98	1.00	1.12	1.31
Liquidity Ratio	Monetary Assets/Current Liabilities	0,37	0,41	0,52	0,71
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		164,7%	172,4%	137.,6%	100,9%

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%	30,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31,3%	31,7%	31,4%	31,0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	12,8%	13,0%	13.9%	13,2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12,4%	8,7%	8,2%	7,9%
IDP regulation financial viability indicators	-				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.03	0.04	0.03	0.02
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	0.9	1,0	1,2	1,6

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 0.1 in 2026/27, 1.12 in the 2027/28 and 1.31 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 The following budget-related policies were revised and submitted to Council for adoption.

- Supply Chain Management and Restriction Policy
- Virement Policy
- Indigent Policy
- Provision for Doubtful Debts and Write-Off of Irrecoverable Debt Policy

2.4.3 Property Rates Policy

A reviewed Property Rates Policy was adopted by Council on 29 May 2025.

2.4.4 Funding and Reserves Policy

A reviewed Funding and Reserves Policy was adopted by Council on 29 May 2025.

2.4.5 Cost Containment Policy

The Cost Containment Policy was reviewed and adopted by Council on 29 May 2025.

2.4.6 Cash Management and Investment Policy

A reviewed Cash Management and Investment Policy was adopted by Council on 29 May 2025.

2.4.7 Borrowing Policy

A reviewed Borrowing Policy was adopted by Council on 29 May 2025.

2.4.8 Budget Implementation and Management Policy

A reviewed Budget Implementation and Management Policy was adopted by Council on 29 May 2025.

2.4.9 Unallocated Revenue and Building Deposit Policy

A reviewed Unallocated Revenue and Building Deposit Policy was adopted by the Council on 29 May 2025.

2.4.10 Tariff Policy

A reviewed Tariffs Policy was adopted by the Council on 29 May 2025.

2.4.11 Asset Management Policy

A reviewed Asset Management Policy was adopted by the Council on 29 May 2025.

2.4.12 Preferential Procurement Policy Framework

A reviewed Preferential Procurement Policy Framework was adopted by the Council on 29 May 2025.

2.4.13 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.

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	21,03%	343 053	20,79%	360 206	20,50%
Service charges	723 457	49,49%	780 192	50,22%	840 333	50,94%	911 918	51,90%
Transfer and subsidies - Operational	214 697	14,69%	223 742	14,40%	231 843	14,05%	237 897	13,54%
Other revenue	215 812	14,76%	223 025	14,35%	234 582	14,22%	246 942	14,06%
Total Revenue (excluding capital transfers and contributions)	**1 461 865**	**100,00%**	**1 553 676**	**100,00%**	**1 649 812**	**100,00%**	**1 756 963**	100,00%

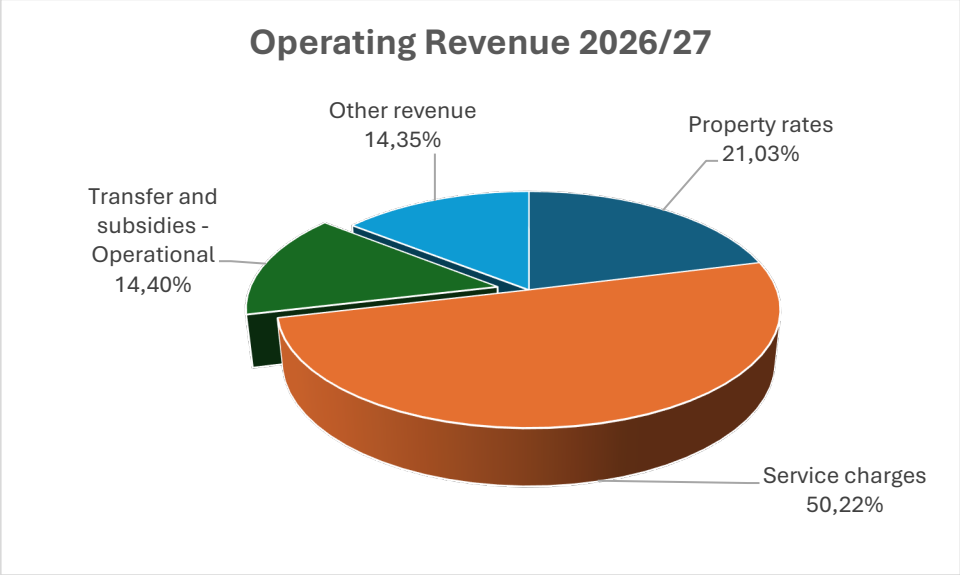


Figure 4 Breakdown of operating revenue over the 2026/27 MTRE

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 21.03% 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 50.22% of the total revenue base.

Operational grants and subsidies amount to R 223,742 million, R 231,843 million and R 237,897 million for each of the respective financial years of the MTREF, or 14.40% 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	137 632	172 518	235 232
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**	**137 632**	**172 518**	**235 232**
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**	**137 632**	**172 518**	**235 232**

Investments and cash equivalents are anticipated to increase from R 137,632 million in 2026/27 to R 235,232 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	18 036	391	391
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**	**67 394**	**51 534**	**51 830**
Internally generated funds	58 159	12 224	–	–
Total Capital Funding	**322 565**	**79 618**	**51 534**	**51 830**

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

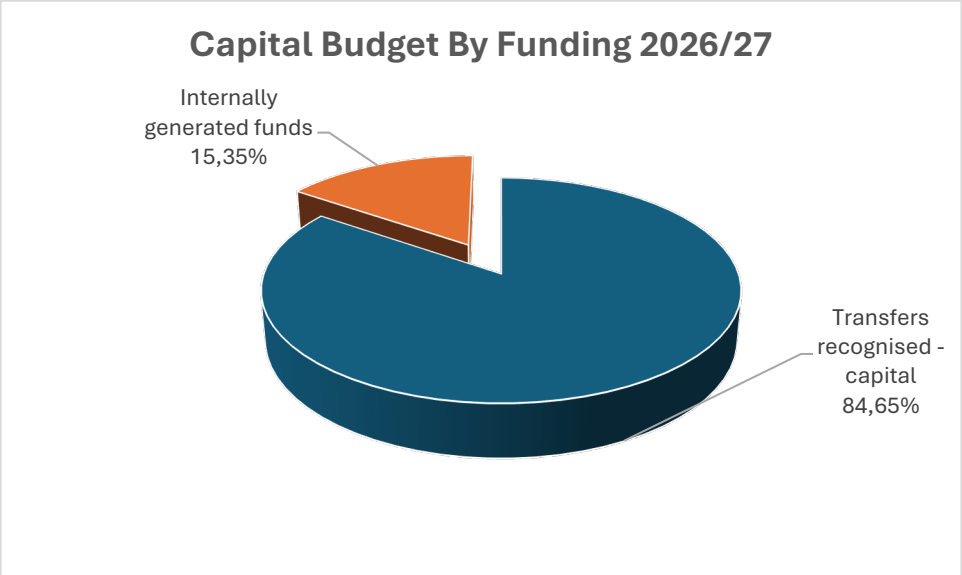


Figure 5 Sources of Capital Revenue for the 2026/27 financial year

Capital Grants constitute 84.65% of the total funding sources, amounting to R 67,394 million and internally generated funds constitute 15.35% of the funding sources, amounting to R 12,224 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.

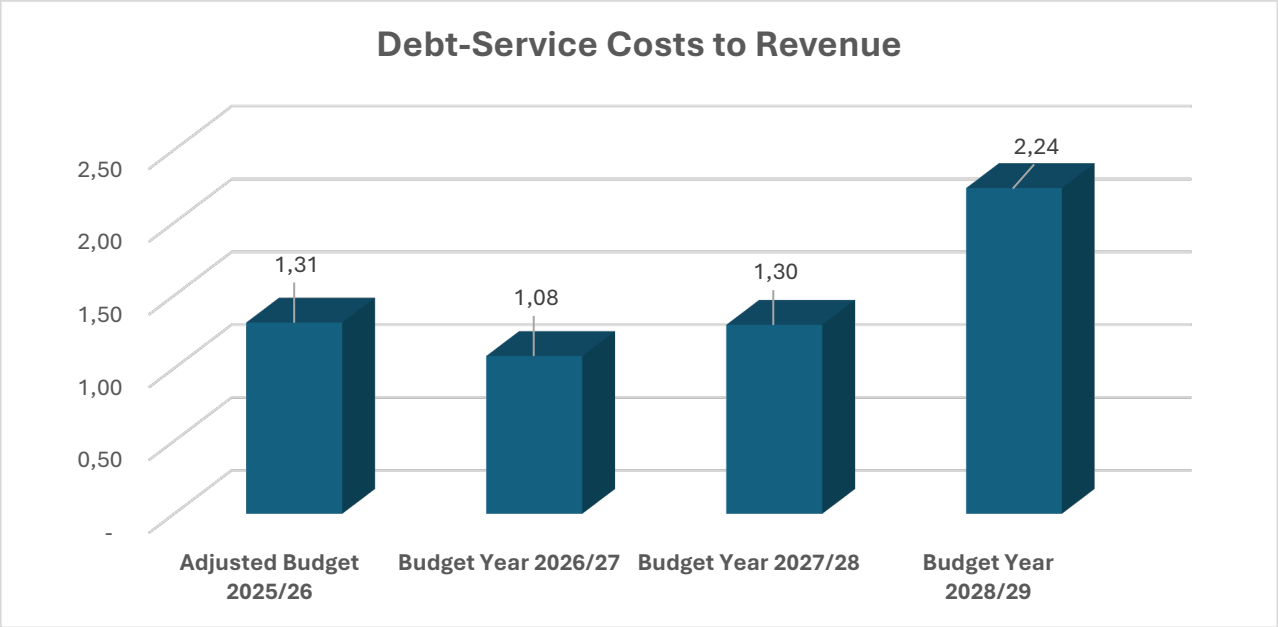


Figure 6 Debt Service Costs over the 2026/27 MTERF

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**	**2 584**	**2 584**	**2 584**
Libraries, Archives and Museums	3 034	2 584	2 584	2 584
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**	**223 742**	**231 843**	**237 897**
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**	**20 741**	**450**	**450**
Infrastructure	51 858	20 291	–	–
Libraries, Archives and Museums	–	450	450	450
District Municipality:	**1 098**	**1 098**	**1 098**	**1 098**
All Grants	1 098	1 098	1 098	1 098
Total Capital Transfers and Grants	**104 291**	**77 504**	**59 264**	**59 604**
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	116 720	117 285	118 360
Transfers and Subsidies - Operational	214 845	223 742	231 843	237 897
Transfers and Subsidies - Capital	104 291	77 504	59 264	59 604
Interest	16 273	17 086	17 941	18 838
Dividends	–	–	–	–
Payments				
Suppliers and employees	(1 422 023)	(1 482 934)	(1 586 453)	(1 673 755)
Interest	(19 267)	(26 308)	(21 523)	(18 375)
Transfers and Subsidies	(950)	(930)	(950)	(970)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**182 062**	**140 198**	**117 271**	**139 685**
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)	(91 562)	(59 207)	(59 548)
Retention (Capital)	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(318 092)**	**(91 562)**	**(59 207)**	**(59 548)**
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)**	**17 070**	**34 886**	**62 713**
Cash/cash equivalents at the year begin:	180 582	**120 562**	**137 632**	**172 518**
Cash/cash equivalents at the year end:	**120 562**	**137 632**	**172 518**	**235 232**

For the 2026/27 MTREF, the cash and cash equivalents over the medium-term is anticipated to increase from R 137,632 million in 2026/27 million to R 235,232 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	137 632	172 518	235 232
Other current investments > 90 days	–	–	–	–
Non current Investments	–	–	–	–
Cash and investments available:	**120 562**	**137 632**	**172 518**	**235 232**
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	79 006	79 059	79 017
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**	**132 073**	**136 077**	**140 083**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	**6 115**	**5 559**	**36 441**	**95 149**
Creditors transferred to Debt Relief - Non-Current portion	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	**6 115**	**5 559**	**36 441**	**95 149**

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 137,632 million in the 2026/27 financial year and increases to R 235,232 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 5,559 million, R 36,441 million and R 95,149 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, 1.0 months, 1.2 months, and 1.6 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	137 632	172 518	235 232
Cash + investments at the yr end less applications - R'000	18(1)b	2	6 115	5 559	36 441	95 149
Cash year end/monthly employee/supplier payments	18(1)b	3	1,0	1,0	1,2	1,6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	41 953	10 612	(12 117)	5 558
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	5.0%	5.0%	5.0%	5.0%
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	8.0%	8,7%	10.2%	10.6%
Asset renewal % of capital budget	20(1)(vi)	14	4,9%	9,4%	6,8%	1,2%

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 137,632 million, R 172,518 million and R 235,232 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 5,559 million, R 36,441 million and R 95,149 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 1.6 months.

2.6.5.4 Surplus/deficit excluding depreciation offsets.

For the 2026/27 MTREF the indicative outcome is a surplus of R 10,612 million, deficit of R 12,117 million and a surplus of R 5,558 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)**	**(66 891)**	**(71 381)**	**(54 046)**
Transfers and subsidies - capital (monetary allocations)	125 262	77 504	59 264	59 604
Surplus/(Deficit) after capital transfers & contributions	**41 953**	**10 612**	**(12 117)**	**5 558**

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.

The graph below illustrates the trading deficit before capital transfers and subsidies over the 2026/27 MTREF. The deficit over the medium-term revenue and expenditure framework is due to the unfunded depreciation and amortization.

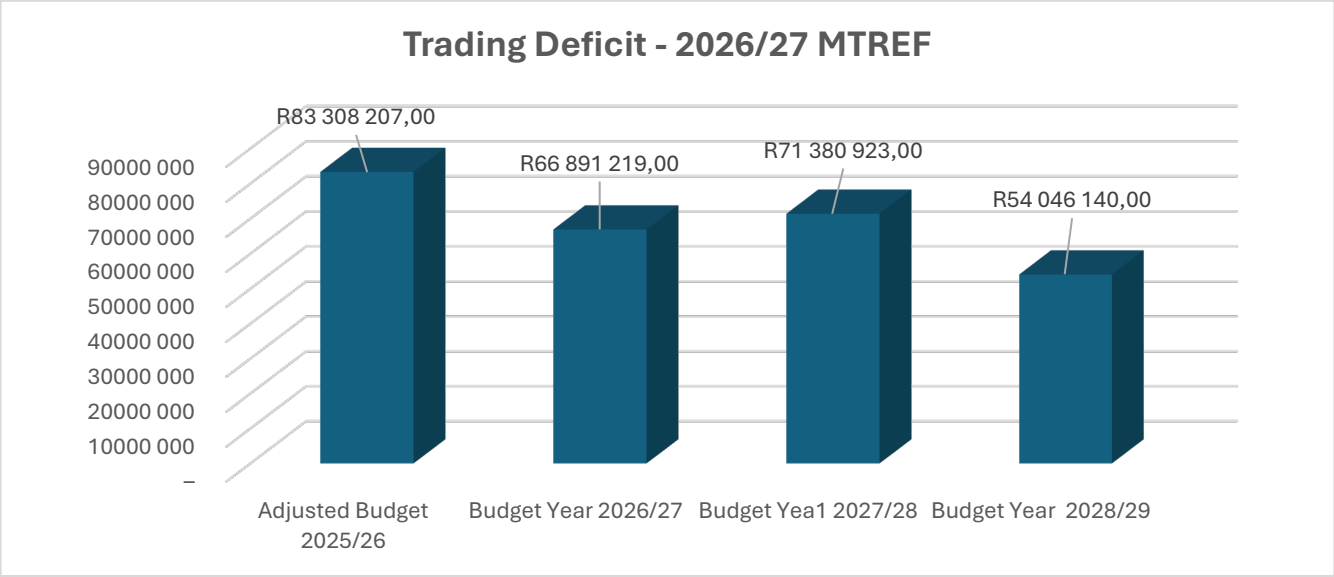


Figure 7 Trading Deficit over the 2026/27 MTERF

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 1.5% 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 8.7%, 10.2% and 10.6% 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**	**2 584**	**2 584**	**2 584**
Libraries, Archives and Museums	3 034	2 584	2 584	2 584
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**	**223 742**	**231 843**	**237 897**
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**	**20 741**	**450**	**450**
Infrastructure	51 858	20 291	–	–
Libraries, Archives and Museums	–	450	450	450
District Municipality:	**1 098**	**1 098**	**1 098**	**1 098**
All Grants	1 098	1 098	1 098	1 098
Total Capital Transfers and Grants	**104 291**	**77 504**	**59 264**	**59 604**
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 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**	**2 584**	**2 584**	**2 584**
Libraries, Archives and Museums	3 034	2 584	2 584	2 584
District Municipality:	**2 503**	**2 610**	**2 610**	**2 610**
All Grants	2 503	2 610	2 610	2 610
Total operating expenditure of Transfers and Grants:	**214 845**	**223 742**	**231 843**	**237 897**
Capital expenditure of 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**	**20 741**	**450**	**450**
Infrastructure	51 858	20 291	–	–
Libraries, Archives and Museums	–	450	450	450
District Municipality:	**1 098**	**1 098**	**1 098**	**1 098**
All Grants	1 098	1 098	1 098	1 098
Total capital expenditure of Transfers and Grants	**104 291**	**77 504**	**59 264**	**59 604**
TOTAL EXPENDITURE OF TRANSFERS AND 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	10 997	11 272
Cell phone Allowance	1 637	1 462	1 499	1 536
Motor Vehicle Allowance	4 153	3 576	3 666	3 757
Total Allowances and Service-Related Benefits	**16 550**	**15 767**	**16 161**	**16 566**
Total Councillors	**16 550**	**15 767**	**16 161**	**16 566**
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	80 933	20 345	20 733	20 853	21 130	21 225	21 253	21 323	21 326	21 571	21 521	21 542	313 755
Service charges - electricity revenue	52 502	51 321	53 387	48 671	45 565	46 762	49 473	46 040	46 654	45 170	48 405	46 346	580 294
Service charges - water revenue	17 221	13 101	12 838	9 544	13 275	12 792	13 367	13 737	10 941	7 590	15 267	10 826	150 498
Service charges - sanitation revenue	8 454	7 767	7 507	7 531	7 782	7 454	8 182	6 464	6 972	7 412	8 296	7 319	91 140
Service charges - refuse revenue	8 580	7 063	7 005	7 017	7 032	6 998	6 999	3 629	5 255	6 537	6 618	6 896	79 630
Rental of facilities and equipment	210	251	580	352	389	1 320	566	286	350	300	179	424	5 207
Interest earned - external investments	1 940	1 908	1 771	630	1 315	1 520	1 523	1 249	535	2 044	1 932	719	17 086
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 174	1 041	647	1 489	1 038	731	1 207	1 743	5 818	1 824	2 706	2 939	22 359
Licences and permits	3 070	3 559	1 560	2 339	2 073	3 311	1 571	3 287	1 125	1 280	1 053	858	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		3 454	1 419	71 196	870	602	53 671			(0)	223 742
Other revenue	3 940	5 551	1 610	3 822	2 844	2 810	1 473	9 966	4 721	10 019	4 140	8 387	59 284
Cash Receipts by Source	**268 516**	**114 704**	**108 018**	**106 081**	**104 242**	**176 500**	**106 864**	**108 707**	**157 748**	**104 127**	**110 497**	**106 863**	**1 572 866**
Other Cash Flows by Source													
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	23 574	2 601		5 384	9 817	15 413	6 764	2 601	10 252	1 098		0	77 504
Total Cash Receipts by Source	**292 089**	**117 305**	**108 018**	**111 465**	**114 059**	**191 912**	**113 628**	**111 308**	**168 000**	**105 225**	**110 497**	**106 863**	**1 650 370**

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	(60 437)	(65 683)	(58 071)	(38 622)	(40 003)	(38 519)	(42 603)	(41 018)	(40 701)	(35 041)	(39 512)	(56 742)	(556 952)
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	(4 410)	(6 901)	(4 734)	(13 074)	(12 345)	(7 329)	(21 060)	(6 511)	(11 550)	(13 053)	(9 695)	(11 927)	(122 588)
Contracted services	(2 726)	(9 139)	(13 284)	(11 141)	(9 009)	(14 596)	(16 056)	(14 052)	(15 084)	(15 956)	(19 802)	(32 772)	(173 617)
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other					(400)			(530)				–	(930)
Other expenditure	(6 088)	(10 891)	(9 684)	(15 310)	(13 139)	(11 067)	(9 217)	(7 884)	(11 561)	(7 910)	(10 355)	(19 788)	(132 894)
Cash Payments by Type	**(113 363)**	**(132 316)**	**(130 452)**	**(117 849)**	**(138 028)**	**(116 190)**	**-128 638**	**(109 696)**	**(123 574)**	**(111 662)**	**(119 066)**	**(169 340)**	**(1 510 172)**
Other Cash Flows/Payments by Type													
Capital assets	(1 173)	(2 618)	(2 797)	(4 704)	(17 067)	(20 950)	(2 619)	(649)	(9 351)	(5 965)	(8 722)	(14 947)	(91 562)
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)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**(115 714)**	**(136 112)**	**(138 783)**	**(123 731)**	**(156 273)**	**(142 675)**	**-132 435**	**(111 524)**	**(138 459)**	**(118 806)**	**(128 966)**	**(189 821)**	**(1 633 300)**
NET INCREASE/(DECREASE) IN CASH HELD	**176 376**	**(18 807)**	**(30 765)**	**(12 267)**	**(42 214)**	**49 238**	**(18 807)**	**(216)**	**29 540**	**(13 581)**	**(18 469)**	**(82 958)**	**17 070**
Cash/cash equivalents at the month/year begin:	120 562	296 937	278 130	247 365	235 099	192 884	242 122	223 315	23 099	252 639	239 058	220 590	120 562
Cash/cash equivalents at the month/year end:	296 937	278 130	247 365	235 099	192 884	242 122	223 315	223 099	252 639	239 058	220 590	137 632	137 632

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	223 742	231 843	237 897
Other revenue	59 284	57 869	56 866
Cash Receipts by Source	**1 572 866**	**1 666 934**	**1 773 181**
Other Cash Flows by Source			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	77 504	59 264	59 604
Total Cash Receipts by Source	**1 650 370**	**1 726 198**	**1 832 785**
Cash Payments by Type			
Employee related costs	(481 115)	(506 114)	(532 425)
Remuneration of councillors	(15 767)	(16 161)	(16 566)
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	(173 617)	(178 248)	(166 613)
Transfers and grants - other municipalities	–	–	–
Transfers and grants - other	(930)	(950)	(970)
Other expenditure	(132 894)	(138 316)	(143 181)
Cash Payments by Type	**(1 510 172)**	**(1 608 927)**	**(1 693 100)**
Other Cash Flows/Payments by Type			
Capital assets	(91 562)	(59 207)	(59 548)
Retention (Capital)	–	–	–
Repayment of borrowing	(31 566)	(23 178)	(17 424)
Other Cash Flows/Payments	–	–	–
Total Cash Payments by Type	**(1 633 300)**	**(1 691 312)**	**(1 770 072)**
NET INCREASE/(DECREASE) IN CASH HELD	**17 070**	**34 886**	**62 713**
Cash/cash equivalents at the month/year begin:	120 562	137 632	172 518
Cash/cash equivalents at the month/year end:	137 632	172 518	235 232

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 was considered at a Council meeting 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 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 was considered at a Council meeting held on 30 March 2026.

Oversight Report

The Municipal Public Accounts Committee has considered the 2024/25 Annual report. Its Oversight Report was considered at a Council meeting held on 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 June 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:……18 May 2026……

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:		**Secretary/PA to the Speaker:**	
ID Number	771121 0121 088	ID Number	740829 0025 087
Title	Mr	Title	Ms
Name	Lorraine Maree	Name	Donne Klopper
Telephone number	042 200 2021	Telephone number	042 200 2021
Cell number	082 892 4664	Cell number	082 769 2002
Fax number	086 529 7923	Fax number	086 529 7923
E-mail address	paspeaker@kouga.gov.za	E-mail address	paspeaker@kouga.gov.za

Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number	820209 5010 082	ID Number	950126 0851 082
Title	Mr	Title	Ms
Name	Chris Hattingh Bornman	Name	Yolanda Jordan
Telephone number	042 200 2021	Telephone number	042 200 2021
Cell number	084 240 5226	Cell number	079 4514 211
Fax number	086 529 7923	Fax number	086 529 7923
E-mail address	pamayor@kouga.gov.za	E-mail address	pamayor@kouga.gov.za

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

D. MANAGEMENT LEADERSHIP

Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number	671015 5014 085	ID Number	830923 0220 086
Title	Mr	Title	Mrs
Name	Chari du Plessis	Name	Joezay Reed
Telephone number	042 200 2046	Telephone number	042 200 2046
Cell number	083 300 0126	Cell number	067 106 2225
Fax number	086 521 4099	Fax number	086 521 4099
E-mail address	cduplessis@kouga.gov.za	E-mail address	jreed@kouga.gov.za

Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
ID Number	820217 5222 086	ID Number	970725 0195 089
Title	Mr	Title	Ms
Name	Riaaz Nazlem Lorgat	Name	Bronwyn Africa
Telephone number	042 200 2045	Telephone number	042 200 2045
Cell number	084 845 4470	Cell number	072 997 9189
Fax number	0	Fax number	0
E-mail address	rlorgat@kouga.gov.za	E-mail address	bafrica@kouga.gov.za

Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	830303 5059 088	ID Number	800520 5376 081
Title	Mr	Title	Mr
Name	Shukree Abrahams	Name	Zandisile Gongqoba
Telephone number	042 200 2200	Telephone number	042 200 2200
Cell number	083 265 4372	Cell number	081 219 9498
Fax number	0	Fax number	0
E-mail address	sabrahams@kouga.gov.za	E-mail address	zgongqoba@kouga.gov.za

Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number	930111 0322 081	ID Number	931211 5353 088
Title	Mrs	Title	Mr
Name	Leliethu Swapi	Name	Nkosinathi Mbangi
Telephone number	042 200 2200	Telephone number	042 200 2200
Cell number	078 951 7178	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	262 410	326 717	343 053	360 206
Service charges	547 619	585 321	629 997	761 356	723 457	723 457	585 489	780 192	840 333	911 918
Investment revenue	6 824	12 962	13 689	16 273	16 273	16 273	11 201	17 086	17 941	18 838
Transfer and subsidies - Operational	177 339	198 630	205 382	214 766	214 697	214 697	215 260	223 742	231 843	237 897
Other own revenue	172 936	132 581	174 612	171 808	199 539	199 539	98 071	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	1 172 432	1 553 676	1 649 812	1 756 963
Employee costs	359 826	394 417	422 489	525 261	440 383	440 383	370 066	476 961	501 730	527 801
Remuneration of councillors	13 700	14 850	15 443	15 988	16 550	16 550	12 945	15 767	16 161	16 566
Depreciation and amortisation	124 718	101 469	115 298	142 422	142 422	142 422	90 196	108 376	112 885	117 574
Interest	8 059	10 038	13 825	20 106	39 542	39 542	12 145	27 357	23 196	20 458
Inventory consumed and bulk purchases	382 970	448 649	521 483	555 432	554 003	554 003	478 265	587 114	646 467	705 194
Transfers and subsidies	709	920	447	950	950	950	478	930	950	970
Other expenditure	254 652	276 171	333 344	320 959	351 323	351 323	182 640	404 061	419 803	422 446
Total Expenditure	1 144 633	1 246 514	1 422 329	1 581 117	1 545 173	1 545 173	1 146 734	1 620 567	1 721 193	1 811 009
Surplus/(Deficit)	9 368	(36 817)	(100 314)	(112 431)	(83 308)	(83 308)	25 698	(66 891)	(71 381)	(54 046)
Transfers and subsidies - capital (monetary allocations)	102 222	85 140	109 313	82 934	125 262	125 262	49 706	77 504	59 264	59 604
Transfers and subsidies - capital (in-kind)	–	18 000	15 000	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	111 590	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	111 590	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Capital expenditure & funds sources										
Capital expenditure	21 480	93 161	151 442	265 462	322 565	322 565	81 777	79 618	51 534	51 830
Transfers recognised - capital	(6 807)	2 860	103 754	72 117	111 403	111 403	47 183	67 394	51 534	51 830
Borrowing	8 786	–	69 882	152 174	153 003	153 003	15 703	–	–	–
Internally generated funds	19 348	90 105	44 891	41 172	58 159	58 159	18 891	12 224	–	–
Total sources of capital funds	21 327	92 965	218 527	265 462	322 565	322 565	81 777	79 618	51 534	51 830
Financial position										
Total current assets	96 441	255 094	365 675	266 780	317 762	317 762	500 675	335 813	370 700	433 413
Total non current assets	2 263 385	2 264 526	2 364 279	2 577 825	2 592 388	2 592 388	2 403 804	2 558 989	2 493 296	2 423 209
Total current liabilities	177 751	277 034	341 855	285 984	325 248	325 248	300 980	336 466	330 717	330 722
Total non current liabilities	143 345	136 653	256 825	465 849	473 581	473 581	335 185	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	2 133 829	2 121 356	2 120 808
Cash flows										
Net cash from (used) operating	939 330	1 129 342	139 640	139 042	182 062	182 062	–	140 198	117 271	139 685
Net cash from (used) investing	17 505	4 889	(17 764)	(265 462)	(318 092)	(318 092)	–	(91 562)	(59 207)	(59 548)
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	–	137 632	172 518	235 232
Cash backing/surplus reconciliation										
Cash and investments available	974 104	1 226 997	122 117	143 991	120 562	120 562	–	137 632	172 518	235 232
Application of cash and investments	28 994	38 791	20 944	137 541	114 447	114 447	–	132 073	136 077	140 083
Balance - surplus (shortfall)	945 111	1 188 206	101 173	6 451	6 115	6 115	–	5 559	36 441	95 149
Asset management										
Asset register summary (WDV)	2 263 385	2 264 526	2 364 279	2 577 825	2 592 388	2 592 388		2 558 989	2 493 296	2 423 209
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		34 993	14 997	32 065
Repairs and Maintenance	47 672	52 306	171 410	231 646	187 177	187 177		202 082	229 468	231 776
Free services										
Cost of Free Basic Services provided	(28 956)	4 161	1 772	(65 676)	(65 676)	(65 676)		68 057	(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**	**43 202**	**43 279**	**45 320**
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	18 700	19 635	20 617
Trading services		**660 805**	**723 999**	**775 911**	**929 924**	**870 298**	**870 298**	**944 831**	**1 013 667**	**1 092 966**
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	82 410	86 525	90 847
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**	**379 266**	**389 450**	**404 074**
Executive and council		54 956	57 438	49 885	66 561	60 880	60 880	49 879	50 983	52 581
Finance and administration		297 949	280 878	260 774	332 893	312 768	312 768	325 576	334 458	347 275
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	13 095	13 095	14 734	15 407	16 130
Sport and recreation		50 682	52 608	60 815	73 671	63 050	63 050	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**	**252 578**	**267 231**	**279 615**
Planning and development		24 223	27 163	33 240	39 914	33 922	33 922	40 836	41 628	43 544
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**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) for the year		**19 651**	**(7 289)**	**27 757**	**(29 497)**	**41 954**	**41 954**	**10 612**	**(12 117)**	**5 558**

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**	**43 202**	**43 279**	**45 320**
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**	**18 700**	**19 635**	**20 617**
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	16 186	16 996	17 846
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**660 805**	**723 999**	**775 911**	**929 924**	**870 298**	**870 298**	**944 831**	**1 013 667**	**1 092 966**
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**	**82 410**	**86 525**	**90 847**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		52 557	64 049	71 420	83 619	78 517	78 517	82 410	86 525	90 847
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**	**379 266**	**389 450**	**404 074**
Executive and council		54 956	57 438	49 885	66 561	60 880	60 880	49 879	50 983	52 581
Mayor and Council		30 038	27 553	27 021	37 505	27 450	27 450	30 133	30 542	31 402
Municipal Manager, Town Secretary and Chief Executive		24 918	29 885	22 864	29 056	33 429	33 429	19 747	20 441	21 179
Finance and administration		297 949	280 878	260 774	332 893	312 768	312 768	325 576	334 458	347 275
Administrative and Corporate Support		47 182	43 536	59 553	61 315	52 003	52 003	43 429	45 492	47 702
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	111 768	112 305	116 577
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	21 867	21 867	24 943	25 915	26 939
Information Technology		12 341	18 057	23 560	27 632	24 698	24 698	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	4 078	4 214	4 359
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**	**13 095**	**13 095**	**14 734**	**15 407**	**16 130**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		695	953	1 992	935	1 594	1 594	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**	**63 050**	**63 050**	**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	31 190	32 585	33 903
Recreational Facilities		3 623	3 665	6 590	2 787	6 208	6 208	11 056	11 302	11 564
Sports Grounds and Stadiums		6 152	6 433	8 752	19 753	13 156	13 156	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**	**252 578**	**267 231**	**279 615**
Planning and development		**24 223**	**27 163**	**33 240**	**39 914**	**33 922**	**33 922**	**40 836**	**41 628**	**43 544**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		1 051	1 893	1 433	2 192	1 699	1 699	2 300	2 412	2 531
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		2 836	4 670	4 105	7 709	4 896	4 896	5 095	4 130	4 168
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City		18 461	18 614	23 557	24 233	23 060	23 060	28 502	29 841	31 278
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		–	–	–	–	–	–	17 569	24 650	20 796
Water Distribution		154 971	163 228	177 229	121 164	126 271	126 271	116 392	123 390	129 051
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	63 563	69 508	70 547
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		–	–	–	–	–	–	6 170	8 035	8 617
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**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) for the year		**19 651**	**(7 289)**	**27 757**	**(29 497)**	**41 954**	**41 954**	**10 612**	**(12 117)**	**5 558**

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	148 008	152 849
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		78 424	115 634	101 376	139 445	126 048	126 048	135 674	137 256	142 660
Vote 4 - COMMUNITY SERVICES		231 773	218 138	305 104	314 436	331 156	331 156	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**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) for the year	2	**(146 319)**	**(266 995)**	**27 898**	**(29 497)**	**41 954**	**41 954**	**10 612**	**(12 117)**	**5 558**

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		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
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**	**148 008**	**152 849**
2.1 - Deputy Municipal Manager		238	3 401	(1 087)	3 488	13 610	13 610	2 747	2 890	3 044
2.2 - Executive Council		27 508	25 085	26 923	24 839	27 304	27 304	25 148	25 698	26 354
2.3 - Administrative Office Of The Executive Mayor / Speaker		2 529	2 457	5 715	12 666	5 381	5 381	4 985	4 844	5 047
2.4 - Administration and Auxiliary Services		43 709	40 984	53 829	58 502	44 990	44 990	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	21 867	21 867	24 943	25 915	26 939
2.7 - Information Communication Technology (Ict)		12 341	18 057	23 560	27 632	24 698	24 698	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
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Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		**78 424**	**115 634**	**101 376**	**139 445**	**126 048**	**126 048**	**135 674**	**137 256**	**142 660**
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	13 221	13 980	14 725
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
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Vote 4 - COMMUNITY SERVICES		**231 773**	**218 138**	**305 104**	**314 436**	**331 156**	**331 156**	**350 869**	**363 962**	**379 407**
4.1 - Director:Community Services		2 423	2 381	5 742	2 184	6 209	6 209	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	114 879	121 792	127 363
5.9 - Water Treatment Works (WTW)		–	–	–	–	–	–	17 569	24 650	20 796
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	524 755	524 755	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	3 126	3 126	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	1 620 567	1 721 193	1 811 009
Surplus/(Deficit) for the year	2	(146 319)	(266 995)	27 898	(29 497)	41 954	41 954	10 612	(12 117)	5 558

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	387 763	518 755	564 561	621 017
Service charges - Water	2	117 400	102 795	104 737	147 583	123 885	123 885	92 319	126 386	133 969	142 007
Service charges - Waste Water Management	2	61 797	56 020	66 111	81 259	71 792	71 792	61 655	78 477	82 400	86 520
Service charges - Waste Management	2	61 945	57 488	58 681	52 990	53 826	53 826	43 752	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	7 952	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	10 538	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	11 201	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	4 863	4 528	4 754	4 992
Licence and permits	2	2 677	2 368	2 137	2 856	2 856	2 856	2 607	2 998	3 148	3 306
Special rating levies	2	-	–	–	15 436	15 436	15 436	11 863	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	5 123	3 066	3 152	3 244
Non-Exchange Revenue											
Property rates	2	249 284	280 203	298 334	304 484	307 899	307 899	262 410	326 717	343 053	360 206
Surcharges and Taxes	2	10 231	–	–	22 602	25 277	25 277	16 328	25 399	26 669	28 002
Fines, penalties and forfeits	2	101 636	41 582	96 016	45 795	90 465	90 465	12 702	94 988	99 738	104 725
Licences or permits	2	7 195	7 421	6 849	3 139	3 139	3 139	5 353	3 296	3 461	3 634
Transfer and subsidies - Operational	2	177 339	198 630	205 382	214 766	214 697	214 697	215 260	223 742	231 843	237 897
Interest	2	3 729	5 519	3 214	5 841	4 050	4 050	3 029	3 551	3 729	3 916
Fuel Levy	2	-	–	–	–	–	–	–	–	–	–
Operational Revenue	2	-	21 452	19 241	21 605	19 666	19 666	16 573	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**	**1 172 432**	**1 553 676**	**1 649 812**	**1 756 963**
Expenditure											
Employee related costs	2	359 826	394 417	422 489	525 261	440 383	440 383	370 066	476 961	501 730	527 801
Remuneration of councillors	2	13 700	14 850	15 443	15 988	16 550	16 550	12 945	15 767	16 161	16 566
Bulk purchases - electricity	2	291 888	351 702	427 467	441 010	440 010	440 010	379 879	484 306	527 070	579 777
Inventory consumed	2,8	91 082	96 947	94 016	114 422	113 993	113 993	98 385	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	90 196	108 376	112 885	117 574
Interest	2	8 059	10 038	13 825	20 106	39 542	39 542	12 145	27 357	23 196	20 458
Contracted services	2	87 298	93 876	92 976	142 734	120 068	120 068	93 712	155 487	159 297	149 236
Transfers and subsidies	2	709	920	447	950	950	950	478	930	950	970
Irrecoverable debts written off	2	-	–	173 925	11 487	54 197	54 197	10 850	29 394	31 409	33 741
Operational costs	2	76 926	82 298	93 868	101 623	97 788	97 788	78 073	101 540	105 811	110 038
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**	**1 581 117**	**1 545 173**	**1 545 173**	**1 146 734**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit)		**9 368**	**(36 817)**	**(100 314)**	**(112 431)**	**(83 308)**	**(83 308)**	**25 698**	**(66 891)**	**(71 381)**	**(54 046)**
Transfers and subsidies - capital (monetary allocations)	6	102 222	85 140	109 313	82 934	125 262	125 262	49 706	77 504	59 264	59 604
Transfers and subsidies - capital (in-kind)	6	–	18 000	15 000	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**111 590**	66 323	23 999	**(29 497)**	**41 954**	**41 954**	75 404	**10 612**	**(12 117)**	**5 558**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**111 590**	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
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	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**111 590**	**66 323**	**23 999**	**(29 497)**	**41 954**	**41 954**	**75 404**	**10 612**	**(12 117)**	**5 558**

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	5	–	–	–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2 688	1 503	1 623	1 050	2 660	2 660	1 948	1 500	–	–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		7 334	871	2 001	621	1 335	1 335	326	–	–	–
Vote 4 - COMMUNITY SERVICES		10 420	4 079	861	4 891	4 890	4 890	1 950	955	955	955
Vote 5 - CIVIL AND WATER SERVICES		(2 139)	49 773	61 676	206 142	247 075	247 075	52 736	67 218	37 092	43 303
Vote 6 - ELECTRO/MECHANICAL SERVICES		3 051	192	85 369	49 509	42 935	42 935	20 172	9 374	13 096	7 180
Vote 7 - PLANNING AND DEVELOPMENT		19	(23)	(112)	3 250	23 666	23 666	4 640	–	–	–
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**	**81 777**	**79 047**	**51 143**	**51 438**
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**	**81 777**	**79 618**	**51 534**	**51 830**
Capital Expenditure - Functional											
Governance and administration		**18 542**	**3 080**	**51 929**	**2 621**	**4 911**	**4 911**	**3 267**	**1 500**	**–**	**–**
Executive and council		307	470	293	–	–	–	–	–	–	–
Finance and administration		18 212	2 572	51 613	2 621	4 906	4 906	3 262	1 500	–	–
Internal audit		23	39	23	–	5	5	5	–	–	–
Community and public safety		**339**	**9 879**	**520**	**2 441**	**21 456**	**21 456**	**6 026**	**1 346**	**1 346**	**1 346**

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	391	391	391
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	4 595	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**(161)**	**28 614**	**20 298**	**173 232**	**191 012**	**191 012**	**34 192**	**23 717**	**12 850**	**11 238**
Planning and development		(161)	97	2 143	6 580	8 276	8 276	3 111	9 642	6 887	3 741
Road transport		–	28 275	18 155	166 652	182 736	182 736	31 082	14 075	5 962	7 497
Environmental protection		–	242	–	–	–	–	–	–	–	–
Trading services		**2 760**	**51 588**	**78 695**	**87 169**	**105 186**	**105 186**	**38 292**	**53 055**	**37 338**	**39 245**
Energy sources		3 051	5 728	36 398	49 509	42 935	42 935	19 679	9 374	13 096	7 180
Water management		(5 687)	21 197	14 419	18 289	30 749	30 749	7 031	15 722	5 019	600
Waste water management		3 563	23 106	27 878	17 872	30 002	30 002	11 582	27 959	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**	**81 777**	**79 618**	**51 534**	**51 830**
Funded by:											
National Government		(6 807)	50	67 436	44 639	54 860	54 860	35 398	48 404	50 188	50 483
Provincial Government		–	–	35 687	26 087	55 588	55 588	10 395	18 036	391	391
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**	**47 183**	**67 394**	**51 534**	**51 830**
Borrowing	6	8 786	–	69 882	152 174	153 003	153 003	15 703	–	–	–
Internally generated funds		19 348	90 105	44 891	41 172	58 159	58 159	18 891	12 224	–	–
Total Capital Funding	7	**21 327**	**92 965**	**218 527**	**265 462**	**322 565**	**322 565**	**81 777**	**79 618**	**51 534**	**51 830**

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			Multi-year appropriation for Budget Year 2026/27 in the 2025/26 Annual Budget				Multi-year appropriation for 2027/28 in the 2025/26 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
R thousand	1	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	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Appropriation for 2026/27	Adjustments in 2025/26	Downward adjustments for 2026/27	Appropriation carried forward	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Municipal Vote																						
Multi-year expenditure appropriation	2																					
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		**12**	**71**	**–**	**–**	**5**	**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	5	–	–	–				–				–	–	–	–
		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
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		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		**2 688**	**1 503**	**1 623**	**1 050**	**2 660**	**2 660**	**1 948**	**1 500**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**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	1 913	**1 500**	–	–				–				–	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**	**326**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
3.1 - Chief Financial Officer		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
3.2 - Assets; Funding And Investments Management		7 171	409	657	–	150	150	38	–	–	–				–				–	–	–	–
3.3 - Budget And Treasury		157	275	–	–	129	129	129	–	–	–				–				–	–	–	–
3.4 - Expenditure		–	–	–	–	107	107	–	–	–	–				–				–	–	–	–
3.5 - Revenue		6	148	66	621	745	745	38	–	–	–				–				–	–	–	–
3.6 - Supply Chain Management		0	39	360	–	165	165	97	–	–	–				–				–	–	–	–
3.7 - Economic Development And Tourism		–	–	918	–	39	39	25	–	–	–				–				–	–	–	–
		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
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		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 4 - COMMUNITY SERVICES		**10 420**	**4 079**	**861**	**4 891**	**4 890**	**4 890**	**1 950**	**955**	**955**	**955**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**955**	**955**	**955**
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**				–				–	955	955	955
4.3 - Parks And Community Amenities		158	672	–	–	–	–	–	–	–	–				–				–	–	–	–
4.4 - Safety And Security		8 429	327	229	1 000	1 000	1 000	549	–	–	–				–				–	–	–	–
4.5 - Waste And Environmental Management		1 833	242	–	1 500	1 500	1 500	–	–	–	–				–				–	–	–	–
		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
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		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 5 - CIVIL AND WATER SERVICES		**(2 139)**	**49 773**	**61 676**	**206 142**	**247 075**	**247 075**	**52 736**	**67 218**	**37 092**	**43 303**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**67 218**	**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	31 082	**14 075**	**5 962**	**7 497**				–				–	14 075	5 962	7 497
5.4 - Project Management Unit (PMU)		(0)	–	1 225	3 330	3 587	3 587	3 041	**9 462**	**6 887**	**3 741**				–				–	9 462	6 887	3 741
5.5 - Sanitation		–	–	–	–	–	–	–	**440**	–	–				–				–	440	–	–
5.6 - Sewerage		3 563	148	26 933	17 872	30 002	30 002	11 582	**26 592**	**19 224**	**31 465**				–				–	26 592	19 224	31 465
5.7 - Wastewater Treatment Works (WWTW)		–	–	–	–	–	–	–	**926**	–	–				–				–	926	–	–
5.8 - Water		(5 701)	49 602	14 419	18 289	30 749	30 749	7 031	**15 088**	**5 019**	**600**				–				–	15 088	5 019	600
5.9 - Water Treatment Works (WTW)		–	–	–	–	–	–	–	**634**	–	–				–				–	634	–	–
5.10 - Water Services Authority (WSA)		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 6 - ELECTRO/MECHANICAL SERVICES		**3 051**	**192**	**85 369**	**49 509**	**42 935**	**42 935**	**20 172**	**9 374**	**13 096**	**7 180**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**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	19 679	**9 374**	**13 096**	**7 180**				–				–	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		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
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		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
Vote 7 - PLANNING AND DEVELOPMENT		**19**	**(23)**	**(112)**	**3 250**	**23 666**	**23 666**	**4 640**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
7.1 - Director:Planning and Development		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.2 - Building Control		–	–	–	–	–	–	–	–	–	–				–				–	–	–	–
7.3 - Human Settlement		–	–	(112)	–	19 016	19 016	4 595	–	–	–				–				–	–	–	–
7.4 - Land and Property Administration		–	–	–	3 250	4 650	4 650	45	–	–	–				–				–	–	–	–
7.5 - Town and Regional Planning		19	(23)	–	–	–	–	–	–	–	–				–				–	–	–	–
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Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Vote 8 - [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 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
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Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
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Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
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Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
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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
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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
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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	81 777	79 047	51 143	51 438
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)		
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		
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 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
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Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
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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
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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	81 777	79 618	51 534	51 830

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	305 881	137 632	172 518	235 232
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactior	3	73 917	57 507	63 211	59 899	63 211	63 211	90 288	79 549	79 589	79 631
Receivables from non-exchange transactions	3	17 884	28 411	79 492	26 651	79 496	79 496	47 771	78 695	78 655	78 613
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	18 598	21 144	24 825	22 450	23 840	23 840	24 856	24 825	24 825	24 825
VAT	6	(121 435)	3 117	14 419	12 790	27 507	27 507	29 877	11 967	11 967	11 967
Other current assets	7	2 542	1 255	3 145	999	3 145	3 145	2 003	3 145	3 145	3 145
Total current assets		**96 441**	**255 094**	**365 675**	**266 780**	**317 762**	**317 762**	**500 675**	**335 813**	**370 700**	**433 413**
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	2 157 009	2 312 350	2 246 657	2 176 571
Biological assets	11	–	–	–	–	–	–	–	–	–	–
Living and non-living resources	12	–	–	–	–	–	–	–	–	–	–
Heritage assets	13	–	–	–	–	–	–	–	–	–	–
Intangible assets	14	603	419	212	419	512	512	369	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**	**2 403 804**	**2 558 989**	**2 493 296**	**2 423 209**
TOTAL ASSETS		**2 359 826**	**2 519 620**	**2 729 954**	**2 844 605**	**2 910 150**	**2 910 150**	**2 904 480**	**2 894 802**	**2 863 995**	**2 856 622**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	12 169	11 144	29 869	31 944	23 538	23 538	6 938	23 178	17 424	17 424
Consumer deposits	19	29 060	31 272	34 505	31 660	34 505	34 505	37 575	34 505	34 505	34 505
Trade and other payables from exchange transactions	20	126 197	153 547	210 501	143 222	198 607	198 607	141 032	237 250	237 302	237 260
Trade and other payables from non-exchange transacti	21	28 994	38 791	20 944	–	0	0	37 230	–	–	–
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	46 950	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**	**325 248**	**325 248**	**300 980**	**336 466**	**330 717**	**330 722**
Non current liabilities											
Financial liabilities	25	23 375	12 231	119 060	203 183	201 401	201 401	214 371	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**	**335 185**	**424 507**	**411 923**	**405 092**
TOTAL LIABILITIES		**321 095**	**413 687**	**598 679**	**751 834**	**798 828**	**798 828**	**636 164**	**760 973**	**742 640**	**735 815**
NET ASSETS		**2 038 731**	**2 105 934**	**2 131 275**	**2 092 771**	**2 111 322**	**2 111 322**	**2 268 315**	**2 133 829**	**2 121 356**	**2 120 808**
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	2 053 471	2 110 329	2 093 856	2 089 308
Reserves and funds	30	–	5 759	2 186	14 500	19 500	19 500	4 988	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**	**2 133 829**	**2 121 356**	**2 120 808**

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		116 720	117 285	118 360
Transfers and Subsidies - Operational	1	166 622	184 436	201 325	214 766	214 845	214 845		223 742	231 843	237 897
Transfers and Subsidies - Capital	1	79 951	1 586	57 409	82 934	104 291	104 291		77 504	59 264	59 604
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)		(1 482 934)	(1 586 453)	(1 673 755)
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**	**–**	**140 198**	**117 271**	**139 685**
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)		(91 562)	(59 207)	(59 548)
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**17 505**	**4 889**	**(17 764)**	**(265 462)**	**(318 092)**	**(318 092)**	**–**	**(91 562)**	**(59 207)**	**(59 548)**
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)**	**–**	**17 070**	**34 886**	**62 713**
Cash/cash equivalents at the year begin:	2	**27 851**	**104 935**	**143 659**	194 402	180 582	180 582		**120 562**	**137 632**	**172 518**
Cash/cash equivalents at the year end:	2	**974 104**	**1 226 997**	**122 117**	**143 991**	**120 562**	**120 562**	**–**	**137 632**	**172 518**	**235 232**

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		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	974 104	1 226 997	122 117	143 991	120 562	120 562	–	137 632	172 518	235 232
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**974 104**	**1 226 997**	**122 117**	**143 991**	**120 562**	**120 562**	**–**	**137 632**	**172 518**	**235 232**
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent cor		28 994	38 791	20 944	–	0	0		–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2	–	–	–	1 917	1 582	1 582	–	(9 623)	(9 670)	(9 623)
Other working capital requirements	3	–	–	–	56 672	53 856	53 856	–	79 006	79 059	79 017
Other provisions		–	–	–	64 451	39 509	39 509	–	39 189	39 189	39 189
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	14 500	19 500	19 500	–	23 500	27 500	31 500
Total Application of cash and investments:		**28 994**	**38 791**	**20 944**	**137 541**	**114 447**	**114 447**	**–**	**132 073**	**136 077**	**140 083**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to De		**945 111**	**1 188 206**	**101 173**	**6 451**	**6 115**	**6 115**	**–**	**5 559**	**36 441**	**95 149**
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**	**–**	**5 559**	**36 441**	**95 149**

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	145 520	145 520	–	158 243	158 243	158 243
Creditors due		126 197	153 547	210 501	143 222	199 377	199 377	141 032	237 250	237 302	237 260
Total		**(111 629)**	**(134 287)**	**(165 807)**	**(56 672)**	**(53 856)**	**(53 856)**	**(141 032)**	**(79 006)**	**(79 059)**	**(79 017)**
Debtors collection assumptions											
Balance outstanding - debtors		91 801	85 919	142 703	86 550	142 707	142 707	138 059	158 243	158 243	158 243
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		–	–	–	–	–	–	–	–	–	–
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Bank Repurchase Agreements		–	–	–	–	–	–	–	–	–	–
Derivative Financial Assets		–	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (Sinking)		–	–	–	–	–	–	–	–	–	–
Listed/Unlisted Bonds and Stocks		–	–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–	–
National Government Securities		–	–	–	–	–	–	–	–	–	–
Negotiable Certificate of Deposits: Banks		–	–	–	–	–	–	–	–	–	–
Unamortised Debt Expense		–	–	–	–	–	–	–	–	–	–
Unamortised Preference Share Expense		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments											
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Capital replacement		–	5 759	2 186	14 500	19 500	19 500	4 988	23 500	27 500	31 500
Self-insurance		–	–	–	–	–	–	–	–	–	–
Compensation for Occupational Injuries and Diseases		–	–	–	–	–	–	–	–	–	–
Employee Benefit		–	–	–	–	–	–	–	–	–	–
Non-current Provisions		–	–	–	–	–	–	–	–	–	–
Valuation		–	–	–	–	–	–	–	–	–	–
Investment in associate account		–	–	–	–	–	–	–	–	–	–
Capitalisation		–	–	–	–	–	–	–	–	–	–
	6	–	5 759	2 186	14 500	19 500	19 500	4 988	23 500	27 500	31 500

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**	**44 626**	**36 537**	**19 764**
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**	**1 500**	**–**	**–**
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	–	–	–	–	1 090	–	–
Storm water Infrastructure		–	–	(292)	–	11 320	11 320	400	–	–
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**	**27 545**	**11 509**	**31 465**
Roads Infrastructure		–	(23)	6 456	1 000	4 536	4 536	2 478	–	–
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***	***20 818***	***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**	**79 618**	**51 534**	**51 830**
Roads Infrastructure		–	28 537	19 100	166 652	171 461	171 461	14 286	5 962	7 497
Storm water Infrastructure		–	(0)	132	–	11 320	11 320	400	–	–
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*	*67 514*	*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**	**1 631**	–	–
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**	**79 618**	**51 534**	**51 830**
ASSET REGISTER SUMMARY - PPE (WDV)	5	2 263 385	2 264 526	2 364 279	2 577 825	2 592 388	2 592 388	2 558 989	2 493 296	2 423 209
Roads Infrastructure		570 217	544 768	532 057	483 751	489 163	489 163	498 109	496 751	495 339
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	154 843	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*	*1 408 896*
Community Assets		42 314	51 043	50 015	98 525	96 800	96 800	49 642	49 627	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	495 649	436 510	371 057
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	4 880	3 361	3 342
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**	**2 558 989**	**2 493 296**	**2 423 209**
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**	**187 177**	**187 177**	**202 082**	**229 468**	**231 776**
Roads Infrastructure		12 861	6 367	29 464	30 189	29 137	29 137	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	35 800	35 800	47 046	49 586	45 011
Water Supply Infrastructure		5 193	5 014	36 027	36 498	47 197	47 197	48 106	56 137	53 858
Sanitation Infrastructure		4 559	12 863	35 126	55 160	25 652	25 652	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	2 769	2 769	2 043	2 043	2 043
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***31 666***	***34 345***	***131 472***	***165 110***	***141 983***	***141 983***	***157 022***	***183 158***	***182 545***
Community Facilities		1 728	1 823	24 136	30 433	22 449	22 449	21 248	22 250	23 304
Sport and Recreation Facilities		1 500	1 441	1 332	4 200	3 401	3 401	3 200	3 200	3 200
Community Assets		***3 228***	***3 264***	***25 467***	***34 633***	***25 850***	***25 850***	***24 448***	***25 450***	***26 504***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		3 712	3 718	2 364	3 494	3 520	3 520	4 385	4 385	4 385
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***3 712***	***3 718***	***2 364***	***3 494***	***3 520***	***3 520***	***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**	**1 356**	**1 356**	**1 316**	**1 316**	**1 316**
Transport Assets		**8 472**	**10 321**	**11 511**	**26 543**	**14 183**	**14 183**	**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**	**329 598**	**329 598**	**310 458**	**342 353**	**349 350**
Renewal and upgrading of Existing Assets as % of total capex		*25,6%*	*68,3%*	*47,7%*	*17,8%*	*29,2%*	*29,2%*	*44,0%*	*29,1%*	*61,9%*
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%*	*7,9%*	*9,2%*	*9,5%*
Renewal and upgrading and R&M as a % of PPE and Investment Prop		*2,3%*	*5,1%*	*10,3%*	*10,8%*	*10,8%*	*10,8%*	*9,2%*	*9,8%*	*10,9%*

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)	308	(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)**	**68 057**	**(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	2 639	2 978	3 241	3 565
Availability Charges		9 494	(0)	–	–	–	–	–	–	–	–
Connection/Reconnection		454	337	377	528	528	528	328	340	370	407
Electricity Distribution Revenue for Services		61 401	87 880	85 104	91 647	91 647	91 647	83 679	109 990	119 702	131 672
Electricity Sales		237 842	281 434	314 212	385 826	380 258	380 258	300 809	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**	**387 455**	**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)	308	(10 265)	(11 171)	(12 288)
Net Service charges - Electricity		**306 477**	**369 018**	**400 468**	**479 524**	**473 955**	**473 955**	**387 763**	**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	530	356	378	400
Industrial Water		–	–	–	–	–	–	–	–	–	–
Meter Reading Fees		–	–	–	–	–	–	–	–	–	–
Sale		85 780	96 860	93 183	169 832	146 134	146 134	58 370	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**	**58 900**	**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**	**92 319**	**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	159	18	18	19
Higher Level Service		–	–	–	–	–	–	–	–	–	–
Industrial Effluent		–	–	–	–	–	–	–	–	–	–
Industrial Waste Water		–	–	–	–	–	–	–	–	–	–
Pump/Removal of Waste Water		85	1 561	1 807	977	977	977	1 764	2 862	3 005	3 155
Sanitation Charges		67 110	52 097	56 911	94 487	85 019	85 019	37 630	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**	**39 553**	**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**	**61 655**	**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	31 525	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**	**31 525**	**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**	**43 752**	**56 574**	**59 403**	**62 373**
Sales of Goods and Rendering of Services											
Academic Services		–	–	–	–	–	–	–	–	–	–
Advertisements		–	1	8	3	3	3	6	3	4	4
Amendment Fees		–	–	–	–	–	–	–	–	–	–
Application Fees for Land Usage		328	247	141	780	780	780	416	819	860	903
Building Plan Approval		4 777	4 350	5 230	6 721	6 721	6 721	5 379	7 057	7 410	7 780
Building Plan Clause Levy		–	–	–	–	–	–	–	–	–	–
Buyers Card		–	–	–	–	–	–	–	–	–	–
Camping Fees		13	–	–	–	–	–	–	–	–	–
Cemetery and Burial		372	361	367	429	429	429	352	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	77	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	77	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	17	19	20	21
Removal of Restrictions		534	543	661	850	850	850	817	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	798	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**	**7 952**	**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	1 653	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	85	54	57	60
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff		–	–	–	–	–	–	–	–	–	–
Waste Management		6 261	6 938	5 589	9 116	3 056	3 056	2 010	2 081	2 185	2 295
Waste Water Management		3 359	3 643	3 840	6 065	2 033	2 033	1 722	1 887	1 981	2 080
Water		9 146	8 550	10 329	16 609	5 567	5 567	5 068	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**	**10 538**	**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	2 175	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	9 027	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**	**11 201**	**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	752	332	349	367
Total Market Related		**177**	**233**	**240**	**317**	**317**	**317**	**752**	**332**	**349**	**367**
Non-market Related											
Biological Assets		–	–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–	–
Investment Property		2 026	2 486	3 169	2 849	3 839	3 839	3 658	4 031	4 233	4 444
Property Plant and Equipment		410	831	658	156	156	156	453	164	172	181
Total Non-market Related		**2 436**	**3 316**	**3 828**	**3 006**	**3 996**	**3 996**	**4 112**	**4 195**	**4 405**	**4 625**
Total Rental from Fixed Assets		**2 613**	**3 550**	**4 068**	**3 322**	**4 312**	**4 312**	**4 863**	**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	2 428	2 902	3 047	3 200
Threatened and Protected Species		–	–	–	–	–	–	–	–	–	–
Trading		190	139	171	92	92	92	179	96	101	106
Total Licences or Permits		**2 677**	**2 368**	**2 137**	**2 856**	**2 856**	**2 856**	**2 607**	**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	11 863	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**	**11 863**	**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	2 818	–	–	–
Breakages and Losses Recovered		–	–	–	–	–	–	–	–	–	–
Bursary Repayment		–	–	–	–	–	–	–	–	–	–
Collection Charges		–	–	99	–	177	177	146	185	202	222
Commission		351	304	283	313	313	313	236	329	345	362
Discounts and Early Settlements		0	2	0	–	–	–	112	–	–	–
Incidental Cash Surpluses		–	–	–	–	–	–	–	–	–	–
Inspection Fees		–	–	–	–	837	837	707	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		–	–	–	–	–	–	7	–	–	–
Sale of Property		–	5 328	4 057	–	130	130	130	–	–	–
Skills Development Levy Refund		686	454	1 068	500	500	500	746	500	500	500
Staff and Councillors Recoveries		105	169	244	142	165	165	138	174	182	191
Total Operational Revenue		**1 200**	**12 016**	**8 061**	**1 955**	**8 122**	**8 122**	**5 123**	**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	9 277	10 671	11 204	11 765
Business and Commercial Properties		26 425	27 962	28 335	30 877	30 877	30 877	26 041	32 279	33 893	35 588
Industrial Properties		4 786	5 766	6 155	6 585	6 585	6 585	5 625	6 819	7 160	7 518
Mining Properties		–	11 975	12 717	–	–	–	–	–	–	–
Public Benefit Organisations		205	152	252	217	217	217	223	263	277	290
Public Service Infrastructure Properties		–	–	0	–	–	–	–	–	–	–
Public Service Purposes Properties		2 522	3 165	3 424	3 630	3 630	3 630	3 015	3 829	4 021	4 222
Residential Properties		192 777	193 469	197 799	233 216	236 631	236 631	180 281	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	19 958	24 200	25 410	26 680
Total Property Rates		**257 236**	**272 353**	**280 731**	**308 691**	**312 106**	**312 106**	**244 421**	**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**	**262 410**	**326 717**	**343 053**	**360 206**
Surcharges and Taxes											
Surcharges		10 231	–	–	13 196	15 872	15 872	11 932	16 680	17 514	18 389
Taxes		–	–	–	9 406	9 406	9 406	4 396	8 719	9 155	9 613
Total Surcharges and Taxes		**10 231**	**-**	**-**	**22 602**	**25 277**	**25 277**	**16 328**	**25 399**	**26 669**	**28 002**
Fines, Penalties and Forfeits											
Fines		101 636	40 084	90 764	45 795	90 465	90 465	12 702	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**	**12 702**	**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	4 788	2 513	2 639	2 771
Dog		–	–	–	–	–	–	–	–	–	–
Fauna and Flora		–	–	–	–	–	–	–	–	–	–
Filming Fees		–	–	–	–	–	–	–	–	–	–
Game		–	–	–	–	–	–	–	–	–	–
Health Certificates		11	12	10	17	17	17	9	18	19	20
Hiking Trails		–	–	–	–	–	–	–	–	–	–
Hoarding (Collecting/Storing)		–	–	–	–	–	–	–	–	–	–
Market Porters		–	–	–	–	–	–	–	–	–	–
Road and Transport		614	604	538	728	728	728	556	764	803	843
Threatened and Protected Species		–	–	–	–	–	–	–	–	–	–
Trading		–	–	–	–	–	–	–	–	–	–
Total Licences or Permits		**7 195**	**7 421**	**6 849**	**3 139**	**3 139**	**3 139**	**5 353**	**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	3 480	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	5 334	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	2 584	2 584	2 584
Public Corporations		–	–	–	–	–	–	–	–	–	–
Total Monetary Allocations		**177 339**	**198 630**	**205 382**	**214 766**	**214 697**	**214 697**	**215 260**	**223 742**	**231 843**	**237 897**

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**	**215 260**	**223 742**	**231 843**	**237 897**
Interest Receivables											
Property Rates		3 729	5 519	3 214	5 841	4 050	4 050	3 029	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**	**3 029**	**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	8 479	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	2 676	3 371	3 540	3 717
Water - Availability Charges		–	7 078	6 226	6 790	6 398	6 398	5 418	6 865	7 276	7 713
Total Operational Revenue - Service Charges		**-**	**21 452**	**19 241**	**21 605**	**19 666**	**19 666**	**16 573**	**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**	**1 172 432**	**1 553 676**	**1 649 812**	**1 756 963**
EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	219 611	235 811	264 414	319 142	278 729	278 729	235 192	315 564	332 136	349 579
Bonuses		348	10 444	2 636	622	1 771	1 771	2 655	2 655	2 794	2 941
Allowance											
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–	–
Cellular and Telephone		30	40	127	–	216	216	214	210	222	233
Housing Benefits		722	711	677	951	865	865	674	884	930	979
Non-pensionable		–	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle		10 898	11 678	11 070	14 014	13 267	13 267	10 010	13 251	13 947	14 680
Voluntary Work		–	–	–	–	–	–	–	–	–	–
Total Allowance		**11 651**	**12 430**	**11 875**	**14 965**	**14 347**	**14 347**	**10 898**	**14 345**	**15 099**	**15 892**
Service Related Benefits											
Acting		6 470	6 147	3 835	3 111	3 311	3 311	2 242	2 736	2 880	3 031
Bonus		14 537	15 543	16 960	24 180	18 871	18 871	16 929	20 775	21 866	23 014
Danger Allowance		–	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–	–
Leave Pay		4 711	6 159	4 253	–	0	0	1 244	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	1 583	2 002	2 002	1 311	3 650	3 841	4 042
Overtime		19 088	20 794	27 695	27 276	28 771	28 771	25 210	14 971	15 754	16 579
Scarcity		–	–	71	–	137	137	116	–	–	–
Standby Allowance		8 899	9 533	9 887	10 466	10 802	10 802	8 034	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**	**63 894**	**63 894**	**55 084**	**52 861**	**55 633**	**58 551**
Total Salaries and Allowances		**285 314**	**316 861**	**341 626**	**401 345**	**358 742**	**358 742**	**303 829**	**385 425**	**405 663**	**426 963**
Social Contributions											
Bargaining Council		179	187	99	136	137	137	99	176	186	195
Group Life Insurance		11 038	11 335	11 225	18 202	15 161	15 161	11 047	14 700	15 471	16 284
Medical		17 777	19 147	16 734	28 847	20 946	20 946	15 802	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	33 980	46 979	49 445	52 041
Unemployment Insurance		1 808	1 824	1 858	2 297	2 097	2 097	1 593	2 488	2 618	2 756
Total Social Contributions		**62 376**	**65 754**	**64 611**	**99 832**	**81 640**	**81 640**	**62 522**	**86 320**	**90 852**	**95 622**
Post-retirement Benefit											
Medical		12 141	11 800	16 248	18 106	–	–	3 707	5 216	5 216	5 216
Other Benefits		–	–	–	5 974	–	–	–	–	–	–
Pension		(5)	1	5	4	–	–	7	–	–	–
Total Post-retirement Benefit	4	**12 136**	**11 801**	**16 253**	**24 085**	**-**	**-**	**3 715**	**5 216**	**5 216**	**5 216**
Sub-Total		**359 826**	**394 417**	**422 489**	**525 261**	**440 383**	**440 383**	**370 066**	**476 961**	**501 730**	**527 801**
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee Related Cost	1,5	**359 826**	**394 417**	**422 489**	**525 261**	**440 383**	**440 383**	**370 066**	**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	8 823	10 729	10 997	11 272
Cell phone Allowance		1 328	1 489	1 409	1 483	1 637	1 637	1 159	1 462	1 499	1 536
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	2 963	3 576	3 666	3 757
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**	**12 945**	**15 767**	**16 161**	**16 566**
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**	**12 945**	**15 767**	**16 161**	**16 566**
Bulk Purchases - Electricity											
ESKOM		291 888	351 702	427 467	441 010	440 010	440 010	379 879	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**	**379 879**	**484 306**	**527 070**	**579 777**
Inventory Consumed											
Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables		26 664	27 632	21 694	29 545	25 703	25 703	22 810	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	47 597	47 597	36 024	40 579	53 740	56 069
Water		42 511	38 845	40 775	48 000	40 694	40 694	39 551	40 010	43 406	47 073
Sub-total		**91 082**	**96 947**	**94 016**	**114 422**	**113 993**	**113 993**	**98 385**	**102 809**	**119 397**	**125 417**
Less: Capitalisation of inventory consumed		–	–	–	–	–	–	–	–	–	–
Total Inventory Consumed	1	**91 082**	**96 947**	**94 016**	**114 422**	**113 993**	**113 993**	**98 385**	**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		–	–	–	–	–	–	–	267	280	294
Business and Commercial Properties		9 367	22 189	(8 967)	12 103	7 668	7 668	–	807	847	890
Industrial Properties		–	–	–	–	–	–	–	170	179	188
Mining Properties		–	–	–	–	–	–	–	–	–	–
Public Benefit Organisations		–	–	–	–	–	–	–	7	7	7
Public Service Infrastructure Properties		–	–	–	–	–	–	–	–	–	–
Public Service Purposes Properties		–	–	–	–	–	–	–	96	101	106
Residential Properties		–	–	–	–	–	–	–	6 704	7 039	7 391
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–	–
Sport Clubs and Fields		–	–	–	–	–	–	–	–	–	–
Vacant Land		–	–	–	–	–	–	–	605	635	667
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	52	464	483	502
Total Amortisation		**266**	**201**	**207**	**586**	**586**	**586**	**52**	**464**	**483**	**502**
Depreciation											
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–
Community Assets		621	681	1 134	472	472	472	829	374	389	404
Computer Equipment		–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		7 316	7 333	8 385	14 477	14 477	14 477	6 919	11 457	11 916	12 392
Furniture and Office Equipment		829	788	3 082	4 630	4 630	4 630	2 615	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	1 099	1 233	1 282	1 333
Other Assets		6 629	3 339	624	1 721	1 721	1 721	548	1 362	1 416	1 473
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–
Roads Infrastructure		30 567	30 869	30 953	42 893	42 893	42 893	22 659	33 948	35 306	36 718
Sanitation Infrastructure		21 936	21 571	29 909	36 770	36 770	36 770	24 259	29 101	30 265	31 476
Solid Waste Infrastructure		5 167	3 609	1 174	2 651	2 651	2 651	979	2 098	2 182	2 270
Storm water Infrastructure		1 985	1 815	1 550	2 064	2 064	2 064	1 294	1 633	1 699	1 767
Transport Assets		5 988	9 326	12 569	13 317	13 317	13 317	12 064	10 540	10 961	11 400
Water Supply Infrastructure		18 830	19 205	22 578	21 282	21 282	21 282	16 880	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**	**90 144**	**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**	**90 196**	**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	12 145	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**	**12 145**	**27 357**	**23 196**	**20 458**
Contracted Services											
Consultants and Professional Services		20 654	26 110	26 459	39 731	24 382	24 382	24 215	44 813	45 787	43 574
Contractors		33 314	29 606	33 297	50 288	42 354	42 354	25 721	51 847	60 114	52 774
Outsourced Services		33 330	38 161	33 220	52 715	53 332	53 332	43 776	58 826	53 395	52 888
Total Contracted Services	1	**87 298**	**93 876**	**92 976**	**142 734**	**120 068**	**120 068**	**93 712**	**155 487**	**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	478	930	950	970
Total Operational		**709**	**920**	**347**	**950**	**950**	**950**	**478**	**930**	**950**	**970**
Total Transfers and Subsidies	1	**709**	**920**	**447**	**950**	**950**	**950**	**478**	**930**	**950**	**970**
Irrecoverable Debts Written Off											
Bad debt written off		–	–	–	–	–	–	–	–	–	–
Exchange											
Electricity		–	–	1 843	4 181	5 004	5 004	733	13 016	14 165	15 582
Non Specific Accounts		–	–	160	170	170	170	–	–	–	–
Waste Management		–	–	49 815	815	11 424	11 424	3 001	1 466	1 540	1 617
Waste Water Management		–	–	29 394	995	7 301	7 301	2 028	2 009	2 110	2 215
Water		–	–	90 768	1 878	20 792	20 792	4 571	3 297	3 496	3 707
Total Exchange		**-**	**-**	**171 980**	**8 039**	**44 690**	**44 690**	**10 333**	**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	517	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**	**517**	**9 606**	**10 098**	**10 620**
Total Irrecoverable Debts Written Off	1	**-**	**-**	**173 925**	**11 487**	**54 197**	**54 197**	**10 850**	**29 394**	**31 409**	**33 741**
Operational Cost and Other Cost											
Operational Cost											
Achievements and Awards		3 831	1 517	2 560	3 600	3 762	3 762	2 331	2 070	2 070	2 070
Advertising, Publicity and Marketing		3 157	2 526	3 720	4 235	5 399	5 399	3 609	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	1 476	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	2 773	3 510	3 610	3 610
Communication		4 541	4 043	5 112	6 255	5 497	5 497	4 336	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	13 083	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	5 238	5 238	3 597	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	4 532	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	836	1 487	1 487	1 487
Management Fee		6 348	7 057	7 937	8 615	8 592	8 592	7 838	8 615	8 615	8 615
Municipal Services		–	38	47	106	107	107	55	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	34	379	389	389
Registration Fees		1 763	1 828	1 620	2 726	2 010	2 010	1 082	2 530	2 534	2 539
Remuneration to Section 79 Committee Members		–	–	–	–	–	–	–	–	–	–
Repayment of Forfeited Deposits		–	–	–	–	–	–	–	–	–	–
Resettlement Cost		134	38	45	80	120	120	115	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	606	606	469	468	488	508
Skills Development Fund Levy		3 473	3 711	4 094	4 696	4 782	4 782	3 769	5 390	6 743	8 436
Small Differences Tolerances		–	–	–	–	–	–	–	–	–	–
Storage of Assets and Goods		–	–	–	–	–	–	–	–	–	–
Storage of Files (Archiving)		53	84	79	600	270	270	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	4 466	4 466	2 660	5 321	5 323	5 396
Uniform and Protective Clothing		3 336	3 647	4 249	4 284	4 346	4 346	3 478	3 830	4 038	4 047
Vehicle Tracking		894	866	1 024	895	895	895	911	915	932	1 230
Ward Committees		2 963	2 058	1 999	2 160	1 980	1 980	1 661	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	2 049	2 693	3 368	4 213
Total Operational Cost		**70 112**	**74 769**	**86 486**	**94 103**	**90 224**	**90 224**	**70 123**	**93 637**	**97 508**	**101 316**
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	2 222	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	4 519	5 165	5 475	5 804
Transport Assets		–	–	–	–	–	–	1 209	–	–	–
Zoo, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–
Total Operational Leases		**6 814**	**7 530**	**7 383**	**7 520**	**7 564**	**7 564**	**7 950**	**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**	**97 788**	**97 788**	**78 073**	**101 540**	**105 811**	**110 038**
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**	**1 581 117**	**1 545 173**	**1 545 173**	**1 146 734**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit)		**9 368**	**(36 817)**	**(100 314)**	**(112 431)**	**(83 308)**	**(83 308)**	**25 698**	**(66 891)**	**(71 381)**	**(54 046)**
Transfers and subsidies - capital (monetary allocations)											
Departmental Agencies and Accounts		–	–	–	–	–	–	–	–	–	–
District Municipalities		2 733	1 776	1 498	1 600	1 098	1 098	930	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	37 536	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	11 240	20 741	450	450
Public Corporations		–	–	–	–	–	–	–	–	–	–
Total Transfers and subsidies - capital (monetary allocations)		**102 222**	**85 140**	**109 313**	**82 934**	**125 262**	**125 262**	**49 706**	**77 504**	**59 264**	**59 604**
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	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Income Tax											
Continuing Operations		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		111 590	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
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	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		111 590	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		–	–	117 864	–	110 081	110 081	87 530	–	–	–
Inventory Consumed (Project Maintenance)		14 807	19 022	21 006	–	34 099	34 099	26 430	–	–	–
Contracted Services		30 921	26 575	26 840	–	39 200	39 200	24 900	–	–	–
Operational Costs		1 944	6 709	5 699	–	3 798	3 798	2 676	–	–	–
Total Repairs and Maintenance Expenditure	9	47 672	52 306	171 410	-	187 177	187 177	141 536	-	-	-

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	259 498	119 992	120 614	121 267
Cash at Bank		21 600	26 246	19 489	(16 510)	(52 379)	(52 379)	46 383	17 640	51 904	113 965
Cash on Hand		0	0	0	–	–	–	0	–	–	–
Total Cash and Cash Equivalents		**104 935**	**143 659**	**180 582**	**143 991**	**120 562**	**120 562**	**305 881**	**137 632**	**172 518**	**235 232**
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	47 549	76 977	78 476	80 323
Waste Management		91 663	103 836	61 819	106 623	108 766	108 766	64 146	63 709	63 804	63 903
Waste Water Management		60 207	60 647	39 627	67 567	69 200	69 200	49 687	42 246	42 377	42 515
Water		161 873	173 183	112 991	186 843	200 884	200 884	141 461	117 217	117 473	117 744
Other trade receivables from exchange transactions		12 917	14 915	18 540	16 354	19 418	19 418	17 216	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**	**320 059**	**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**	**90 288**	**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	7 689	7 833	7 846	7 860
Business and Commercial Properties		1 451	6 833	7 136	9 253	7 654	7 654	5 569	7 943	7 983	8 026
Industrial Properties		110	1 108	1 515	1 161	1 607	1 607	1 546	1 685	1 694	1 703
Mining Properties		–	1 506	1 335	499	1 335	1 335	1 097	1 335	1 335	1 335
Public Benefit Organisations		30	83	198	37	754	754	241	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	5 657	3 852	3 856	3 861
Residential Properties		9 139	44 210	45 189	67 836	54 449	54 449	37 926	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	13 888	13 816	13 846	13 878
Property Rates General		–	–	–	–	–	–	–	–	–	–
Gross: Property rates		**10 912**	**76 159**	**79 912**	**93 314**	**89 590**	**89 590**	**73 614**	**87 764**	**88 157**	**88 570**
Less: Impairment of Property rates		(113 383)	(204 390)	(179 624)	(185 648)	(320 785)	(320 785)	(179 624)	(261 854)	(265 978)	(270 313)
Net Property rates		**(102 471)**	**(128 231)**	**(99 712)**	**(92 334)**	**(231 195)**	**(231 195)**	**(106 010)**	**(174 089)**	**(177 820)**	**(181 743)**
Other receivables from non-exchange transactions		120 355	156 642	179 204	118 985	310 691	310 691	153 781	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**	**153 781**	**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**	**47 771**	**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	–	3 109	3 109	3 116	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	20 042	20 042	20 887	20 887	20 887	20 887
Water		1 194	359	689	1 665	689	689	853	689	689	689
Work-in-progress		–	–	–	–	–	–	–	–	–	–
Total Inventory		**18 598**	**21 144**	**24 825**	**22 450**	**23 840**	**23 840**	**24 856**	**24 825**	**24 825**	**24 825**
VAT Receivable											
Input Tax Capital		–	298	5 896	(142)	6 071	6 071	1 055	6 194	6 194	6 194
Input Tax General		(112 097)	2 099	7 245	35 124	43 923	43 923	33 698	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**	**29 877**	**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	1 886	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**	**2 003**	**3 145**	**3 145**	**3 145**
Total Current Assets		**96 441**	**255 094**	**365 675**	**266 780**	**317 762**	**317 762**	**500 675**	**335 813**	**370 700**	**433 413**
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	3 158 061	3 151 951	3 149 851	3 149 851
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)	(1 290 004)	(1 312 620)	(1 317 128)	(1 321 817)
Less: Accumulated Impairment		(13 610)	(13 929)	(12 040)	(16 100)	(15 150)	(15 150)	(14 211)	(14 211)	(14 211)	(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**	**1 890 691**	**1 861 966**	**1 855 357**	**1 850 668**
Construction Work-in-progress											
Acquisitions		91 429	84 713	164 657	223 899	289 306	289 306	71 949	76 172	50 188	50 483
Opening Balance		135 016	82 170	118 516	–	194 369	194 369	214 594	394 437	361 337	295 645
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**	**266 318**	**450 384**	**391 300**	**325 903**
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)	(1 970)	(1 918)	(1 918)	(1 918)
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Intangible Assets		**603**	**419**	**212**	**419**	**512**	**512**	**369**	**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**	**2 403 804**	**2 558 989**	**2 493 296**	**2 423 209**
TOTAL ASSETS		**2 359 826**	**2 519 620**	**2 729 954**	**2 844 605**	**2 910 150**	**2 910 150**	**2 904 480**	**2 894 802**	**2 863 995**	**2 856 622**
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	498	12 932	12 932	12 932
Current portion of Non-current Borrowings		–	–	10 606	7 054	17 660	17 660	6 439	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**	**6 938**	**23 178**	**17 424**	**17 424**
Consumer Deposits											
Building Plans		11 570	13 237	14 978	13 237	14 978	14 978	16 707	14 978	14 978	14 978
Buying Card		–	–	–	–	–	–	–	–	–	–
Electricity		14 302	15 142	16 338	15 142	16 338	16 338	17 332	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	517	367	367	367
Sewer		–	–	–	–	–	–	–	–	–	–
Street Closure		–	–	–	–	–	–	–	–	–	–
Valuation Appeal		–	–	–	–	–	–	–	–	–	–
Water		2 987	2 636	2 821	3 135	2 821	2 821	2 973	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**	**37 575**	**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	39 160	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	–	(0)	(0)	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	7 207	4 341	4 341	4 341
Deferred Revenue		–	–	–	–	–	–	–	–	–	–
Dividends Declared		–	–	–	–	–	–	–	–	–	–
Electricity Bulk Purchase		35 045	44 452	49 017	44 452	49 017	49 017	39 667	49 017	49 017	49 017
Fair Value Adjustment		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Leave Accrual		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	2 175	0	0	0
Municipal Debt Relief		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Payables and Accruals		26 564	36 381	66 966	(11 254)	65 980	65 980	7 961	66 969	66 974	66 979
PAYE Deductions		0	0	5 418	–	5 418	5 418	595	5 418	5 418	5 418
Pension and Retirement Contributions		–	–	–	–	–	–	–	–	–	–
Retentions		7 068	6 457	8 172	6 457	8 172	8 172	7 992	8 172	8 172	8 172
Standby		–	–	–	–	–	–	–	–	–	–
Tender documentation		–	–	–	–	–	–	–	–	–	–
Unallocated Deposits		19 785	20 728	24 449	20 728	24 449	24 449	24 124	24 449	24 449	24 449
Water Inventory Bulk Purchases		1 567	1 660	2 704	1 837	2 704	2 704	2 872	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**	**198 607**	**198 607**	**141 032**	**237 250**	**237 302**	**237 260**
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	36 789	–	–	–
Operational		3 258	0	(0)	–	–	–	441	–	–	–
Total Transfers and Subsidies Unspent		**28 994**	**38 791**	**20 944**	**-**	**0**	**0**	**37 230**	**-**	**-**	**-**
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**	**37 230**	**-**	**-**	**-**
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	46 922	2 344	2 344	2 344
VAT Payable: VAT Control		(80 798)	–	–	(0)	5 579	5 579	28	0	(47)	0
Total VAT Payable		**(58 766)**	**(5 726)**	**14 382**	**14 707**	**29 089**	**29 089**	**46 950**	**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	325 248	325 248	300 980	336 466	330 717	330 722
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		–	–	87 311	82 340	169 651	169 651	182 621	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	214 371	170 195	153 131	141 820
Operating Lease Liability		–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities		23 375	12 231	119 060	203 183	201 401	201 401	214 371	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	335 185	424 507	411 923	405 092
TOTAL LIABILITIES		321 095	413 687	598 679	751 834	798 828	798 828	636 164	760 973	742 640	735 815
CHANGES IN NET ASSETS		2 038 731	2 105 934	2 131 275	2 092 771	2 111 322	2 111 322	2 268 315	2 133 829	2 121 356	2 120 808
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	2 109 972	2 087 750
Transfers to/from operating revenue and expenditure		19 651	(7 289)	27 757	(29 497)	41 953	41 953	–	10 612	(12 117)	5 558
Transfers to/from Reserves		–	(5 759)	3 573	(14 500)	(17 314)	(17 314)	(2 802)	(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	2 053 471	2 110 329	2 093 856	2 089 308
Reserves and Funds											
Capital Replacement Reserve		–	5 759	2 186	14 500	19 500	19 500	4 988	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	4 988	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	2 133 829	2 121 356	2 120 808

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)***	***(2 133 829)***	***(2 121 356)***	***(2 120 808)***
Check Surplus/Deficit (A6)	***(2 038 240)***	***(2 025 172)***	***(2 056 273)***	***(2 078 271)***	***(2 091 822)***	***(2 091 822)***	***(2 053 471)***	***(2 110 329)***	***(2 093 856)***	***(2 089 308)***
Check Total Reserves (A6)	–	***(5 759)***	***(2 186)***	***(14 500)***	***(19 500)***	***(19 500)***	***(4 988)***	***(23 500)***	***(27 500)***	***(31 500)***
Check Total Borrowing (A6)	***23 375***	***12 231***	***119 060***	***203 183***	***201 401***	***201 401***	***214 371***	***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										
Sub-function										
insert measurables descriptions										
Function										
Sub-function										
insert measurables descriptions										
Sub-function										
insert measurables descriptions										
Sub-function										
insert measurables descriptions										
Vote 4 - 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 5 - 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 6 - vote name **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**											
Function **And so on for the rest of the Votes**											

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

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										
Entity 2 - (name of entity)										
Sub-function										
Entity 3 - (name of entity)										
Sub-function										
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%	1,1%	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%	1,0%	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	1,7	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	1,7	1,0	1,1	1,3
Liquidity Ratio	Monetary Assets/Current Liabilities	1,0	0,7	0,7	0,7	0,6	0,6	1,3	0,6	0,8	1,0
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%	25,8%	25,8%	29,8%	23,3%	21,9%	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%	164,7%	164,7%	0,0%	172,4%	137,6%	100,9%
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										

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%	35,8%	30,1%	30,1%	31,6%	30,7%	30,4%	30,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	32,4%	33,8%	33,1%	36,4%	31,3%	31,3%		31,7%	31,4%	31,0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4,1%	4,3%	13,0%	15,8%	12,8%	12,8%		13,0%	13,9%	13,2%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11,5%	9,2%	9,8%	11,1%	12,4%	12,4%	8,7%	8,7%	8,2%	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	–	24,1	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%	17,7%	17,7%	17,2%	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	1,3	1,6

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	123 951	116 349	116 349	96 216	127 985	136 156	143 526
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	18 891	12 224	–	–
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	–	137 632	172 518	235 232
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	–	5 559	36 441	95 149
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	1,3	1,6
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	111 590	66 323	23 999	(29 497)	41 954	41 954	75 404	10 612	(12 117)	5 558
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%)	(23,8%)	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%	(3,3%)	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%	7,9%	9,2%	9,5%	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%	9,4%	6,8%	1,2%

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%	(17,8%)	7,3%	6,9%	7,5%
% incr Property Tax	18(1)a		0,0%	12,4%	6,5%	2,1%	1,1%	0,0%	(14,8%)	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%	(18,2%)	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%	(25,5%)	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%	(14,1%)	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%	(18,7%)	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	847 900	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	847 900	1 106 909	1 183 387	1 272 124
Property rates			249 284	280 203	298 334	304 484	307 899	307 899	262 410	326 717	343 053	360 206
Service charges - electricity revenue			306 477	369 018	400 468	479 524	473 955	473 955	387 763	518 755	564 561	621 017
Service charges - water revenue			117 400	102 795	104 737	147 583	123 885	123 885	92 319	126 386	133 969	142 007
Service charges - sanitation revenue			61 797	56 020	66 111	81 259	71 792	71 792	61 655	78 477	82 400	86 520
Service charges - refuse removal			61 945	57 488	58 681	52 990	53 826	53 826	43 752	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	34 594	12 224	–	–
Cash receipts from ratepayers	18(1)a		443 212	624 340	1 010 534	1 330 410	1 288 893	1 288 893	–	1 332 038	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	2 521 134	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	–	(4 649)	20 185	(0)	0
Operating and Capital Grant Revenue	18(1)a		279 561	283 769	314 695	297 700	339 958	339 958	264 966	301 246	291 107	297 502
Capital expenditure - total	20(1)(vi)		21 480	93 161	151 442	265 462	322 565	322 565	81 777	79 618	51 534	51 830
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										2 584	2 584	2 584
Provincial capital grants										20 741	450	450
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	–	(4 649)	20 185	(0)	0
Total Operating Revenue			1 154 001	1 209 697	1 322 015	1 468 686	1 461 865	1 461 865	1 172 432	1 553 676	1 649 812	1 756 963
Total Operating Expenditure			1 144 633	1 246 514	1 422 329	1 581 117	1 545 173	1 545 173	1 146 734	1 620 567	1 721 193	1 811 009
Operating Performance Surplus/(Deficit)			9 368	(36 817)	(100 314)	(112 431)	(83 308)	(83 308)	25 698	(66 891)	(71 381)	(54 046)
Cash and Cash Equivalents (30 June 2012)										–		
Revenue												
% Increase in Total Operating Revenue				4,8%	9,3%	11,1%	(0,5%)	0,0%	(19,8%)	6,3%	6,2%	6,5%
% Increase in Property Rates Revenue				12,4%	6,5%	2,1%	1,1%	0,0%	(14,8%)	24,5%	5,0%	5,0%
% Increase in Electricity Revenue				20,4%	8,5%	19,7%	(1,2%)	0,0%	(18,2%)	9,5%	8,8%	10,0%
% Increase in Property Rates & Services Charges				8,6%	7,3%	14,8%	(3,2%)	0,0%	(17,8%)	7,3%	6,9%	7,5%
Expenditure												
% Increase in Total Operating Expenditure			0,0%	8,9%	14,1%	11,2%	(2,3%)	0,0%	(25,8%)	4,9%	6,2%	5,2%
% Increase in Employee Costs			0,0%	9,6%	7,1%	24,3%	(16,2%)	0,0%	(16,0%)	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%		7,9%	9,2%	9,5%
Asset Renewal and R&M as a % of PPE			2,3%	5,1%	10,3%	10,8%	10,8%	10,8%		9,2%	9,8%	10,9%
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	18 891	12 224	–	–
Borrowing (R'000)			8 786	–	69 882	152 174	153 003	153 003	15 703	–	–	–
Grant Funding and Other (R'000)			(6 807)	2 860	103 754	72 117	111 403	111 403	47 183	67 394	51 534	51 830
Internally Generated funds % of Non Grant Funding			68,8%	100,0%	39,1%	21,3%	27,5%	27,5%	54,6%	100,0%	0,0%	0,0%
Borrowing % of Non Grant Funding			31,2%	3,2%	231,1%	175,2%	191,5%	191,5%	249,8%	551,3%	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	81 777	79 618	51 534	51 830
Asset Renewal			5 502	63 623	72 284	47 361	94 083	94 083	–	34 993	14 997	32 065
Asset Renewal % of Total Capital Expenditure			25,8%	68,4%	33,1%	17,8%	29,2%	29,2%	0,0%	44,0%	29,1%	61,9%
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%	1,1%	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	–	5 559	36 441	95 149
Free Services												
Free Basic Services as a % of Equitable Share			(17,7%)	2,3%	0,9%	(32,3%)	(32,3%)	(32,3%)	32,0%	(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%)	1,9%	(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	1 172 432	1 553 676	1 649 812	1 756 963
Total Operating Expenditure			1 144 633	1 246 514	1 422 329	1 581 117	1 545 173	1 545 173	1 146 734	1 620 567	1 721 193	1 811 009
Surplus/(Deficit) Budgeted Operating Statement			9 368	(36 817)	(100 314)	(112 431)	(83 308)	(83 308)	25 698	(66 891)	(71 381)	(54 046)

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	–	5 559	36 441	95 149
MTREF Funded (1) / Unfunded (0)		15	1	1	1	1	1	1	1	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	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Investments										
Bank Repurchase Agreements										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Bank Repurchase Agreements		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Bankers Acceptance Certificate		-	-	-	-	-	-	-	-	-
Deposit Taking Institutions										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Deposit Taking Institutions		-	-	-	-	-	-	-	-	-
Derivative Financial Assets										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Derivative Financial Assets		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (Sinking)										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–

Investment type R thousand	Ref	2022/23 Audited Outcome	2023/24 Audited Outcome	2024/25 Audited Outcome	Current Year 2025/26 Original Budget	 Adjusted Budget	 Full Year Forecast	2026/27 Medium Term Revenue & Expenditure Framework 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 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		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
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 Name of institution & investment ID	Ref 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Parent municipality														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
Municipality sub-total														
Entities														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
-														
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**	**102 035**	**102 035**	**132 251**	**136 452**	**142 712**
Operational Revenue:General Revenue:Equitable Share		84 774	100 560	95 707	119 294	95 347	95 347	126 555	132 311	138 304
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	1 759	2 011	2 215
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**	**2 404**	**2 467**	**2 533**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		3 700	5 272	443	–	–	–	2 404	2 467	2 533
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**	**103 607**	**103 607**	**134 655**	**138 919**	**145 245**
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**	**18 036**	**391**	**391**
Capacity Building		–	–	–	–	–	–	–	–	–
Capacity Building and Other		–	–	–	–	–	–	391	391	391
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**	**67 394**	**51 534**	**51 830**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**181 090**	**120 308**	**206 524**	**203 865**	**215 010**	**215 010**	**202 049**	**190 453**	**197 075**

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	478	670	690	710
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		**384**	**600**	**347**	**950**	**950**	**950**	**478**	**670**	**690**	**710**
TOTAL CASH TRANSFERS AND GRANTS	6	**384**	**600**	**347**	**950**	**950**	**950**	**478**	**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**	**478**	**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	10 997	11 272
Cell phone Allowance		1 328	1 489	1 409	1 483	1 637	1 637	1 462	1 499	1 536
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	3 666	3 757
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**	**16 161**	**16 566**
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**	**16 161**	**16 566**
% increase	4		**8,4%**	**4,0%**	**3,5%**	**3,5%**	**–**	**(4,7%)**	**2,5%**	**2,5%**
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	761	761	1 300	1 369	1 440
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	–	0	0	–	–	–
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**	**12 362**	**12 362**	**12 843**	**13 517**	**14 227**
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	15	16	16
Total Social Contributions		**92**	**12**	**14**	**11**	**14**	**14**	**16**	**17**	**18**
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**	**12 376**	**12 376**	**12 859**	**13 534**	**14 245**
% increase	4		**60,4%**	**73,7%**	**(39,6%)**	**17,9%**	**–**	**3,9%**	**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	1 355	1 426	1 501
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	18 871	18 871	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**	**63 867**	**63 867**	**52 777**	**55 545**	**58 458**
Total Salaries and Allowances		**279 167**	**306 865**	**324 259**	**390 858**	**346 380**	**346 380**	**372 582**	**392 145**	**412 736**
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	2 473	2 603	2 739
Total Social Contributions		**62 284**	**65 742**	**64 596**	**99 821**	**81 627**	**81 627**	**86 304**	**90 835**	**95 604**
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**	**428 007**	**428 007**	**464 102**	**488 196**	**513 556**
% increase	4		**8,7%**	**5,4%**	**25,6%**	**(15,9%)**	**–**	**8,4%**	**5,2%**	**5,2%**
Total Parent Municipality		**373 526**	**409 267**	**437 932**	**535 275**	**456 933**	**456 933**	**492 728**	**517 892**	**544 366**
TOTAL SALARY, ALLOWANCES & BENEFITS		**373 526**	**409 267**	**437 932**	**535 275**	**456 933**	**456 933**	**492 728**	**517 892**	**544 366**
% increase	4		**9,6%**	**7,0%**	**22,2%**	**(14,6%)**	**–**	**7,8%**	**5,1%**	**5,1%**
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. Rand per annum	Ref	No.	Salary	Contributions 1.	Allowances	Performance Bonuses	In-kind benefits	Total Package 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	2 288	96 000	–	–	2 077 122
Chief Finance Officer		1	1 380 890	2 288	228 000	–	218 525	1 829 703
		1	1 380 890	2 288	180 000	–	218 525	1 781 703
		1	1 421 584	2 288	120 000	–	215 822	1 759 694
		1	1 361 584	2 288	180 000	–	215 822	1 759 694
		1	1 397 584	2 288	144 000	–	215 822	1 759 694
List of each offical with packages >= senior manager								
		–	–	–	–	–	–	–
		1	1 361 584	2 288	228 000	83 739	215 822	1 891 433
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	**7**	**10 282 950**	**16 016**	**1 176 000**	**83 739**		**12 859 043**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**10**	**19 736 952**	**16 016**	**5 594 652**	**83 739**		**26 731 697**

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		18 645	18 645	18 645	18 645	18 645	18 645	18 645	18 645	18 645	18 645	18 645	18 645	223 742	231 843	237 897
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)		**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**129 473**	**452 191**	**1 876 393**	**1 988 865**	**2 113 168**
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	16 161	16 566
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		12 957	12 957	12 957	12 957	12 957	12 957	12 957	12 957	12 957	12 957	12 957	12 958	155 487	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	105 811	110 038

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**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 051**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit)		**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**(5 574)**	**317 140**	**255 826**	**267 672**	**302 160**
Transfers and subsidies - capital (monetary allocations)		6 459	6 459	6 459	6 459	6 459	6 459	6 459	6 459	6 459	6 459	6 459	6 459	77 504	59 264	59 604
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**323 599**	**333 330**	**326 936**	**361 764**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**323 599**	**333 330**	**326 936**	**361 764**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**323 599**	**333 330**	**326 936**	**361 764**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**323 599**	**333 330**	**326 936**	**361 764**

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	148 008	152 849
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 306	11 307	135 674	137 256	142 660
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**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 051**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) before assoc.		**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**881**	**10 612**	**(12 117)**	**5 558**
Surplus/(Deficit) after income tax		–	–	–	–	–	–	–	–	–	–	–	333 330	333 330	326 936	361 764
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**881**	**10 612**	**(12 117)**	**5 558**

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		**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**3 600**	**43 202**	**43 279**	**45 320**
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		1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	1 558	18 700	19 635	20 617
Trading services		**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**78 736**	**944 831**	**1 013 667**	**1 092 966**
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		6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 867	6 868	82 410	86 525	90 847
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		**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 605**	**31 607**	**379 266**	**389 450**	**404 074**
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	50 983	52 581
Finance and administration		27 131	27 131	27 131	27 131	27 131	27 131	27 131	27 131	27 131	27 131	27 131	27 132	325 576	334 458	347 275
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		**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 048**	**21 049**	**252 578**	**267 231**	**279 615**
Planning and development		3 403	3 403	3 403	3 403	3 403	3 403	3 403	3 403	3 403	3 403	3 403	3 403	40 836	41 628	43 544
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**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 047**	**135 051**	**1 620 567**	**1 721 193**	**1 811 009**
Surplus/(Deficit) before assoc.		**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**885**	**881**	**10 612**	**(12 117)**	**5 558**

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	885	885	885	885	885	885	885	885	885	885	885	881	10 612	(12 117)	5 558

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		80	80	80	80	80	80	80	80	80	80	80	80	955	955	955
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	67 218	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	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 587**	**6 588**	**79 047**	**51 143**	**51 438**
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	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**79 618**	**51 534**	**51 830**

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		**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**112**	**1 346**	**1 346**	**1 346**
Community and social services		33	33	33	33	33	33	33	33	33	33	33	33	391	391	391
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		**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 976**	**1 977**	**23 717**	**12 850**	**11 238**
Planning and development		803	803	803	803	803	803	803	803	803	803	803	804	9 642	6 887	3 741
Road transport		1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	1 173	14 075	5 962	7 497
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**4 421**	**53 055**	**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		1 310	1 310	1 310	1 310	1 310	1 310	1 310	1 310	1 310	1 310	1 310	1 310	15 722	5 019	600
Waste water management		2 330	2 330	2 330	2 330	2 330	2 330	2 330	2 330	2 330	2 330	2 330	2 330	27 959	19 224	31 465
Waste management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**79 618**	**51 534**	**51 830**
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		1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	1 503	18 036	391	391
District Municipality		80	80	80	80	80	80	80	80	80	80	80	80	955	955	955
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**5 616**	**67 394**	**51 534**	**51 830**
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	12 224	–	–
Total Capital Funding		**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	**6 635**	6 635	6 635	79 618	51 534	51 830

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	80 933	20 345	20 733	20 853	21 130	21 225	21 253	21 323	21 326	21 571	21 521	21 542	313 755	329 443	345 915
Service charges - electricity revenue	52 502	51 321	53 387	48 671	45 565	46 762	49 473	46 040	46 654	45 170	48 405	46 346	580 294	631 534	694 688
Service charges - water revenue	17 221	13 101	12 838	9 544	13 275	12 792	13 367	13 737	10 941	7 590	15 267	10 826	150 498	159 579	169 208
Service charges - sanitation revenue	8 454	7 767	7 507	7 531	7 782	7 454	8 182	6 464	6 972	7 412	8 296	7 319	91 140	95 697	100 482
Service charges - refuse revenue	8 580	7 063	7 005	7 017	7 032	6 998	6 999	3 629	5 255	6 537	6 618	6 896	79 630	83 612	87 792
Rental of facilities and equipment	210	251	580	352	389	1 320	566	286	350	300	179	424	5 207	5 467	5 741
Interest earned - external investments	1 940	1 908	1 771	630	1 315	1 520	1 523	1 249	535	2 044	1 932	719	17 086	17 941	18 838
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 174	1 041	647	1 489	1 038	731	1 207	1 743	5 818	1 824	2 706	2 939	22 359	23 477	24 651
Licences and permits	3 070	3 559	1 560	2 339	2 073	3 311	1 571	3 287	1 125	1 280	1 053	858	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		3 454	1 419	71 196	870	602	53 671			(0)	223 742	231 843	237 897
Other revenue	3 940	5 551	1 610	3 822	2 844	2 810	1 473	9 966	4 721	10 019	4 140	8 387	59 284	57 869	56 866
Cash Receipts by Source	**268 516**	**114 704**	**108 018**	**106 081**	**104 242**	**176 500**	**106 864**	**108 707**	**157 748**	**104 127**	**110 497**	**106 863**	**1 572 866**	**1 666 934**	**1 773 181**
Other Cash Flows by Source															
(National / Provincial and District) Transfers and subsidies - capital (monetary allocations)	23 574	2 601		5 384	9 817	15 413	6 764	2 601	10 252	1 098		0	77 504	59 264	59 604
(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	**292 089**	**117 305**	**108 018**	**111 465**	**114 059**	**191 912**	**113 628**	**111 308**	**168 000**	**105 225**	**110 497**	**106 863**	**1 650 370**	**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)	(16 161)	(16 566)
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	(60 437)	(65 683)	(58 071)	(38 622)	(40 003)	(38 519)	(42 603)	(41 018)	(40 701)	(35 041)	(39 512)	(56 742)	(556 952)	(606 130)	(666 743)
Bulk purchases - Water & Sewer	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other materials	(4 410)	(6 901)	(4 734)	(13 074)	(12 345)	(7 329)	(21 060)	(6 511)	(11 550)	(13 053)	(9 695)	(11 927)	(122 588)	(141 484)	(148 227)
Contracted services	(2 726)	(9 139)	(13 284)	(11 141)	(9 009)	(14 596)	(16 056)	(14 052)	(15 084)	(15 956)	(19 802)	(32 772)	(173 617)	(178 248)	(166 613)
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other					(400)			(530)				–	(930)	(950)	(970)
Other expenditure	(6 088)	(10 891)	(9 684)	(15 310)	(13 139)	(11 067)	(9 217)	(7 884)	(11 561)	(7 910)	(10 355)	(19 788)	(132 894)	(138 316)	(143 181)
Cash Payments by Type	**(113 363)**	**(132 316)**	**(130 452)**	**(117 849)**	**(138 028)**	**(116 190)**	**(128 638)**	**(109 696)**	**(123 574)**	**(111 662)**	**(119 066)**	**(169 340)**	**(1 510 172)**	**(1 608 927)**	**(1 693 100)**
Other Cash Flows/Payments by Type															
Capital assets	(1 173)	(2 618)	(2 797)	(4 704)	(17 067)	(20 950)	(2 619)	(649)	(9 351)	(5 965)	(8 722)	(14 947)	(91 562)	(59 207)	(59 548)
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	**(115 714)**	**(136 112)**	**(138 783)**	**(123 731)**	**(156 273)**	**(142 675)**	**(132 435)**	**(111 524)**	**(138 459)**	**(118 806)**	**(128 966)**	**(189 821)**	**(1 633 300)**	**(1 691 312)**	**(1 770 072)**
NET INCREASE/(DECREASE) IN CASH HELD	**176 376**	**(18 807)**	**(30 765)**	**(12 267)**	**(42 214)**	**49 238**	**(18 807)**	**(216)**	**29 540**	**(13 581)**	**(18 469)**	**(82 958)**	**17 070**	**34 886**	**62 713**

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	296 937	278 130	247 365	235 099	192 884	242 122	223 315	223 099	252 639	239 058	220 590	120 562	137 632	172 518
Cash/cash equivalents at the month/year end:	296 937	278 130	247 365	235 099	192 884	242 122	223 315	223 099	252 639	239 058	220 590	137 632	137 632	172 518	235 232

EC108 Kouga - NOT REQUIRED - municipality does not have entities

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		–	–	–	–	–	–	–	–	–
Other own revenue		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (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 Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand

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	1 500	–	–
Computer Equipment		1 677	1 638	1 705	2 050	3 738	3 738	1 500	–	–
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**	**44 626**	**36 537**	**19 764**

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	–	–	–	–	1 090	–	–
Roads		–	28 252	–	–	–	–	1 090	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	(292)	–	11 320	11 320	400	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	(292)	–	11 320	11 320	400	–	–
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%*	*9,4%*	*6,8%*	*1,2%*
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**	**141 983**	**141 983**	**157 022**	**183 158**	**182 545**
Roads Infrastructure		12 861	6 367	29 464	30 189	29 137	29 137	31 835	39 269	45 251
Roads		12 861	6 367	29 464	30 189	29 137	29 137	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	35 800	35 800	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	2 530	2 530	3 940	3 940	2 740
LV Networks		1 220	1 728	2 784	2 950	6 265	6 265	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	48 106	56 137	53 858
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	45 989	53 904	51 607
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	25 652	25 652	24 543	28 473	29 532
Pump Station		3 414	7 316	4 445	5 970	5 483	5 483	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	16 548	16 548	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	2 769	2 769	2 043	2 043	2 043
Sand Pumps		–	–	–	1 500	1 250	1 250	1 100	1 100	1 100
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	1 220	1 505	1 519	1 519	943	943	943
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		**3 228**	**3 264**	**25 467**	**34 633**	**25 850**	**25 850**	**24 448**	**25 450**	**26 504**
Community Facilities		1 728	1 823	24 136	30 433	22 449	22 449	21 248	22 250	23 304
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	1 058	1 058	1 058
Public Open Space		338	320	20 153	28 744	19 903	19 903	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	3 401	3 401	3 200	3 200	3 200
Indoor Facilities		–	–	–	2 800	1 919	1 919	1 700	1 700	1 700
Outdoor Facilities		1 500	1 441	1 332	1 400	1 482	1 482	1 500	1 500	1 500
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**	**3 520**	**3 520**	**4 385**	**4 385**	**4 385**
Operational Buildings		3 712	3 718	2 364	3 494	3 520	3 520	4 385	4 385	4 385
Municipal Offices		2 945	2 778	2 046	3 194	3 220	3 220	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	1 356	1 356	1 316	1 316	1 316
Machinery and Equipment		594	659	595	1 367	1 356	1 356	1 316	1 316	1 316
Transport Assets		8 472	10 321	11 511	26 543	14 183	14 183	14 095	14 344	16 209
Transport Assets		8 472	10 321	11 511	26 543	14 183	14 183	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**	**187 177**	**187 177**	**202 082**	**229 468**	**231 776**
R&M as a % of PPE		*2,4%*	*2,6%*	*8,1%*	*10,0%*	*8,0%*	*8,0%*	*8,7%*	*10,2%*	*10,6%*
R&M as % Operating Expenditure		*4,2%*	*4,2%*	*12,1%*	*14,7%*	*12,1%*	*12,1%*	*17,6%*	*14,2%*	*13,5%*

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**	**20 818**	**8 362**	**31 465**
Roads Infrastructure		–	(23)	6 456	1 000	4 536	4 536	2 478	–	–
Roads		–	(23)	6 456	1 000	4 536	4 536	1 798	–	–
Road Structures		–	–	–	–	–	–	680	–	–
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**	**27 545**	**11 509**	**31 465**
Upgrading of Existing Assets as % of total capex		*0,0%*	*24,8%*	*44,8%*	*16,9%*	*24,2%*	*24,2%*	*34,6%*	*22,3%*	*60,7%*
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 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		1 346	1 346	1 346				
Vote 5 - CIVIL AND WATER SERVICES		67 398	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		**79 618**	**51 534**	**51 830**	**–**	**–**	**–**	**–**
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	148 008	152 849				
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		135 674	137 256	142 660				
Vote 4 - COMMUNITY SERVICES		349 522	362 615	378 061				
Vote 5 - CIVIL AND WATER SERVICES		249 357	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		1 540 948	1 669 659	1 759 179	–	–	–	–
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		**792 245**	**311 277**	**272 801**	**–**	**–**	**–**	**–**

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 79 618 51 534 51 830

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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 R thousand	Ref 4	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class	Asset Sub-Class	GPS co-ordinates 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 Water project A															
Entity B 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 CODE	DEPARTMENT	PROJECT DESCRIPTION	FUNDING SOURCE	Annual Budget 2026/27	Annual Budget 2027/28	Annual Budget 2028/29
CIVIL AND WATER SERVICES				**R**	**R**	**R**
CP_54	PROJECT MANAGEMENT UNIT (PMU)	Furniture and equipment	Internal	180 000	-	-
CP26006	PROJECT MANAGEMENT UNIT (PMU)	La Mer: Construction of New Sewer Rising Main	Internal	344 883	-	-
CP26103	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Da Gama Road	Internal	96 701	-	-
CP26099	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of George Road Embankment	Internal	69 453	-	-
CP26104	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Ketse Street & Stormwater Infrastructure	Internal	104 973	-	-
CP26106	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Meyer Street & Stormwater Infrastructure	Internal	92 447	-	-
CP26102	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Mountain Road	Internal	84 295	-	-
CP26105	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Nanto Street & Stormwater Infrastructure	Internal	117 722	-	-
CP26100	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Phillip Street Low Level Water Bridge	Internal	152 321	-	-
CP26101	PROJECT MANAGEMENT UNIT (PMU)	Re-instatement of Sherley Street	Internal	141 906	-	-
CP26098	PROJECT MANAGEMENT UNIT (PMU)	Sea Vista Access Ring Road Damaged Pavement Layers	Internal	70 612	-	-
CP56003	PROJECT MANAGEMENT UNIT (PMU)	Specialized Waste Management Vehicles	MIG	1 530 899	3 741 043	3 741 043
CP26107	PROJECT MANAGEMENT UNIT (PMU)	Umzamowethu SW Management Plan	Internal	380 000	-	-
CP56002	PROJECT MANAGEMENT UNIT (PMU)	Upgrade of Phillipsville Sportsfield	MIG	6 275 776	3 146 421	-
CP26071	ROADS AND STORMWATER	Bridge & Culvert Repairs	Internal	600 000	-	-
CP26074	ROADS AND STORMWATER	Concrete Mixer	Internal	80 000	-	-
CP26069	ROADS AND STORMWATER	Construction of Sidewalks& Accessible Pedestrian Walkways	Internal	850 000	-	-
CP26075	ROADS AND STORMWATER	Construction Work Signage	Internal	50 000	-	-
CP26083	ROADS AND STORMWATER	Design and Upgrade of Canals	Internal	40 000	-	-
CP26065	ROADS AND STORMWATER	Installation of Street Names & Signages	Internal	245 640	-	-
CP26063	ROADS AND STORMWATER	Jeffrey's Bay CBD Precinct Upgrades	Internal	52 350	-	-
CP26073	ROADS AND STORMWATER	Plate Compactors	Internal	50 000	-	-
CP26070	ROADS AND STORMWATER	Provision of Traffic Calming Measures	Internal	40 000	-	-
CP26076	ROADS AND STORMWATER	Refurbishment of Depot & Storage Facilities	Internal	300 000	-	-
CP26004	ROADS AND STORMWATER	Reinstatement of Roads Infrastructure	Internal	160 000	-	-
CP26005	ROADS AND STORMWATER	Reinstatements of Stormwater Infrastructure	Internal	400 000	-	-
CP26061	ROADS AND STORMWATER	Roads Reinstatement Equipment and Tools	Internal	100 000	-	-
CP26062	ROADS AND STORMWATER	Roads Resealing & Maintenance	Internal	625 000	-	-
CP26064	ROADS AND STORMWATER	Seekoei Estuary Causeway - Rock revetment pilot / height restrictions / signa	Internal	25 000	-	-
CP72002	ROADS AND STORMWATER	Upgrading of Kouga Gravel Roads	MIG	10 337 345	5 962 162	7 496 913
CP26072	ROADS AND STORMWATER	Walk Behind Twin Drum Rollers	Internal	120 000	-	-
CP26077	SANITATION	Tools & Equipment	Internal	120 000	-	-
CP26078	SANITATION	Upgrading of Depot Sanitation	Internal	320 000	-	-
CP78022	SEWERAGE	Arcadia Street: Refurbishment of Sewer Pump Station	MIG	2 623 984	-	-
CP72007	SEWERAGE	Beach Sewer Pump Station and New Sewer Bypass	WSIG	1 000 000	100 000	400 000
CP79023	SEWERAGE	Fencing of Sewer Pump Station	Internal	800 000	-	-
CP78004	SEWERAGE	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	MIG	6 123 132	-	-
CP26003	SEWERAGE	Johnsons Ridge :New Waterborne Sanitation Infrastructure	MIG	-	8 173 602	-
CP26002	SEWERAGE	Kwanomzamo Bulk Sewer	WSIG	-	3 006 688	6 065 406
CP78010	SEWERAGE	Kwanomzamo: New Sewer Pump Station & Rising Main - Bulk Sanitation	USIP	15 965 217	-	-
CP78003	SEWERAGE	La Mer: Construction of New Sewer Rising Main	MIG	80 000	5 255 681	25 000 000
CP78023	SEWERAGE	Refurbishment of Queen Street Sewer Pump Station	MIG	-	2 688 000	-
CP26080	WATER	Fountains Reservoirs Additional Storage Capacity (Planning Phase)	Internal	350 000	-	-
CP26097	WATER	GP EIA & Internal Reticulation Design	USIP	1 679 361	-	-
CP98029	WATER	Infrastructure Management Plan	MIG	583 689	-	-
CP26079	WATER	Jeffrey's Bay Replacement of Distribution System	Internal	2 000 000	-	-
CP26001	WATER	Kwanomzamo Bulk Water	WSIG	10 074 782	4 218 529	-

CP5_WAT	WATER	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	WSIG	200 000	400 000	300 000
OP72010	WATER	St Francis Bay: Replacement of Waterpipe	WSIG	200 000	400 000	300 000
CP26009	WATER SERVICES AUTHORITY (WSA) > WASTEWAT	Jeffrey's Bay Waste Water Treatment Works Repair of the Recirculation Pond	Internal	600 000	-	-
CP26010	WATER SERVICES AUTHORITY (WSA) > WASTEWAT	Waste Water Treatment Works Camera Extension	Internal	35 055	-	-
CP26007	WATER SERVICES AUTHORITY (WSA) > WASTEWAT	Waste Water Treatment Works Chemical Bundwall	Internal	267 961	-	-
CP26011	WATER SERVICES AUTHORITY (WSA) > WASTEWAT	Waste Water Treatment Works Security Perimeter Lighting	Internal	23 370	-	-
CP26034	WATER SERVICES AUTHORITY (WSA) > WATER TRE	Water Treatment Works Camera Extension	Internal	95 866	-	-
CP26036	WATER SERVICES AUTHORITY (WSA) > WATER TRE	Water Treatment Works Chemical Bundwall	Internal	474 538	-	-
CP26035	WATER SERVICES AUTHORITY (WSA) > WATER TRE	Water Treatment Works Security Perimeter Lighting	Internal	63 910	-	-
				67 398 188	**37 092 126**	**43 303 362**
		COMMUNITY SERVICES				
FT911	FIRE SERVICES	Fire Services - Vehicle (District)	District	955 034	955 034	955 034
CP_54	LIBRARY SERVICES	Furniture and equipment	Library Grant	391 305	391 305	391 305
				1 346 339	**1 346 339**	**1 346 339**
		ELECTRO/MECHANICAL SERVICES				
CP19005	METERING AND REVENUE	Design of New High Mast Lights - Construction	MIG	4 347 826	6 226 046	-
CP19004	METERING AND REVENUE	Electrification of 1250 houses in Kouga	INEP	5 026 086	6 869 565	7 180 000
				9 373 912	**13 095 611**	**7 180 000**
		OFFICE OF THE DEPUTY MUNICIPAL MANAGER				
CP_4	INFORMATION COMMUNICATION TECHNOLOGY (IC	Computer Equipment	Internal	1 500 000	-	-
				1 500 000	**-**	**-**
		TOTAL		**79 618 439**	**51 534 076**	**51 829 701**

KOUGA
local municipality
Good Governance through Service Excellence

FINAL ANNUAL TARIFFS 2026/27

ELECTRO AND MECHANICAL SERVICES

DESCRIPTION	R/cents/Kl/m	2026\27 Excl VAT	2026/27 VAT	2026/27 Incl VAT	2025/26 Excl VAT
KOUGA local municipality Good Governance through Service Excellence					
ELECTRICITY					
The tariffs and charges given hereafter are subject to revision from time to time and confirm					
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 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 Kouga Municipal Council					
Environmental Levy 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 in the tariffs hereafter.					
Equivalent Residential Unit Is considered to be a Residential Consumer with a 45 Amps single phase (10,35kVA) supply at 230 Volts nominal.					
Free Basic Electricity 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 Kouga Municipality					
Maximum demand - The highest averaged demand measured in kVA during a 30 minute integrating period during all time periods.					
Network Access Charge Charge payable per month for the highest of either the NMD					
Network Demand Charge Charge 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 The maximum demand notified in writing by the Customer and accepted by the Municipality.					
Power factor The ratio of kW to kVA measured over the same integrating period.					
Single phase supply A 50Hz AC supply at 230V rms phase to neutral. The neutral carries the full load current.					
Three phase supply A 50Hz AC supply at 230V rms phase to neutral; 400V rms phase-to-phase (120 degree phase displacement).					
Time-of-Use (TOU) tariff 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 order to reflect the shape of Eskom's long-run					
Reactive Energy Charge 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 30 minute integrating period and					
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
Commercial (per annum)		9 743	1 461	11 204	9 148
Connection Fees					
i) Single Phase		13 960	2 094	16 054	13 108
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
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. 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 allocated capacity, if applicable.		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. 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. The cost per kVA is therefore equal to the substation cost divided by 80% of 315kVA. The estimated cost of the typical substation and the charge per kVA is determined annually					

After an application has been received, the Electrical Department will calculate the required kVA on which the charge will be applied.
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
Charge per kVA		3 093	464	3 557	2 904
	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**
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: ● Major developments ● Small townships and minor developments ● 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 supply.					
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) ÷ (45 x 3 x 0.5 Nf)			
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
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 to service the NMD upgrade payable to the					
Special case – To be determined by TEE.		By TEE			By TEE
Consumer Deposits					
Temporary Connections (Non-Refundable on Structural Approval)		2 306	No VAT Implications	2 306	2 166
Domestic					
Owners		3 001	No VAT Implications	3 001	2 818
Tenants & High Density Housing		4 062	No VAT Implications	4 062	3 814
Prepaid (Economic)		3 184	No VAT Implications	3 184	2 990
Commercial					
Small		4 722	No VAT Implications	4 722	4 434
Medium		7 065	No VAT Implications	7 065	6 634
Large		14 107	No VAT Implications	14 107	13 246
or equal to one month's account as rendered or as determined by the CFO calculated on the average of the account.					
Inspection Fees		681,387	102,208	783,595	639,80
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
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
Basic cost that includes prepaid meters per day excluding the kvh (Usage) - Only 60Amp THREE PHASE		215,82	32,37	248,20	202,65
Hire of temporary distribution kiosk, per kiosk, per day		215,82	32,37	248,20	202,65
Hire of temporary distribution kiosk, per kiosk, per day + prepaid meter		647,47	97,12	744,59	607,95
Only Conventional Meters:					
Single phase					
40 Amp Per Day		321,43	48,21	369,64	301,81
Three phase					
15 Amp Per Day		686,04	102,91	788,94	644,17
Above 15 Amp Per Day		1533,27	229,99	1763,25	1 439,69
Other Tariffs					
Claude Neon basic charge		315,83	47,37	363,21	296,56
	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**
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.					
Single phase					
Three phase					
Call-out Fee - office hours owners fault (Based on 2 hours for electr & assist + 10km)		729,49	109,42	838,91	684,96
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
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
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
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
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
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
Contractor Inspection 2nd		1 726,58	258,99	1 985,56	1 621,20
Contractor Inspection 3rd		1 726,58	258,99	1 985,56	1 621,20
Disconnection due to non payment		1 090,62	163,59	1 254,22	1 024,06
Disconnection on request of the owner		1 389,90	208,48	1 598,38	1 305,07
Verification of a Meter Reading		431,64	64,75	496,39	405,30
Administration fee - recalculation due to no meter access		431,64	64,75	496,39	405,30
Test of Meter: 1 & 3 Phase (Conditionally Refundable) External testing		2 018,66	302,80	2 321,45	1 895,45
Test of Meter: All other Meters (Conditionally Refundable) External testing		2 018,66	302,80	2 321,45	1 895,45
Tariff change - change between one part and two-part		402,87	60,43	463,30	378,28
Damage elect meter (based on meter cost + call out X 2)		1 798,52	269,78	2 068,30	1 688,75
Damage elect meter 3 phase (based on meter cost + call out X 2)		2 230,16	334,52	2 564,69	2 094,05

Replacement of CIU (Meter keypad) (Based on keypad cost and call out fee)		1 079,11	161,87	1 240,98	1 013,25
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
Change to Time of Use (with existing bulk meter) + Deposit		24 920,27	3 738,04	28 658,31	23 399,31
Change to Time of Use (without existing bulk meter) + Deposit		31 653,92	4 748,09	36 402,01	29 722,00
Commission of Bulk meter, supplied by customer (call out fee x 3)		3 597,04	539,56	4 136,59	3 377,50
Damage of HV Cable		53 092,27	7 963,84	61 056,10	49 851,89
Damage of MV Cable		53 092,27	7 963,84	61 056,10	49 851,89
Damage of LV Cable		11 510,52	1 726,58	13 237,10	10 808,00
Damage of Service Connection Cable		5 755,26	863,29	6 618,55	5 404,00
Erection and removal of Banners, signs & lights (per hour) (Vehicle cost + labour)		1 525,15	228,77	1 753,92	1 432,06
Installation of logger		532,50	79,88	612,38	500,00
Daily charge on logger		213,00	31,95	244,95	200,00
OTHER TARIFFS					
CONVERSION OF METERS					
Removal of Meter (based on call out fee)		1 122,28	168,34	1 290,62	1 053,78
Repositioning of Meter (excl. cable) (based on call out fee)		1 122,28	168,34	1 290,62	1 053,78
Repositioning of Meter (incl. cable) (based on call out fee + 30m cable)		5 648,78	847,32	6 496,10	5 304,02
RELOCATION (MOVING) OF INSTALLATIONS					
Streetlight pole					
Electrical box/kiosk					
SERVICE CALLS					
During office hours		748,03	112,20	860,23	702,37
After office hours		1 476,56	221,48	1 698,04	1 386,44
SERVICE COST					
Electrician per Hour		625,07	93,76	718,84	586,92
Electrician Assistant per Hour		160,24	24,04	184,27	150,46
LDV per kilometre		28,86	4,33	33,19	27,10
Truck per kilometre		54,86	8,23	63,08	51,51
TAMPERING, ILLEGAL USE AND DISTRIBUTION					
Residential					
1st Tampering fee		3 913,04	586,96	4 500,00	3 377,50
2nd Tampering fee		6 956,52	1 043,48	8 000,00	6 755,00
3rd Tampering fee (Permanent Disconnection)					
3 Phase 60A/100A					
1st Tampering fee		7 747,27	1 162,09	8 909,36	7 274,43
2nd Tampering fee		10 329,63	1 549,44	11 879,07	9 699,18
3rd Tampering fee (Permanent Disconnection)					
Unsafe / Illegal leads (per visit) (reconnection fee included)		1 726,58	258,99	1 985,56	1 621,20
3 Phase 100A/Bulk					
1st Tampering fee		15 921,09	2 388,16	18 309,26	14 949,38
2nd Tampering fee		20 659,26	3 098,89	23 758,15	19 398,37
3rd Tampering fee (Permanent Disconnection)					
TESTING OF METERS					
Single Phase		2 018,66	302,80	2 321,45	1 895,45
Three Phase		2 067,41	310,11	2 377,52	1 941,23
SMALL SCALE EMBEDDED GENERATION (SSEG)					
Investigation Fee		1 304,40	195,66	1 500,06	1 304,40
Fine for illegal connections		4 348,00	652,20	5 000,20	4 348,00
	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**
OTHER TARIFFS					
Temporary/Builder's Supply (As per Commercial Conventional Meters)					
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
Smart meter three phase		3 319,97	498,00	3 817,96	3 117,34
Single phase split phase meter		2 058,77	308,82	2 367,59	1 933,12
STS Prepaid meter s/phase with base		2 184,43	327,66	2 512,10	2 051,11
STS Prepaid meter s/phase		2 846,16	426,92	3 273,09	2 672,45
Single phase 4 Quadrant meter		6 925,47	1 038,82	7 964,29	6 502,79
STS 3phase prepaid(non-earth leakage common base product		8 744,62	1 311,69	10 056,32	8 210,91

STS 3phase, 4wire smart split prepaid meter with customer interface unit		10 465,15	1 569,77	12 034,92	9 826,43
Large power user (LPU) meter		19 545,21	2 931,78	22 476,99	18 352,31
Prepaid meter keypad		640,07	96,01	736,07	601,00
PrePaid Connections					
Purchase of Prepayment Meter (Cost + 25%)					
i) Single Phase		2 051,90	307,79	2 359,69	1 926,67
ii) Three Phase		8 214,02	1 232,10	9 446,12	7 712,69

NERSA APPROVED TARIFFS

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 Commercial Consumer or Bulk Supply tariff will be applicable.

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, Transformer Fee and Augmentation Levy.

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
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	Free units p/m	0,0000	0,0000	0,0000	0,0000
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 :> 600kWh		4,4704	0,6706	5,1410	4,1009
Without FBE					
Block 1 : 0 - 50kWh		1,9943	0,2991	2,2934	1,8294
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 :> 600kWh		4,4704	0,6706	5,1410	4,1009
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 taxes account.					
With FBE					
Basic Charge per Month		364,42	54,66	419,08	334,30
Energy Charge per kWh					
Block 1 : 0 - 50kWh	Free units p/m	0,0000	0,0000	0,0000	0,0000
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 : > 600kWh		4,4704	0,6706	5,1410	4,1009
Without FBE					
Basic Charge per Month		364,42	54,66	419,08	334,30
Energy Charge per kWh					
Block 1 : 0 - 50kWh		1,9943	0,2991	2,2934	1,8294
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 : > 600kWh		4,4704	0,6706	5,1410	4,1009
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		1020,35	153,05	1173,40	936,01
Energy Charge per kWh					
Block 1 : 0 - 50kWh		1,9943	0,2991	2,2934	1,8294
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 : > 600kWh		4,4704	0,6706	5,1410	4,1009
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		455,51	68,33	523,83	417,86
Energy Charge per kWh					
Block 1 : 0 - 50kWh		1,9943	0,2991	2,2934	1,8294
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 : > 600kWh		4,4704	0,6706	5,1410	4,1009

Domestic Conventional High 60A (Three Phase Supply)					
Basic Charge per Month		1275,45	191,32	1466,76	1170,03
Energy Charge per kWh					
Block 1 : 0 - 50kWh		1,9943	0,2991	2,2934	1,8294
Block 2 : 51 - 350kWh		2,6040	0,3906	2,9946	2,3887
Block 3 : 351 - 600kWh		3,7152	0,5573	4,2725	3,4081
Block 4 : > 600kWh		4,4704	0,6706	5,1410	4,1009

COMMERCIAL CONSUMER TARIFFS

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.
Should Consumers require supplies in excess hereof, the Bulk Supply tariff will be applicable.

Commercial Prepaid 60A

Single Phase Supply

Energy Charge per kWh		4,4055	0,6608	5,0663	4,0414
Three Phase Supply					
Energy Charge per kWh		4,4055	0,6608	5,0663	4,0414

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		998,30	149,74	1148,04	915,79
Energy Charge per kWh		3,1861	0,4779	3,6640	2,92
Commercial Conventional 60A (Three Phase Supply)					
Basic Charge per Month		2795,74	419,36	3215,10	2 564,67
Energy Charge per kWh		3,1861	0,4779	3,6640	2,9228
Commercial Conventional 100A (Three Phase Supply)					
Basic Charge per Month		4658,76	698,81	5357,58	4 273,70
Energy Charge per kWh		3,1862	0,4779	3,6641	2,9228
	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**
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.
The following conditions should be applicable to the TOU tariff:
• 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.
• 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 Consumers' responsibility to do a tariff study to the satisfaction of the Director: Infrastructure and Engineering.
• 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.
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		1833,49	275,02	2108,51	1681,95
Monthly Network Demand Charge (kVA)		480,67	72,10	552,77	440,94
Monthly Network Access Charge (kVA)		72,37	10,86	83,23	66,39
Energy Charge per Unit (kWh)		1,6325	0,2449	1,8773	1,4975

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		1833,14	274,97	2108,12	1681,63
Monthly Network Demand Charge (kVA)		442,22	66,33	508,56	405,67
Monthly Network Access Charge (kVA)		66,60	9,99	76,59	61,09
Energy Charge per Unit (kWh)		1,6160	0,2424	1,8584	1,4824

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 manage their energy consumption according 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		1833,16	274,97	2108,13	1681,64
Monthly Network Demand Charge (kVA)		83,94	12,59	96,53	77,00
Monthly Network Access Charge (kVA)		72,37	10,86	83,23	66,39
High Season Demand : June to August					
Peak		8,3917	1,2588	9,6505	7,6981
Standard		2,6865	0,4030	3,0895	2,4645
Off-Peak		1,5534	0,2330	1,7864	1,4250
Reactive Energy Charge (kVArh)		0,3553	0,0533	0,4086	0,3259
Low Season Demand : September to May					
Peak		2,9027	0,4354	3,3381	2,6388
Standard		2,0443	0,3066	2,3509	1,8753
Off-Peak		1,3725	0,2059	1,5784	1,2591
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		1833,16	274,97	2108,13	1681,64
Monthly Network Demand Charge (kVA)		77,23	11,58	88,81	70,85
Monthly Network Access Charge (kVA)		66,60	9,99	76,59	61,09
High Season Demand : June to August					
Peak		7,9313	1,1897	9,1210	7,2758
Standard		2,5393	0,3809	2,9202	2,3294
Off-Peak		1,4684	0,2203	1,6886	1,3470
Reactive Energy Charge (kVArh)		0,3553	0,0533	0,4086	0,3259
Low Season Demand : September to May					
Peak		2,8258	0,4239	3,2497	2,4941
Standard		1,9321	0,2898	2,2219	1,7724
Off-Peak		1,2974	0,1946	1,4920	1,1902
	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**
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					
Basic Charge single phase (60A)					0,0000
Basic Charge three phase (60A)					0,0000
Basic Charge three phase (above 60A)					0,0000
Net Billing Export Credit (c/kWh)		96,35	14,45	110,80	88,39
Monthly Basic Charge		501,431	75,215	576,646	417,86
Time of Use (TOU) - SSEG TOU FEED_IN TARIFF					
High Voltage (>=500V and <66kV)					
Monthly Basic Charge		1833,16	274,97	2108,13	1681,64
Monthly Network Demand Charge (kVA)		77,23	11,58	88,81	70,85
Monthly Network Access Charge (kVA)		66,60	9,99	76,59	61,09
Energy : Low Demand: Peak (R/kwh)		1,0600	0,1590	1,2190	2,1200
Energy : Low Demand: Standard (R/kwh)		0,7533	0,1130	0,8663	1,5066
Energy : Low Demand: Off-Peak-Peak (R/kwh)		0,5058	0,0759	0,5817	1,0117
Energy : High Demand: Peak (R/kwh)		3,0922	0,4638	3,5560	6,1844
Energy : High Demand: Standard (R/kwh)		0,9900	0,1485	1,1385	1,9800
Energy : High Demand: Off-Peak-Peak (R/kwh)		0,5725	0,0859	0,6584	1,1450
SSEG Tariff - Low Voltage Low Voltage (<500V)					
Munic Bill to Off-Taker					
Monthly Basic Charge		2069,64	310,45	2380,08	1898,57
Monthly Network Demand Charge (kVA)		72,37	10,86	83,23	66,39
Monthly Network Access Charge (kVA)		83,94	12,59	96,53	77,00
Energy Charge (off taker TARIFF)					
HIGH Peak-off taker tariff		3,2717	0,4908	3,7625	6,5434
HIGH Standard-off taker tariff		1,0474	0,1571	1,2045	2,0948
HIGH Off-peak-off taker tariff		0,6056	0,0908	0,6965	1,2113
LOW Peak-off taker tariff		1,1215	0,1682	1,2897	2,2430
LOW Standard-off taker tariff		0,7970	0,1196	0,9166	1,5940
LOW Off-peak-off taker tariff		0,5351	0,0803	0,6154	1,0702
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 categories on SSEG					
HIGH Peak-Customer tariff		1,1897	0,1785	1,3682	1,0914
HIGH Standard-Customer tariff		0,3809	0,0571	0,4380	0,3494
HIGH Off-peak-Customer tariff		0,2203	0,0330	0,2533	0,2021
LOW Peak-Customer tariff		0,4078	0,0612	0,4690	0,3741
LOW Standard-Customer tariff		0,2898	0,0435	0,3333	0,2659
LOW Off-peak-Customer ariff		0,1946	0,0292	0,2238	0,1785
Wheeling admin Charge		745,58	111,84	857,42	683,96

FINANCE &
ECONOMIC DEVELOPMENT

KOUGA LOCAL MUNICIPALITY

2026/27 FINAL ANNUAL TARIFFS SCHEDULE

FINANCE

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	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	0,00862	0,00825
	Equitable Share.					
	impermissable rate of R15 000.					
	for Rate Payer 60 years and older with a gross household income not more than					
1.1.2	**Private Open Place/Space**	Rate-in-the-Rand	0,00862	No VAT Implications	0,00862	0,00825
	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	0,01294	0,01238
1.2	**Business and Commercial**					
1.2.1	Business and Commercial Properties	Rate-in-the-Rand	0,01078	No VAT Implications	0,01078	0,01032
1.2.2	Business and Commercial: Vacant land	Rate-in-the-Rand	0,01294	No VAT Implications	0,01294	0,01238
1.3	**Industrial**					
1.3.1	Industrial Properties	Rate-in-the-Rand	0,01078	No VAT Implications	0,01078	0,01032
1.3.2	Industrial: Vacant land	Rate-in-the-Rand	0,01294	No VAT Implications	0,01294	0,01238
1.4	**Properties owned by an Organ of State and used for public service purposes**	Rate-in-the-Rand	0,01440	No VAT Implications	0,01440	0,01378
1.5	**Agricultural Properties** (Farms)	Rate-in-the-Rand	0,00216	No VAT Implications	0,00216	0,00206
	Other					
1.6	Properties owned by **Public Benefit Organisation** (PBO)	Rate-in-the-Rand	0,00216	No VAT Implications	0,00216	0,00206
	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	0,00216	0,00206
1.8	**Mining Properties**	Rate-in-the-Rand	0,01440	No VAT Implications	0,01440	0,01378
1.9	**Other**					
1.9.1	Interim Valuation Request		523	78	601	500
1.9.2	Valuation certificates		132	20	151	124
1.9.3	Reasons for Valuation		cost +10%		cost +10%	cost +10%

COMMUNITY & SAFETY SERVICES

KOUGA LOCAL MUNICIPALITY

2026/27 FINAL ANNUAL TARIFFS SCHEDULE

COMMUNITY AND SAFETY SERVICES

1 PARKS AND COMMUNITY AMENITIES

1,1 BUILDINGS & PROPERTIES

Rental : Halls & Facilities

1.1.1 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

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Damages		1 428	No VAT Implications	1 428	1 360
	Church Gathering (per 2 hr)	R/Per 2 hrs	244	37	281	233
	Concert (Non-Drinking Function)	R/Per Event	760	114	874	724
	Cleaning fees	Max 3 hours (Fee is optional)	551	83	634	525
	Concert Practice	R/Per Event	161	24	185	153
	Conferences					
	Dance and Disco (Drinking Functions)	R/Per Event	1 679	252	1 931	1 599
	Fetes / Bazaars	R/Per Event	413	62	475	393
	Funeral	R/Per 2 hrs	244	37	281	233
	Kitchen Rental		551	83	634	525
	Meetings (Non-Political)	R/Per Meeting	551	83	634	525
	Meetings (Political)	R/Per Meeting	1 072	161	1 233	1 021
	School Functions	R/Per Event	413	62	475	393
	Service Organisations : Social Clubs / Presentations	R/Per Event	186	28	214	177
	Special Events (Decorations)	R/Per Event	412	62	473	392
	Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Pa	R/Per Event	979	147	1 126	932
	Sport and Recreation (per day)	R/Per day	674	101	775	642
	Welfare organisation per year	R/Per year	755	113	868	719

Rental : Halls & Facilities

1.1.2 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

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Damages		1 428	No VAT Implications	1 428	1 360
	Church Gathering	R/Per 2 hrs	170	25	195	162
	Concert (Non-Drinking Function)	R/Per Event	473	71	544	450
	Cleaning fees	Max 3 hours (Fee is optional)	331	50	380	315
	Concert Practice	R/Per Event	108	16	124	102
	Conferences	R/Per day	639	96	735	608
	Dance and Disco (Drinking Functions)	R/Per Event	1 018	153	1 171	970
	Fetes / Bazaars	R/Per Event	271	41	312	258
	Special Operations Escourts (Flat Rate)	R/Per 2 hrs	170	25	195	162
	Kitchen Rental		490	74	564	467
	Meetings (Non-Political)	R/Per Meeting	363	54	417	345
	Meetings (Political)	R/Per Meeting	551	83	634	525
	School Functions	R/Per Event	170	25	195	162
	Service Organisations : Social Clubs / Presentations	R/Per Event	101	15	116	96
	Special Events (Decorations)	R/Per Event	271	41	312	258
	Special Events : Anniversaries / Birthdays / Gala Evenings / Kitchen Pa	R/Per Event	490	74	564	467
	Welfare organisation per year	R/Per year	377	57	434	359
	Sport and Recreation (per day)	R/Per day	337	51	388	321
	Other					
	Encroachment Fees		Sundry Amounts	Plus VAT	Sundry Amounts	Sundry Amounts
	Rental : Commonage		Sundry Amounts	Plus VAT	Sundry Amounts	Sundry Amounts
	Rental : Municipal Houses		Sundry Amounts	Plus VAT	Sundry Amounts	Sundry Amounts
	Rental : Quarry		Sundry Amounts	Plus VAT	Sundry Amounts	Sundry Amounts
	Rental : Sundry		Sundry Amounts	Plus VAT	Sundry Amounts	Sundry Amounts

1,2	**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.					
1.2.1	**CARAVAN PARKS/CAMPING**					
	JEFFREYS BAY					
	IN SEASON					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Stand with Electricity	R/Per Day	715	107	822	681
	Fee per Additional Vehicle	R/Per Day	100	15	116	96
	Fee per Additional Person	R/Per Day	100	15	116	96
	Entrance fee (4 people)	R/Per Day	45	7	52	43
	OUT OF SEASON (50% of In-Season Tariffs)					
	Stand with Electricity	R/Per Day	357	54	411	340
	Fee per Additional Vehicle	R/Per Day	50	8	58	48
	Fee per Additional Person	R/Per Day	50	8	58	48
	PELLSRUS					
	IN SEASON					
	Stand with Electricity	R/Per Day	357	54	411	
	Fee per Additional Vehicle	R/Per Day	50	8	58	
	Fee per Additional Person	R/Per Day	50	8	58	
	Entrance fee (4 people)	R/Per Day	23	3	26	
	OUT OF SEASON (50% of In-Season Tariffs)					
	Stand with Electricity	R/Per Day	179	27	205	
	Fee per Additional Vehicle	R/Per Day	25	4	29	
	Fee per Additional Person	R/Per Day	25	4	29	
1.2.2	**CARAVAN CLUBS**					
	More than 10 Caravans, Maximum of 40					
	More than 40 Caravans only May - November					
	IN SEASON (10% Discount on Normal Tariffs)					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	OUT OF SEASON (30% Discount on Normal Tariffs)					
	Stand with Electricity	R/Per Day	250	38	288	238
	Fee per Additional Vehicle	R/Per Day	35	5	40	33
	Fee per Additional Person	R/Per Day	35	5	40	33
1.2.3	**CHALETS**					
	IN SEASON					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Damage					
	Deposit		1 634	No VAT Implications	1 634	1 557
	Chalets					
	1 Bedroom	R/Per Day	884	133	1 016	842
	2 Bedroom	R/Per Day	1 375	206	1 581	1 309
	OUT OF SEASON (50% of In-Season Tariffs)					
	Damage					
	Deposit		1 634	No VAT Implications	1 634	1 557
	Chalets					
	1 Bedroom		441	66	507	420
	2 Bedroom	R/Per Day	717	107	824	683
	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	559	4 285	3 549
	2 Bedroom only 5 people per chalet and 1 vehicle		4 347	652	4 999	4 140
1.2.4	**OTHER**					
	IN SEASON					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Day Visitors Entrance Fee					
	Per Person	Kids under 12 years get free entrance	42	6	49	40
	OUT OF SEASON					
	Day Visitors Entrance Fee					
	Per Vehicle	R/Per Day	42	6	49	40
	Per Person	R/Per Day	42	6	49	40
	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	684	5 243	4 342
	Weekly (15 days) (4 people)	R/Week	2 609	391	3 000	2 485
	Fee per Additional 2 people, Per Day	R/Day	221	33	254	210
	Pensioners (per 2 people with 10 free visits)					
	Camping		165	25	190	158
	Extras person per day		58	9	66	55

	Monthly (maximum 2 monthly)	R/Month	3 308	496	3 804	3 150
	Weekly (15 days)	R/Week	1 654	248	1 902	1 575
1,3	**CEMETERIES**					
This tariff is applicable for all Cemeteries within the Kouga Jurisdictional						
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
1.3.1	***Adult graves***					
	Grave Plot		535	80	615	510
	Dig Grave		951	143	1 093	906
	Dig & Fill Grave		1 130	170	1 300	1 076
	Re-enter & Fill Grave		1 068	160	1 228	1 017
	Extra Depth		246	37	283	234
1.3.2	***Children graves***					
	Grave Plot		357	53	410	340
	Dig & Fill Grave		733	110	843	698
1.3.3	Dig Grave		697	105	802	664
	Re-enter & Fill Grave		691	104	794	658
1.3.4	***Other***					
	Niche		154	23	178	147
	Tombstone Application		301	45	346	287
1.3.5	***Kerbing***					
	Roll Over Stones per metre	Per metre	306	46	352	292
1,4	**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					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Books					
	Per day		1	0	1	1
	3 Months or Longer		160	24	183	152
	Photo copies					
	Black					
	A3	R/Per Page	2	0	2	2
	A4	R/Per Page	1	0	1	1
	Colour					
	A3	R/Per Page	3	0	3	3
	A4	R/Per Page	1	0	1	1
	Other					
	Visitors Administration Fee	R/Per Person	25	4	28	23
	Duplicate Membership Cards	R/Per Card	25	4	28	23
	Third replacement of cards	R/Per Card	47	7	54	45
	More than 3 replacement of Cards	R/Per Card	70	11	81	67
	Deposit					
	Per Book (Visitors)	R/Per Book	134	No VAT Implications	134	128
1,5	**PARKS AND OPEN SPACES**					
.						
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Removal of green waste (more than 2 bags, up to 5 bags)	more than 2 bags, up to 5 bags	322	48	370	306
	Removal of branches only (truck load)	truck load	536	80	616	511
1,6	**SPORTS AND RECREATION**					
	Sportsfield Rental per day : Music Concerts					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Sport Tournaments	R/Per Day	2 770	415	3 185	2 638
	Profitable Functions(Festivals,Concerts etc)	R/Per Day	5 816	872	6 689	5 539
	School Sports Tournaments		1 021	153	1 174	972
	Sports Affiliation per year	R/Per Year	529	79	608	504
	Welfare organisations per year	R/Per Year	710	106	816	676
	Deposit					
	Damages		1 233	No VAT Implications	1 233	1 174
2	**WASTE AND ENVIRONMENTAL MANAGEMENT**					
2,1	**ENVIRONMENTAL HEALTH**					
	APPLICATION FEES					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Business Licence	Per Application	97	15	112	93
	Traditional Slaughtering	Per Application	164	25	188	156
	Exhumations	Per Application	2 553	383	2 936	2 431
	CERTIFICATES					
	Certificate of Acceptability/Competence	Per Certificate	206	31	237	197
	Condemnation Certificate	Per Certificate	206	31	237	197
	Health Certificate	Per Certificate	203	31	234	194
	HAWKERS STANDS PER MONTH					
	Arts & Crafts (including wood)	R/Month	124	19	142	118
	Fruit & Vegetables	R/Month	186	28	214	177
	Clothing Jewellery	R/Month	422	63	486	402
	2nd Hand goods	R/Month	186	28	214	177
	Wood and Wood products	R/Month	135	20	155	128
	SEASONAL HAWKERS STAND PER DAY					
	Arts & Crafts	R/Day	105	16	120	100
	Fruit & Vegetables	R/Day	176	26	203	168

	Clothing Jewellery, etc	R/Day	105	16	120	100
	2nd Hand goods	R/Day	105	16	120	100
	Food stalls	R/Day	309	46	356	295
	Beach equipment and accessories	R/Day	309	46	356	295
	Wood and Wood products	R/Day	114	17	131	108
	INSPECTIONS & MONITORING:					
	Inspections at events per day	R/Day	315	47	362	300
	Final Inspections (building control)	Per Application	525	79	604	500
	Inspections & monitoring at traditional ceremonies	Per Application	158	24	181	150
	Monitoring of exhumations	Per Application	263	39	302	250
	CLEANING OF PRIVATE PLOTS :					
	Grass only (per m²)	per m²	2	0	3	2
	: Lightly overgrown (per m²)	per m²	5	1	6	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	1	10	8
	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	2	17	14
	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	211	1 620	1 342
2.2	**ENVIRONMENTAL MANAGEMENT FEE**					

NERSA APPROVED TARIFFS

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Undeveloped erven - per annum	Per Annum	650	97	747	619
	Domestic					
	Households	R/Month	54	8	62	52
	Free Basic Services to Registered Indigent Consumers	R/Month	- 54	- 8	- 62	- 52
	Multi Dwelling Units (per Unit)	Per Unit/Per Month	54	8	62	52
	Skips	Per Month	246	37	283	234
	Commercial					
	Small	R/Month	59	9	68	56
	Medium	R/Month	119	18	136	113
	(3 Removals per week, monthly tariff)	R/Month	119	18	136	113
	(6 Removals per week, monthly tariff)	R/Month	272	41	312	912
	Skips	R/Month	165	25	190	1 049
2.3	**WASTE**					
	REMOVAL					

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Domestic					
	Households	R/Per Month	264	40	304	252
	Additional houshold bin		132,0386	19,8058	151,8444	126
	Free Basic Services to Registered Indigent Consumers	R/Per Month	-264,4839	-39,6726	-304,1565	- 252
	Multi Dwelling Units (per Unit)	R/Per Month	199,2942	29,8941	229,1884	190
	Skips (Multi-dwellings)	R/Per Month	3435,0744	515,2612	3950,3355	3 271
	Skips at Retirement Villages (per month)	R/Per Month	2 296	344	2 640	2 187
	Commercial					
	Small (1 bin)	R/Per Month	264	40	304	252
	Additional Bin Once Per Week (Per Bin)	R/Per Month	527,10	79,06	606,16	502
	(3 Removals per week, monthly tariff)	R/Per Month	1318,70	197,81	1516,51	1 256
	(6 Removals per week, monthly tariff)	R/Per Month	2847,26	427,09	3274,35	2 712
	Skips (One Removals per week)	R/Per Month	2343,29	351,49	2694,78	2 232
	Skips (Two Removals per week)	R/Per Month	3402,62	510,39	3913,01	2 636
	SUNDRY CHARGES / REMOVALS					
	240 Litre Wheely-bin (purchasing new bin)		1 006	151	1 157	959
	Condemnation - removal and disposal of food, animals, etc		2281,14	342,17	2623,31	2 173
	Augmentation Fees					
	Refuse		2343,2894	351,4934	2694,7828	2 232
2.4	**NATURE CONSERVATION**					
	GAMTOOS RIVER MOUTH NATURE RESERVE					

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Camping/Caravan Sites					
	Max 6 persons p/day	Per Day	128	19	147	122
	Extra per person per day	Per Day	34	5	39	32
	Once off entrance fee		80	12	92	76
	Entrance Fees					
	Entrance fee		80	12	92	76
	Gamtoos Mouth Home-Owners Annual Entrance Fee		347	52	399	330
	LOERIEDAM NATURE RESERVE					
	Day Visitors	Per Day	34	5	39	32
	Rentals					
	Field study centre : per person per night	per person per night	155	23	179	148
	Robinson's camp : per person per day	per person per day	43	7	50	41
	Robinson's camp : per person per night	per person per night	99	15	114	95
	Education courses					
	per person per course (exclude first two teachers)		76	11	87	72
	per pupil per weekend		99	15	114	95
	BOAT REGISTRATION FEES (River Licenses)					
	Pleasure boats					
	Launch site Boat Permit Fee (Dolphin Beach)					
	Per annum		1 064	160	1224	1 013
	Semi Annual		532	80	612	507
	Per day		228	34	263	217
	7 days		1 370	205	1 575	1 304

	Temp Fee Gamtoos					
	Per day		130	20	150	
	7 days		652	98	750	
	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					
	Temp Fee Kromme					
	Per day		239	36	275	217
	7 days		1 435	215	1 650	1 304
	Recreational Vessels (per annum)					
	Up to 15hp	Per annum	522	78	600	496
	16hp to 119hp	Per annum	852	128	980	800
	120hp to 249hp	Per annum	1 322	198	1 520	1 217
	250hp to 299hp	Per annum	2296	344	2640	2 087
	300hp to 399hp	Per annum	3652	548	4200	3 261
	400hp and greater	Per annum	5 130	770	5 900	4 652
	Multi Vessels (per annum)					
	Up to 15hp	Per annum	1004	151	1155	957
	16hp to 119hp	Per annum	1 278	192	1 470	1 217
	120hp to 249hp	Per annum	1 817	273	2 090	1 652
	250hp to 299hp	Per annum	2 678	402	3 080	2 435
	300hp to 399hp	Per annum	6 810	1 022	7 832	6 191
	400hp and greater	Per annum	9 728	1 459	11 187	8 843
	Commercial Vessels (per annum)					
	Up to 15hp	Per annum	657	99	756	626
	16hp to 119hp	Per annum	1 278	192	1 470	1 217
	120hp to 249hp	Per annum	2 210	331	2 541	2 009
	250hp to 299hp	Per annum	3 730	560	4 290	3 391
	300hp to 399hp	Per annum	4 438	666	5 104	4 035
	400hp and greater	Per annum	6313	947	7260	5 739
2.5	***WATERWAYS***					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Licence Fees per Annum					
	Non Riparian Levy Owners	R/Per Annum	2 442	366	2 808	2 261
	(Riparian Levy Owners first boat free)					
	Riparian Levy Owners (for boats in addition to first free boat)		2015	302	2317	1 865
	Commercial Operators per passager registered on COF	R/Per Passenger	2436	365	2802	2 268
	Riparian Commercial Operators per passager registered on COF	R/Per Passenger	1881	282	2163	1 751
	Jet ski access to river mouth (in addition to annual licence fee)		87	13	100	
	Moorings					
	Permanent Moorings					
	Annually	Per Annum	9 307	1 396	10 703	8 461
	Non Permanent Moorings					
	Riparian Levy					
	Per Annum		5 588	838	6 426	5 174
	(Riparian Levy Owners first boat licence free)		- 2 015	- 302	- 2 317	- 1 969
	Sundry Income		Sundry Amounts	Sundry Amounts	Sundry Amounts	Sundry Amounts
	Temporary Permits					
	One Day	R/Per Day	256	38	294	239
	Two to Seven Days	R/2-7 Days	1585	238	1823	1 482
	OTHER					
	Beach Cycling (Non-motorised)					
	Per annum		263	39	302	250
	Per Month		105	16	121	100
3	**FIRE AND DISASTER MANAGEMENT**					
3.1	**FIRE FIGHTING SERVICES**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Fires					
	Major Spillages road or rail					
	Vegetation fires					
	Tariffs per hour or part thereof					
	Major appliance (inclusive of manpower)					
	Aerial Support	R/per hr or part thereof	46 967	7 045	54 011	44 730
	Rescue pumps	R/per hr or part thereof	2317,5749	347,6362	2665,2111	2 207
	Auxiliary appliance (Inclusive of manpower)					
	Off-Road, light/heavy rescue, hazmat units	R/per hr or part thereof	1050,8866	157,6330	1208,5196	1 001
	Service vehicles (Inclusive of manpower)					
	LDV's and transporters	R/per hr or part thereof	607	91	698	578
	Trailers & units (inclusive of manpower)					
	Fuel/hydrant trailer, BA trailer and command unit	R/per hr or part thereof	307	46	353	292
	Personnel charges (cost if additional personnel required)					
	Senior Officer	R/per hr or part thereof	607	91	698	578
	Officers	R/per hr or part thereof	307	46	353	292
	Fire Fighters	R/per hr or part thereof	157	24	180	149
	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 thereof	4 635	695	5 330	4 414
	Auxiliary appliance (Inclusive of manpower)					
	Off-Road, light/heavy rescue, hazmat units	R/per hr or part thereof	2 102	315	2 417	2 002
	Service vehicles (Inclusive of manpower)					
	LDV's and transporters	R/per hr or part thereof	1 213	182	1 395	1 156
	Trailers & units (inclusive of manpower)					
	Fuel/hydrant trailer, BA trailer and command unit	R/per hr or part thereof	614	92	706	585
	Personnel charges (cost if additional personnel required)					
	Senior Officer	R/per hr or part thereof	1 213	182	1 395	1 156

	Officers	R/per hr or part thereof	614	92	706	585
	Fire Fighters	R/per hr or part thereof	314	47	361	299
	Standby duties					
	Water jets (65mm hose)	R/per hr or part thereof	488	73	561	464
	Monitoring of incidents					
	Tariffs per hour or part thereof					
	Major appliance (inclusive of manpower)					
	Rescue pumps/Aerial appliance	R/per hr or part thereof	1 159	174	1 333	1 104
	Auxiliary appliance (Inclusive of manpower)					
	Off-Road, light/heavy rescue, hazmat units	R/per hr or part thereof	525	79	604	500
	Service vehicles (Inclusive of manpower)					
	LDV's and transporters	R/per hr or part thereof	303	46	349	289
	Trailers & units (inclusive of manpower)					
	Fuel/hydrant trailer, BA trailer and command unit	R/per hr or part thereof	153	23	176	146
	Personnel charges (cost if additional personnel required)					
	Senior Officer	R/per hr or part thereof	303	46	349	289
	Officers	R/per hr or part thereof	153	23	176	146
	Fire Fighters	R/per hr or part thereof	78	12	90	75
	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 thereof	2 318	348	2 665	2 207
	Auxiliary appliance (Inclusive of manpower)					
	Off-Road, light/heavy rescue, hazmat units	R/per hr or part thereof	1 051	158	1 209	1 001
	Service vehicles (Inclusive of manpower)					
	LDV's and transporters	R/per hr or part thereof	607	91	698	578
	Trailers & units (inclusive of manpower)					
	Fuel/hydrant trailer, BA trailer and command unit	R/per hr or part thereof	307	46	353	292
	Personnel charges (cost if additional personnel required)					
	Senior Officer	R/per hr or part thereof	607	91	698	578
	Officers	R/per hr or part thereof	307	46	353	292
	Fire Fighters	R/per hr or part thereof	157	24	180	149
	Other					
	Certified copy of incident report	R/per copy	185	28	213	176
	Population certificate	R/Per Certificate	325	49	374	309
	Training					
	Fire prevention tariff per hour or part thereof					
	Events porpulation certificate		430	64	494	410
	Transportation of dangerous goods certificate		430	64	494	410
	Renewal of licence to store petroleum/liquified petroleum gas	R/per hr or part thereof	398	60	458	379
	Approval of LPG installation plans	R/per hr or part thereof	398	60	458	379
	Approval of petroleum storage plans	R/per hr or part thereof	398	60	458	379
	Approval of bulk storage hazardous installation	R/per hr or part thereof	1 134	170	1 304	1 080
	Final Building Inspections	R/per hr or part thereof	1 134	170	1 304	1 080
	Certification of premises	R/per hr or part thereof	398	60	458	379
	Inspection and Issuing of control burning permits	R/per hr or part thereof	493	74	567	469
	Lectures/evacuation drills	R/per hr or part thereof	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 thereof	398	60	458	379
	Approval of major hazardous installation reports	R/per hr or part thereof	398	60	458	379

4 SAFETY AND SECURITY

4.1 ANIMAL POUND

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Sustenance Fees -per day					
	Horses, Cattle & Pigs	R/Per Day (Per Animal)	169	25	195	161
	Sheep & Goats	R/Per Day (Per Animal)	81	12	93	77
	Delivery Fee/km	R/Per Day (Per Animal)	37	5	42	35
	Trespass - per day					
	Horses, cattle, pigs (minimum)	R/Per Day (Per Animal)	346	52	398	329
	Sheep, goats (minimum)	R/Per Day (Per Animal)	346	52	398	329
	Pound fees per day					
	Horses, cattle, ostriches & pigs per head	R/Per Day (Per Animal)	103	15	119	98
	Goats and sheep per head	R/Per Day (Per Animal)	29	4	33	28

4,2 NATIONAL TRAFFIC (NATIS)

Item	*Description*	Basis of Charge	2026/27 Excl VAT	VAT	2026/27 Incl VAT	2025/26 Excl VAT
	Drivers Licence : Application : Light Vehicle		309	No VAT Implications	309	309
	Drivers Licence : Application : Heavy Vehicle		362	No VAT Implications	362	362
	Drivers Licence : Temporary		101	No VAT Implications	101	101
	Drivers Licence: Issue renewal		227	No VAT Implications	227	227
	Duplicate : Learners Licence		189	No VAT Implications	189	189
	Duplicate : Registration Certificate		674	No VAT Implications	674	674
	Learners Licence : Application		224	No VAT Implications	224	224
	Learners Licence : Certificate		72	No VAT Implications	72	72
	Instructor Certificate : Application		362	No VAT Implications	362	362
	Public Driving Permit : Application		113	No VAT Implications	113	113
	Roadworthy Certificate		72	No VAT Implications	72	72
	Roadworthy Certificate : Application : Motor Cycles		110	No VAT Implications	110	110
	Roadworthy Certificate : Application : Other Vehicle		192	No VAT Implications	192	192
	Roadworthy Certificate : Application : Goods Vehicle		224	No VAT Implications	224	224
	Roadworthy Certificate : Application : Busses		236	No VAT Implications	236	236
	Vehicle Licences (81%)		Sundry Amounts		Sundry Amounts	Sundry Amounts
	Vehicle Licences (19%)		Sundry Amounts		Sundry Amounts	Sundry Amounts
	Vehicle Registration		139	No VAT Implications	139	139
	Vehicle Registration Penalties		Sundry Amounts		Sundry Amounts	Sundry Amounts
	Vehicle De-Registration		Sundry Amounts		Sundry Amounts	Sundry Amounts
	Temporary Permit		110	No VAT Implications	110	110
	Special Permit		85	No VAT Implications	85	85
	Disabled Parking Disc		117	No VAT Implications	117	117
	RTMC (Transaction Fees)		76	No VAT Implications	76	76
	Disabled Parking Issuing/Renewal		117	No VAT Implications	117	117
	Disabled Parking Application		210	No VAT Implications	210	210

	IMPOUNDMENT OF VEHICLES					
	First time offenders		2 826	424	3 249	2 691
	Second time offenders		4 521	678	5 199	4 306
	Third time offenders		9 042	1 356	10 398	8 611
	Abandoned Vehicles		2 691	404	3 095	2 563
4.3	**SAFETY AND SECURITY**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	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	15	115	50
	Storage fees per day - exceeding 30 days	R/Per Day	121	18	140	116
	Enquiries vehicle accident		193	29	222	183
	Selling of Vehicles on a site approved by Council (Per Day)	R/Per Day	103	15	119	98
	Traffic Assistance					
	Events (Per Hour)	R/Per hr/Per officer	269	40	310	392
	Funerals (Flat Rate)	Flat Rate	721	108	829	687
	Fines : Traffic	Sundry Amounts	Sundry Amounts		Sundry Amounts	Sundry Amounts
	Traffic Escort Services					
	Normal Loads (Per officer/Per hour)	Per Officer/Per hr	250	38	288	-
	Abnormal Loads (Per officer/Per hour)	Per Officer/Per hr	430	64	495	-
	Escort Services (Per km/Vehicle)	Per km	5	No VAT Implications	5	-

PLANNING & DEVELOPMENT

KOUGA LOCAL MUNICIPALITY

2026/27 FINAL ANNUAL TARIFFS SCHEDULE

PLANNING AND DEVELOPMENT

1	**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.					
	Charged per Equivalent Erf / ERU where applicable					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
1.1.1	Roads and Storm Water	Charged per Equivalent Erf	5 963	895	6 858	5 679
1.1.2	Sewerage	Charged per Equivalent Erf	29 548	4 432	33 980	28 141
1.1.3	Water	Charged per Equivalent Erf	29 186	4 378	33 564	27 405
1.1.4	Electricity	Charged per Equivalent Erf	15 623	2 343	17 966	14 669
1.1.5	Refuse	Charged per Equivalent Erf	2 343	351	2 695	2 232
1,2	***Additional Dwelling Units***					
1.2.1	Additional Dwelling Unit Less than 60 m² (on one erf)		Nil	Nil	Nil	Nil
1.2.2	Additional Dwelling Unit Greater than 60 m² but less than 120 m² (on one erf)		15 280	2 292	17 572	14 415
1.2.3	Additional Dwelling Unit Greater than 120 m² up to limits (on one erf)		30 559	4 584	35 143	28 830
1.2.4	Guest Houses (Accom. Establishment) per m² of total erf		58	9	67	55
2	**HOARDING CHARGES**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
2,1	Hoarding Fees (per month)	Per Month	804	121	925	759
2,2	Hoarding Penalty fee		1 881	282	2 163	1 774
3	**BUILDING PLAN FEES**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
3,1	**Standard Building Applications**					
	Minor building applications- *In Terms of Sec 13 of the Act*		819	123	942	773
	Telecommunication Mast		10 983	1 647	12 630	###### #########
	Submission where building plans were previously approved shall be 20% of the submission fee.					
	Garden Walls and Fixed Fences		635	95	730	599
	Garden Walls and Fixed Fences - (RDP & Sub Economic Area)		317	48	365	300
	Swimming Pools		819	123	942	839
3,2	**RDP Housing / Sub-Economic Areas**					
	0 - 50 m²		635	95	730	599
	above 50 m²		783	117	900	738
3,3	**Other Areas**					
	0- 20 m²		1 359	204	1 562	1 282
	for each additional 10 m² or part thereof up to 3000 m²		224	34	257	211
	greater than 3001 m² per 500 m² or part thereof		674	101	776	636
	Fees are applicable to a once-off submission and no phase or separate submissions will be considered.					
3,4	**Wind Turbines**					
	Per Turbine		11 642	1 746	13 388	10 983
	Any structure additional to turbine					
	0 - 20 m²		1 410	212	1 622	1 330
	for each additional 10 m² or part thereof up to 3000 m²		246	37	283	232
	greater than 3001 m² per 500 m² or part thereof		742	111	853	700
3,5	**Industrial Rural (Agricultural)**					
	0 - 20 m²		1 495	224	1 719	1 410
	for each additional 10 m² or part thereof up to 3000 m²		246	37	283	232
	greater than 3001 m² per 500 m² or part thereof		742	111	853	700
3,6	**Churches**					
	0 - 1000 m²		1 757	264	2 021	1 658
	greater than 1000 m² - for each additional 10m²		318	48	366	300
	Deviation plan (With no change in area from previous approved plan)		1 126	169	1 294	1 062
	RDP Housing/Sub-economic		624	94	717	588
	Change of Use (e.g Change of Garage to habitable room with no change of area)		1 188	178	1 366	1 121
	RDP Housing/Sub-economic		624	94	717	588
3,7	**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	-
3,8	**Re-Inspection Fees**					
	RDP Housing/Sub-economic		486	73	559	458
	Other		971	146	1 117	916
	Penalty inspection fees	Per Inspection	1 053	158	1 211	993
	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
	Application for Extension of Validity Period of Approval - *Sec 7(4)*		500	75	575	
	Application for permission to occupy building before issuing the certificate of occupancy:					
	0-1000sqm		4 108	616	4 724	3 875
	1001-5000sqm		7 961	1 194	9 155	7 510
	5001- and above		16 165	2 425	18 590	15 250
3,9	**Occupation Certificate**					
	Resubmission Fee- 1st application free, as per NBR, from 2nd fee to be paid by RP		1 002	150	1 152	945
3.10'	**Copies and Searches**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Search fees per hour or any part thereof		178	27	205	168
	Request for copies of Building Plans		600	90	690	
3,11	**Building Deposits**					
	Where possible, building deposits are placed on a debtor's account relevant to the applicable erf, alternatively the suspense account is utilized					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Sub-economic		2 501	No VAT Implications	2 501	2 360
	Other		18 759	No VAT Implications	18 759	17 697
3,12	**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
4	**TOWN PLANNING & ERF INFORMATION**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Zoning Certificates		328	49	377	309
	Extension of Validity Period of Approval *[Sec 57(k)]*		207	31	238	195
	Land use application (All advertising and registered mail costs excluded)					
	Rezoning application : Other *[Sec 57(c)]*		5 565	835	6 399	5 250
	Rezoning application : RDP, Low cost housing/erven smaller than 250m²		1 876	281	2 157	1 770
	Departure application : Other *[Sec. 57(i)]*		5 565	835	6 399	5 250
	Departure application : RDP, Low cost housing/erven smaller than 250m²		1 876	281	2 157	1 770
	Sub-division application : Other (less than 5 Erven) *[Sec. 57(a)]*		5 565	835	6 399	5 250
	Sub-division application : Other (Into 6 -250 Erven)		11 129	1 669	12 798	10 499
	Sub-division application : Other (Into > 251)		16 694	2 504	19 198	15 749
	Sub-division application : RDP, Low cost housing/erven smaller than 250m²		1 770	265	2 035	1 670
	Phasing of Subdivision *[Sec 57(b)]*		2 079	312	2 390	1 961
	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
	Consent in terms of a condition of Title Deed		7 818	1 173	8 990	7 375
	Consent use application : Other *[Sec 57(h)]*		3 752	563	4 314	3 539
	Consent use application : RDP, Low cost housing/erven smaller than 250m²		1 876	281	2 157	1 770
	Site Development Plan Submission		1 863	279	2 143	1 758
	Application for exemption from Municipal Approval *[Sec 66(I)] SPLUM by-law)*		1 658	249	1 906	1 564
	Application for Appeal		1 657	249	1 906	1 563
	Amendment, deletion or addition of conditions i.r.o. existing approval *[Sec 66(n)]*		1 863	279	2 142	1 757
	Approval/ amendment/Disestablishment of constitution of an 'owners' association		1 657	249	1 906	1 563
	Determination of Zoning - *Sec 181 of Splum by-law*		3 180	477	3 657	3 000
	Amendment or cancellation of Subdivision Plan - *[Sec 57(n)] Splum by-law*		1 658	249	1 907	1 564
	Consolidation of land *[Sec 57(e)]*		5 738	861	6 599	5 413
	Temporary Departure		5 618	843	6 461	5 300
	Temporary Departure (RDP)		1 685	253	1 938	1 590
	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
5	**ADVERTISING TARIFFS**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Annual rent tourism boards		394	59	453	371
	Tourism boards : Application		1 012	152	1 163	954
	Advertising boards confiscated per board <1m²		241	36	277	227
	Advertising boards confiscated per board >1m²		1 162	174	1 336	1 096
	Business advertising application < 1m²		250	38	288	236
	Business advertising application between 1m² and 5 m²		467	70	537	440
	Business advertising application > 5m²		1 526	229	1 754	1 439
	Municipal roads reserve advertising costs per month > 1m²		316	47	364	298
	Business advertising cost between 1m² and 5 m² - monthly		632	95	727	597
	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
	Election Posters (Per Party / Per Candidate / Per Ward)		1 445	217	1 662	1 363
	Advertising Trailers (Per Month or part thereof)		448	67	515	422
	Illuminated street signs		5 507	826	6 333	5 195
	Poster advertising (Max 100 posters)		1 224	184	1 408	1 155
	Annual licensing fee for Estate Agents		2 000	300	2 300	
6	**BUILDING CONTROL CONTRAVENTIONS**					
	SANS 10400 REGULATIONS					
	OFFENCE					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Building without approved plans(including regulation A25(10)		2 978	447	3 424	2 809
	Continuing in contravention of a notice to erect a building (per day)		1 787	268	2 055	1 685
	Failure to demolish, alter, secure a building or a land F3(2)		5 955	893	6 848	5 618
	Failure to submit engineers completion certificate A2(1)(f)		1 191	179	1 370	1 124
	submission of false certificate's		2 382	357	2 739	2 247
	Occupation or use of a building without certification of occupancy		5 955	893	6 848	5 618
	Prohibition on the use of certain methods or materials		2 382	357	2 739	2 247
	Failure to submit engineers drawings and engineers completion certificates		1 191	179	1 370	1 124
	Failure to Provide approved plans and particulars on site		2 382	357	2 739	2 247
	False or misleading information		1 191	179	1 370	1 124
	Boundary beacons not pointed out		1 191	179	1 370	1 124
	Installations, maintenance and operations		1 787	268	2 055	1 685
	Illegal certificate of identity		1 191	179	1 370	1 124
	Control of plumbing work		2 978	447	3 424	2 809
	Failure to notify for commencing erection or demolition		1 787	268	2 055	1 685
	Use of a building for the purpose other than that indicated on the approved plan		2 382	357	2 739	2 247
	Deviating from approved plan (foundations, walls freestanding and retaining		2 382	357	2 739	2 247
	Failure to comply with the provisions of a notice in terms of regulation A25		5 955	893	6 848	5 618
	Failure to comply with provisions concerning demolitions condition		1 787	268	2 055	1 685
	Protection of the public site operations		5 955	893	6 848	5 618
	Failure to secure unstable soil or land		3 573	536	4 109	3 371
	Failure to Control of dust and noise		2 382	357	2 739	2 247
	Cutting into, laying open and demolishing certain building work		2 382	357	2 739	2 247
	Failure to safeguard any persons from falling from such balcony bridge, flat roof or similar place		5 955	893	6 848	5 618
	Failure to safe guard a swimming pool		2 382	357	2 739	2 247
	Accumulation of waste material on site		5 955	893	6 848	5 618
	Failure to construct and locate the builders shed to the satisfaction of the local authority		1 787	268	2 055	1 685
	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
	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
	Failure to provide adequate approved sanitary facilities for staff in an approved location before erection or demolition of the premises		2 382	357	2 739	2 247
	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
	Laying of sewer installation not within the premises		1 787	268	2 055	1 685
	Prohibition on discharge storm water to enter any drainage installation on any site		5 955	893	6 848	5 618

	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
	Unauthorised drainage work		2 382	357	2 739	2 247
	Putting a sewer installation into use without an inspection		1 787	268	2 055	1 685
	Failure to provide storm water disposal requirements		2 978	447	3 424	2 809
	Failure to provide sufficient protection of occupants or users in any building		5 955	893	6 848	5 618
	Failure to provide sufficient fire extinguishers or failure to ensure that such extinguishers are installed, maintained, and serviced		5 955	893	6 848	5 618
	Problem Buildings (Dilapidated etc)		5 955	893	6 848	5 618
	Failure to maintain boundary wall/party walls		1 191	179	1 370	1 124
	Structural integrity of building		2 978	447	3 424	2 809
	Failure to dispose of building rubble		2 382	357	2 739	2 247
	Illegal temporary structure fee		2 382	357	2 739	2 247
	Hindering/preventing Building Control Officer/ Building Inspector		2 382	357	2 739	2 247
	from entering premises or doing their job		2 978	447	3 424	2 809
	Illegal carports and awnings		2 978	447	3 424	2 809
	Control of storm water relay		3 573	536	4 109	3 371
7	**LAND AND PROPERTY ADMINISTRATION**					
Item	***Description***	**Basis of Charge**	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
	Application Fee: Non-viable land (land that cannot be developed on its own) lease or buy		337	51	388	318
	Application Fee: Non-profit organisation/social care (Non-viable land)		112	17	129	106
	Application Fee: Non-profit organisation/social care (Viable land)		562	84	646	530
	Application Fee: Leasing for business and commercial purposes		899	135	1 034	848
	Application Fee: Leasing for social related purposes		112	17	129	106
	Application Fee: Minor encroachments 0 - 10cm		-	-	-	-
	Application Fee: Minor encroachments 10cm and above		562	84	646	530
	Advertisment Fees		1 685	253	1 938	1 590
	Application Fee: Draft of Lease and Sale Agreements		281	42	323	265

CIVIL & WATER SERVICES

KOUGA LOCAL MUNICIPALITY

2026/27 FINAL ANNUAL TARIFFS SCHEDULE

CIVIL AND WATER SERVICES

PUBLIC WORKS

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				
Description	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
Roads and Storm Water	5 963	895	6 858	5 679
SANITATION				
CHARGE (MONTHLY)				
Buckets	209	31	241	200
Free Basic Services to Registered Indigent Consumers	- 209	- 31	- 241	- 200
SEWERAGE				
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				
Fixed Charge				

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)	

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
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
Sewerage Tariff Categories and Discharge Factors				
	Minimum Volume (kl/month) (T05)		Maximum Volume (kl/month) (T06)	Minimum Volume (kl/month) (T05)
Offices (Com1)				
Offices	10		No Max.	10
Restricted Business A (Com2)				
Funeral Parlours	15		No Max.	15
Licensed Bottle Stores / Pubs / Taverns				
Offices				
Supermarkets				
Shops				
Restricted Business B (Com3)				
Day-Care Centres	15		No Max.	15
Medical Uses				
Places of Entertainment				
Service Stations				
Motor Showrooms				
Places of Instruction				

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

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

SERVICE DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
Group Housing (Res3)				
Retirement Villages	10		50	10
Town Housing				
General Residential (Res4)				
Flats	6		50	6
General (Gen1)				
Undetermined	10		No Max.	10
Bulk / Private Developments (Bulk)	No Min.		No Max.	No Min.
Unmetered Potable Water Supply (Unmetered)			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)	2 062	309	2 372	1 964
Commercial (per annum)	3 742	561	4 303	3 563

FIXED CHARGE (MONTHLY)				
COMMERCIAL				
Commercial 1 - Offices	536	80	616	510
Commercial 2 - Restricted Business A	636	95	731	606
Commercial 3 - Restricted Business B	626	94	720	597
Commercial 4 - Special Business	626	94	720	597
Commercial 5 - Resorts	517	78	595	492
INDUSTRIAL				
Industrial 1 - General Industrial	586	88	674	558
Industrial 2 - Noxious Industrial	636	95	731	606
Industrial 2 - Noxious Industrial - Agreement - Woodlands Dairy (45% Discount)	350	52	402	333
INSTITUTIONAL				
Institutional 1 - Educational (Schools)	893	134	1 027	851
Institutional 1 - Educational (Hostels)	893	134	1 027	851
Institutional 2 - Institutions	595	89	684	567
DOMESTIC/RESIDENTIAL				
Residential 1 - Freehold Title	328	49	378	313
Free Basic Services to Registered Indigent Consumers	- 328	- 49	- 378	- 313
St Francis Bay (Previously Annual Payers of sewer levy) - No Variable Charge	328	49	378	313
Free Basic Services to Registered Indigent Consumers	- 328	- 49	- 378	- 313
Residential 2 - Low Cost Housing	221	33	254	210
Free Basic Services to Registered Indigent Consumers	- 221	- 33	- 254	- 210

MULTIPLE DWELLINGS (Multiply Charge by number of Units)				
Residential 3 - Group Housing	349	52	401	332
Residential 4 - General Residential	304	46	349	289
GENERAL				
Undetermined	430	65	495	410
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**
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	27	210	174
Free Basic Services to Registered Indigent Consumers	- 183	- 27	- 210	- 174
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	22	3	26	21

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.

SERVICE DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
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	331	50	381	315
Business : 1 Load or part thereof to a maximum of 6000 litres	466	70	536	444
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	466	70	536	444
Business : 1 Load or part thereof to a maximum of 6000 litres	657	99	756	626
Penalty Fee (Spillage)	1 050	158	1 208	1 000
Rural Areas				
Per Load	466	70	536	444
Plus per km	19	3	22	18

DISPOSAL VIA ROAD HAULAGE (R per KL)				
Tanker Disposal of Sewerage (NOT Exceeding Domestic	105	16	121	100
Tanker Disposal of Sewerage (Exceeding Domestic Strength)	Cost			Cost
Tanker Disposal of Portable Toilet Sewerage (NOT Exceeding Domestic Strength)	-	-	-	
Tanker Disposal of Portable Toilet Sewerage (Exceeding	Cost			Cost
Application for Disposal Permit (Per Year)	813	122	935	774
SUNDRIES				
Connection fees				
Short Connection (Up to 3m)	2 621	393	3 014	2 496
Long Connection (Road crossing)	14 215	2 132	16 347	13 538
Blockage fees				
Define blockage fee (Andre to provide)				
During Office Hours				
After Hours & Weekends				
Augmentation Fees				
Sewerage	29 548	4 432	33 980	28 141
Description	**2026/27 Excl VAT**	**VAT**	**2026/27 Incl VAT**	**2025/26 Excl VAT**
WATER				
AVAILABILITY CHARGE (PER ANNUM)				
Undeveloped erven	3 139	471	3 610	2 948
CONNECTION FEES				
Up to 20 mm (With Smart Meter)	6 390	958	7 349	6 000

Up to 20 mm	4 204	631	4 834	3 947
32 mm	4 904	736	5 640	4 605
50 mm	16 044	2 407	18 451	15 065
75 mm	21 313	3 197	24 509	20 012
110 mm	25 362	3 804	29 166	23 814
110 mm (With Smart Meter)	25 362	3 804	29 166	23 814
Greater than 110mm	COST +20%			COST +20%
Pre-paid (25mm)	COST +20%			COST +20%
Augmentation Fees				
Water	29 186	4 378	33 564	27 405

CONSUMER DEPOSITS				
Consumer deposits are payable by customers who connect to a new service supply address where a new account is opened. 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	No VAT Implications	450	443
Commercial	2 850	No VAT Implications	2 850	2 757
BASIC/MINIMUM MONTHLY CHARGE				
Domestic				
Kouga	182	27	210	171
Free Basic Services to Registered Indigent Consumers	- 182	- 27	- 210	- 171
Kouga > 25 mm Connection	318	48	366	299
Free Basic Services to Registered Indigent Consumers	- 318	- 48	- 366	- 299
Sectional Title Developments comprising of ONLY domestic units				
Kouga	182	27	210	171
Commercial				
Kouga	182	27	210	171
Kouga > 25 mm Connection	318	48	366	299
Old Age Homes				
Ons Tuiste (Humansdorp) (Includes 1st 400Kl)	182	27	210	171
Commercial (High Density)				
Sectional Title Developments comprising of ONLY commercial units				
Kouga	182	27	210	171

NERSA APPROVED TARIFFS

Sectional Title Developments comprising of BOTH commercial and domestic units				
Kouga	182	27	210	171
Treated Sewerage Water				
Kouga	280	42	322	263
Industrial				
Kouga	318	48	366	299
Rural (Farm Worker's Houses)				
(Tariff for rural consumers includes a surcharge of 25%).				
Kouga				
1 house	215	32	247	202
2 - 5 houses	525	79	604	493
6 - 10 houses	1 396	209	1 606	1 311
11 - 25 houses	3 062	459	3 522	2 875
Rural (NMBM Tariff)				
Kouga	215	32	247	202
Schools				
Kouga	182	27	210	171
Sportsfields				
Kouga	182	27	210	171

SERVICE / DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
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	3	20	16
13 - 25	18	3	21	17
26 - 45	22	3	25	20
46 - 65	36	5	41	33
66 - 85	49	7	56	46
86+	60	9	69	56
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	3	20	16
13 - 25	18	3	21	17
26 - 45	22	3	25	20
46 - 65	36	5	41	33
66 - 85	49	7	56	46
86+	60	9	69	56

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	3	20	16
1251 - 5000	17	3	20	16
5001 - 7500	22	3	25	20
7501+	45	7	51	42
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	2	13	10
SCALE E - All consumers who do not fall under Scale A,B,C and D				
Industrial	26	4	30	24
Commercial	17	3	20	16
Treated Sewerage water	10	1	11	9
Rural (Farm Worker's Houses)	21	3	25	20
Rural (NMBMM Tariff)	12	2	14	11
Schools	17	3	20	16
Sportsfields	17	3	20	16

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	18	3	20	17
13 - 18	26	4	29	24
19 - 24	33	5	38	
25 - 30	41	6	47	38
31+	50	8	58	47

	2026/27	2026/27	2026/27	2025/26
SERVICE	**Total**	**VAT**	**Total**	**Total**
DESCRIPTION	**Excl VAT**	**VAT**	**Incl VAT**	**Excl VAT**
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	3	20	16
13 - 18	25	4	29	23
19 - 24	32	5	37	
25 - 30	40	6	46	37
31+	49	7	56	46
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	4	28	23
1251 - 5000	24	4	28	23
5001 - 7500	34	5	39	32
7501+	49	7	56	46
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)	13	2	15	12

SCALE E - All consumers who do not fall under Scale A,B,C and D				
Industrial	34	5	40	32
Commercial	23	3	27	22
Treated Sewerage water	12	2	14	11
Rural (Farm Worker's Houses)	28	4	32	26
Rural (NMBMM Tariff)	12	2	14	11
Schools	22	3	26	21
Sportsfields	22	3	26	21
PART C - Applicable during times of water shortage emergency				
SCALE A - Domestic				
Single Dwelling Houses - Metered seperately				
0 - 12				
13+				
Step 1 (>0 ≤ 9KL)	21	3	24	20
Step 2 (>9 ≤ 15KL)	32	5	37	31
Step 3 (>15 ≤ 24KL)	47	7	54	89
Step 4 (>24 ≤ 30KL)	66	10	76	134
Step 5 (>30 ≤ 48KL)	89	13	103	446
Step 6 (>48KL)	128	19	147	892

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)	21	3	24	20
Step 2 (>9 ≤ 15KL)	32	5	37	31
Step 3 (>15 ≤ 24KL)	47	7	54	89
Step 4 (>24 ≤ 30KL)	66	10	76	134
Step 5 (>30 ≤ 48KL)	89	13	103	446
Step 6 (>48KL)	128	19	147	892

SERVICE / DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
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	5	42	34
1251 - 5000	36	5	42	34
5001 - 7500	45	7	52	42
7501+	62	9	71	58
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	3	20	16

SCALE E - All consumers who do not fall under Scale A,B,C and D				
Industrial	35	5	40	33
Commercial	24	4	27	22
Treated Sewerage water	12	2	14	11
Rural (Farm Worker's Houses)	28	4	32	26
Rural (NMBMM Tariff)	15	2	17	14
Schools	22	3	26	21
Sportsfields	22	3	26	21
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)	31	5	35	29
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	130
Step 4 (>24 ≤ 30KL)	96	14	110	196
Step 5 (>30 ≤ 48KL)	130	19	149	652
Step 6 (>48KL)	185	28	213	1 303
(ii) Treated water for residential premises:ATTP Consumers (per kl)	31	5	35	29
(iii) Treated water for institutional premises, including municipal and government departments (per kl)	42	6	48	39

(iv) Treated water for commercial and industrial premises (per kl)	49	7	56	46
(v) Treated water for multiple dwelling units, per dwelling unit:				
Step 1 (>0 ≤ 9KL)	31	5	35	29
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	130
Step 4 (>24 ≤ 30KL)	96	14	110	196
Step 5 (>30 ≤ 48KL)	130	19	149	652
Step 6 (>48KL)	185	28	213	1 303
(vi) Treated water for irrigation of sportsgrounds (per kl)	185	28	213	1 303
(vii) Treated water drawn through standpipes (per kl)	83	12	96	78

SERVICE DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
(viii) Raw water for residential premises:				
Step 1 (>0 ≤ 9KL)	31	5	35	26
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	78
Step 4 (>24 ≤ 30KL)	96	14	110	130
Step 5 (>30 ≤ 48KL)	130	19	149	521
Step 6 (>48KL)	185	28	213	1 303
(ix) Raw water for commercial premises: (per kl)	49	7	56	46
(x) Raw water for industrial premises: (per kl)	49	7	56	46
(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	2 776	416	3 193	2 607
(2) additional charge per kilolitre of metered consumption	7	1	8	7
(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)	7	1	8	7

(b) Outside the Municipal boundary (per kl)				
(i) Treated water for residential premises:				
Step 1 (>0 ≤ 9KL)	31	5	35	29
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	130
Step 4 (>24 ≤ 30KL)	96	14	110	196
Step 5 (>30 ≤ 48KL)	130	19	149	652
Step 6 (>48KL)	185	28	213	1 303
(ii) Treated water for residential premises:ATTP Consumers (per kl)	31	5	35	29
(iii) Treated water for institutional premises, including municipal and government departments (per kl)	42	6	48	39
(iv) Treated water for commercial and industrial premises (per kl)	49	7	56	46
(v) Treated water for multiple dwelling units, per dwelling unit:				
Step 1 (>0 ≤ 9KL)	31	5	35	29
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	130
Step 4 (>24 ≤ 30KL)	96	14	110	196
Step 5 (>30 ≤ 48KL)	130	19	149	652
Step 6 (>48KL)	185	28	213	1 303

(vi) Raw water for residential premises:				
Step 1 (>0 ≤ 9KL)	31	5	35	26
Step 2 (>9 ≤ 15KL)	49	7	56	46
Step 3 (>15 ≤ 24KL)	68	10	78	104
Step 4 (>24 ≤ 30KL)	96	14	110	130
Step 5 (>30 ≤ 48KL)	130	19	149	521
Step 6 (>48KL)	185	28	213	1 303
(vii) Raw water for institutional premises, including municipal and government departments (per kl)	49	7	56	46

SERVICE DESCRIPTION	2026/27 Total Excl VAT	2026/27 VAT VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
(viii) Raw water for commercial and industrial premises (per kl)	49	7	56	46
(c) Water delivered by road tanker (per kl)				
(i) Charge for water supplied	104	16	120	98
(ii) Delivery charge				
	4 164	625	4 789	3 910
(iii) Minimum prepayment				
(d) Water supplied in bulk to other local authorities (per kl)	21	3	24	20
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	2 592	389	2 981	2 434
Pipes with a diameter larger than 50mm up to and including	5 883	882	6 765	5 524
Pipes with a diameter larger than 100mm up to and including	26 453	3 968	30 421	24 839
Pipes with a diameter larger than 250mm up to and including	64 648	9 697	74 346	60 703
Pipes with a diameter larger than 400mm	109 903	16 485	126 388	103 195
Repair Charges of damage to the Municipal Water-Pipe System and/or Installation by other people				
Pipes with a diameter of 50mm or less	5 413	812	6 225	5 082
Pipes with a diameter larger than 50mm up to and including	7 726	1 159	8 885	7 255
Pipes with a diameter larger than 100mm up to and including	11 682	1 752	13 434	10 969
Pipes with a diameter larger than 250mm up to and including	21 928	3 289	25 217	20 589
Pipes with a diameter larger than 400mm	27 312	4 097	31 408	25 645
Water used for Fire-Fighting				
Quantity charge per kilolitre	40	6	46	38
Reconnection fee	952	143	1 095	894
Special meter readings	630	94	724	591

Service Calls				
During office hours	660	99	758	619
After office hours	1 315	197	1 513	1 235
Testing of meters (deposit 3% error on either side)	1 926	289	2 215	1 808
To relocate or lower a connection with a maximun nominal diameter of 25 mm				
Maximum distance of 5 m	2 129	319	2 449	1 999
Further than 5 m	3 264	490	3 754	3 065
To relocate or lower a connection with a nominal diameter larger than 25 mm				
Deposit	9 893	No VAT Implications	9 893	9 289
Cost				
To relocate a fire hydrant in the road reserve				
Less than 2 m from original position	6 639	996	7 635	6 234
2 m or more from original position	15 480	2 322	17 802	14 536
To install a new fire hydrant in the road reserve				
Deposit	21 731	No VAT Implications	21 731	20 405
Service Cost				
Supervision Labour Cost per hour	745	112	857	700
Assistant per hour	376	56	432	353
TLB per hour (Including travel time)	968	145	1 113	909
LDV per kilometre	49	7	56	46
Truck per kilometre	69	10	79	65

"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 Unit R/cents/Kl/m	2026/27 Total Excl VAT	2026/27 VAT VAT	2026/27 Total Incl VAT	2025/26 Total Excl VAT
PAIA FEES IN RESPECT OF PUBLIC BODIES	**120**				
The request fee payable by every requester		112	17	129	106
Photocopy of A4-size page	Per page or part thereof	2	0	2	2
Printed copy of A4-size page	Per page or part thereof	2	0	2	2
For a copy in a computer-readable form on:					
(i) Flash drive (to be provided by requestor)		45	7	52	42
(ii)Compact disc if provided by requestor					
(ii)Compact disc if provided to requestor		67	10	78	64
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		27	4	31	25
Copy of an audio record on:					
Flash drive (to be provided by requestor)		45	7	52	42
Compact disc if provided to requestor		67	10	78	64
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	112	17	129	106
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

KOUGA
local municipality
Good Governance through Service Excellence

Budget Implementation and Management Policy

Document Control

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TABLE OF CONTENTS

DEFINITIONS

1. INTRODUCTION 8
2. OBJECTIVE OF THE POLICY 8
3. BUDGETING PRINCIPLES 8
4. BUDGET PREPARATION PROCESS 9
5. CAPITAL BUDGET 12
6. OPERATING BUDGET 14
7. FUNDING OF CAPITAL AND OPERATING BUDGET 15
8. UNSPENT FUNDS/ROLL OVERS 15
9. ADJUSTMENT BUDGET 16
10. BUDGET IMPLEMENTATION 17
11. RESPONSIBILITY OF THE CHIEF FINANCIAL OFFICER 19

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

POLICY:
ASSETS MANAGEMENT

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ASSET MANAGEMENT POLICY

Table of Contents

1. AIM OF THIS DOCUMENT……...3
2. POLICY AUTHORITY AND RESPONSIBILITY…….....4
3. ASSET MANAGEMENT POLICIES……...……..5
4. STATUTORY AND REGULATORY FRAMEWORK…….…….....8
5. RESPONSIBILITIES AND ACCOUNTABILITIES……..8
6. PURCHASE OF AN ASSET…….....10
7. TRANSFER OF FIXED ASSETS FROM STATE DEPARTMENTS OR OTHER MUNICICPALITIES…..……..……10
8. RECOGNITION OF AN ASSET……...11
9. FIXED ASSET AND DEPRECIATION……...13
10. USEFULL LIFES OF ASSETS ……15
11. RECOVERY OF CARRYING AMOUNT……18
12. INITIAL MEASURMENT AND REVALUATION OF LAND AND BUILDINGS…….....19
13. INVENTORY ASSETS…….....23
14. POLICY FOR DISPOSAL OF REDUNDANT ,OBSOLETE OR UNSERVICEABLE FURNITURE AND EQUIPMENT…….....24
15. INSURANCE OF CAPITAL ASSETS……..27
16. OTHER REGULATIONS AND CONTROLS……..27
17. RISKS MANAGEMENT ……..30
18. PHYSICAL VERIFICATION...……...…….....30
19. CAPITAL ASSET MANAGEMENT PLAN…….30
20. OTHER MATTERS…….……..32

DRAFT

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.

DRAFT

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

DRAFT

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.

DRAFT

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

DRAFT

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.

DRAFT

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;

DRAFT

- 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:

DRAFT

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

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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.

DRAFT

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.

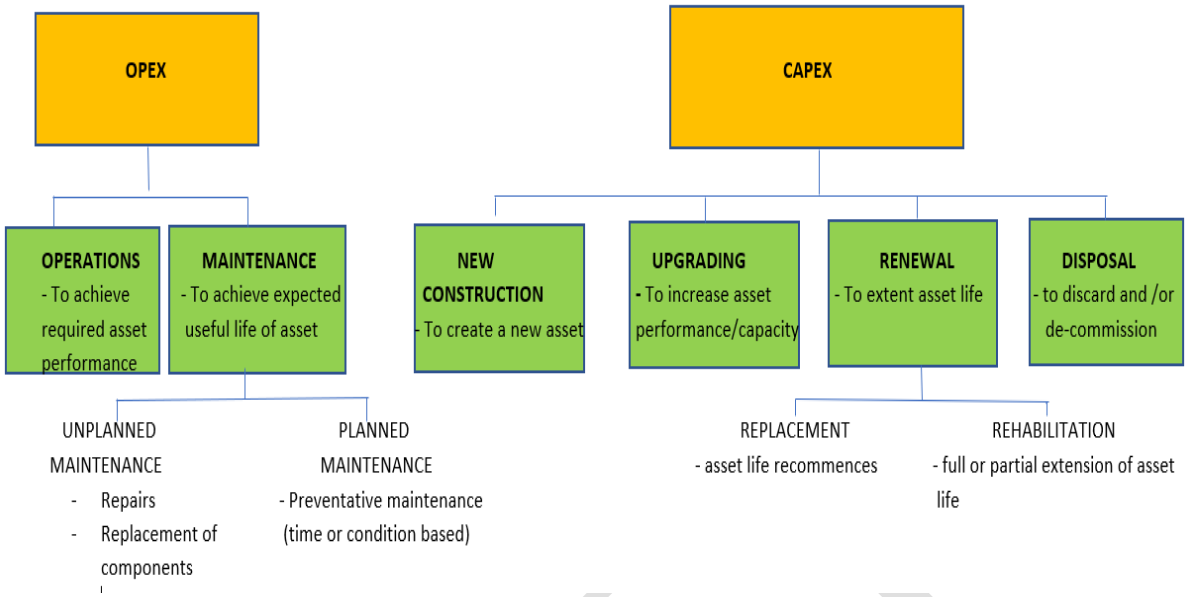
- **Interval Based**: Maintenance carried out at predetermined intervals.
- **Condition Based**: Maintenance carried out based on prescribed criteria, such as indicators of condition.

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.

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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.

DRAFT

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.

DRAFT

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

DRAFT

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:	
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:	
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

DRAFT

Faxes	3 years
Furniture and Fittings:	
Chairs	10 years
Tables	10 years
Desks	10 years
Cabinets	10 years
Cupboards	10 years
Fire Cabinets	10 years
Miscellaneous	10years
Bins and Containers:	
Bulk Containers	5 years
Emergency Equipment:	
Fire	15 years
Ambulances	10 years
Fire hoses	5 years
Emergency Lights	5 years
Motor Vehicles:	
Fire Engines	10 years
Motor Vehicles	5 years
Motor Cycles	5 years
Trucks / Bakkies	5 years
Plant and Equipment:	
Graders	7 years
Tractors	7 years
Mechanical Horses	7 years
Farm Equipment & Pesticide Sprayers	5 years
Lawnmowers	2 years
Brush Cutters	2 years
Compressors	5 years
Laboratory Equipment	5 years
Radio Equipment	5 years
Fire Arms	5 years
Telecommunication Equipment	5 years
Irrigation Systems	7 years
Conveyors	7 years
Feeders	7 years
Tippers	7 years

DRAFT

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.

DRAFT

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

DRAFT

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 • Property leased out by another party under an operating lease. Vacant property held for the purpose of leasing in the future **;** and • Land and buildings held for undetermined use	• Property that is leased out to another party under a finance lease; • Property held for sale in the ordinary course of business • Property that is owner occupied • 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)

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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.

DRAFT

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

DRAFT

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.

DRAFT

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.

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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.

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- 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.

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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	

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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

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KOUGA MUNICIPALITY



BORROWING POLICY

Contents

1	Introduction	1
1.1	Purpose	1
1.2	Scope of the policy	1
1.3	Objectives	1
1.4	Definitions	2
2	Legislation	3
3	Borrowing Policy	6
3.1	Background	6
3.2	Legislative and accounting framework	6
3.2.1	Current legislation	6
3.2.2	Accounting Framework	6
3.3	Assessment of funding requirements	6
3.4	Raising of external debt for future financing of capital expenditure	7
3.5	Compliance with financial service providers' requirements	7
3.5.1	Financial ratios	7
3.6	Raising of external debt with financing institutions and repayment of the debt	7
4	Review of the policy	8

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.

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Cash Management and Investment Policy

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.

TABLE OF CONTENTS

		Page No.
1.	Legal Compliance	4
2.	Scope of the Policy	4
3.	Objectives of the Policy	4
4.	Effective Cash Management	4 - 5
5.	Investment Ethics, Principles and Procedures	5 - 6
6.	Standard of Care	6
7.	Permitted Investments	6
8.	Prohibition of Investments denominated in foreign currency	6
9.	Payment of Commission	6 - 7
10.	Reporting Requirements	7
11.	Credit Requirements	7
12.	Investment Diversification	7 - 8
13.	Accounting for Trust Funds	8
14.	Establishment of an Investment Panel	8
15.	Raising of Debt	8
16.	Accounting Treatment of Interest earned on Investments	8
17.	Petty Cash	
18.	Review of the Policy	8

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.

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COST CONTAINMENT POLICY

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. <u>Vehicles used for political office-bearers</u>

- 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
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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

CONTENTS PAGE

1. INTRODUCTION 1

1.1 Purpose 1

1.2 Scope of Policy 1

1.3 Objectives 1

1.4 Definitions 1

2. LEGISLATION 2

3. FUNDING AND RESERVES POLICY 2

3.1 Background 2

3.2 Operating Budget Principles 2

3.3 Capital Budget Principles **3**

3.3.1 Impact of Capital budget on future Operating budgets 3

3.3.2 Borrowing Requirements 4

4. STATEMENT OF FINANCIAL POSITION 4

4.1 Provisions and Reserves 4

4.2 Other items to be cash backed 5

4.3 Cash and Bank 5

5 BUDGET ASSUMPTIONS 6

6 REVIEW OF POLICY 6

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

contraction in consumption patterns. The tariffs in question are determined on an annual basis, as part of the tariff setting process.

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.

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

PROPERTY RATES POLICY

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

PROPERTY RATES POLICY

TABLE OF CONTENTS

1. DEFINITIONS 3
2. PURPOSE OF THE POLICY 8
3. POLICY PRINCIPLES 8
4. IMPOSITION OF RATES 10
5. CATEGORIES OF PROPERTY 10
6. MULTIPLE PURPOSE PROPERTIES 11
7. CATEGORIES OF OWNERS 11
8. APPLYING DIFFERENT LEVIES FOR DIFFERENT CATEGORIES OF PROPERTY 11
9. EXEMPTIONS 12
10. IMPERMISSIBLE RATES 13
11. REBATES 14
12. APPLICATIONS FOR EXEMPTION/REBATES 16
13. REDUCTIONS 17
14. RATE ADJUSTMENTS 17
15. COSTS OF EXEMPTIONS, REBATES, REDUCTIONS, PHASING-IN OF RATES 18
16. PAYMENT ARRANGEMENTS 18
17. RECOVERY OF ARREAR RATES FROM TENANTS, OCCUPIERS AND ABSENT OWNERS 19
18. LIABILITY FOR RATES 19
19. ACCOUNTS TO BE FURNISHED 20
20. AMOUNT DUE FOR RATES 20
21. CORRECT RATING, OMISSIONS OR ERRORS 21
22. CONSULTATION PROCESS 21
23. SPECIAL RATING AREAS 22
24. FREQUENCY OF VALUATION 22
25. DATE OF VALUATION 22
26. GENERAL BASIS OF VALUATION 22
27. ENFORCEMENT / IMPLEMENTATION 22
28. SAVINGS 22
29. SHORT TITLE 22
PART A:SPECIAL RATING AREAS 23

PREAMBLE

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

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

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

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;

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

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.

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

"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.

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

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

~~The first 30% of market value will not be rated in terms of the Act as it is deemed to provide essential services to the community~~.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 ~~30 September~~ 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. ~~Applications must reach the municipality before the end of October preceding the start of the new municipal financial year for which relief is sought~~.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 ~~the next due date of the monthly account in August 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. ~~extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.~~

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 31 March 2022.~~

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.

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

PART A:SPECIAL RATING AREAS

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
APPROVED BY COUNCIL: 31.03.2022
ITEM NO: 22/03/F7

INDEX

1. DEFINITIONS & INTERPRETATION 25
2. PURPOSE OF THIS PART 26
3. ESTABLISHMENT OF A SPECIAL RATING AREA..... 27
4. APPLICATION..... 28
5. NOTICE OF APPLICATION AND ADVERTISING OF INTENTION TO HOLD A PUBLIC 29
MEETING..... 29
6. PUBLIC MEETING 30
7. OBJECTIONS..... 31
8. APPROVAL..... 31
9. ESTABLISHMENT OF A SRA AND IMPLEMENTATION OF A SRA BUSINESS PLAN 33
10. AMENDMENT OF SRA BUSINESS PLANS AND EXTENSIONS OF THE TERM THEREOF 34
11. ESTABLISHMENT AND COMPOSITION OF MANAGEMENT BODY.....35
12. POWERS AND DUTIES OF MANAGEMENT BODY 36
13. FINANCES.....36
14. DISSOLUTION.....37
15. GUIDELINES AND POLICIES 37

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.

REVIEWED: 22.03.2022
RECOMMENDED BY MAYCOM: 00.00.0000
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ITEM NO: 22/03/F7

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:

9.1The establishment of the Management Body in terms of Section 11; and

9.2From 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.

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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 MUNICIPALITY



Draft

VIREMENT POLICY

Index

Sections	Contents	Page
1.	Definitions	2
2.	Abbreviations	2
3.	Objective	3
4.	Virement Clarification	3
5.	Financial Responsibility	3
6.	Virement Restrictions	3
7.	Virement Procedure	4

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.

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"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.

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"**).

KOUGA
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TARIFF POLICY

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

(l) 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

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REVISED
SUPPLY CHAIN MANAGEMENT POLICY FOR KOUGA LOCAL MUNICIPALITY

Contact details: **scm@kouga.gov.za** or **tenders@kouga.gov.za**

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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.

TABLE OF CONTENTS

		PAGE
1.	Desired outcomes on the implementation SCM policy	17
	CHAPTER 1	
	IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY	
2.	Supply chain management policy	18
3.	Amendment of supply chain management policy	20
4.	Delegation of supply chain management powers and duties	20
5.	Sub-delegations	21
6.	Oversight role of council	22
7.	Supply chain management unit	23
8.	Training of supply chain management officials	23
	CHAPTER 2	
	SUPPLY CHAIN MANAGEMENT SYSTEM	
9.	Format of supply chain management system	24
	Part 1: Demand management	
10.	System of demand management	24
	Part 2: Acquisition management	
11.	System of acquisition management	25
12.	Range of procurement processes	26
13.	General preconditions for consideration of written quotations or bids	27
14.	Lists of accredited prospective providers	28
15.	Petty cash purchases	30
16.	Reporting- Petty Cash Purchases	30
17.	Formal written price quotations	30
18.	Procedures for procuring goods or services through written or verbal quotations and formal written price quotations	31
19.	Competitive bidding process	32

20. Process for competitive bidding 33
21. Bid documentation for competitive bids 33
22. Public invitation for competitive bids 34
23. Procedure for handling, opening and recording of bids 35
24. Negotiations with preferred bidders 36
25. Two-stage bidding process 36
26. Committee system for competitive bids 37
27. Bid specification committees 38
27. A Bid Specifications or Terms Reference 38
27.1 General requirements 38
27.2 Identification of Preference Points System, Designated Sector, Objective Criteria and Subcontracting 39
27.3 Functionality 39
27.4 80/20 Specific Goals 40
27.5 90/10 Specific Goals 42
27.6 Specific Goals 44
27.7 Additional Conditions 46
27.7.1 Awards of contracts to tenderers not scoring highest points 46
27.7.2 Subcontracting as condition of tender 46
27.7.3 Sub-contracting after award of tender 47
27.8 Miscellaneous Special Conditions of Contract 48
27.8.1 General 48
27.8.2 Declarations 48
27.9. Remedies 48
27.10. Cancellation of Tender 49
27.11. Procurement from tertiary institutions 50
27.12 Alternative Bids 50
27.13 Samples 51
28. Bid evaluation committees 52
29. Bid adjudication committees 54
30. Procurement of banking services 57
31. Procurement of IT related goods or services 57
32. Procurement of goods and services under contracts secured by other organs of state 57
33. Procurement of goods necessitating special safety arrangements 58

34.	Proudly SA Campaign	58
35.	Appointments of Consultants	58
36.	Deviation from, and ratification of minor breaches of, procurement processes	59
37.	Unsolicited bids	60
38.	Combating of abuse of supply chain management system	61

Part 3: Logistics, Disposal, Risk and Performance Management

39.	Logistics management	63
40.	Disposal management	65
41.	Risk management	66
42.	Performance management	66

Part 4: Other matters

43.	Tax Matters	67
44.	Prohibition on awards to persons in the service of the state	68
45.	Awards to close family members of persons in the service of the state	68
46.	Ethical standards	68
47.	Inducements, rewards, gifts and favors	68
48.	Sponsorships	69
49.	Objections and complaints	69
50.	Resolution of disputes, objections, complaints and queries	70
51.	Contracts providing for compensation based on turnover	70
52.	Contract management – issue of expansion or variation orders	71
53.	Application of policy to municipal entities	73
54.	Fronting	73
55.	Conditions relating to the granting of preference	74
56.	Archive of Bidding Document	77
57	Construction Industry Development Board	77
58	Public-Private Partnerships	77
59	Transversal Contracts	78
60	Framework for Infrastructure Delivery 1) The Infrastructure Delivery Management Project Processes	78
61	Framework for Infrastructure Procurement	81
62	Infrastructure Procurement Gates (PG)	82
63	Gateway Reviews	85
64	Commencement	86

Annexures:

A.	Code of Conduct for Supply Chain Management Practitioners and other role players.	87
B	Schedule of delegation thresholds for approval	90
C.	Deviation Template	92

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.

"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;

"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.

"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.

"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.

"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 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.

"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 quotations" means quotations referred to in paragraph 12 (1) (c) of this policy.

"Fronting" means a deliberate circumvention or attempted circumvention of the "Broad-Based Black Economic Empowerment Act and the Codes of Good Practice.

"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.

"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 constitutional institution 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 a provincial legislature.

"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.

"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.

"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.

"Quotation" means a stated price that a supplier expects to receive for the provision of specified services, goods or works.

"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.

"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.

"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.

"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.

"SANAS" means the South African National Accreditation System.

"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.

"Verbal Quotations" means a verbal process of inviting quotations from an identified limited number of potential suppliers for the supply goods, services and/or works.

"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.

"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.

"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".

"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.

"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;

"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 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;

"People with Disabilities" has the meaning assigned to it in section 1 of the Employment Equity Act, 1998 (Act No. 55 of 1998);

"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);

"Rand Value" means the total estimated value of a contract in Rand, calculated at the time of bid invitation;

"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;

"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;

"SARS" means the South African Revenue Services;

"Stipulated Minimum Threshold" means the minimum threshold stipulated in terms of any relevant regulation of the Preferential Procurement Regulations, 2017;

"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);

"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;

"Youth" has the meaning assigned to it in section 1 of the National Youth Development Agency Act, 2008 (Act No. 54 of 2008).

"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.

"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.

"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);

"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.

"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

"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;

"Region" means the district and/or Sarah Baartman District Municipality.

"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;

"Specific goals" means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programs of the Reconstruction and Development Programe as published in Government Gazette No. 16085 dated 23 November 1994;

"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) 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) Subject to subparagraph (3), the supply chain management unit shall operate under the direct supervision of the chief financial officer to whom this duty is hereby delegated by the accounting officer in terms of section 79 of the Act.

(3) All correspondence about this Policy shall be addressed to Manager: Supply Chain Management.

(4) A copy of this Policy and other relevant documentation is available on the
KLM's website and a copy can be requested from the SCM Office.

8. TRAINING OF SUPPLY CHAIN MANAGEMENT OFFICIALS

(a) The training of officials involved in implementing this policy should be in accordance with any Treasury guidelines on supply chain management training and applicable prescribed competency level requirements.

(b) The municipal manager or delegated staff member shall ensure that all persons involved in the implementation of this Policy meet the prescribed competency levels, and where necessary, shall provide relevant training.

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.

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 15 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

(b) direct that written quotations be obtained for any specific procurement of a transaction value lower than R2000;

(c) direct that formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000; or

(d) 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 valid tax clearance certificate from the South African Revenue Services stating that his tax matters are in order;

(c) has, where applicable, provided the municipality with a clearance certificate from the Construction Industry Development Board to the effect that he holds a valid registration certificate issued by the Board;

(d) has provided the municipality with a "Certificate of Independent Bid Determination" on Form MBD 9 or a similar form;

(e) 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 three months and that no dispute exists between such bidder and municipality or municipal entity concerned in respect of any such arrear amounts;

(f) 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;

g) the requirements for submission of declarations as stated in sections 13 (1) (c), d) and (f) 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.

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 is 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. the CSD is the national standardized and centralized electronic supplier database administered by the National Treasury which provides information to an organ of state.

k. 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 deliver. 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 quoter 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

l. prospective suppliers or service provider's database will be accepted by KLM if the prospective bidder is not registered with CSD.

(2) The aforesaid list must be updated at least quarterly 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. 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 accounting officer may delegate responsibility for the management of petty cash to an official directly or indirectly reporting to the chief financial officer.

(d) No item that is an approved stores item may be purchased by means of a petty cash transaction.

(e) No fixed asset regardless of value may be purchased through petty cash.

(f) The council must, from time to time, determine the maximum amount of the permissible petty cash expenditure per month;

16. A weekly reconciliation report must be provided to the chief financial officer within five days of the end of each month by the official authorized to make petty cash purchases 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 by the accounting officer in terms of paragraph 14(1)(c) of this policy and, provided further, that the reasons for obtaining such quotations from the providers concerned must be recorded on the invitation to submit quotations and be brought to the attention of the chief financial officer and

eventually for approval by the accounting officer. That must be read in line or in terms paragraph 16(c).

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 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 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.

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 by the municipality; and

(iii) the date, time and venue of any compulsory site meeting or briefing session if applicable;

(iv) 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 (iii) 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.

(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 or soft copies such a CD/ USB which must reach the accounting officer before the closing time for the receipt of bids on the bid closing date as stipulated in the invitation to bids. Time to time the advert would stipulate that supplementing electronic format is necessary.

(5) Communication with bidders, the SCM Manager shall authorize communication with bidders, such would include extension of closing date, addendums and all that requires communication prior to the closing date.

(6) Any communication authorized by the Bid Specification Committee, which has implications or consequence for all tenderers, shall be in the form of a written notice be issued to all bidders by Manager: Supply Chain Management, or his nominee, by either e-mail, facsimile, or registered post as appropriate. A copy of the notice together with a transmission verification report/proof of posting shall be kept for record purposes. Notices should be issued at least one week prior to the bid closing date, where possible. That is also regulated by CIDB for construction related projects.

(e) 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 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 this 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. make the aforesaid register available for public inspection during the normal office hours of the municipality; and

VI. 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 from the date referred to in subparagraph 221b(i) and ensure that such entries remain on the website for a period of at least thirty (30) days from date of publication.

(e) 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 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; and

(d) 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.

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 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.

(7) That members of the public be allowed to attend Bid Adjudication Committee Meetings.

(8) To give effect to subsection (7) above, the Director: Corporate Services & Special Projects must place notices in the local newspapers, on the municipal website and notice boards, inviting the members of the public to attend.

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 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 that 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.
(iii) 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

(4.1) 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):

(i) 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.

1) *A maximum of 20 points may be awarded to a tenderer for the specified goals for the tender.*
2) *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.*
3) *Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.*

(4.2) 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:

a) $$Ps = 80\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration. Pt = Price of tender under consideration; and
Pmax = Price of highest acceptable tender

1) *A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.*
2) *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.

B-BBEE Status Level of Contributor	**Number of Points for Preference (80/20)**	**Number of Points for Preference (90/10)**
1	10	5
2	8	4
3	6	3
4	4	2
5	3	1
6	2	1
7	2	1
8	2	1
Non-compliant contributor	0	0

II. a maximum of 20 points on an 80/20 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.

(4.3) A tenderer must submit proof of its B-BBEE Status level of contributor.

(4.3.1) 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.

(4.3.2) 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.

(4.3.3) The points scored must be rounded off to the nearest two decimal places.

(4.3.4) Subject to sub regulation (3.7) , the contract must be awarded to the Tenderer scoring the highest points.

(4.3.5) (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 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 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

(5.1(a))

1) 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): 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.*

(5.1(b) 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:

a) $$Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Where

Ps = Points scored for price of tender under consideration; Pt = Price of tender under consideration; and
Pmax = Price of highest acceptable tender

1) *A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.*
2) *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.*
3) *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 (80/20)**	**Number of Points for Preference (90/10)**
1	10	5
2	8	4
3	6	3
4	4	2
5	3	1
6	2	1
7	2	1
8	2	1
Non-compliant contributor	0	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.

(5.2) **A tenderer must submit proof of its B-BBEE Status level of contributor.**

(5.3) 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 –
(c) May only score points out of 90 for price
(a) Scores 0 for non submission of B-BBEE or zero(0) for none submission of specific goals.

(5.4) 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.

(5.5) The points scored must be rounded off to the nearest two decimal places.

(5.6) Subject to sub regulation (4.7), the contract must be awarded to the tenderer scoring the highest points.

(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 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 in paragraph 6.7 (b), the organ of state must cancel the tender.

(27.6) Preference in terms of the specific goals

a) Specific Goals Categories, the weighting below can be changed or vary from project to project. Please note that specific goals might not be feasible to be applied in some project. The SCM Manager must advise the user department prior to the project being presented and approved by BSC.

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 work force 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 51% owned by black people who are youth;	10	5
10	An EME or QSE which is at least 51% owned by black people who are women;	10	5
11	An EME or QSE which is at least 51% owned by black people with disabilities;	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	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

I. 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).

II. The municipality 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 sub regulation (iv) from which the tenderer must select a supplier (that being applicable for deviation and emergency projects.

III. 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 SMM'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.

IV. 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.

V. 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.

VI. 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.

VII. 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:

27.8.1 General

(a) Only a bidder who has completed and signed the declaration 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.

(iii) Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.

27.8.2 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.

27.9 Remedies

1. Upon detecting that a tenderer submitted false information regarding its BBBEE status level of contributor, local production and content, 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:

1. inform the tenderer accordingly.

2. give the tenderer an opportunity to make representations within 14 days as to why:
(i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
(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

3. 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 (bb) 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) (a) The Municipality must;

I. inform the National Treasury, in writing, of any actions taken in terms of sub regulation (1);
II. provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and
III. submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.

1. The National Treasury may request an organ of state to submit further information pertaining to sub regulation (1) within a specified period.

(3) The National Treasury must:
a. after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and
b. maintain and publish on its official website a list of restricted suppliers.

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. A tender may only be cancelled for a second time with the prior approval of the relevant treasury. Such approval must be attached to the report submitted to the Bid Adjudication Committee.

3. If a bid has been cancelled, then all bidders must be notified in writing.

4. 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.

5. It is not necessary to notify original bidders when calling for new bids, which will be advertised.

6. 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 Procurement from tertiary institutions

(a) Where the municipality is in need of a service provided by only tertiary institutions, such services must be procured through a bidding process with the identified tertiary institutions.

(b) Should the municipality require a service that can be provided by one or more tertiary institutions or public entities and enterprises from the private sector, the appointment of a contractor will be done by means of a bidding process.

(c) For purposes of this paragraph, a bidding process includes a written offer in a prescribed or stipulated form in response to an invitation by the municipality for the provision of services, through price quotations, advertised competitive bidding processes or proposals.

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.

(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

(b) evaluate each bidder's ability to execute the contract provided that, where bids are invited on the basis of functionality as a criterion, they must be evaluated in the following two stages:

I. First stage - evaluation of functionality

(a) bids must be evaluated in terms of the evaluation criteria embodied in the bid specification or terms of reference, as the case may be. The amendment of evaluation criteria, weights, applicable values and/or the minimum qualifying score for functionality after the closure of bids is not allowed as this may jeopardize the fairness of the process;

(b) a bid will be considered further if it achieves the prescribed minimum qualifying score for functionality;

(c) bids that fail to achieve the minimum qualifying score for functionality must be disqualified;

(d) score sheets should be prepared and provided to panel members to evaluate the bids;

(e) a score sheet should contain all the criteria and the weight for each criterion as well as the values to be applied for evaluation as indicated in the bid specification or terms of reference concerned;

(f) each panel member should, after thorough evaluation, independently award his own value to each individual criterion;

(g) score sheets should be signed by panel members and if necessary, a written motivation may be requested from panel members where vast discrepancies in the values awarded for each criterion exist, provided that if the minimum qualifying score for functionality is indicated as a percentage in the bid specification or terms of reference, as the case may be, the percentage scored for functionality may be calculated;

(h) the value awarded for each criterion should be multiplied by the weight for the relevant criterion to obtain the score for the various criteria;

(i) the scores for each criterion should be added to obtain the total score; and

(j) the following formula should be used to convert the total score to percentage for functionality:

$$Ps = \frac{So}{Ms} X\ 100$$

Where:

Ps = percentage scored for functionality by bid under consideration

So = total score of bid under consideration

Ms = maximum possible score

(k) the percentage of each panel member should be added and divided by the number of panel members to establish the average percentage obtained by each bidder for functionality.

(ii) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems

Only bids that achieve the minimum qualifying score / percentage for functionality must be evaluated further in accordance with the bid specification or terms of reference for the bid concerned, as the case may be;

Evaluate bids based on a stipulated minimum threshold for local production and content as required in the relevant bid specification in the following two stages:

(iii) First stage - Evaluation in terms of the stipulated minimum threshold for local production and content

(a) bids must be evaluated in terms of the evaluation criteria stipulated in the bid specification. The amendment of the stipulated minimum threshold for local production and content after the closure of bids is not allowed as this may jeopardize the fairness of the process;

(b) a bid must be disqualified if:

- the bidder fails to achieve the stipulated minimum threshold for local production and content; and

- the Declaration Certificate for Local Content (Form MBD 6.2) is not submitted as part of the bid;

(c) calculate the local content (LC) as a percentage of the bid price in accordance with the SABS approved technical specification number SATS 1286: 201x;

(d) verify the accuracy of the rates of exchange quoted by the bidder in paragraph 4.1 of the Declaration Certificate for Local Content (Form MBD 6.2);

(iv) Second stage - Evaluation in terms of the 80/20 or 90/10 preference point systems

a) 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;

b) 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;

c) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter provided that:

I. 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

II. 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.

(3) 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 submitted in terms of paragraph 28; 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.

(10) 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.

(11) 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 faxed or sent via electronic mail to the address chosen by the bidder, with a copy of proof of transmission kept for record purposes, or shall be delivered by hand, in which case acknowledgement of receipt must be signed and dated on a copy of such notification and 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.

(2) Subparagraphs (1) (c) and (d) do not apply if -

(a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

(b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

33. PROCUREMENT OF GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

(1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided 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.

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 of 2017.

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 procurements are made.

(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.

(5) **Single Source Selection;** National Treasury Guidelines provide for single-source selection in exceptional cases for consulting services. The justification for single-source selection must be examined in the context of the overall interests of the KLM and the project. Single-source selection may be appropriate only if it presents a clear advantage over competition: the following requirements must be met or covered in the motivation;

a) for services that represent a natural continuation of previous work carried out by the consultant, and continuity of downstream work is considered essential;

b) where rapid selection is essential;

c) for very small appointments;
d) when only one consultant is qualified or has experience of exceptional worth for the project.

(5.1) The reasons for single-source selection must be fully motivated in a report and approved by the Bid Adjudication Committee prior to conclusion of a contract, provided that if the award is for an amount of R200 000 or less, such award shall be approved by the Chief Financial Officer.

(6) Consultant appointments approved in terms of a single-source selection Process must be formalized in a written contract which describes the terms and conditions of contract, as well as the scope of services required.

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.

(12) 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 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 three months; or

(ii) who, during the last five years, has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;

(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.

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.

6) 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.

7) 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.

8) 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. The Chief Financial Officer is the only delegated authority to write off stock.

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.

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 -

(i) any official; or

(2) The accounting officer must promptly report any alleged contravention of sub-paragraph 1 to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gifts less than R350 in value.

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 concerned; and

(ii) the chief financial officer has certified that funds are available to cover the cost the required additional work.

(c) A request for the issue of a variation order in an amount exceeding R200 000 shall first be referred to the Bid Adjudication Committee which considered the initial bid for approval provided that the accounting officer may constitute a new Bid Adjudication Committee for this purpose.

(d) No request for a variation order may be approved in circumstance where new bids may be invited for the additional work concerned.

(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.

(f) The original copy of an issued variation order must be filed with the original bid and contract documents.

(g) The responsible line manager must, upon completion of additional work or the expiry of any extended contract period authorized by a variation order, certify that the terms and conditions of such variation order have been complied with.

(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 labour and/or

resources and local production and content, as applicable;

V. where necessary, take appropriate action where a supplier is

VI. underperforming or is in default or breach of the contract;

VII. 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 system;

VIII. 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;

IX. administer disputes where necessary, in terms of this policy and the applicable Conditions of Contract;

X. maintain adequate records in sufficient detail on an appropriate contract file to provide an audit trail;

XI. 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.

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.

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.

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; (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.

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 an 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** **(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. Or 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. **Stage 1 is complete when the Initiation Report or Pre-feasibility Report is approved.**
2	**Concept**	**Concept Report or Feasibility Report** I. The Concept Stage presents an opportunity for the development of different design concepts to satisfy the project requirements developed in Stage 1. This stage presents alternative approaches and an opportunity to select a particular conceptual approach. The objective of this stage is to determine whether it is viable to proceed with

		the project, premised on available budget, technical solutions, time frame and other information that may be required. II. The Concept Report should provide the following minimum information: **(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. **(b)** Provide an indicative schedule for documentation and construction, or maintenance services, associated with the project. **(c)** Include a site development plan, or other suitable schematic layouts, of the works. **(d)** Describe the statutory permissions, funding approvals and utility approvals required to proceed with the works associated with the project. **(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. **(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: • A needs and demand analysis with output specifications. • An options analysis. b) A viability evaluation covering: • A financial analysis. • An economic analysis, if necessary. c) A risk assessment and sensitivity analysis; d) A professional analysis covering: • A technology options assessment. • An environmental impact assessment. • A regulatory due diligence. e) An implementation readiness assessment covering: • Institutional capacity. • A procurement plan. **Stage 2 is complete when the Concept Report or the Feasibility Report is approved.**

3	**Design Development**	**Design Development Report** (i) The Design Development Report must, as necessary: a) Develop, in detail, the approved concept to finalize the design and definition criteria. b) Establish the detailed form, character, function and costings. c) Define the overall size, typical detail, performance and outline specification for all components. d) Describe how infrastructure, or elements or components thereof, are to function; and how they are to be safely constructed, be commissioned and be maintained. e) Confirm that the project scope can be completed within the budget or propose a revision to the budget. **Stage 3 is complete when the Design Development Report is approved.**
4	**Design Documentation**	**Design Documentation** (i) Design documentation provides: a) the production information that details performance definition, specification, sizing and positioning of all systems and components b) that will enable construction; c) the manufacture, fabrication and construction information for specific components of the work, informed by the production information. **Stage 4 is complete when the Design Documentation Report is approved.**
5	**Works**	**Completed Works capable of being used or occupied (**i) Completion of the Works Stage requires: a) Certification of the completion of the works in accordance with the provisions of the contract; or b) Certification of the delivery of the goods and associated services in accordance with the provisions of the contract. **Stage 5 is complete when the Works Completion Report is approved.**
6	**Handover**	**Works which have been taken over by the user or owner; Completed** **Training; Record Information** (i) The handover stage requires the following activities to be undertaken: **(a)** Finalize and assemble record information which accurately reflects the infrastructure that is acquired, rehabilitated, refurbished or maintained; **(b)** Hand over the works and record information to the user organization and, if necessary, train end user staff in the

		operation of the works. **Stage 6 is complete when the Handover/Record Information Report is approved.**
7	**Close-Out**	**Defects Certificate or Certificate of Final Completion; Final Account; Close-Out Report** (i) The Close-Out Stage commences when the end user accepts liability for the works. It is complete when: a) Record information is archived; b) Defects certificates and certificates of final completion are issued in terms of the contract; c) Final amount due to the contractor is certified in terms of the contract; d) Close-Out Report is prepared by the Implementer and approved by the Municipality. **Stage 7 is complete when the Close-out Report is approved.**

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:

(a) Manage cash flow projection.

(iii) User Department to:

(a) 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		

INDIGENT SUPPORT POLICY



Policy Title: Kouga Municipality Indigent Support Policy

Financial Year: 2025/26

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
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Contact Details:	Ms. N Mate (Manager: Revenue)

MUNICIPALITY
INDIGENT SUPPORT POLICY

TABLE OF CONTENTS

PREAMBLE 6
1. POLICY PRINCIPLES 6
2. POLICY OBJECTIVES 6
3. THE LEGISLATIVE FRAMEWORK 7
4. QUALIFICATION CRITERIA 7
5. EXTENT OF INDIGENT SUPPORT 9
5.1 Water 9
5.2 Electricity 10
5.3 Refuse removal and Environmental Management Fee 10
5.4 Sanitation 10
5.5 Property Rates 10
5.6 Leakages, repairs and installation costs 10
5.7 Rental (Dwellings and Sites) 11
5.8 Burials 11
5.9 Transfer of properties 11
5.10 Assistance on arrears 11
6. INDIGENT HOUSEHOLDS IN RETIREMENT CENTRES AND OLD AGE HOMES 12
7. ASSISTANCE PROCEDURES 12
7.1 Communication 12
7.2 Institutional arrangements 13
7.3 Application/Registration 13
7.4 Assessment & Screening of Applicants 14
7.5 Recommendation and Approval 14
7.6 Right of appeal 15
8. PROCESS MANAGEMENT 15
8.1 Validity period 15
8.2 Death of Registered Applicant 15

8.3 Publication of Register of Indigent Households 15
8.4 Excess usage of allocations 15
8.5 Termination of Indigent Support 16
8.6 Audit and review 16
9. MONITORING AND REPORTING 16
10. CALCULATION OF SUBSIDY 17

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

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ITEM NO: 22/07/F2

POLICY ON PROVISION FOR DOUBTFUL DEBT AND WRITE-OFF OF IRRECOVERABLE DEBT

REVIEWED: 25.05.2022
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TABLE OF CONTENTS

1 DEFINITIONS

2 PURPOSE OF POLICY

3 IMPAIRMENT OF DEBTORS

4 RESPONSIBILITY/ACCOUNTABILITY

5 WRITE-OFF OF DOUBTFUL DEBTORS

6 CATEGORIES OF DEBTORS THATT MAY QUALIFY FOR THE WRITING-OFF OF IRRECOVERABLE DEBT

7 ESTABLISHMENT OF A COMMITTEE TO MONITOR ANY DEBT TO BE WRITTEN-OFF

8 DELEGATED POWERS ON WRITING-OFF INTEREST AND PENALTIES ON RECOVERABLE DEBTS

9 PREVENTION OF PRESCRIPTION OF DEBT

10 BAD DEBTS RECOVERED

11 IMPLEMENTATION

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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.

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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

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KOUGA
local municipality
Good Governance through Service Excellence

CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

Contents

PREAMBLE 4
DEFINITIONS 5
1.GENERAL OBJECTIVES 8
2. PRINCIPLES 8
3. DUTIES AND FUNCTIONS 9
3.2 DUTIES AND FUNCTIONS OF EXECUTIVE MAYOR 9
3.3 DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER 9
3.4 DUTIES AND FUNCTIONS OF COMMUNITIES, RATEPAYERS AND RESIDENTS 10
3.6 DUTIES AND RESPONSIBILITY OF MUNICIPAL STAFF MEMBERS 11
4. AREA OF APPLICATION 11
5. CUSTOMER CARE POLICY 12
5.1 OBJECTIVES 12
5.2 APPLICATION FOR SERVICES 12
5. 3 CUSTOMER SERVICE AGREEMENTS 12
5.4 DEPOSITS 13
5. 5 ACCOUNTS AND BILLING 14
5.6. METERING OF CONSUMABLE SERVICES 16
5.7. VALUATION 16
5.8 CUSTOMER ASSISTANCE PROGRAMMES 17
5.8.1 WATER LEAK REBATE 17
5.8.2 RATES REBATE 17
5.8.3 ARRANGEMENTS FOR SETTLEMENT 17
5.9 PAYMENT OF RATES ANNUALLY 18
5.10 INDIGENT ASSISTANCE SCHEME 18
5.11 FREE BASIC SERVICES 18
5.12 COMMUNICATION 18
5.13 PAYMENT FACILITIES AND METHODS 19
5.14 ENQUIRIES, APPEALS AND DISPUTES 19
5.15 TENDERS FOR BUSINESS 20
5.16 BUILDING PLANS 21
6. CREDIT CONTROL SECTION 21
6.1 OBJECTIVES 21
6.2 PERSONAL CONTACT 21
6.3 DISCONNECTION OF SERVICE(S) 22

6.4 TERMINATION OF SERVICE(S) 22
6.5 RATES CLEARANCE 23
6.6 RATES CLEARANCE CERTIFICATE 24
6.7 PRE-PAYMENT METER SYSTEM 24
6.8 SOCIAL ASSESSMENTS 25
6.9 INCENTIVES FOR PROMPT PAYMENT 25
6.10 INTEREST 25
6.11 THEFT AND FRAUD 25
7. DEBT COLLECTION 27
7.1 OBJECTIVE 27
7.2 LEGAL PROCESSES/USE OF ATTORNEYS/USE OF CREDIT BUREAUS 27
7.3 COST OF COLLECTION 28
7.4 ABANDONMENT OF CLAIMS 28
7.5 ARRANGEMENTS 29
7.6 ARRANGEMENTS WILL BE CONCLUDED ON THE FOLLOWING BASIS BY CATEGORY 30
TYPE: 30
7.6.1 Domestic Account Holders for first time defaulters: 30
8. PERFORMANCE MANAGEMENT 32
9. REPORTING 33
10. APPLICATION OF THE POLICY 33

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.

7.6.4 State Departments

No arrangements.

7.6.5. 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;

7.6.6. When services are illegally restored, criminal action will be taken if

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;

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.



C DU PLESSIS
MUNICIPAL MANAGER

DATE

"ANNEXURE F"

PP Ref #	DESCRIPTION OF GOODS / SERVICES / PROJECT	DEPARTMENT	PROJECT NO	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 MANAGER
PP001	Provison of Support and Maintenance Services for the Kouga Incident Command Centre (ICC)	DMM	OP_1	4 450 000	N/A	non offical and no contract	The condition will be replaced by the intended contract	Yes	N/A	23-Apr-26	04-May-26	13-May-26	12-Jun-26	24-Jun-26	14-Jul-26	23-Jul-26	10-Aug-26	M Goduka
PP002	Computer Equipment	DMM	CP_4	1 500 000	43/2024	Metro Computers	19-Sep-26	Yes	n/a	11-May-26	20-May-26	29-May-26	30-Jun-26	10-Jul-26	30-Jul-26	10-Aug-26	26-Aug-26	M Goduka
PP003	Provision of Internet services, and ensure fully manage services for a period of 36 months starting **Nov 2026**	DMM	OP_1	3 000 000	97/2023	Vodacom Pty Ltd	05-Nov-26	Yes	n/a	12-Jun-26	23-Jun-26	02-Jul-26	03-Aug-26	13-Aug-26	02-Sep-26	11-Sep-26	29-Sep-26	M Goduka
PP004	Provision of an Anti Virus Solution for a 3 year period starting **1 Feb 2027**	DMM	OP_1	260 000	145/2020	Litle Pig CC	31-Jan-27	Yes	n/a	11-Aug-26	20-Aug-26	31-Aug-26	30-Sep-26	12-Oct-26	30-Oct-26	10-Nov-26	26-Nov-26	M Goduka
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	3 000 000	177/2023	Gracol Solutions (Pty) Ltd	27-May-27	Yes	n/a	18-Jan-27	27-Jan-27	05-Feb-27	09-Mar-27	19-Mar-27	08-Apr-27	19-Apr-27	05-May-27	M Goduka
PP006	Supply Delivery And Support Of Multifunction Printers And Print Management Software - 3 Years (Formal Tender) - including Plotter	DMM	OP_1	3 000 000	158/2022	Sky Metro Equipment Pty Ltd	30-Jun-26	yes	n/a	24-Apr-26	05-May-26	14-May-26	15-Jun-26	25-Jun-26	15-Jul-26	24-Jul-26	11-Aug-26	M. Rossouw
PP007	Supply, Support and Maintenance of Telephone Systems for a period of 3 years starting **1 June 2027**	DMM	OP_1	11 550 000	90/2023	Sky Metro Equipment/ Upstream JV	27-May-27	Yes	n/a	18-Jan-27	27-Jan-27	05-Feb-27	09-Mar-27	19-Mar-27	08-Apr-27	19-Apr-27	05-May-27	M. Rossouw
PP008	Fumigation Services for a period of 3 years **(26/27)**	DMM	OP_73B	100 000	n/a	n/a	n/a	Yes	n/a	30-Apr-26	11-May-26	20-May-26	19-Jun-26	01-Jul-26	21-Jul-26	30-Jul-26	17-Aug-26	M. Rossouw
PP009	Provision of Cleaning Services for a period of a period of 3 years starting **1 June 2027**	DMM	OP_1	11 550 000	1/2024	Mavukamavusi Projects Pty Ltd	27-May-27	Yes	n/a	18-Jan-27	27-Jan-27	05-Feb-27	09-Mar-27	19-Mar-27	08-Apr-27	19-Apr-27	05-May-27	M. Rossouw
PP010	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	11 550 000	5/2024	Metrofile Pty Ltd	30-Apr-27	Yes	n/a	25-Nov-26	04-Dec-26	15-Dec-26	14-Jan-27	26-Jan-27	15-Feb-27	24-Feb-27	12-Mar-27	M. Rossouw
PP011	**Rental Office Building starting 1 July 2027**	DMM	OP_1	11 550 000	Dev/ SLA	Bambelela Properties Pty Ltd	30-Jun-27	Yes	n/a	31-Jan-26	10-Feb-26	19-Feb-26	23-Mar-26	02-Apr-26	22-Apr-26	01-May-26	19-May-26	M. Rossouw
PP012	Appointment of SP for individual Screening for a 3 year period starting **August 2027**	DMM	OP_1	11 550 000	101/2024	KTO Digital Pty Ltd	05-Aug-27	Yes	n/a	25-Mar-27	05-Apr-27	14-Apr-27	14-May-27	26-May-27	15-Jun-27	24-Jun-27	12-Jul-27	Z. Gxuluwe
PP013	Further Educationa nd training ro one year (part1) MFMP,and water qualifications and various (**Refer No 98 of 2026)**	DMM	EC57201	80 004	42/2023	Imbawula training Institute Pty ltd- **(U/S 60155)**/ Femtoflash CC t/A Promeetse **(U/S 60189, U/S**	27-Aug-26	Yes	n/a	23-Mar-26	01-Apr-26	10-Apr-26	12-May-26	22-May-26	11-Jun-26	22-Jun-26	08-Jul-26	C. Jacobs
PP014	Facilitation of Training Interventions for a period of 3 three years	DMM		350 000			NEW	Yes	n/a	26-Jun-26	07-Jul-26	16-Jul-26	17-Aug-26	27-Aug-26	16-Sep-26	25-Sep-26	13-Oct-26	C. Jacobs
PP015	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	11 550 000	35/2024	Integrated Aerial Systems (Pty) Ltd	27-May-27	Yes	n/a	18-Jan-27	27-Jan-27	05-Feb-27	09-Mar-27	19-Mar-27	08-Apr-27	19-Apr-27	05-May-27	M. Basson
PP016	Supply and Delivery of Corporate Wear for a period of Two Years starting **1 April 2027 (26/27)**	DMM	PO_706	100 000	233/2025	Infinity Printing and Technology CC JK Tech Promo Pty Ltd Intando Yodlamini Trading	31-Mar-27	Yes	n/a	15-Nov-26	24-Nov-26	03-Dec-26	04-Jan-27	14-Jan-27	03-Feb-27	12-Feb-27	02-Mar-27	M. Basson
PP017	Supply & delivery of branded promotional items for a period of Two Years. **(26/27)**	DMM	PO_706	100 000	213/2025	Infinity Printing and Technology CC JK Tech Promo Pty Ltd Zleo Properties (Pty) Ltd L and P Construction and Services (Pty) Ltd	31-Jan-27	Yes	n/a	15-Nov-26	24-Nov-26	03-Dec-26	04-Jan-27	14-Jan-27	03-Feb-27	12-Feb-27	02-Mar-27	M. Basson
PP018	Appointment of a Service Provider to Provide Interpreting, Translation and Editing Services for a period of Two Years **(26/27)**	DMM	OP_1	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	26-Aug-26	04-Sep-26	22-Sep-26	M. Basson

PP019	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	1 000 000	199 / 2023	objection phase to be finalised	31-Mar-27	Yes	n/a	15-Nov-26	24-Nov-26	03-Dec-26	04-Jan-27	14-Jan-27	03-Feb-27	12-Feb-27	02-Mar-27	M. Basson
PP020	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	620 600	n/a	n/a	n/a	Yes	n/a	22-Apr-26	01-May-26	12-May-26	11-Jun-26	23-Jun-26	10-Jul-26	23-Jul-26	10-Aug-26	S. Abrahams
PP021	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	-	163/2022	Maxprof	31-Oct-26	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	02-Sep-26	15-Sep-26	01-Oct-26	S. Abrahams
PP022	Management of short term insurance for Kouga Municipality for a period of three years	FED	PC22601	-	3/2024	Lateral Unison Insurance Brokers	31-Aug-27	Yes	n/a	20-Mar-27	30-Mar-27	08-Apr-27	10-May-27	20-May-27	08-Jun-27	21-Jun-27	07-Jul-27	N. Swarts
PP023	Supply, Delivery and Installation of Airconditioners	FED	PC22601	-	63/2022	Management Services and Suppliers Pty Ltd	30-Jun-26	Yes	n/a	31-May-26	09-Jun-26	18-Jun-26	20-Jul-26	30-Jul-26	18-Aug-26	31-Aug-26	16-Sep-26	N. Swarts
PP024	Supply, Delivery and offloading of protective clothing for a period	FED	OP_1	-	**S2/2024**	**various**	**30-Jun-26**	Yes	n/a	31-May-26	09-Jun-26	18-Jun-26	20-Jul-26	30-Jul-26	18-Aug-26	31-Aug-26	16-Sep-26	E. Felix
PP025	Supply, Delivery and offloading of Consumables	FED	OP_1	-	**n/a**	**n/a**	**n/a**	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	02-Sep-26	15-Sep-26	01-Oct-26	E. Felix
PP026	Consumer Account Printing and Mailing	FED	OP_1	2 610 000	175/2021	Mailtronic Direct Marketing CC	30-Jun-26	Yes	n/a	31-Mar-26	10-Apr-26	21-Apr-26	25-May-26	04-Jun-26	23-Jun-26	06-Jul-26	22-Jul-26	N. Mate
PP027	festive lights	FED	OP_1	600 000	n/a	n/a	n/a	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	02-Sep-26	15-Sep-26	01-Oct-26	N. Mate
PP028	Compilation of the Valuation Roll and Supplementary Valuation Rolls and Maintenance thereof for the financial years starting 1 July 2026	FED	OP10102	700 000	18/2022	DDP Valuers	30-Jun-26	Yes	n/a	29-Apr-26	08-May-26	19-May-26	18-Jun-26	30-Jun-26	17-Jul-26	30-Jul-26	17-Aug-26	N. Mate
PP029	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	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	03-Jun-26	12-Jun-26	14-Jul-26	24-Jul-26	12-Aug-26	21-Aug-26	08-Sep-26		B. Mpongwana
PP030	Supply, Delivery and Off-loading of Miniature Substation and Distribution Transformers for a period of three years.(PP26-27) starting **1 March 2027**	EMS			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
PP031	Supply, Delivery and Off-loading of Switchgears for a three year period years.(PP26-27)	EMS			n/a	n/a	n/a	Yes	n/a	01-Jul-26	10-Jul-26	21-Jul-26	20-Aug-26	01-Sep-26	18-Sep-26	29-Sep-26	15-Oct-26	B. Mpongwana
PP032	Supply, Delivery and Off-loading of Ring Main units with Spare Parts for a period of three years **starting 1 May 2027**	EMS	CP19021		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
PP033	Appointment of Service Providers for Electrical Maintenance and Construction Works for a period of Three Years starting **1April 2027**	EMS	CP19021		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
PP034	Electrification Projects/ **Overhead line** (grant funded)	EMS	CP19004	5 026 086	n/a	INEP grant funded - annual projects advertised based on funding	n/a	Yes	n/a	13-May-26	15-May-26	22-May-26	11-Jun-26	18-Jun-26	02-Jul-26	13-Jul-26	29-Jul-26		B. Mpongwana
PP035	Appointment of a Panel of Service providers for body refurbishments for a period of 3 years	EMS	OP13C40		153/2025	**(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	21-Jul-26	30-Jul-26	31-Aug-26	10-Sep-26	30-Sep-26	09-Oct-26	27-Oct-26	N. Gouws

PP036	Appointment for Supply, Delivery and Installation of Hired Units For Live Vehicle Tracking/ Fleet Management/ Stolen Vehicle Response with Ongoing Training & Support and Fuel Management for a Period of Three (3)	EMS	OP13C40		175/2023	**Ctrack Mzanzi Pty Ltd**	01-Nov-26	Yes	n/a	15-Jul-26	24-Jul-26	04-Aug-26	03-Sep-26	15-Sep-26	05-Oct-26	14-Oct-26	30-Oct-26	N. Gouws
PP037	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	EMS	OP_1		248/2025 **(RFQ)**	Earthmac Mining & Construction Equipment (Pty) Ltd	30-Jun-26	Yes	n/a	15-Aug-26	25-Aug-26	03-Sep-26	05-Oct-26	15-Oct-26	04-Nov-26	13-Nov-26	01-Dec-26	N. Gouws
PP038	Supply and delivery of Bell TLB 315 SL,4X4 Parts	EMS	OP_219		249/2025 **(RFQ)**	Earthmac Mining & Construction Equipment (Pty) Ltd	30-Jun-26	Yes	n/a	15-Aug-26	25-Aug-26	03-Sep-26	05-Oct-26	15-Oct-26	04-Nov-26	13-Nov-26	01-Dec-26	N. Gouws
PP039	Supply and delivery of various vacuum sewerage suction pump parts and vacuum exhauster pumps	EMS	OP_219		166/2025, Contract F2/2025	Rencor Engineering (Pty) Ltd	30-Jun-26	Yes	n/a	01-Jun-26	10-Jun-26	19-Jun-26	21-Jul-26	31-Jul-26	19-Aug-26	28-Aug-26	15-Sep-26	N. Gouws
PP040	Supply and delivery of various batteries	EMS	OP_1		166/2025, Contract F3/2025	BEB Motors (Pty) Ltd t/a Algoa Nissan	30-Jun-26	Yes	n/a	01-Jun-26	10-Jun-26	19-Jun-26	21-Jul-26	31-Jul-26	20-Aug-26	31-Aug-26	16-Sep-26	N. Gouws
PP041	Ad hoc Hiring Services - Plant and Equipment(Instutional)	EMS	OP98002	150 000	n/a	n/a	n/a	Yes	n/a	15-Jul-26	24-Jul-26	04-Aug-26	03-Sep-26	15-Sep-26	05-Oct-26	16-Oct-26	03-Nov-26	N Gouws
PP042	Strategic Roads Tender- Project 4 **(26/27)**	CWS	CP72012	53 000 000	n/a	n/a	n/a	Yes	n/a	24-Apr-26	05-May-26	14-May-26	15-Jun-26	25-Jun-26	15-Jul-26	28-Jul-26	13-Aug-26	A. Nyathela
PP043	Roads& Stormwater Maintenance Tender- Ad hoc-3 years	CWS			133/2023	Primat- road??	9 Nov 20226	Yes	???	10-Jul-26	21-Jul-26	30-Jul-26	31-Aug-26	10-Sep-26	30-Sep-26	13-Oct-26	29-Oct-26	A. Nyathela
PP044	Tools and Equipment (Concrete mixer/ walk behind drum rollers/ plate compactors) for a 2 year period	CWS	CP26074 /CP26072 CP26073/	250 000	n/a	n/a	n/a	Yes	n/a	31-Jul-26	11-Aug-26	20-Aug-26	21-Sep-26	01-Oct-26	21-Oct-26	03-Nov-26	19-Nov-26	A. Nyathela
PP45	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	3 500 000	213/2023 (I&E 2 of 2023)	Wynford Civils Pty Ltd Lonmaq	04-Apr-27	Yes	n/a	20-Nov-26	01-Dec-26	20-Jan-27	19-Feb-27	03-Mar-27	23-Mar-27	05-Apr-27	21-Apr-27	A. Nyathela
PP046	Upgrade of Phillipsville Sports Facillity in Hankey **Refer Notice 115 of 2026**	CWS	CP26006/ CP78003	9 233 212	n/a	n/a	n/a	Yes	n/a	17-Apr-26	28-Apr-26	07-May-26	08-Jun-26	18-Jun-26	08-Jul-26	21-Jul-26	06-Aug-26	J. Du Toit
PP047	Kwanomzamo Sewer Pumpstation and Rising Main- **Refer Notice 106 of 2026**	CWS	CP26006/ CP78003	9 233 212	n/a	n/a	n/a	Yes	n/a	24-Mar-26	02-Apr-26	17-Apr-26	19-May-26	29-May-26	18-Jun-26	01-Jul-26	17-Jul-26	J. Du Toit
PP048	Appointment of a Contractor for the installation of a Collector Sewer at Ocean View, Jeffreys Bay **Refer Notice 67/2026**	CWS	CP78004	5 000 000	n/a	n/a	n/a	Yes	n/a	24-Feb-26	06-Mar-26	13-Mar-26	13-Apr-26	23-Apr-26	13-May-26	26-May-26	11-Jun-26	J. Du Toit
PP049	Johnsons Ridge- Sewer Reticulation	CWS	?	8 100 000	n/a	n/a	n/a	Yes	n/a	01-Mar-27	10-Mar-27	19-Mar-27	20-Apr-27	30-Apr-27	20-May-27	02-Jun-27	18-Jun-27	J. Du Toit
PP050	Lamer Rising Main -Phase 2	CWS	CP26006/ CP78003	424 883	n/a	n/a	n/a	Yes	n/a	01-Mar-27	10-Mar-27	19-Mar-27	20-Apr-27	30-Apr-27	20-May-27	02-Jun-27	18-Jun-27	J. Du Toit
PP051	Supply ans installation of fencing on the Kouga Municipality area for a period of three (3) years	CWS	Capital		121/2024	Mb Fencing and Ciivils Vistha Vitsha Trading and Ibala Consulting JV	04-Aug-27	Yes	n/a	22-Mar-27	31-Mar-27	09-Apr-27	11-May-27	21-May-27	10-Jun-27	21-Jun-27	07-Jul-27	J du Toit
PP052	High Mast Lights Projects (UISP grant funded)- Phase 3	CWS	MIG-APPICATION-27/28)	8 000 000	n/a	n/a	n/a	Yes	n/a	19-Feb-27	02-Mar-27	11-Mar-27	12-Apr-27	22-Apr-27	12-May-27	21-May-27	08-Jun-27	J du Toit
PP053	Supply, delivery and offloading of miscellaneous engineering items including pipes, fittings and manholes and couplings **(26/27)**	CWS	OP78013	250 000	252/2021-001	KFC Engineering & Industrial Supplies Pty Ltd	21-Apr-25	Yes	n/a	30-Jun-26	09-Jul-26	20-Jul-26	19-Aug-26	31-Aug-26	18-Sep-26	01-Oct-26	19-Oct-26	A. Botha
PP054	Hiring of 10 000L Super Sucker for a period of three years **(26/27)**	CWS	OP75002	280 000	165/2022	Abaphumeleli Trading 651 t/a Pollution Control	09-Mar-26	Yes	n/a	22-May-26	02-Jun-26	11-Jun-26	13-Jul-26	23-Jul-26	12-Aug-26	25-Aug-26	10-Sep-26	A. Botha
PP055	Contractor for Mechanical Maintenance on Water and Waste Water Infrastructure for a period of 3 years **(26/27)**	CWS	OP78004/OP1	4 500 000	n/a	n/a	n/a	Yes	n/a	08-Jun-26	17-Jun-26	26-Jun-26	28-Jul-26	07-Aug-26	27-Aug-26	09-Sep-26	25-Sep-26	R. van der Ryst
PP056	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	2 500 000	n/a	n/a	n/a	Yes	n/a	28-May-26	08-Jun-26	17-Jun-26	17-Jul-26	29-Jul-26	18-Aug-26	31-Aug-26	16-Sep-26	R. van der Ryst
PP057	Installation of new dosing equipment at WTW and WWTW plants	CWS	CP98032	450 000	n/a	n/a	n/a	Yes	n/a	02-Jun-26	11-Jun-26	22-Jun-26	22-Jul-26	03-Aug-26	21-Aug-26	03-Sep-26	21-Sep-26	R. van der Ryst
PP058	Laboratory services for water **(26/27)**	CWS	OP78004	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	15-Jul-26	24-Jul-26	25-Aug-26	04-Sep-26	24-Sep-26	07-Oct-26	23-Oct-26	Renier van der Ryst

PP059	Appointment of consultants for various Engineering and Groundwater Projects and other instrastructure related works for a period of three years	CWS			185/2023	various(a total of 18 SP appointed)	10-Jun-27	Yes	n/a	15-Jan-27	26-Jan-27	04-Feb-27	08-Mar-27	18-Mar-27	07-Apr-27	20-Apr-27	06-May-27	J. Du Toit
PP060	Boreholes -MDRG	CWS	OP75002	15 000 000	n/a	n/a	n/a	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	03-Sep-26	16-Sep-26	02-Oct-26	A. Botha
PP061	Refurbishment of Water Treatment(jbay) -MDRG	CWS	OP75002	4 500 000	n/a	n/a	n/a	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	03-Sep-26	16-Sep-26	02-Oct-26	A. Botha
PP062	Refurbishment of Water Treatment(Patensie) -MDRG	CWS	OP75002	4 500 000	n/a	n/a	n/a	Yes	n/a	15-Jun-26	24-Jun-26	03-Jul-26	04-Aug-26	14-Aug-26	03-Sep-26	16-Sep-26	02-Oct-26	A. Botha
PP063	Fire Services - Vehicle or Equipment(DISTRICT) **26/27**	CS	FT911	955 034	n/a	n/a	n/a	Yes	n/a	12-Jul-26	21-Jul-26	30-Jul-26	31-Aug-26	10-Sep-26	29-Sep-26	12-Oct-26	28-Oct-26	H, van Rooyen
PP064	Supply and Delivery of Fire Protection Equipment- Fire Extinguishers**(26/27)**	CS	CP30201	250 000	140/2024	Transfer Eastern Cape Pty Ltd	Sep-27	Yes	n/a	19-Apr-27	28-Apr-27	07-May-27	08-Jun-27	18-Jun-27	07-Jul-27	20-Jul-27	05-Aug-27	H. Van Rooyen
PP065	Professional Fees -Professionals (Coastal/Estuary) (OPEX) 3 years	CS	OP3109 OP3110	500 000	157 / 2025	n/a	n/a	Yes	n/a	01-Aug-25	12-Aug-25	21-Aug-25	22-Sep-25	02-Oct-25	21-Oct-25	03-Nov-25	19-Nov-25	C. Venter
PP066	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-**Refer 86 of 2026**	CS	OP3148	3 500 000	Notice 26/2022	TMT Services and Supplies	**30-Jun-26**	Yes	n/a	12-Mar-26	20-Mar-26	27-Mar-26	29-Apr-26	11-May-26	28-May-26	10-Jun-26	26-Jun-26	S. Petersen
PP067	Procurement of 240liters bins starting Oct 2027 (26/027)	CS	OP3144	7 000 000	n/a	Unico	Oct-27	Yes	n/a	15-Jun-27	24-Jun-27	05-Jul-27	04-Aug-27	16-Aug-27	02-Sep-27	15-Sep-27	01-Oct-27	C. Venter
PP068	Sand Removal(Hire of Equipment for sand movement for Coastal areas	CS	OP3144	7 000 000	n/a	n/a	n/a	Yes	n/a	01-Jun-27	10-Jun-27	21-Jun-27	21-Jul-27	02-Aug-27	19-Aug-27	01-Sep-27	17-Sep-27	C. Venter
PP069	Appointment of a PSP to perform external Compliance audits for humansdorp and Hankey landfill sites	CS	OP3144	7 000 000	98/2023	Gibb Environmental (Pty) Ltd	Aug-27	Yes	n/a	29-May-26	09-Jun-26	18-Jun-26	20-Jul-26	30-Jul-26	18-Aug-26	31-Aug-26	16-Sep-26	C. Venter
PP070	Bush Clearing/ Grass cutting	CS	OP3145	500 000	n/a	n/a	n/a	Yes	n/a	10-Aug-26	19-Aug-26	28-Aug-26	29-Sep-26	09-Oct-26	28-Oct-26	10-Nov-26	26-Nov-26	R. Ludick
PP071	Repairs of grass cutting equipment	CS	OP3145	500 000	n/a	n/a	n/a	Yes	n/a	10-Jul-26	21-Jul-26	30-Jul-26	31-Aug-26	10-Sep-26	29-Sep-26	12-Oct-26	28-Oct-26	S. Camagu/ Kamte
PP072	Puchase of grass cutting machines	CS	OP3145	500 000	n/a	n/a	n/a	Yes	n/a	10-Jul-26	21-Jul-26	30-Jul-26	31-Aug-26	10-Sep-26	29-Sep-26	12-Oct-26	28-Oct-26	R. Ludick
PP073	Purchase of Mulchers/ Equipment	CS	CP56003	1 530 899	n/a	n/a	n/a	Yes	n/a	01-Aug-26	11-Aug-26	20-Aug-26	21-Sep-26	01-Oct-26	20-Oct-26	02-Nov-26	18-Nov-26	C. Venter
PP074	Computer Equipment- Libraries	CS	CP_04	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	16-Jul-26	27-Jul-26	26-Aug-26	07-Sep-26	24-Sep-26	07-Oct-26	23-Oct-26	L. Jack
PP075	Furniture & Equipment- Libraries	CS	CP_04	391 305	n/a	n/a Requirement may be addressed with institutional tender	n/a	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	L. Jack

EC108_KOUGA ICT DUE DILIGENCE PROCESS PLAN

"ANNEXURE G"

Step	Legislative requirements	Activity	Target Date
1	**ICT due diligence of a municipality's existing package of system(s)**	Every municipality (pilot, non-pilot and irrespective of whether remaining/ upgrading with its existing package of systems) must evaluate (conduct an ICT due diligence of) all the existing ICT system(s) used by the municipality and its municipal entities. This is irrespective of whether the existing service provider(s) was included in the RT25 transversal panel of service providers. Municipal SCOA Circular N0. 5 provides the template **(Annexure C)** a municipality must use when conducting its ICT due diligence. (mSCOA Circular 5 & 6 and Budget Circular 93)	Jun-26
		In essence, the ICT due diligence must assess whether the municipality's (including its municipal entities) existing package of systems is fully mSCOA enabling, including that the existing package of systems: (i) Can host the full mSCOA chart; (ii) Allows the municipality and its municipal entities to budget and transact in the chart; (iii) Seamlessly integrates; and (iv) Can submit data strings, across the 7 segments to the National Treasury upload portal (within the reporting deadline timeframes). (mSCOA Circular 6)	
		The municipality, to complete the ICT due diligence may request all its existing service provider(s) to complete **Annexure C** for the municipality and its municipal entities, including to workshop and demonstrate such functionality to the municipality in a 'live' environment, but at no additional cost to the municipality. (mSCOA Budget 5 & 6)	
		The municipality may require assistance to complete the attached system functionality assessment (Annexure C) or related support, from the Provincial Treasury. The Provincial Treasury will play an advisory role limited to functionality requirements of the current systems in this regardd, and cannot proclaim or pronounce compliance by any system vendor. (mSCOA Circular 5)	
		It is important to note that **failure to submit** the completed ICT due diligence **(Annexure C)** together with the project steering committee's decision in this regard, may cause a delay in the transfer of the municipality's equitable share tranche. (mSCOA Circular 5)	
		Assess whether the municipality's existing system(s) as a package, meets the systems comply with the functionality requirements for its catergory and 15 business processes required in terms of Mscoa (**as per Annexure C**). This should be the main consideration in the decision on whether a new financial system is required. (Budget Circular 93 and mSCOA Circular 5 & 6)	

2	**The municipality's mSCOA Project Steering Committee's decision and recommendation**	Consider the cost of any additional functionality the municipality will have to procure from its existing package of service provider(s) and the affordability thereof to the municipality considering its budget. Importantly, if a municipality did not budget to purchase or upgrade their core financial system or any component thereof in the budget adopted by Council, then the purchase will have to be deferred to the next financial year to avoid irregular expenditure. (Budget Circular 93 and mSCOA Circular 5 & 6)	Jul-26
		Compare the total cost of its existing package of system(s), including the cost for any additional functionality with the other available service offerings for its catergory. (Budget Circular 93 and mSCOA Circular 5 & 6)	
		Determine whether its existing 'package of service provider(s)' will be able to provide and implement any and all of the outstanding functional areas, including upskilling affected municipal officials in the municipality and its municipal entities (in the case of amalgamation, across all the municipalities that are amalgamating); (mSCOA Circular 5 & 6)	
		Consider the penalties and reasons for contract termination in any of its contracts with existing service providers. (Budget Circular 93 and Mscoa Circular 5 & 6)	
		The Project Steering Committee must document its decision and recommendation(s) on the way forward (relating to the items listed above) for the municipality and its municipal entities (on the municipality's package of existing system(s)), clearly setting-out its findings. (Budget Circular 93 and mSCOA 5 & 6)	
3	**Soliciting the comments of the National Treasury and/ or Provincial Treasury**	A detailed motivation on the need to change the core financial system should be provided to the National and Provincial Treasuries, the Municipal Manager and Council. (Budget Circular 93 & 123)	July and August
		A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months. (Budget Circular 123)	
		An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80. (Budget Circular 123)	
		An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases. (Budget Circular 123)	
		The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed. (Budget Circular 123)	
		The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system. (Budget Circular 123)	

3	**Soliciting the comments of the National Treasury and/ or Provincial Treasury**	A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system. (Budget Circular 123)	July and August
		Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available. (Budget Circular 123)	
		The municipality's completed system(s) functionality assessment (ICT due diligence completed using the **Municipal SCOA Circular No. 5 - Annexure** C) that covers the entire existing package of systems used by the municipality, including the cost for any additional functionality the municipality will have to procure to enable minimum mSCOA transacting for its category. (mSCOA Circular 5 & 6)	
		The municipality's mSCOA project steering committee's decision and recommendations (covering all the points for consideration in step 2 above) on whether the municipality should (a) remain with its current package of system(s) 'as is' or (b) change system(s) or (c) upgrade its existing package of system(s) or (d) procure additional components of functionality for its existing package of systems. (mSCOA Cirdular 5 & 6)	
4	**Municipal Council approval for the municipality's key decision**	Once the municipality has received the comments of the National Treasury and the Provincial Treasuries, the mSCOA Project Steering Committee and Municipal Manager should consider such comments and prepare a recommendation to the Municipal Council in this regard. (Budget Circular 93 and mSCOA Circular 6)	September to March
		Any such memo making recommendations to the Municipal Council (for a final decision) on the way forward with the municipality's 'package of system(s)' should clearly advise Council on whether the municipality should: (a) Remain with its existing package of ICT system(s) with or without having to procure additional components of functionality; or (b) Change to a completely different package of system(s); or (c) Upgrade its existing package of systems. (d) Cover all the points of consideration discussed in step 2 and substantiating the recommendatio, for Council's consideration. (e) Must include as an attachment, the actual comments received from the National Treasury and /or Provincial Treasury. (mSCOA Circular 6)	
		The municipal manager must submit a copy of the municipal council's decision to the National Treasury amd Provincial Treasury within five (5) working days after the meeting during which the Municipal Council has made the decision in this regard. (Budget Circular 93)	
		The municipality should then follow its own tender processes to procure a financial system on the open market until such time that a new transversal tender for the procurement of integrated municipal financial and internal control systems are in place. Thereafter, municipalities may request permission from National Treasury's Office of the Chief Procurement Officer to use the tranversal tender to procure a financial system. (Budget Circular 93)	

5	**Implementing the municipal council's decision**	The municipality should ensure that the Service Level Agreement entered into with the system provider provides for specific and realistic milestones and include penalties and termination clauses for failing to meet milestones. In addition, municipalities should implement proper contract management and exercing tight control over contractual obligations by system providers. (Budget Circular 93)	March to June
		Internal audit must ensure that the municipality has complied with the requirements of MFMA Circulars No. 80 and 93, mSCOA Circulars No. 5 and 6 and Section 33 of the MFMA when they procure a core financial system and/or enter into an SLA with a system vendor. The reports on these matters of internal audit must be tabled to the audit committee and at municipal council for consideration. (MFMA Budget Circular 98)	

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TABLED BUDGET ASSESSMENT

FRAMEWORK

FOR

2026/27 MTREF

KOUGA LOCAL MUNICIPALITY- EC108

Compiled by

Sarah Baartman District Office

Table of Contents

EXECUTIVE SUMMARY **3**

OBSERVATIONS AND FINDINGS **4**

1 CREDIBILITY **4**

1.1 EVALUATION OF THE BUDGET PROCESS 4
1.1.1 Political guidance and oversight *4*
1.1.2 Public Participation *4*
1.2 THE MUNICIPAL REVENUE & EXPENDITURE FISCAL FRAMEWORK 6
1.2.1 Expected outcome for current financial year *6*
1.2.2 Budget assumptions *7*
1.2.3 Budget Compliance *8*
1.2.4 Adequacy of the revenue management framework *8*
1.2.5 Adequacy of the expenditure management framework *12*
1.2.6 Adequacy of the capital budget and its source(s) of funding *13*
1.3 ESTABLISH THE LEVEL OF FUNDING THE BUDGET 15
1.3.1 Financial Performance – Table A4 ..... *15*
1.3.2 Financial Position *16*
Table 12: Financial Position *16*
1.3.3 Cash flow- Table A7 ..... *17*
1.3.4 Application of Cash and Investments- Table A8 ..... *18*

2 RELEVANCE **19**

2.1 BUDGET ALIGNMENT TO IDP 19
2.2 BUDGET ALIGNMENT TO NATIONAL PROGRAMMES 19
2.3 BUDGETARY PROVISION FOR FUNDED PROVINCIAL AND NATIONAL PRIORITIES. 20

3 SUSTAINABILITY **20**

3.1 SERVICE DELIVERY 20
3.2 PROVISION AND ACCOUNTING FOR FREE BASIC SERVICES 20
3.3 FORECASTING AND MULTI-YEAR BUDGETING 20
3.4 MSCOA IMPLEMENTATION 21

4 CONCLUSION **24**

5 KEY OBSERVATION / FINDINGS / RISK / RECOMMENDATIONS / RESOLUTIONS **24**

5.1 KEY OBSERVATIONS AND FINDINGS 24
5.2 RISKS 24
5.3 RECOMMENDATIONS AND RESOLUTIONS 24

EXECUTIVE SUMMARY

In terms of the requirements of the Municipal Finance Management Act and as part of its oversight role over local government finances, the Provincial Treasury is responsible for reviewing and commenting on the tabled draft budgets of all delegated municipalities prior to their adoption by the respective municipal councils. The tabled budgets of these municipalities were rigorously assessed in terms of quality and compliance with the prescripts of the MFMA and the Municipal Budget and Reporting Regulations.

In terms of the change to GRAP accounting formats, it is imperative to undertake a detailed assessment of the municipality's Statement of Financial Performance (Income Statement); Budgeted Statement of Financial Position (Balance Sheet) and Budgeted Statement of Cash Flows in order to establish the level of funding, the effectiveness of financial management and sustainability *(this requires application of Circular 42's budget funding guideline and self-assessment tool).*

The analysis provided in this report is based on the 2026/27 MTREF A1 – Schedules and data strings of Kouga Local Municipality. The municipal budget assessment encompasses three distinct criteria namely, credibility; relevance and sustainability as explained in the MBRR. The purpose of each criterion is as follows:

From a quality perspective, the budget was assessed in accordance with three criteria, namely:

a. Credibility: to determine if the budget is funded in terms of Section 18 of the MFMA and whether the municipality adopted a budget process with evidence of sufficient political oversight and public participation. Political oversight and guidance are crucial for the budget process as the approval of the budget is the responsibility of Council and not that of the Budget and Treasury Office. In assessing the credibility of the budget, the revenue planning framework and associated assumptions are interrogated to determine if they are realistic and indicative of multi-year budgeting.

b. Relevance: To assess if the budget is aligned to the reviewed Integrated Development Plan (IDP) of the municipality and the extent to which national and provincial priorities, including MFMA Budget Circulars, are considered.

c. Sustainability: To assess whether the budget supports the long-term financial planning and operational sustainability of the municipality over the Medium-Term Revenue and Expenditure Framework (MTREF).

OBSERVATIONS AND FINDINGS

1 CREDIBILITY

1.1 EVALUATION OF THE BUDGET PROCESS

1.1.1 Political guidance and oversight

Kouga Local Municipality adopted the IDP/Budget Process Plan. The municipality complied with the requirements of the MFMA as the budget process plan was approved 10 months before the start of the financial year. This plan was adopted in accordance with the relevant legal prescripts and has dictated the process to be followed for the development of the IDP and the Budget. The IDP and Budget Process Plans outline in detail, the way in which Kouga Municipality will embark on its IDP and Budget processes from its commencement in July 2025 to its completion in June 2026. The IDP budget process plan was submitted to the Provincial Treasury for reviewing and noting.

1.1.2 Public Participation

During August 2025 Kouga Local Municipality's Council adopted its IDP and Budget process plan, outlining how the municipality will embark on the 2026/27 IDP review processes. The review process focuses more on current strategies to ensure that projects that are planned contribute to the achievement of the five-year development priorities and that they have a greater impact on service delivery. Stakeholder consultation was done, and the municipality placed an advertisement in the local paper, website and notice boards, inviting communities, stakeholders and all interested parties to submit comments on the 2026/27 Draft IDP and Draft Budget.

ORGANISATIONAL STRUCTURES & PUBLIC PARTICIPATION

To ensure a smooth and well organised IDP review process for 2026/27, the municipality has identified role players to assist and inform the planning process as well as their roles and responsibilities. To ensure all relevant stakeholders are represented, the municipality through a public notice, extended an invitation to all interested parties to register on the IDP Representative Forum database. Role players identified are Council, ward councillors and Municipal Manager. The IDP/PMS/Budget Steering Committee and IDP/PMS/Budget Representative Forum and IGR are in place.

KOUGA MUNICIPALITY'S IDP PARTICIPATORY STRUCTURE

Kouga Local Municipality's reviewed IDP for 2026/27 contains key municipal goals and priorities. The IDP is a strategic document of Council and guides all planning and development in the municipality. Preparation of the IDP followed an approved process plan that incorporated extensive stakeholder consultations and public participation. The key performance areas – Good governance; Finance Viability;

Service Delivery; Municipal Transformation and Local Economic Development and Spatial Planning, Land Use, Human Settlements, Environmental Management still remains for the KLM.

EVALUATION OF THE LEGAL COMPLIANCE OF THE BUDGET

The municipality tabled and adopted the 2026/27 Budget Process Plan in council at the end of August 2025 as required.

Kouga Local Municipality complied with section 16 (2) which states that 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. The draft budget was tabled and adopted by council on 30 March 2026.

The Municipality complied with section 21 (1) of the MFMA which states that: the mayor of the municipality must;

a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.

b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:

i) the preparation, tabling and approval of the annual budget.

The Municipal Budget Circular 129 for the 2026/27 MTREF stated that: Accounting officers are reminded that Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant Provincial Treasury in PDF and electronic formats. However, in cases where the Council requires amendments to the tabled budget prior to consultation, municipalities should inform the National Treasury and the relevant Provincial Treasury *immediately* and submit the required budget documents and corresponding *m*SCOA data strings ***within three working days*** after the Council meeting.

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant Provincial Treasury in electronic formats. If the annual budget is tabled to council on **30 March 2026**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **02 April 2026**.

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant Provincial Treasury within ten working days after the council has approved the annual budget. If the annual budget is adopted by the council on **29 May 2026**, the final date of submission of budget-related documents is **12 June 2026**.

MFMA Circular No 134 contains a submission checklist for 2026/27 budget documents (Annexure B), municipalities can use to ensure all budget-related documents are uploaded timeously.

ALL municipalities **MUST** prepare their 2026/27 MTREF tabled and adopted budgets using the A1 schedule version 7.1. It is imperative that all municipalities prepare their 2026/27 MTREF budgets **in their financial systems and that the A1 Schedule be produced directly from their financial system**. Vendors have demonstrated their budget modules to the National Treasury and Provincial Treasuries. All financial systems have this functionality to assist and prepare budgets and to generate the prescribed A1 Schedule directly from the financial system.

The municipal manager must submit:

- The budget documentation as set out in the Municipal Budget and Reporting Regulations (MBRR). The budget document must include the main Tables (A1-A10), and the supporting tables in the A1 and A1D schedules must be submitted in the prescribed mSCOA data string in the format published with Version 7.1 of the A1 and A1D schedules.
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format.
- The draft and final integrated development plan (IDP).
- Draft and final service level standards.
- The council resolution for the tabled and adopted budget.
- The signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations for the tabled and adopted budgets.
- A budget locking certificate is immediately at the start of the new municipal financial year on 1 July.
- The draft and final procurement plans (MFMA Circular No 94).

1.2 THE MUNICIPAL REVENUE & EXPENDITURE FISCAL FRAMEWORK

1.2.1 Expected outcome for the current financial year.

This section of the report looked at the mid-year performance of the municipality against the budget and targets as set out in the Service Delivery and Budget Implementation Plan (SDBIP).

Capital Grants – The municipality was advised to ensure that sufficient investment is made in capital infrastructure annually. As for the performance of conditional grants, the municipality reported an underperforming CAPEX spending of 14.9% as of 31st December 2025 compared to the grants transferred. However, there were a few variances noted on the movements of grants between the Sector Report and the municipality's grants data strings and there were a few variances noted on the movements of grants between the Sector Report and the municipality's grants data strings.

Revenue Collection – The collection rate to be improved in order to reach the anticipated budgeted average collection rate of 95%. The municipality needs to put measures in place to move away from budgeting for an operating deficit.

Water and Electricity Losses – The municipality is to reduce and curb its water and electricity losses.

mSCOA – Municipality to implement a functional mSCOA Steering Committee to fast-track the correction/alignment of the data strings versus the A1 Schedules and AFS, implement outstanding mSCOA modules, and prepare an updated roadmap to include alignment issues and the implementation of outstanding mSCOA Modules.

1.2.2 Budget assumptions

The following budget principles and guidelines directly informed the compilation of the 2026/27 MTREF budget as per the budget documentation submitted by the municipality:

The assumptions used were guided by MFMA Circulars 129, 130, and 134 issued by the National Treasury for the compilation of the 2026/27 MTREF Budget. The following assumptions were used: -

- Collection rate for own revenue services, taking into consideration the current economic conditions and revenue collection trends.
- Inflation outlook as indicated in the table below: CPI inflation target as an assumption for the preparation of the 2026/27 MTREF Budget.

Macroeconomic performance and projections 2025-2029					
Fiscal Year	2024/25	2025/26	2026/27	2027/28	2028/29
	Actuals	Estimate	Forecast		
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

- Bulk electricity costs to increase by 9.01% in line with NERSA approval. Municipalities are advised to not only use the National Treasury Cost Reflect Tariff Tool but also to do the Cost of Supply Study as prescribed by NERSA
- Tariffs for property rates and all other service charges to increase in line with National Treasury guidelines. *Any variations of assumptions must be explicitly explained in the budget narrative, in the absence of which Treasuries will refer the budget back to the council for alignment to the macroeconomic performance projections.*
- Employee-related costs: Salary increase at 4.75% as set out in MFMA Circular No 134.
- Remuneration of Councillors - An assessment of affordability to be conducted prior to the implementation of upper limits as per the gazette on Remuneration of Office bearers.

1.2.3 Budget Compliance

The table below illustrates the supporting tables that are not populated in the 2026/27 tabled budget that was submitted. The municipality needs to make sure all the required tables that are applicable to the municipality are populated in the final adopted budget.

	2026/27 Draft Medium Term Revenue and Expenditure Framework-Checklist of Compliance to Municipal Budget and Reporting Regulations (Gov Gaze			
	EC108 Kouga	2026/27	Combination hard and elec	
	Main Compliance Component	Sub Component/Explanation	Assessment	Description/ Rating
0100	**Procedural compliance**			
0106	Grant Budget (SA18) is aligned to DoRA	Verify if the grant allocations reconcile to DoRA	No	Not compliant
0300	**Annual Budget Tables A1 to A10: No Municipal Entities**			
0314	**Table A10: Basic service delivery measurement**	Rate completeness of table on scale from 0 to 3	-	Not presented
0500	**Budget Related Policies**			
0505	Tariff Policy on Property Rates	Must be included if service is rendered	Yes	Complete
0506	Tariff Policy on Electricity	Must be included if service is rendered	Yes	Complete
0507	Tariff Policy on Water	Must be included if service is rendered	Yes	Complete
0508	Tariff Policy on Sanitation	Must be included if service is rendered	Yes	Complete
0509	Tariff Policy on Refuse Removal/Solid Waste	Must be included if service is rendered	Yes	Complete
0510	**Municipal Property Rates Policy**	As informed by the Municipal Property Rates Act	Yes	Complete
0600	**Supporting Documentation contd...**			
0612	Service Delivery Agreements of Municipal Entities (if applicable)	Verification of inclusion in budget report/document		
0613	Annual budgets of municipal entities (D Schedule)	Verification of inclusion in budget report/document		
0700	**Supporting Tables SA1 to SA37**			
0706	SA2: Matrix Financial Performance Budget (revenue source/expenditure type and dept)	Rate completeness of table on scale from 0 to 3	2	missing information
0707	SA3: Supporting detail to Budgeted Financial Position	Rate completeness of table on scale from 0 to 3	3	Fully completed
0708	SA4: Reconciliation of IDP, Strategic Objectives and Budget (Revenue)	Rate completeness of table on scale from 0 to 3	-	Not presented
0709	SA5: Reconciliation of IDP, Strategic Objectives and Budget (Operating Expenditure)	Rate completeness of table on scale from 0 to 3	2	missing information
0710	SA6: Reconciliation of IDP, Strategic Objectives and Budget (Capital Expenditure)	Rate completeness of table on scale from 0 to 3	2	missing information
0711	SA7: Measurable Performance Objectives	Rate completeness of table on scale from 0 to 3	-	Not presented
0712	SA8: Performance Indicators and Benchmarks	Rate completeness of table on scale from 0 to 3	-	Not presented
0713	SA9: Social, Economic and Demographic Statistics and Assumptions	Rate completeness of table on scale from 0 to 3	-	Not presented
0714	SA10: Funding Measurement	Rate completeness of table on scale from 0 to 3	-	Not presented
0715	**SA11: Property Rates Summary**	Rate completeness of table on scale from 0 to 3	-	Not presented
0716	**SA12a: Property Rates by category (current year)**	Rate completeness of table on scale from 0 to 3	-	Not presented
0717	**SA12b: Property Rates by category (budget year)**	Rate completeness of table on scale from 0 to 3	-	Not presented
0718	**SA13a: Service Tariffs by Category**	Rate completeness of table on scale from 0 to 3	-	Not presented
0719	**SA13b: Service Tariffs by Category (explanatory)**	Rate completeness of table on scale from 0 to 3	-	Not presented
0720	**SA14: Household Bills**	Rate completeness of table on scale from 0 to 3	-	Not presented
0723	SA17: Borrowing	Rate completeness of table on scale from 0 to 3	2	missing information
0728	**SA22: Summary Councillor and Staff Benefits**	Rate completeness of table on scale from 0 to 3	2	missing information
0729	**SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)**	Rate completeness of table on scale from 0 to 3	2	missing information
0730	**SA24: Summary of Personnel Numbers**	Rate completeness of table on scale from 0 to 3	-	Not presented
0732	SA26: Budgeted Monthly Revenue and Expenditure (Municipal Vote)	Rate completeness of table on scale from 0 to 3	3	Fully completed
0733	SA27: Budgeted Monthly Revenue and Expenditure (Standard Classification)	Rate completeness of table on scale from 0 to 3	3	Fully completed
0734	SA28: Budgeted Monthly Capital Expenditure (Municipal Vote)	Rate completeness of table on scale from 0 to 3	3	Fully completed
0736	SA30: Budgeted Monthly Cash Flow	Rate completeness of table on scale from 0 to 3	3	Fully completed
0737	SA31: Aggregated entity budget	Rate completeness of table on scale from 0 to 4	-	Not presented
0738	SA32: List of External Mechanisms	Rate completeness of table on scale from 0 to 3	-	Not presented
0739	**SA33: Contracts having Future Budgetary Implications**	Rate completeness of table on scale from 0 to 3	-	Not presented
0744	SA35: Future Financial Implications of the Capital Budget	Rate completeness of table on scale from 0 to 3	-	Not presented
0746	SA37: Projects Delayed from Previous Financial Years	Rate completeness of table on scale from 0 to 3	-	Not presented
0747	SA38: Detail Operational Projects	Rate completeness of table on scale from 0 to 3	3	Fully completed

1.2.4 Adequacy of the revenue management framework

The Municipality's operating revenue (excluding capital transfers and contributions) is projected to increase from R1.461 in 2025/26 to R1.552 billion or 6.2% in 2026/27, further increase to R1.648 billion or 6.2% in 2027/28 and further increase to R1.755 billion or 6.5% in 2028/29 financial year.

The year-on-year changes for revenue for 2026/27 range from a decrease of -12.3% for non-exchange revenue - Interest to an increase of 9.5% for non-exchange revenue – Electricity.

Most of the revenue streams have increased above the predicted inflation rate of 3.4% while some reflect negative growth.

Factors that represent the overall operational revenue are detailed below.

Table 1: Operating Revenue

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						ASSUMPTIONS & CALCULATIONS		
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29	2026/27	2027/28	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change ADJB vs	% Change ORGB vs	% Change ORGB vs
Revenue											
Exchange Revenue											
Service charges - Electricity	473,955	473,955	518,755	518,755	564,561	564,561	621,017	621,017	9.5%	8.8%	10.0%
Service charges - Water	123,885	123,885	126,386	126,386	133,969	133,969	142,007	142,007	2.0%	6.0%	6.0%
Service charges - Waste Water Management	71,792	71,792	78,477	78,477	82,400	82,400	86,520	86,520	9.3%	5.0%	5.0%
Service charges - Waste Management	53,826	53,826	56,574	56,574	59,403	59,403	62,373	62,373	5.1%	5.0%	5.0%
Sale of Goods and Rendering of Services	10,044	10,044	10,710	10,710	11,245	11,245	11,808	11,808	6.6%	5.0%	5.0%
Agency services	4,554	4,554	4,782	4,782	5,021	5,021	5,272	5,272	5.0%	5.0%	5.0%
Interest earned from Receivables	11,618	11,618	11,337	11,337	12,085	12,085	12,908	12,908	-2.4%	6.6%	6.8%
Interest earned from Current and Non Current Assets	16,273	16,273	17,086	17,086	17,941	17,941	18,838	18,838	5.0%	5.0%	5.0%
Rental from Fixed Assets	4,312	4,312	4,528	4,528	4,754	4,754	4,992	4,992	5.0%	5.0%	5.0%
Licence and permits	2,856	2,856	2,998	2,998	3,148	3,148	3,306	3,306	5.0%	5.0%	5.0%
Special rating levies	15,436	15,436	15,956	15,956	16,753	16,753	17,591	17,591	3.4%	5.0%	5.0%
Construction Contract Revenue	–	–	–	–	–	–	–	–			
Development Charges	5,000	5,000	4,000	4,000	4,000	4,000	4,000	4,000			
Operational Revenue	3,122	3,122	3,066	3,066	3,152	3,152	3,244	3,244	-1.8%	2.8%	2.9%
Non-Exchange Revenue											
Property rates	307,899	307,899	326,717	326,717	343,053	343,053	360,206	360,206	6.1%	5.0%	5.0%
Surcharges and Taxes	25,277	25,277	25,399	25,399	26,669	26,669	28,002	28,002	0.5%	5.0%	5.0%
Fines, penalties and forfeits	90,465	90,465	94,988	94,988	99,738	99,738	104,725	104,725	5.0%	5.0%	5.0%
Licences or permits	3,139	3,139	3,296	3,296	3,461	3,461	3,634	3,634	5.0%	5.0%	5.0%
Transfer and subsidies - Operational	214,697	214,697	222,542	222,542	230,643	230,643	236,697	236,697	3.7%	3.6%	2.6%
Interest	4,050	4,050	3,551	3,551	3,729	3,729	3,916	3,916	-12.3%	5.0%	5.0%
Operational Revenue	19,666	19,666	21,327	21,327	22,887	22,887	24,707	24,707	8.4%	7.3%	8.0%
Total Revenue (excluding capital transfers and contributions)	**1,461,865**	**1,461,865**	**1,552,476**	**1,552,476**	**1,648,612**	**1,648,612**	**1,755,763**	**1,755,763**	**6.2%**	**6.2%**	**6.5%**

Exchange Revenue:

Service Charges – Electricity: The electricity service charges increase by 9.5 percent from R473.9 million in the 2025/26 financial year to R518.7 million in the 2026/27 financial year. It increases by 8.8 and 10 percent for the outer years to R564.5 million and R621.0 million, respectively. Electricity is the highest major cost driver of the Municipality at 33.4 percent of the total operating revenue.

Service Charges – Water: Revenue increases by 2 percent for 2026/27, budgeted at R126.4 million, increasing to R133.9 million and R142 million for the outer years, both at 6. percent.

Service Charges – Waste Water Management: Revenue increases by 9.3 percent for 2026/27, budgeted at R78.4 million, increasing to R82.4 million and R86.5 million for the outer years, both at 5. percent.

Service Charges Waste Management: Revenue is budgeted at R56.5 million in the 2026/27 financial year and R59.4 million in 2027/28 and R62.3 million in 2028/29, indicating a growth of 5. percent in all the MTREF years.

Interest Earned from Receivables: Revenue is budgeted to decrease by -2.4 percent for 2026/27, increasing by 6.6 percent to R12. million in 2027/28 and by 6.8 percent to R12.9 million in 2028/29.

The table below gives a clear indication of the performance of the municipality regarding the various groups of debtors and where the municipality needs to focus. These figures are from 1 July 2025 up to 31st of March 2026.

Table 2: Debtors' age analysis from July 2025 to March 2026.

Kouga	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Councilors	299	300	296	293	281	281	257	243	238
Municipal Officials	2,936	2,971	2,964	2,969	2,946	2,946	2,912	2,972	2,807
Industries	38,241	39,784	36,267	30,674	32,318	32,318	33,327	32,994	34,965
Residents	334,998	327,683	318,529	313,666	320,823	320,823	330,596	338,903	333,787
Nat Dept	3,454	3,639	3,622	3,589	3,516	3,516	3,509	3,284	3,446
Prov Dept	9,915	9,634	10,810	10,774	11,437	11,437	13,182	12,857	13,820
Total	**389,843**	**384,011**	**372,488**	**361,964**	**371,322**	**371,322**	**383,783**	**391,254**	**389,063**

- Municipal Officials and Councillors' debt reflected a decrease for the period of July 2025- March 2026 of R129 thousand and R61 thousand, respectively. The municipality to implement the action of cutting off should the officials fail to make payment arrangements.
- Industries have shown a decrease of R3.276 million from July 2025 to March 2026, and the residents decreased by R1.211 million.
- Provincials reflect a decrease of only R8 thousand from July 2025 and March 2026 and National departments (organs of state) reflect an increase of R3.905 million, indicating that the implementation of debt collection measures for this group is yielding results.
- The total debt has decreased by only 0.2 percent from July 2025 to March 2026, the Municipality is advised to put strict measures to improve collection of old debt.

Non-Exchange Revenue:

The major operating non-exchange revenue sources are budgeted as follows:

Property Rates: Property rates are the largest non-exchange revenue source, projected at 21. percent of the total operating revenue. Kouga Municipality has budgeted for an increase in property rates of 6.1 to 5. percent throughout the MTREF years. Operating grants on Table SA18 below are not in alignment with amounts gazetted in the DoRB and the Provincial Gazette no 5597 over the 2026/27 MTREF.

Transfers and Subsidies- Operational: Operational transfers are the second largest non-exchange revenue source, projected at 14.3% of the total operating revenue. Further noting the increase throughout the MTREF years of 3.7 percent in 2026/27, 3.6 percent in 2027/28 and 2.6 percent in 2028/29.

Fines, penalties and forfeits: Fines are the third largest non-exchange revenue source, projected at 6.2% of the total operating revenue. Further noting the increase throughout the MTREF years of 5 per cent in 2026/27 and the outer years respectively.

Table 3: Alignment between DoRA, Provincial Gazette and Data Strings

Eastern Cape: Kouga (EC108) - Table SA18 Transfers and Grant Receipts for 4th Quarter ended 30 June 2026									
Description	2026/27 Medium Term Revenue & Expenditure Framework								
R thousands	DoRA 2026/27	Budget Year 2026/27	Variance	DoRA 2026/27	Budget Year 2027/28	Variance	DoRA 2026/27	Budget Year 2028/29	Variance
RECEIPTS			-			-			-
Operating			-			-			-
National Government			-			-			-
Monetary Allocations	-		-	-		-	-		-
Equitable Share	212,694	212,694	-	222,318	222,318	-	228,081	228,081	-
Energy Efficiency and Demand Side Management	-		-	-		-	-		-
Expanded Public Works Programme Integrated Grant	2,006	2,006	-	-	-	-	-		-
Local Government Financial Management Grant	1,917	1,917	-	2,201	2,201	-	2,429	2,429	-
Municipal Infrastructure Grant	1,931	1,931	-	2,130	2,130	-	2,193	2,193	-
Total Monetary Allocations	**218,548**	**218,548**	**-**	**226,649**	**226,649**	**-**	**232,703**	**232,703**	**-**
Total Operating/National Government	**218,548**	**218,548**	**-**	**226,649**	**226,649**	**-**	**232,703**	**232,703**	**-**
Provincial Government			-			-			-
Monetary Allocations			-			-			-
Infrastructure			-			-			-
Capacity Building and Other	1,384	1,384	-	1,384	1,384	-	1,384	1,384	-
Total Monetary Allocations	**1,384**	**1,384**	**-**	**1,384**	**1,384**	**-**	**1,384**	**1,384**	**-**
Total Operating/Provincial Government	**1,384**	**1,384**	**-**	**1,384**	**1,384**	**-**	**1,384**	**1,384**	**-**
District Municipalities									
Monetary Allocations									
Capacity Building and Other		2,610	(2,610)		2,610	(2,610)		2,610	(2,610)
Total Monetary Allocations	**-**	**2,610**	**(2,610)**		**2,610**	**(2,610)**		**2,610**	**(2,610)**
Total Operating/District Municipalities	**-**	**2,610**	**(2,610)**		**2,610**	**(2,610)**		**2,610**	**(2,610)**
Total Operating	**219,932**	**222,542**	**(2,610)**	**228,033**	**230,643**	**(2,610)**	**234,087**	**236,697**	**(2,610)**

- Operating grants on Table SA18 are not in alignment with amounts gazetted in the DoRA and the Provincial Gazette No 5597.
- KLM needs to confirm the district municipality grant under operating grants.

1.2.5 Adequacy of the expenditure management framework

Table 4: Operating Expenditure

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						ASSUMPTIONS & CALCULATIONS		
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29	2026/27	2027/28	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change ADJB vs	% Change ORGB vs	% Change ORGB vs
Expenditure											
Employee related costs	440,383	440,383	476,961	476,961	501,730	501,730	527,801	527,801	8.3%	5.2%	5.2%
Remuneration of councillors	16,550	16,550	15,767	15,767	19,709	19,709	24,636	24,636	-4.7%	25.0%	25.0%
Bulk purchases - electricity	440,010	440,010	484,306	484,306	527,070	527,070	579,777	579,777	10.1%	8.8%	10.0%
Inventory consumed	113,026	113,026	102,809	102,809	119,397	119,397	125,417	125,417	-9.0%	16.1%	5.0%
Debt impairment	64,219	106,841	102,023	83,190	107,670	88,027	113,815	93,699	58.9%	5.5%	5.7%
Depreciation, Amortisation and Impairment	142,422	142,422	108,376	108,376	112,885	112,885	117,574	117,574	-23.9%	4.2%	4.2%
Interest, Dividends and Rent on Land	39,542	39,542	27,357	27,357	23,196	23,196	20,458	20,458	-30.8%	-15.2%	-11.8%
Contracted services	121,294	121,294	155,497	155,497	159,297	159,297	149,236	149,236	28.2%	2.4%	-6.3%
Transfers and subsidies	950	950	930	930	950	950	970	970	-2.1%	2.2%	2.1%
Irrecoverable debts written off	54,197	54,197	29,394	29,394	31,409	31,409	33,741	33,741	-45.8%	6.9%	7.4%
Operational Cost and Other Cost	97,528	97,528	101,540	101,540	105,853	105,853	110,115	110,115	4.1%	4.2%	4.0%
Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	–	–	-	-	-
Other Losses	15,051	15,051	15,617	15,617	15,617	15,617	15,617	15,617	3.8%	0.0%	0.0%
Total Expenditure	**1,545,173**	**1,587,795**	**1,620,577**	**1,601,744**	**1,724,783**	**1,705,140**	**1,819,156**	**1,799,041**	**4.9%**	**6.4%**	**5.5%**

The municipality's operating expenditure increased from R1.545b in 2025/26 to R1.620b or 4.9% in 2026/27, increasing to R1.724b and R1.819b relating to 6.4% and 5.5% increase for the outer years respectively.

Employee Related Costs: Employee related costs (incl Remuneration of Councillors) are the biggest cost driver at R492.728m or 30.4% of total operating expenditure for the 2026/27. Employee costs are within the Treasury norm (25-40%) as guided in MFMA Circular 71.

Overtime: Overtime is projected at R14.9 million for 2026/27 which is a decrease of 45% from the 2025/26 budget. The municipality is commendable for the cost saving in overtime costs.

Bulk Purchases (Electricity): Bulk Purchases are the second highest cost driver at R484.306m or 29.8% of total operating expenditure for 2026/27, which increases by R44.296m or 10%.

Contracted Services: Contracted services are the third highest cost driver at R155.497m or 10% of total operating expenditure for 2026/27, which increases by R34.203m or 28%. To be noted that this amount is above the norm of 2-5 % as per requirement.

The year-on-year changes for expenditure for 2026/27 range from a decrease of -45.8% for Irrecoverable debts written off to an increase of 58.9% debt impairment. (Differences were explained in the Draft Budget Document.)

Table 6: Surplus/Deficit Position on Statement of Financial Performance

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK						ASSUMPTIONS & CALCULATIONS		
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29	2026/27	2027/28	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation	% Change ADJB vs	% Change ORGB vs	% Change ORGB vs
Total Revenue (excluding capital transfers and contributions)	1,461,865	1,461,865	1,552,476	1,552,476	1,648,612	1,648,612	1,755,763	1,755,763	6.2%	6.2%	6.5%
Total Expenditure	1,545,173	1,587,795	1,620,577	1,601,744	1,724,783	1,705,140	1,819,156	1,799,041	4.9%	6.4%	5.5%
Surplus/(Deficit)	(83,308)	(125,930)	(68,101)	(49,268)	(76,171)	(56,528)	(63,394)	(43,278)	-18.3%	11.8%	-16.8%

The municipality budgeted for operating deficits to decreases from (R83m) in 2025/26 to (R68m) in 2026/27, increasing deficit to (R76m) in 2027/28 and (R63m) in 2028/29. Provincial Treasury projected operating deficit of (R49m) in 2026/27, (R56m) in 2027/28 and to (R43m) in 2028/29. Differences in operating deficits are as a result of debt impairment calculated at different collection rates assumptions.

1.2.6 Adequacy of the capital budget and its source(s) of funding

Kouga Municipality is mandated to provide roads, electricity, water, sanitation and refuse removal to the community. It could not be established that all projects agree to the capital budget of the municipality as per tables A5 and SA6 which indicate the alignment of the service delivery objectives to the budget. Supporting tables SA5 and SA6 were not presented.

Table 7: Annual Capital Expenditure – Functional

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Capital Expenditure - Functional								
Municipal governance and administration	**4,911**	**5,065**	**1,500**	**1,500**	**–**	**–**	**–**	**–**
Executive and council	–	–	–	–	–	–	–	–
Finance and administration	4,906	5,060	1,500	1,500	–	–	–	–
Internal audit	5	5	–	–	–	–	–	–
Community and public safety	**21,456**	**22,127**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**	**2,390**
Community and social services	50	52	1,435	1,435	1,435	1,435	1,435	1,435
Public safety	2,390	2,464	955	955	955	955	955	955
Housing	19,016	19,611	–	–	–	–	–	–
Economic and environmental services	**191,012**	**196,989**	**23,416**	**23,416**	**12,850**	**12,850**	**11,238**	**11,238**
Planning and development	8,276	8,535	7,987	7,987	6,887	6,887	3,741	3,741
Road transport	182,736	188,454	15,429	15,429	5,962	5,962	7,497	7,497
Trading services	**105,186**	**108,477**	**53,355**	**53,355**	**37,338**	**37,338**	**39,245**	**39,245**
Energy sources	42,935	44,279	9,374	9,374	13,096	13,096	7,180	7,180
Water management	30,749	31,711	16,142	16,142	5,019	5,019	600	600
Waste water management	30,002	30,940	27,839	27,839	19,224	19,224	31,465	31,465
Waste management	1,500	1,547	–	–	–	–	–	–
Total Capital Expenditure - Functional	**322,565**	**332,658**	**80,660**	**80,660**	**52,578**	**52,578**	**52,873**	**52,873**

- The capital budget of the municipality is projected at R80.660 million for 2026/27, decreasing by R241.905m or 75% from 2025/26.
- The bulk of the budget is for Trading Services projected at 66 percent of the Capital budget with the main focus on Waste Water Management and Water Management over the MTREF. With less budgeting on Economic and Environmental Services at 29 percent, community and public safety at 2.9 percent of the total Capital budget.
- The municipality did not budget for Municipal Governance and Administration for 2027/28 and 2028/29.

Capital Expenditure by Asset Class

- The capital budget will be spent on "New Assets" at R45.7m or 56.6%, "Renewal of Existing Assets at R7.4m or 9.2% and on the "Upgrading of Existing Assets" at R27.5m or 34.1%.
- The municipality is not complying with the norm to spend at least 60% of the capital budget on the Renewal and Upgrading of Existing Assets. (MFMA Budget Circular no 130) Total renewal and upgrading of existing assets amounts to R22.691m or 43.4% of the capital budget

Repairs and maintenance

- Repairs and Maintenance is budgeted at R206.135m or 8.1% as a percentage of PPE for 2026/27. (Norm 8%) The budget remain the same in the outer years

Table 10: Total Capital Expenditure – Functional and Total Capital Funding

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Funded by								
National Government	54,860	64,953	48,404	48,404	50,188	50,188	50,483	50,483
Provincial Government	55,588	55,588	19,079	19,079	1,435	1,435	1,435	1,435
District Municipality	955	955	955	955	955	955	955	955
Transfers recognised - capital	**111,403**	**121,496**	**68,438**	**68,438**	**52,578**	**52,578**	**52,873**	**52,873**
Borrowing	153,003	153,003	–	–	–	–	–	–
Internally generated funds	58,159	58,159	12,223	12,223	–	–	–	–
Total Capital Funding	**322,565**	**332,658**	**80,660**	**80,660**	**52,578**	**52,578**	**52,873**	**52,873**

- Funding Mix: Government grants are at R68.4m or 80% and Internally generated funds at R12.2m or 20% of the total budget.
- Total Capital Expenditure and Total Capital Funding are in alignment.
- *The internally generated funding portion is not sustainable as the municipality has budgeted for operating deficits for many years and do not have any reserves. The municipality is in contravention of MFMA Section 18 (1) (b) "An annual budget may only be funded from cash-backed accumulated funds from previous years' surpluses not committed for other purposes.*

Table 11: Capital Transfers and Grant Receipts – Alignment

Eastern Cape: Kouga (EC108) - Table SA18 Transfers and Grant Receipts for 4th Quarter ended 30 June 2026									
Description	2026/27 Medium Term Revenue & Expenditure Framework								
R thousands	DoRA 2026/27	Budget Year 2026/27	Variance	DoRA 2026/27	Budget Year 2027/28	Variance	DoRA 2026/27	Budget Year 2028/29	Variance
Capital			-			-			-
National Government			-			-			-
Monetary Allocations			-			-			-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,780	5,780	-	7,900	7,900	-	8,257	8,257	-
Municipal Infrastructure Grant	38,619	36,688	1,931	42,602	40,472	2,130	43,867	41,674	2,193
Water Services Infrastructure Grant	13,196	13,196	-	9,344	9,344	-	9,764	8,125	1,639
Total Capital/National Government	**57,595**	**55,664**	1,931	**59,846**	**57,716**	2,130	**61,888**	**58,056**	**3,832**
Provincial Government									
Monetary Allocations									
Infrastructure	-	20,291	(20,291)	-	-	-	-	-	-
Capacity Building and Other	1,650	1,650	-	1,650	1,650	-	1,650	1,650	-
Total Monetary Allocations	**1,650**	**21,941**	**(20,291)**	**1,650**	**1,650**	-	**1,650**	**1,650**	-
Total Capital/Provincial Government	**1,650**	**21,941**	**(20,291)**	**1,650**	**1,650**	-	**1,650**	**1,650**	-
District Municipalities									
Monetary Allocations									
Capacity Building and Other	-	1,098	(1,098)	-	1,098	(1,098)	-	1,098	(1,098)
Total Capital	**59,245**	**78,704**	**(19,459)**	**61,496**	**60,464**	**1,032**	**63,538**	**60,804**	**2,734**

- **National Grants -** Capital grants are in alignment with the DoRA for 2026/27 F\Y however in 2028/29 there is no alignment in water services infrastructure grant. The 5% was allocated to operating grants, refer to the blue highlight.
- **Provincial Grants and District -** Capital grants are not in alignment with the provincial gazette for 2026/27 F\Y. Municipality to share the agreement they have with the district municipality to confirm the allocation.
- The municipality should ensure specific descriptions of the relevant grants i.e. District Municipality: Fire services, as per the budget document.

1.3 ESTABLISH THE LEVEL OF FUNDING THE BUDGET

1.3.1 Financial Performance – Table A4

It has been observed that Kouga Local Municipality is consistently budgeting for operating deficits for the historical, from 2022/23 financial years and the trend is continuing over the 2026/27 MTREF. The municipality has been advised over the years to budget for an operating surplus on the statement of Financial Performance. There is a direct correlation between budgeting for an operating deficit and municipalities struggling to have funded budgets.

1.3.2 Financial Position

Table 12: Financial Position

EC108 - Kouga	Table A6 Budgeted	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description	2024/25	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
R thousand	AFS Totals	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
ASSETS									
Current assets									
Cash and cash equivalents	19,490	120,562	(52,302)	136,576	(10,670)	166,821	45,201	220,330	124,325
Short Term Investments	161,092	–	161,092	–	161,092	–	161,092	–	161,092
Trade and other receivables from exchange transactions	91,402	104,404	60,954	79,549	68,556	79,589	76,858	79,631	85,907
Receivables from non-exchange transactions	79,492	79,496	70,677	78,695	71,035	78,655	71,413	78,613	71,811
Inventory	24,825	24,807	23,689	24,825	23,689	24,825	23,689	24,825	23,689
Statutory receivable	–	(13,686)	9,783	11,967	10,704	11,967	11,544	11,967	12,203
Other current assets	117	3,145	117	3,145	117	3,145	117	3,145	117
Total current assets	**376,419**	**318,729**	**274,010**	**334,758**	**324,523**	**365,002**	**389,915**	**418,511**	**479,144**
Non current assets									
Investments	–	–	–	–	–	–	–	–	–
Investment property	246,427	246,427	246,427	246,427	246,427	246,427	246,427	246,427	246,427
Property, plant and equipment	2,165,606	2,345,450	2,356,129	2,313,392	2,328,257	2,248,743	2,268,433	2,179,700	2,204,234
Biological assets	212	–	212	–	212	–	212	–	212
Intangible assets	–	512	(286)	212	(750)	212	(1,233)	212	(1,735)
Other non-current assets	–	–	–	–	620	–	620	–	620
Total non current assets	**2,412,245**	**2,592,388**	**2,602,481**	**2,560,031**	**2,574,765**	**2,495,381**	**2,514,458**	**2,426,339**	**2,449,757**
TOTAL ASSETS	**2,788,663**	**2,911,117**	**2,876,491**	**2,894,788**	**2,899,288**	**2,860,384**	**2,904,373**	**2,844,850**	**2,928,901**
LIABILITIES									
Current liabilities									
Financial liabilities	29,869	23,538	31,000	23,178	23,000	17,424	17,000	17,424	31,576
Consumer deposits	34,505	34,505	34,505	34,505	34,505	34,505	34,505	34,505	34,505
Trade and other payables from exchange transactions	210,501	226,319	217,448	237,247	223,579	237,294	229,215	237,247	233,608
Trade and other payable from non-exchange transactions	20,944	0	9,337	–	9,337	–	9,337	–	9,337
Provision	39,189	31,576	39,189	31,256	39,189	31,256	39,189	31,256	39,189
Statutory payable	26,745	2,344	14,933	2,344	22,893	2,297	31,574	2,344	41,021
Other current liabilities	–	7,933	–	7,933	–	7,933	–	7,933	–
Total current liabilities	**361,752**	**326,215**	**346,412**	**336,462**	**352,503**	**330,709**	**360,820**	**330,709**	**389,235**
Non current liabilities									
Financial liabilities	119,060	201,401	188,060	170,195	165,060	153,131	148,060	141,820	116,484
Provision	249,392	124,166	272,621	125,734	282,893	130,214	292,724	134,694	302,555
Other non-current liabilities	–	148,014	–	128,578	–	128,578	–	128,578	–
Total non current liabilities	**368,452**	**473,581**	**460,681**	**424,507**	**447,953**	**411,923**	**440,784**	**405,092**	**419,039**
TOTAL LIABILITIES	**730,204**	**799,796**	**807,094**	**760,969**	**800,455**	**742,631**	**801,604**	**735,801**	**808,274**
NET ASSETS	**2,058,459**	**2,111,322**	**2,069,397**	**2,133,819**	**2,098,833**	**2,117,752**	**2,102,769**	**2,109,049**	**2,120,627**

As per the municipality's figures, Trade and other receivables from exchange transactions in relation to the 2026/27 financial year are projected at R79.549 million. As per the Treasury calculations, this amount has increased to R68.5 million in 2026/27, further increasing to R76.8 million in 2027/28 and R85.9 in 2028/29.

Trade and other payables from exchange transactions in relation to the 2026 MTREF financial year are projected at R237.247 million. As per the Treasury calculation, this amount has reflected an increase throughout the 2026/27 MTREF, from R223.589 million in 2026/27, to R229.215 million in 2027/28 and R233.608 in 2028/29.

1.3.3 Cash flow- Table A7

Table 13: Cash Flow statement

EC108 - Kouga	CURRENT YEAR		MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
R thousand	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	296,352	290,113	313,755	307,150	329,443	322,507	345,915	338,633
Service charges	846,520	708,773	901,563	764,281	970,422	823,079	1,052,170	892,995
Other revenue	146,022	283,151	116,877	268,976	117,285	281,138	118,360	295,788
Transfers and Subsidies - Operational	214,845	214,697	222,542	222,542	230,643	230,643	236,697	236,697
Transfers and Subsidies - Capital	104,291	125,262	78,704	78,704	60,464	60,464	60,804	60,804
Interest	16,273	16,273	17,086	17,086	17,941	17,941	18,838	18,838
Payments		1,638,267		1,658,738		1,735,772		1,843,755
Suppliers and employees	(1,417,549)	(1,429,829)	(1,495,047)	(1,481,639)	(1,597,724)	(1,584,658)	(1,689,634)	(1,677,810)
Finance charges	(19,267)	(16,754)	(26,308)	(22,877)	(21,523)	(18,716)	(18,375)	(15,978)
Transfers and Grants	(950)	(950)	(930)	(930)	(950)	(950)	(970)	(970)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**186,536**	**190,735**	**128,241**	**153,293**	**106,000**	**131,448**	**123,806**	**148,997**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Payments								
Capital assets	(318,092)	(332,658)	(80,660)	(80,660)	(52,578)	(52,578)	(52,873)	(52,873)
Retention (Capital) - Retired for 2026/27	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(318,092)**	**(332,658)**	**(80,660)**	**(80,660)**	**(52,578)**	**(52,578)**	**(52,873)**	**(52,873)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Borrowing long term/refinancing	100,000	100,000	–	–	–	–	–	–
Payments								
Repayment of borrowing	(23,990)	(29,869)	–	(31,000)	–	(23,000)	–	(17,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**76,010**	**70,131**	**–**	**(31,000)**	**–**	**(23,000)**	**–**	**(17,000)**
Short term loans								
NET INCREASE/ (DECREASE) IN CASH HELD	**(55,546)**	**(71,792)**	**47,581**	**41,632**	**53,423**	**55,871**	**70,933**	**79,124**
Cash/cash equivalents at the year begin:	180,582	**180,582**	**120,562**	**108,790**	**136,576**	**150,422**	**166,821**	**206,293**
Cash/cash equivalents at the year end:	**125,035**	**108,790**	**168,142**	**150,422**	**189,999**	**206,293**	**237,754**	**285,417**

According to Provincial Treasury's calculations, the cash/cash equivalents at year end is at R150.422 million in 2026/27, increasing to R206.293 million and R285.417 million for the outer years. A positive cash balance is the first measurement in determining if a budget is funded, however it does not mean the Municipality's finance will be sustainable throughout the MTREF financial years as they had budgeted for an operating deficit.

1.3.4 Application of Cash and Investments- Table A8

Table 14: Level of funding in respect of the 2026/27 MTREF budget

EC108 - Kouga	MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
Description R thousand	2026/27 Budget Year +0	2026/27 Treasury Calculation	2027/28 Budget Year +1	2027/28 Treasury Calculation	2028/29 Budget Year +2	2028/29 Treasury Calculation
Cash and investments available						
Cash/cash equivalents at the year end	168,142	150,422	189,999	206,293	237,754	285,417
Other current investments > 90 days	(31,566)	–	(23,178)	–	(17,424)	(0)
Non current assets - Investments	–	–	–	–	–	–
Cash and investments available:	**136,576**	**150,422**	**166,821**	**206,293**	**220,330**	**285,417**
Application of cash and investments						
Unspent conditional transfers	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–
Statutory requirements	1,582	12,189	1,582	20,030	1,582	28,818
Other working capital requirements	74,261	88,631	74,727	86,265	74,932	81,925
Other provisions	31,256	39,189	31,256	39,189	31,256	39,189
Long term investments committed	–	–	–	–	–	–
Reserves to be backed by cash/investments	23,500	–	27,500	–	31,500	–
Total Application of cash and investments:	**130,599**	**140,009**	**135,065**	**145,484**	**139,271**	**149,932**
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt Relief Benefits	**5,977**	**10,413**	**31,756**	**60,809**	**81,059**	**135,485**
Creditors transferred to Debt Relief - Non-Current portion not written off to date	–	–	–	–	–	–
Surplus(shortfall) - Incl Non-Current Creditors Trf to Debt Relief Benefits	**5,977**	**10,413**	**31,756**	**60,809**	**81,059**	**135,485**

The level of funding in respect of the 2026/27 draft budget of Kouga Local Municipality is reflected in the table above. The municipality will be able to sustain itself over the MTREF as it has a positive cash position after taking into consideration the working capital requirements. Therefore, the budget of the municipality is **funded** over the 2026/27 MTREF.

The following factors were considered in achieving the aforementioned funding status:

- The initiative to increase revenue or decrease expenditure by implementing the Water Losses Reduction Plan, Electricity Losses Reduction Plan and Debtors Book Reduction Plan. These were the major challenges faced by the municipality which had an impact on the municipality's s prior years' collection rate.
- Reduction in non- critical expenditure- The municipality has reported on the implementation of cost containment measures and indicated savings amount of R2.7 million as at 31 March 2026.
- Customer satisfaction to the accuracy of their accounts which encourages the willingness in paying
- The average collection rate as at 31 March 2026 is also taken into consideration which was at 92.76%, below the norm of 95%. However, the Municipality is not collecting in Fines, penalties and forfeits with the 20% collection rate. The Municipality might not be sustainable throughout the MTREF if there is no improvement in collection rate specifically on Fines.

2 RELEVANCE

2.1 Budget Alignment to IDP

- The alignment of the draft budget to the IDP strategic priorities could not be established.
- The following supporting tables for operating revenue and expenditure were not populated and presented:
    - Table SA4: Reconciliation of IDP strategic objectives and budget (revenue).
    - Table SA5: Reconciliation of IDP strategic objectives and budget (operating expenditure).
    - The following supporting table for capital expenditure were also not populated and presented:
    - Table SA6: Reconciliation of IDP strategic objectives and budget (capital).
- As a result, the linkage between the following tables could also not be established:
    - Table A5: Budgeted Capex by Vote, Standard Class & Funding Source
    - Table SA36: Detail Capital Budget (not populated)
- The draft 2025/26 IDP contains a project register reflecting a list of projects that aligns to the budget document.

2.2 Budget Alignment to National Programmes

Kouga Municipality, in line with the relevant legislation, has developed objectives and strategies that is aligned to the needs of the community and to the two spheres of government.

Objectives and strategies have been formulated to address the following Local Government Key Performance Areas:

- KPA 1: Municipal Institutional development and Transformation
- KPA 2: Basic Service Delivery
- KPA 3: Local Economic Development
- KPA 4: Municipal Financial Viability and Management
- KPA 5: Good Governance and Public Participation

2.3 Budgetary provision for funded provincial and national Priorities.

Based on the IDP and budget document, it was noted that the IDP of the municipality was reviewed and revised for the 2026/27 financial year. The objectives that are on the IDP of the municipality has been linked to the National and Provincial Priorities.

The IDP objectives are further broken down into detailed projects that the municipality will be embarking on and have been projected into the MTREF period and the costing of these projects is aligned to table A5. Linkage to supporting tables SA6 could not be established as the afore mentioned tables were not populated.

3 SUSTAINABILITY

3.1 Service delivery

- The municipality does not have adequate cash and reserves to deliver services derived from its priorities.
- The municipality relies on grant funding for the capital budget, which is a past trend from audited outcomes, current year budget, as well as the 2026/27 MTREF.
- According to National Treasury guidelines, municipalities are advised to allocate at least 60 per cent of their total property plant and equipment budget to the renewal of existing assets to ensure that current and future revenue provided by the already existing assets is secured, and properly maintained.

3.2 Provision and accounting for Free Basic Services

The municipality has not provided service delivery information as per the requirements of MFMA as per the specific tables that needed to be completed. The municipality's Table A10 - Basic service delivery measurements, was not presented with numerous information gaps and contains only information regarding the Cost of Free Basic Services provided and Supporting Table SA9 - Social, Economic and Demographic Statistics and Assumptions, were not presented.

In terms of MFMA circular 85, paragraph 8.1, the costs of providing free basic services to indigents must be captured in SA9; this will result in the cost being deducted from revenue on table SA1.

3.3 Forecasting and multi-year budgeting

It has been observed that Kouga Municipality used the mechanical straight-line method to project for operating revenue and expenditure as well as the capital revenue and expenditure, with little consideration as to the timing of its occurrence.

3.4 mSCOA Implementation

Methodology to analysis

The *m*SCOA data strings that are submitted by the municipality to the LG Upload Portal are analysed in terms of credibility and accuracy. The analysis looks at the use of the *m*SCOA chart and segments by the municipality to budget and report on operating and capital revenue and expenditure, the cash flow, non-financial information and water inventory revenue and expenditure.

Segments Use Analysis

The municipality is encouraged to take the recommendations below into account in preparation for the final budget to be adopted during May 2026:

- The project and item segment were correctly populated.
- Item was correctly spread across different functions of the municipality.
- **Revenue billing:** All service charges, with the exception of Waste Management billing do **not net off to zero**. The function and funding segments are not in all instances aligned.
- The following revenue items does not align to the corresponding funding segment:

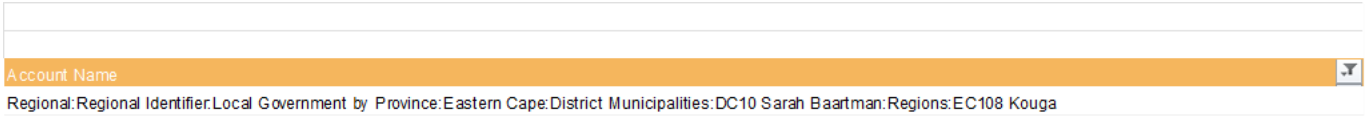
		2027 TABB
Account Name	Account Name	
Revenue:Exchange Revenue:Interest, Dividend and Rent on Land:Interest:Receivables:Service Charges	Fund:Operational:Revenue:General Revenue:Operational Revenue	-54 434

- **Contracted Services:** The municipality has budgeted for contracted services across relevant functions and required projects. The below items for catering and repairs and maintenance items should be realigned as it is linked to Municipal Running cost.

		2027 TABB
Account Name	Account Name	
Operational:Municipal Running Cost	Expenditure:Contracted Services:Contractors:Catering Services	3 500
Operational:Municipal Running Cost	Expenditure:Contracted Services:Contractors:Maintenance of Unspecified Assets	30 000

- **Free Basic Services:** The municipality has correctly budgeted for free basic services across all required functions.
- **Depreciation:** The municipality has adequately split depreciation across all function for all assets as per the municipalities fixed asset register: The municipality has not allocated a funding source for depreciation to allow the accumulation of a cash backed reserve for future capital replacements. **The depreciation raised does however not agree to the accumulated depreciation and amortisation.**
- **Senior Managers:** The municipality has incorrectly budgeted for 6 senior managers, including the MM and CFO. **This does not align with the approved organogram.** Additionally, the basic salary for one line item needs to be investigated.

- **Remuneration of councillors:** The municipality has budget for the Speaker, Chief Whip, Executive mayor, Executive Committee and s79 committees. The budgeted expenditure agrees to the liability raised.
- **Employee Related Cost:** The Project segment was used as Operational: Municipal Running Cost and Operational: Typical Work streams. The Function and Item expenditure segments were also used correctly across all functions in the municipality. **The corresponding liability raised for Cost of Employees does not equal to the budgeted expenditure.**
- **Irrecoverable Debts Written off:** The municipality has accurately budgeted for Irrecoverable debts.
- **Bulk Electricity:** The municipality has budgeted for Bulk Electricity, the expenditure raised is equal to the liability, however the function segment for the Bulk Purchases: Deposits and Opening balance line items should be reviewed.
- **Bulk Water:** The municipality has budgeted for Bulk Water, **the expenditure raised does not equal to the Deposit leg of the liability.** Additionally, the usage of water does not agree to the inventory consumed. The municipality has budgeted for losses on water. The municipality should re-align the function segments.
- **Repairs and maintenance:** The municipality has budgeted for preventative and corrective maintenance but did not allocate any funds for emergency repairs. Repairs and maintenance are budgeted across all relevant functions and the funding sources are all operational. The item segment is not always consistent with the project segment, as a number of maintenance items is linked to maintenance of “Unspecified assets”.
- **Gains and losses:** The municipality has accurately budgeted for Gains and losses.
- **Opening Balance:** The municipality has budgeted for opening balances, but they do not net off to zero**.**
- **VAT:** The municipality has mapped some of the VAT accounts but has omitted the Opening balance for Input VAT: Capital, Input VAT: General. The extracts below show how VAT should be budgeted for.
- **Transfers and subsidies:** The municipality has accurately budgeted for transactions relating to Transfers and subsidies.
- **Trade and other payables**: Trade payables overall agree, however when unbundling the municipality has not adequately split between all the related expenditure items.
- **Function and fund:** There are a number of functions not aligned to the respective funding source.
- **Region**: The municipality has erroneously included a region outside of its jurisdiction.



The municipality does not have a **functional MSCOA Steering** Committee

ROADMAP

- The municipality has indicated migration of Asset management during the 2026/27 financial year- the municipality should ensure the implications of the minimum business processes are being taken into consideration.
- Pages 2-8 of the roadmap needs to be updated, as there are areas relating to HR, Payroll as well as governance, that is less than 100% with no allocated official, as well as no completion dates – clarity on the comment: “Refer to Mscoa steering committee”

4 CONCLUSION

- The outcomes of the assessment by the Provincial Treasury concluded that the budget is funded over the 2026/27 MTREF.
- The Municipality is not in line with the requirements of Section 18 and 19 of the MFMA which states that an annual budget may only be funded from realistically anticipated revenues, actual cash-backed funds from previous years. It mandates that municipal budgets must be balanced, ensuring expenditure does not exceed available revenue, therefore the Municipality is sustainable only for a short term, in the long run the Municipality won't be sustainable.

5 KEY OBSERVATION / FINDINGS / RISK / RECOMMENDATIONS / RESOLUTIONS

5.1 *Key Observations and Findings*

Kouga Local Municipality adopted the IDP/Budget Process Plan during August 2025 as required. The planned activities of the Budget Process Plan key milestones were achieved as per the plan.

The preparation of the IDP followed an approved process plan and key milestones were achieved. The IDP 2026/27 is aligned to the five development priorities as well as the National and Provincial government strategic frameworks. The IDP 2026/27 was tabled with the Draft Budget 2026/27 on 30 March 2026.

The 2026/27 budget is funded for the MTREF. The cash position reflects a positive outlook for 2026/27, 2027/28 and 2028/29 which provide some assurance that the municipality could meet its short-term financial obligations when prudently managing its financial affairs. However, failure to collect outstanding debt could result in an unfunded budget over the MTREF.

5.2 Risks

- The municipality has budgeted for operating deficits over the MTREF.

5.3 Recommendations and Resolutions

It is recommended that the municipality should:

- Implement the credit control policy to the fullest to improve collection rate.
- The municipality should continue with the implementation of cost containment measures and report quarterly in the Sec52(d) report.
- The debtors age analysis of the municipality should be constantly monitored and the municipality to implement the debt collection strategy.
- The municipality should ensure compliance with MFMA sections 18 and 19; start budgeting for operating surpluses as again highlighted in MFMA Circular no 130.

The following resolutions were agreed upon during the engagement:

- Kouga to ensure the revenue enhancement plan is implemented to the fullest.
- Kouga to work together with the service provider to ensure full alignment over the MTREF between the data strings and the A1 Schedules.
- Kouga to ensure the procurement plan is tabled with the 2026/27 final budget.
- Kouga Municipality to implement a functional mSCOA Steering Committee.
- The municipality to correct the data strings on A7 Cash flow on the repayment of borrowings.
- Kouga to improve the collection rate of the Fines, penalties and forfeits, failure to collect outstanding debt could result in an unfunded budget over the MTREF**.**

Provincial Treasury would like to thank Kouga Local Municipality for an insightful and fruitful Draft Budget 2026/27 working session held on 11 May 2026.

COMPILED BY: NTOMBIZANELE MZUKU

SIGNATURE:  **DATE: 12 MAY 2026**

REVIEWED BY: MONWABISI NGWADLA

SIGNATURE:  **DATE: 12 MAY 2026**

APPROVED BY: THEMBA GWIJA

SIGNATURE:  **DATE: 12 MAY 2026**