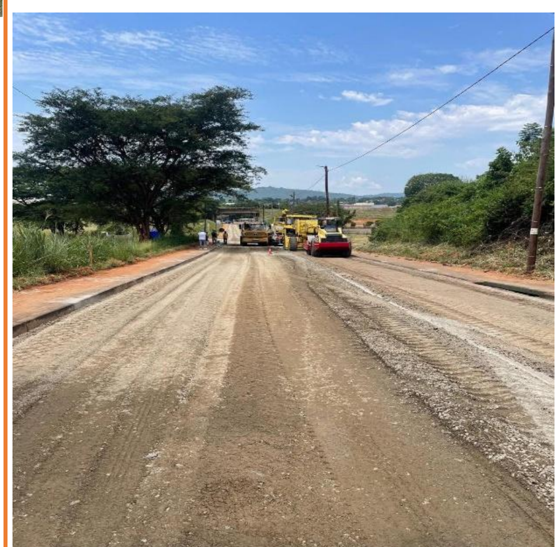
2026 2027

FINANCIAL YEAR



GREATER TZANEEN MUNICIPALITY

FINAL BUDGET REPORT

REPORT OF THE DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

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1.2 INTRODUCTION

PURPOSE OF THIS REPORT

The purpose of this report is to request Council to consider the 2026/2027 (MTREF) Medium-term Revenue and Expenditure Framework in terms of Section 24 (1) of the Municipal Finance Management Act 2003, Act no. 56 of 2003.

INTRODUCTION

The (MTREF) Medium – Term Revenue and Expenditure Framework submitted to Council today is the collective effort of the Budget Steering Committee and is in line with the requirements of the Municipal Finance Management Act, 2003 and is the financial assertion of our political mandate.

The budget has been prepared in accordance with the guidelines set by National Treasury's MFMA Circular no 132 and related circulars, which state inter alia that municipal revenues and cash flows are expected to remain under pressure in the 2026/2027 financial year. Our Municipality therefore strives to implement a budget which promotes the following activities:

- Improving the effectiveness of revenue management processes;
- Upgrading and maintaining infrastructure;
- Implementation of Cost containment measures to, amongst others control unnecessary spending and non-essential activities;
- Effective and efficient use of public resources;
- Provision of basic services to all households;
- Non implementation of unfunded mandates;
- Provision of sustainable services delivery;
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation;
- Economic growth and fiscal responsibility;
- Citizen engagement and participation in budget process;
- Identification and assessment of financial risks and uncertainties that could impact budget stability.

The National Treasury encourages municipalities to carefully consider the affordability of tariff increases, especially where it relates to domestic consumers.

To curb the economic challenges that are experienced global and local our Municipality will continue to follow a conservative approach in the drafting of this MTREF. This approach includes considering the cost containment measures suggested by National Treasury in the budget as well as continuous reviews of the operational cost base in an attempt to identify inefficiencies.

The budget was drafted with full consideration of the provisions contained in National Treasury Circulars, economic downturn, limited resources, Councils financial position, sustainability, affordability and the fact that Municipalities were cautioned by National Treasury to keep increases in tariffs and other charges as low as practically possible. Council is also advised that Section 20 of the MFMA specifically empowers the Minister of Finance to take appropriate steps to ensure that Municipality's do not materially and unreasonably prejudice national economic policy, particularly those on inflation, administered prices and equity.

The budget has been drafted according to legislative requirements and the Budget Steering Committee considered that the 2026/2027 budget planning initiatives and the accompanying collective budget process resulted in not only a well-balanced budget, but also one which is sustainable, equitable and representative of our communities.

Council must take cognizance that Section 160 (2)(b) of the Constitution of the Republic of South Africa, 1996 (Act no. 108 of 1996) determines that the approval of budgets may not be delegated by a Municipal Council. Section 160 (3) (b) determines that all questions concerning the approval of the budget are determined by a decision taken by a council with a supporting vote of a majority of its members.

PART 1 – ANNUAL BUDGET

2. BUDGET SPEECH BY HIS WORSHIP MAYOR GERSON MOLAPISANE

The budget speech of the Mayor will be distributed under separate cover.

3. BUDGET RELATED RESOLUTIONS

RECOMMENDATIONS

(a) That the FINAL Budget of Greater Tzaneen Municipality for the financial year 2026/2027 and the indicative revenue and projected expenditure for the two subsequent years 2027/2028 and 2028/2029 be approved.

(b) That the Annexures and policies attached to this report be approved.

(c) That Council takes cognizance thereof that the increase in tariffs on the previous year tariffs are within the guidelines set by National Treasury.

(d) That the budget for water and sewer drafted by the Chief Financial Officer of Greater Tzaneen Municipality be submitted to Mopani District Municipality (MDM) for consideration, approval and submission to National Treasury.

(e) That the allocations, for capital projects for the 2026/2027 – 2028/2029 financial year be approved as follows:

	2026/2027	**2027/2028**	**2028/2029**
Grants	R112 876 150	R125 684 050	R129 753 850
Own Sources	R186 620 000	R210 850 000	R158 750 000
TOTAL	**R299 496 150**	**R336 534 050**	**R288 503 850**

(f) That the expenditure on the public entertainment and subsistence and travel votes be limited to the budgeted amounts and that no overspending on these votes be allowed without the prior approval of the Municipal Manager and the Chief Financial Officer.

(g) That no overspending be allowed on the entertainment votes without the prior approval of the Municipal Manager and the Chief Financial Officer and that the amounts be limited to the guidelines contained in the cost containment measures

(h) That the monthly accounts of poor households (indigent) that qualify for free basic services be approved at R200,00 per month plus water consumption above 6 kilo litre per month.

(i) That the measurable performance objective for revenue for each source and for each vote be approved.

(j) CAPITAL BUDGET

I. That no annuity loan be taken up to finance Capital Projects during the 2026/2027 financial year.

II. That Council takes cognizance of the R118 817 000 MIG allocation of which R112 876 150 is allocated for Capital and R5 940 850 is allocated for Operational activities.

III. TRANSPORT BUDGET

I That the Vehicle budget as per **Annexure "G" and** tariffs applicable for each vehicle be approved.

II That all vehicles be rationalized to the needs of the different departments to ensure optimal and cost-effective fleet management to all departments.

III That all departments adhere to the requirements of utilization and costing set out in the Vehicle Fleet Policy.

(k) PERSONNEL

That the Organizational structure budget for Greater Tzaneen Municipality be approved. **Annexure "F".**

(l) INTEREST ON ARREARS OTHER THAN FOR RATES

That the interest rate in terms of the Local Government, Municipal Systems Act 32 of 2000 be determined the same as the current rate, namely, 18%.

(m) INTEREST ON AREAR RATES

That the interest rate of prime rate as at 1 July 2026 plus 1% as promulgated in Government Gazette no. 28113 of 13 October 2005 be approved and that the prime rate of ABSA Bank, where Greater Tzaneen Municipality primary bank account is held, be applicable.

(n) That R950 000 (previous year R950 000) be made available to the Mayor for the 2026/2027 financial year, allocated as follows:

I R500 000 Public Programs which must be subjected to Audit and be utilized in accordance with circular 132. (Funds will only be used for charity purposes) (Previous year R500 000)

II R450 000 For Bursaries (Previous year R450 000)

(o) That R250 000 be made available for the Speaker's Public Programs.

(p) That an amount of R300 000 (Previous year R250 000) be allocated to SPCA for the running of the pound effectively and successfully

(q) SOLID WASTE: TARIFFS

That the following tariffs for solid waste be approved:

Solid Waste Tariffs & Charges			
Solid Waste Kerbside Removals		**Current**	**Proposed**
1.	**Residential waste**		
	a. Waste tariff for urban residential premises, for 1 x kerbside-removal p.w	R182,38	R189,13
	b. Basic waste charge for non-urban residential premises	R182,38	R189,13
2.	**Business waste**	**Current**	**Proposed**
	a. Basic waste charge	R607,90	R630,39
	b. Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R607,90	R630,39
3.	**Industrial waste**		
	a. Basic waste charge	R486,35	R504,34
	b. Waste tariff per unit of 85 x litres, for 3 x kerbside-removals p.w.	R486,35	R504,34
4.	**Institutional waste**		
	Basic waste charge	R577,36	R598,72
	Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R577,36	R598,72
5.	**Events**		
	Domestic waste generated form activities such as funerals, weddings, parties etc. Where such waste cannot be accommodated and safely stored within an 85l bin. Waste tariff per unit of 840L wheely bin	R70,00	R72,59

6.	**Dead Animals**		
	Collection, transportation and disposal of animal carcasses per removal	R448,31	R464,90
7.	**Condemned Foodstuffs**		
	Collection; transportation and disposal of condemned foodstuffs per load of 1 x ton // 1 m³ or part thereof and issuing of safe disposal certificates	R1 609,80	R1 669,36
8.	**Clean up Tariff of Dirty Stands/Premises**		
	Clean up tariff per ton or 1m³ or part there-off	R2 883,00	R2 989,67
9.	**Bulky Waste charges for Removals in 6m³ Skip-containers**		
	Removal of 6m³ (or part there-of) of compactable-waste p.w.	R657,09	R681,40
	Removal of 6m³ (or part there-of) of non-compactable-waste p.w.	R602,34 See note	R624,63 See note
10.	**Landfill entrance charges for private waste depositions**		
	Per entry of a light delivery van or trailer load not exceeding ≤1 ton // 1 m³ (or part thereof)	R344,83	R357,59
	Per entry of a lorry load not exceeding 3 tons // 3m³, but exceeding ≤ 1 ton // 1m³ (or part thereof)	R677,77	R702,85
	Per entry of a lorry load not exceeding 6 x tons // 6m³ but exceeding ≤ 3 x tons // 3m³ (or part thereof)	R1 684,92	R1 747,26
	Per entry of a lorry load not exceeding 10 x tons // 10m³ but exceeding ≤ 6 x tons // 6m³ (or part thereof)	R2 871,61	R2 977,86
	Per entry of a lorry load exceeding ≤ 10 x tons // 10m³ (or part thereof)	R3 720,61	R3 858,27
11.	**Health Care Risk Waste charges for collection, transportation & disposal**	**Current** -	**Proposed** -

	≤ = 5 x lit sharps	R212,86	R220,74
	≤ = 5 x lit human tissue	R338,06	R350,57
	≤ = 10 x lit sharps	R463,27	R480,41
	≤ = 10 x lit human tissue	R463,27	R480,41
	≤ = 20 x lit sharps	R663,61	R688,16
	≤ = 20 x lit human tissue	R663,61	R688,16
	≤ = 85 x lit H.C.R.W. in liner	R237,89	R246,69
	≤ = 25 x lit H.C.R.W box + liner	R175,30	R181,79
	≤ = 50 x lit H.C.R.W box + liner	R350,58	R363,55
	≤ = 140 x lit H.C.R.W box + liner	R863,94	R895,91
	≤ = 140 x lit Empty liners	R50,08	R51,93

(s) WATER SUPPLY: TARIFFS

That the following tariffs for water supply be approved

Tariffs Basic Charges

	CURRENT	PROPOSED
Domestic (AA)	**R46.59**	**R48,31**
Business (BA)	**R73.58**	**R76,30**
Industrial (CA)	**R73.58**	**R76,30**
State (EA)	**R125.12**	**R129,75**
Dept (FA)	**R46.59**	**R48,31**
Transnet (HA)	**R125.12**	**R129,75**
Flats	**R76.04**	**R78,85**
Education	**R58.89**	**R61,07**

Tariffs for Consumption

I	DOMESTIC (AA)	CURRENT Rand per kl	PROPOSED Rand per kl
	0 – 6 kl	R1,71	R1,77
	7 – 10 kl	R4,78	R4,96
	11 – 25 kl	R8, 45	R8,76
	26 – 35 kl	R11, 39	R11,81
	36 – 100 kl	R12, 71	R13,18
	101kl and more	R23, 93	R24,82
Ii	BUSINESS (BA) / INDUSTRIAL (CA)		
	0 – 50 kl	R6, 09	R6,32
	51 – 100 kl	R10, 15	R10,53
	101kl and more	R12, 17	R12,62
iii	STATE (EA) TRANSNET (HA)		
	0 – 50 kl	R11, 28	R11,70
	51 – 250 kl	R15, 02	R15,58
	251kl and more	R15, 96	R16,55
iv	DEPT (FA) (MUNICIPAL BUILDINGS)		
	0 – 6 kl	R1,24	R1,29
	7 – 10 kl	R3,29	R3,41
	11 – 25 kl	R5,80	R6,01
	26 – 35 kl	R6,95	R7,21
	36 – 100 kl	R8,72	R9,04
	101kl and more	R16,28	R16,88
V	FLATS		
	0 – 75 kl	R3,00	R3,11
	76 – 120 kl	R9,52	R9,87
	121 – 200 kl	R10,02	R10,39
	201 – 250 kl	R10,51	R10,90
	251 – 370 kl	R11,02	R11,43
	371kl and more	R12,03	R12,48
vi	EDUCATION		
	0 – 50 kl	R4,87	R5,05
	51 – 200 kl	R6,49	R6,73
	201 – 400 kl	R6,90	R7,16
	401kl and more	R8,10	R8,40

HAENERTSBURG WATER TARIFFS

	CURRENT Rand per kl	PROPOSED Rand per kl
00 – 6 kl	10,88	11,28
7 – 10 kl	10,88	11,28
11 – 25 kl	10,88	11,28
26 – 35 kl	10,88	11,28
36 – 100 kl	10,88	11,28
101 kl and more	10,88	11,28

That these tariffs be increased according to the increases implemented by Lepelle.

(r) SEWERAGE: TARIFFS

That the following tariffs for sewer services be approved:

	CURRENT Rand per kl	PROPOSED Rand per kl
Charge per m² (Basic Charge	R0,44	R0,46
CHARGE PER KL WATER USAGE/MONTH		
Domestic (AA)	R1,13	R1,17
Business (BA)	R1,88	R1,95
Hotel (BB)	R1,60	R1,66
Guest Houses	R1,60	R1,66
Industrial (CA)	R1,88	R1,95
Flats (IA)	R1,13	R1,17
State (EA)	R1,44	R1,49
Education	R0,63	R0,65
Incentives	R0,63	R0,65

(t) GENERAL RATES AND REBATE

PROPERTY RATES TARIFFS

Categories of properties in terms of the policy	CURRENT	PROPOSED
Agricultural Properties		
Tariff on market value	R0,002831	R0,002990
Business and Commercial Properties		
Tariff on market value	R0,016534	R0,017146
Cemeteries and Crematoriums Properties		
Tariff on market value	R0,00	R0,00
Industrial Properties		
Tariff on market value	R0,016534	R0,017146
Municipal Properties		
Tariff on market value	R0,00	R0,00
Vacant Land		
Tariff on market value	R0,016534	R0,017146
Public Benefit Organization Properties		
Tariff on market value	R0,002831	R0,002990
Public Service Infrastructure		
Tariff on market value	R0,002831	R0,002990
Properties for Religious Use		
Tariff on market value	R0,00	R0,00
Residential Properties		
Tariff on market value	R0,016534	R0,017146
Public Service Properties		
Tariff on market value	R0,016534	R0,017146

To comply with the requirements of Government Gazette no 32991 the following ratios will apply:

(a) The first number in the second column of the table represents the ratio to the rate on residential properties;

(b) The second number in the second column of the table represents the maximum ratio to the rate on residential property that may be imposed on the non-residential properties listed in the first column of the table:

Categories	Ratio in Relation to Residential property
Residential property	1:1
Agricultural property	1: 0,25
Public service infrastructure property	1: 0.25
Public benefit organization property	1: 0.25

The Agricultural Property, public service infrastructure property and Public benefit organization property tariff must be 25% of the residential tariff.

That the rates be paid in a single amount before 31 August or in twelve (12) equal monthly installments.

That according to the Municipal Property Rates Act 12 of 2007 updated September 2015 the following be taken into account:

"17 A Municipality may not levy a rate –

(h) On the first R15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a Municipality to a category determined by the Municipality –

(i) For residential properties; or
(ii) For properties used for multiple purposes, provided one or more components of the property are used for residential purposes;"

That the interest rate on overdue amounts on property rates be charged at prime rate as at 1 July 2026 plus one (1%) percent in terms of the Municipal Property Rates Act, 2004.

That the rebates of 30% as contained in Councils Property Rates Policy on Residential property be applied.

(u) ELECTRICITY TARIFFS

That the following electricity tariffs be approved:

TARIFF B

Domestic and Agricultural Conventional Meter Customer

Agriculture / Domestic: 16 kVA single Phase (70 Amps)

- Basic Charge: R738.54 / month
- Energy charge: R3.6888 / kWh
- Excess Energy Charge > 1500 kWh: R3.7995 / kWh

Agriculture / Domestic: 25 kVA Three Phase (45 Amps)

- Basic Charge: R2 926.70/ month
- Energy charge: R3.0630 / kWh
- Excess Energy Charge > 3000 kWh: R3.1549 / kWh

Agriculture / Domestic: 50 kVA Three Phase (80 Amps)

- Basic Charge: R3 902.27 / month
- Energy charge: R3.0630 / kWh
- Excess Energy Charge > 3000 kWh: R3.1549 / kWh

Agriculture / Domestic: 75 kVA Three Phase (100 Amps)

- Basic Charge: R5 463.19 / month
- Energy charge: R3.0630 / kWh
- Excess Energy Charge > 3000 kWh: R3.1549 / kWh

Commercial Conventional Meter Customer

Business Med: 16 kVA Single phase (70 Amps)

- Basic Charge: R2 385.88 / month
- Energy charge: R3.0120 / kWh
- Excess Energy Charge > 3000 kWh: R3.1024 / kWh

Business: 25 kVA Three Phase (45 Amps)

- Basic Charge: R3 082.00 / month
- Energy charge: R2.7920 / kWh

- Excess Energy Charge > 3000 kWh: R2.8757/ kWh

Business: 50 kVA Three Phase (80 Amps)

- Basic Charge: R3 743.04 / month
- Energy charge: R2.7920 / kWh
- Excess Energy Charge > 3000 kWh: R2.8757 / kWh

Business: 75 kVA Three Phase (100 Amps)

- Basic Charge: R5 392.26 / month
- Energy charge: R2.7920 / kWh
- Excess Energy Charge > 3000 kWh: R2.8757 / kWh

<u>Commercial Pre-Paid Customers</u>

Business Med: 16 kVA Single phase (70 Amps)

- Basic Charge: R1 182.00 / month
- Energy charge: R3.8230 / kWh

Business: 25 kVA Three Phase (45 Amps)

- Basic Charge: R1 483.44 / month
- Energy charge: R3.8230 / kWh

Business: 50 kVA Three Phase (80 Amps)

- Basic Charge: R1 854.30 / month
- Energy charge: R3.8230 / kWh

Business: 75 kVA Three Phase (100 Amps)

- Basic Charge: R2 688.73 / month
- Energy charge: R3.8230 / kWh

Streetlights

- Basic Charge: R384.00 / month
- Energy charge: R2.4327/ kWh

NOTE 1: The capacity of a supply shall be the capacity as determined by the Electrical Engineering Manager

TARIFF C

<u>Commercial High Consumption Customers > 100 kVA</u>

Business High

- Basic Charge: R/month R5 509.30 / month
- Energy charge: R/kWh
  - High season R2.3530 / kWh
  - Low Season R1.7360 / kWh
- Demand charge: R/kVA
  - High season R653.60 / kVA
  - Low Season R244.40 / kVA

<u>Agricultural / Domestic High Consumption Customers > 100 kVA</u>

Agricultural / Domestic High

- Basic Charge: R/month R5 331.35 / month
- Energy charge: R/kWh
  - High season R2.3932 / kWh
  - Low Season R1.7734 / kWh
- Demand charge: R/kVA
  - High season R758.52 / kVA
  - Low Season R409.94 / kVA

A discount according to the voltage at which the electricity is supplied:

If the electricity is supplied at three phase/400V: **0%**

If the electricity is supplied at a higher voltage, but not exceeding 11 kV: **3%**

If the electricity is supplied at a higher voltage than 11 kV (if available), but not exceeding 33 kV: **5%**

TARIFF D

<u>Bulk Meter TOU customers > 200 kVA</u>

- Basic Charge: R/month R23 081.94 / month

- Energy charge: R/kWh

    - Low Season
        - Peak R2.8060
        - Standard R1.9830
        - Off-Peak R1.3470

    - High Season
        - Peak R9.1630
        - Standard R2.6480
        - Off-Peak R1.5390
- Demand charge: R/kVA

    - Low Season R144.70 / kVA
    - High Season R144.70 / kVA

NOTE 1: *Please take not of the time frames that changed for the winter period*

For the purpose of this tariff Peak Hours will be from 06:00 to 09:00 and 17:00 to 19:00 on weekdays.
(June, July, August)

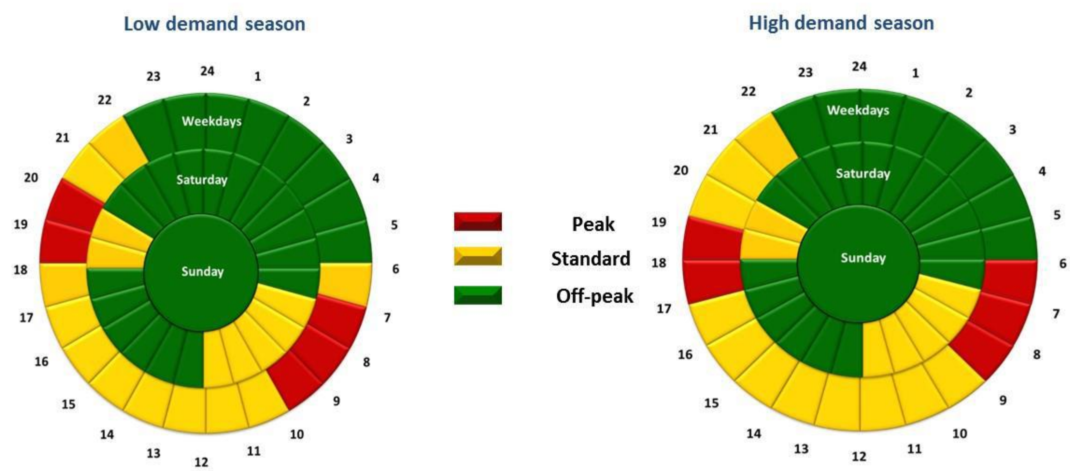
Standard Hours will be from 09:00 to 17:00, 19:00 to 22:00 on weekdays and from 07:00 to 12:00 and 18:00 to 20:00 on Saturdays. ***(June, July, August)***

Off-Peak Hours will be from 22:00 to 06:00 on weekdays, 12:00 to 18:00 and 20:00 to 07:00 on Saturdays and all of Sundays.
(June, July, August)
For the purpose of this tariff Peak Hours will be from 07:00 to 10:00 and 18:00 to 20:00 on weekdays.
(September to May)

Standard Hours will be from 06:00 to 07:00, 10:00 to 18:00 and 20:00 to 22:00 on weekdays and from 07:00 to 12:00 and 18:00 to 20:00 on Saturdays.
(September to May)

Off-Peak Hours will be from 22:00 to 06:00 on weekdays, 12:00 to 18:00 and 20:00 to 07:00 on Saturdays and all of Sundays.
(September to May)
A Public Holiday will be treated as per the day it falls on.

Times to be such as to relate to GTM peaks/load curve.



D.4 A discount according to the voltage at which the electricity is supplied.

D.4.1 If the electricity is supplied at three phase / 400V:

0%

D.4.2 If the electricity is supplied at a higher voltage than 400V, but not exceeding 11kV:

3%

D.4.3 If the electricity is supplied at a higher voltage than 11kV (if available) but not exceeding 33 kV

5%

NOTE: *With the changes to the TOU winter peak period June, July and August. The Greater Tzaneen Municipality will be reprogramming their electronic meters to align with the new times. We will also password protect our electronic meters for tampering and protection of data on the meter.*
This will be in line with the NRS 057 "Confidentiality of Metering Data"

(s) Credit Control

I That Council's adopted Credit Control Policy be strictly adhered to curb outstanding debt.

II That a monthly report be submitted to Council regarding Councilor arrears on consumer accounts.

(t) PRE-PAID TARIFF
IBT IMPLEMENTATION

Pre-paid metering which will utilize the latest technologies plc (Power Line Carrier) metering with concentrators for monitoring and administration purposes.

This tariff will only be available to customers with pre-paid meters.

DOMESTIC TARIFFS (IBT's)

Energy Charge kWh	R3.7190
Basic Charge R/month	R110.70

DOMESTIC INDIGENT (IBT's)

Energy Charge kWh	R2.7160
Basic Charge R/month	R0.00

(v) SUNDRY TARIFFS 2026/2027

ELECTRICITY
That in terms of the provisions of section 11(3) of the Local Government Municipal Systems Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice No. 19 of 1988 and promulgated in Provincial Gazette no 4565 dated 1 June 1988 with effect from 1 July 2026 by the substitution for part (iii) of the tariff of charges of the following:

By the substitution for clause 2 (1) of the following:

Illegal Connection Penalty Fee

	CURRENT	PROPOSED
Domestic and Agricultural Single Phase	R27 666	R28 690
Domestic/Agricultural Three phase up to 75kVA	R39 750	R41 221
Business Single/Three Phase up to 75kVA	R45 750	R47 443
Domestic and Agricultural≥100KVA	R53 000	R54 961
Business ≥100KVA	R79 500	R82 442

DISCONNECTION CHARGES

Electricity

Electricity Cut – disconnections	R522	R580
Electricity Cut – Removal of meters	R898	R945

Pulling of links	R3 842	R3 990
Removal of installation Permanently - Over-head to premises	R5 500	R5 704
Removal of installation Permanently - Under-ground cable to premises	R1 566	R1 640
Restoration of Supply (RIP reconnection) - Overhead to premises	R590	R650
Underground cable to premises	R1 650	R1 711
Underground reticulation 3 phase	R1 800	R1 975

<u>Water</u>

	Current	**Proposed**
Water restriction: Business	R320.00	R335.00
Water restriction: Residential/Urban	R300.00	R315.00
Water disconnection: (15 – 40 mm)	R760.00	R800.00
Water disconnection: (50-100mm)	R1 315.00	R1 380.00
Water Normalize Flow Res/Bus	R390.00	R410.00
Water Normalize Flow Farmers	R420.00	R440.00

SERVICE CONTRIBUTION TARIFF (2026/2027) PER Kva

	CURRENT	**PROPOSED**
1. New LV connection (Electrification)	R5 106	R5 295
2. LV at pole transformer rural	R5 210	R5 403
3. 11Kv at 33/11Kv rural sub	R3 661	R3 797
4. 33Kv at 33/11kv rural sub	R3 826	R3 968
5. 33Kv busbars at 66/33Kv rural main sub	R3 818	R3 959
6. 66Kv busbars at 66/33Kv rural main sub	R2 201	R2 282
7. LV 1ph at kiosk	R7 031	R7 291
8. LV 3ph at kiosk	R5 594	R5 801
9. LV busbars minisub provided by developer	R3 301	R3 423
10. LV busbars in minisub	R4 861	R5 041
11. 11Kv RMU MU provided by developer	R4 146	R4 299
12. 11Kv busbars at switching sub	R3 224	R3 343
13. 11Kv busbars main sub (Urban)	R5 971	R6 192
14. 66Kv busbars at main sub (Urban)	R1 222	R1 267
15. 66Kv busbars intake sub (Urban)	R50	R52
16. 32Kv busbars intake sub (Urban)	R68	R71

EVENTS

N.B All events that need to erect a tent at the soccer pitch:

- Tent that takes capacity of 50 people **R6 550-00** non-refundable
- More than the capacity of 50 people **R10 900-00** non-refundable

R5 000-00 fine to be levied on vehicles driving on the synthetic track.
More than one tent and stage and the pitch, pitch protectors must be hired, transported and installed by the event organizers.

NKOWANKOWA AND LENYENYE STADIUMS TARIFFS

	CURRENT	**PROPOSED**
Major soccer game	R9 100	R9 437
Sport bodies at club level: Stadium	R940	R980
Sport bodies at inter-district level	R1 760	R1 830
Athletics (Adults)	R1 760	R1 830
Athletics (Schools)	R1 760	R1 830
Rally’s	R9 100	R9 437
Church Activities	R4 050	R4 200
Meeting at Nkowankowa Community Hall	R190 p/h	R190 p/h
Government and Agencies meetings and workshop	R750 p/day	R780 p/day

Festivals R30 000 payable for booking nonrefundable

		CURRENT	**PROPOSED**
Soccer teams divisions:	NFD	R900	R950
	Provincial 2nd Division	R790	R830
	Regional 3rd Division	R400	R420
	Development/Local	R200	R280
	Master & Veterans	R250	R300
Sporting codes such as:	Tennis, Netball, Volleyball Aerobics, Boxing, etc. Annually training for 1 hour a day.	R3 675	R3 675

GAMES ORGANISED BY LOCAL FOOTBALL ASSOCIATION R200.00 PER GAME
CHARITY SOCCER TOURNAMENT R400.00

MERRY GO ROUND EVENT {INSIDE AND OUTSIDE} R6000.00 PLUS ELECTRICITY CONSUMPTION THAT ELETRICAL DEPARTMENT MUST STIPULATE

COMMUNITY HALLS AT NKOWANKOWA AND LENYENYE TARIFFS PER DAY

	CURRENT	PROPOSED
Film shows	R1 935	R1 935
Arts and Culture Activities	R2 250	R2 350
Political Rally	R2 250	R2 350
Traditional Dance	R1 935	R1 935
Charitable Organisation & NGO	R790	R790
Wedding Ceremony	R2 610	R2 610
Funeral Service	R1 210	R1 210
Church Activities	R1 210	R1 210
Meetings	R220/hour	R220/hour
Trainings/Workshop	R1 045/day	R1 045/day
Festivals Nonrefundable (Indoor)	R20 000	R30 000
Minitzani Hall	R200/day	R220/day
Clubhouse	R400/day	R400/day
Project room (Muhlaba hall)	R270/day	R290/day
Graduation functions Adults	R1 990	R2 080
Graduation function for Day Care/Crèches	R940	R980
Julesburg Hall	R220/day	R250/day
Erection of tent on Vakhegula ground for event	R1 360	R1 400
Nkowankowa Stadium yard parking only	R10/car	R10/car
Conference Room Nkowankowa Stadium	R370/day	R400/day
Rent of Tumer room (Heanertsburg Library)	R200/day	R200/day
Project room (Muhlaba hall)	R200/day	R200/day
Developed Park hire for church services, party, etc	R600/day	R700/day
Masters and Veterans	R250	R250
Beauty pageant	R2 500	R2 500
Concert	R2 500	R2 500
Choir	R1 150	R1 200

NB: All night events to pay for two days because the event goes over to the second day and the venue cannot be booked out for the next day too.

PARKING FEE

	CURRENT	PROPOSED
Parking at municipal main building designated areas	R70	R70

SWIMMING POOL USAGE

Swimming pool opens from 10:00- 18:00 Wednesday to Sunday

Admission fee R32.00 per day except infants from 3 years down and pensioners in possession of their pension card.

Monthly Tickets from R190.00 per person.

School going kids R126.00 per month.

Season Tickets from R1 030.00 per person.

Local School galas or Aquatic sport events will pay R525.00

Provincial and National school galas or aquatic sport events pay R840.00

Swimming instruction done at remuneration by trainees during hours, which was previously approved per season, per instructor be R3 777.00 for 3 lanes at 10 persons per lane for 2 hours a day or R32.00 per person, 10 persons per lane for 2 hours for all categories i.e. Juniors, Seniors etc.

School children in groups enter for free of charge per child to use the swimming pool during school hours, provided that permission has previously been obtained and provided that:

> A teacher of the relevant school shall exercise direct supervision over the children at the swimming bath;
>
> The children shall not be allowed to stay in the water for a period exceeding 60 minutes, and children from any school day, shall leave the premises not later than 13h00.

R630.00 per hour per lifeguard shall be payable for life saving guard services attendance after swimming hours to defray overtime costs.

Swimming development and coaching requirements must be met by any interested person OR Organization, to conduct swimming and coaching development in the Greater Tzaneen Municipality.

INDOOR AND OUTDOOR SPORT CENTER NKOWANKOWA C SECTION

Developmental games R200;

Soccer games R310 for 2 hours;

Net ball games R310 for 2 hours;

Aerobics classes R120;

Use of gym equipment R120 per month except week ends and public holidays;

Use of gym equipment per year R935 (Special arrangement to be made for weekends and public holidays);

Indoor sport activities Clubs to pay R2 080 annually Basketball courts; etc.

Burgersdorp , Julesburg, Runnymede & Leretjeni Stadium

Soccer teams in the following divisions: Provincial 2nd Division R500
Regional 3rd Division R 350
Development/Local Division R200
Masters & Veterans R250

BURIAL SERVICE

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000 the Council by resolution amends the charges payable for burial services promulgated under Municipal Notice 63/1996 of 18 October 1996 as set out in the under mentioned schedule with effect from 1 July 2026:

SCHEDULE

BURIAL SERVICES IN GREATER TZANEEN MUNICIPALITY

1. When the deceased lived in the municipal area at the time of the passing:

	CURRENT	**PROPOSED**
1.1 Per grave for any person under 03 years:	R850	R850
1.2 Per grave for any person 03 years and over:	R1 310	R1 310
1.3 Opening for second burial:	R850	R850

2. When the deceased lived outside the municipal area at the time of the passing

Children under 03 years per grave	R1730	R1730

Adults 03 years and over per grave	R3365	R3365
Re-opening for second burial	R1835	R1835
Niches: Per niche per deceased	R900	R900
Memorial work: Removal or re-affixing	R465	R465
Removal of ashes from a niche: Per removal	R420	R420

Parks, Sports & Recreation, Arts and Culture

The division is responsible for management, maintenance of parks, open spaces, cemeteries

Monthly maintained 9 cemeteries in town out of 136 at Villages. Grass cutting was done by GTM personnel and Contractor on quotation basis, while Garden maintenance of 18 developed parks and gardens was done by GTM and EPWP.

CHARGES PAYABLE FOR THE USE OF THE PUBLIC LIBRARIES

Members of the Tzaneen Library R80.00 or R160/family or R60.00 Pensioners

Members of Haenertsburg, Letsitele, Shiluvane or Mulati Libraries	R50.00 or R80/family or R40.00 Pensioners
Deposit	R250.00 per person
Duplicate certificate of Membership	R30.00
Overdue Library material	R2.00 per book per week
Block loans	R250.00 per year plus membership of person responsible for block loan.

PHOTOCOPIES

A4 Photocopy	R2.00 per page
A3 Photocopy	R3.00 per page
Printing	R2.00
Printing Colour	R8.00
A4 Laminating	R10.00

RENT OF HALLS

Rent of the Tzaneen Library

Study Hall (After hours)	R625.00 per day or part thereof
Rent of Haenertsburg Boardroom	R210.00 per day or part thereof.
Rent of Shiluvane 2nd Study Room. (During working hours)	R115.00 per day or part thereof
Rent of Mulati 2nd Study Room. (During working hours)	R115.00 per day or part thereof

WATER CONNECTIONS

That in terms of the provisions of Section 11 (3) of the Local Government Municipal System Act 2000, the Council by resolution amends the charges payable for the supply of water contained in Municipal Notice 36 dated 22 September 1982 and published in Official Gazette no. 4226 dated 22 September 1982, with effect from 1 July 2026 by the substitution for item 3 of the following:

Miscellaneous Charges

(a) For each separate 19 mm new water connection:
Old Tariff 2025/2026 VAT included = R4 713.66
Proposed Tariff 2026/2027 VAT included = R4 888.07

(b) For each new 50 mm water connection
Old Tariff 2025/2026 VAT included = R17 270.00
Proposed Tariff 2026/2027 VAT included = R17 908.99

(c) For each new 80 - 110 mm water connection
Old tariff 2025/2026 VAT included = R20 509.38
Proposed Tariff 2026/2027 VAT included = R21 268.23

(d) For each water re-connection & disconnection:
Old tariff 2025/2026 VAT included = R1 726.78
Proposed Tariff 2026/2027 VAT included = R1 790.67

(e) Water bulk contributions tarrif
- New development to be charged according to their water daily demand as calculated on their design report.

Bulk contributuion tarrif = R 0.36/L/day

1.1. WATER TANKERS TARRIFS

- New Tarrif hiring of a water tanker and drawing water from the Municipal water station.

Proposed Tariff 2026/2027 + VAT = R1.24/kl
Only applies for Municipal water tanker - radius charge:
+ R0/km from 0 – 60 km
+R5.40/km from 61 – 120 km
+R7.70/km from 121 km plus

1.2. WATER LABORATORY TARIFFS

CHEMICAL ORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Chemical Oxgen Demand (O.45µm Filtered)	FCOD	mg/L O_2	R311.22	No

CHEMICAL INORGANIC DETEMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Ammonia Nitrogen	NH3	mg/L N	R98.95	No
Chloride	CI	mg/L CI	R110.44	No
Fluoride	F	mg/L F	R114.75	No
Free Chlorine	CIFre	mg/L Cl_2	R243.82	No
Nitrate Nitrogen	NO3	mg/L N	R187.90	No
Orthophosphate	PO4	mg/L P	R126.21	No
Sulphate	SO4	mg/L SO_4	R93.23	No

CHEMICAL PHYSICAL DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Apparent Colour	Col	PtCo	R91.78	No
Conductivity	Cond	Ms/m@25^{0}C	R53.09	No
Dissolved Solids	TDS	mg/L@180^{0}C	R101.83	No
PH	PH		R53.09	No
Suspended Solids	TSS	mg/L@105^{0}C	R119.09	No
Total Akalinity	Talk	mg/L$CaCO_3$	R101.80	No
Turbidity	Turb	FTU	R87.48	No
Calculation Methods (requires additional determinants, please confirm with laboratory)				

Ryznar Index	RyzInd		R91.78	No

OTHER

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Calcium Hardness	CaHard	mg/L	R97.54	No
Magnesium Hardness	MgHard	mg/L	R97.54	No
Total Hardness	Thard	mg/L $CaCo_3$	R157.27	No

CHEMICAL METALIC DETERMINED

	Dissolved Metals			
Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Aluminium	Al	mg/LAl	R87.49	No
Calcium	Ca	mg/L Ca	R87.49	No
Iron	Fe	mg/L Fe	R87.49	No
Magnesium	Mg	mg/LMg	R87.49	No
Manganese	Mn	mg/LMn	R87.49	No
Potassium	K	mg/LK	R87.49	No
Sodium	Na	mg/L Na	R87.49	No
Zinc	Zn	mg/ L Zn	R87.49	No

WATER MICROBIOLOGICAL

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
E.Coli (Faecal/Total Coliforms to be included-compulsory)	Ecol	cfu/100ml	R83.18	No
Total Coliforms	TC	cfu/100ml	R207.96	No
Heterotrophic plate Count	HPC	Count/ml	R207.96	No

2. SEWERAGE SUNDRY TARIFFS

2.1. SEWER CONNECTIONS

That in terms of the provisions of section 11 (3) of the Local Government Municipal System Act 2000, the Council amends by resolution the charges payable in terms of the Drainage and Plumbing By-Laws and By-Laws for the Licensing and regulating of Plumbers and Drain Layers published under Municipal Notice No. 35 dated 22 September 1982, and promulgated in Official Gazette No. 4226 dated 22 September 1982 as follows with effect from 1 July 2026.

Old Tariff 2025/2026 + VAT = R5 021.78
Proposed Tariff 2026/2027 + VAT = R5 207.59

2.2. SEWER HONEY SUCKER

Current Tariff 2025/2026 + VAT = R194.29/m³
+ R0/km from 0 – 60 km
+R5.20/km from 61 – 120 km
+R7.43/km from 121 km plus

Only applies for Municipal water tanker - radius charge:

Proposed Tariff 2026/2027 + VAT = R201.48/m³
+ R0/km from 0 – 60 km
+R5.40/km from 61 – 120 km
+R7.70/km from 121 km plus

EFFLUENT TYPE	CURRENT	PROPOSED
• Domestic effluent by private tanker	R53.96/m³	R55.96/m³
• Domestic effluent by private discharger /200 Liter / Drum	R18.00/l/d	R18. Trade
effluent from outside Municipal's jurisdiction per tanker	R774.77/t	R803.44/t
• Trade effluent from inside municipal jurisdiction	R677.62/t	R702.69/t
• Disposal of industrial effluent/year		R10 000

PENALTIES

New Tariff for illegal water and sewer services:

	CURRENT	PROPOSED
• Water Connection	R2 883.53	R2 990.22
• Sewer Connection	R2 883.53	R2 990.22
• Illegal water abstraction	R2 883.53	R2 990.22
• Illegal water/sewer discharge	R2 883.53	R2 990.22
• Obstruction of access to water and sewer services prohibited		R5 000.00
• Absent of grease trap: Industrial Areas, fuel stations and businesses per year		R10 000.00

WATER AND SEWER PERMIT FEE

NEW TARRIF FOR PERMIT: ABSTRUCTION OF WATER AND DISPOSAL OF WASTEWATER:

- **R624.68 PER YEAR FOR BOTH THE SERVICES**

CHARGES FOR THE APPROVAL OF BUILDING PLANS

That in terms of the provision of section 11(3) of the Local Government Municipal System Act 2000 the Council by resolution amends the charges payable for the approval of building plans with effect from 1 July 2026 as set out in the schedule hereunder:

The charges payable for a building plan submitted for consideration shall be as follows:

The minimum charge is payable for any building plan with the exception of item 3 and 4: 2026/2027 R827.53 (2025/2026 tariff was R798.00).

The charges payable for any building plans shall be R13.78 per m² for 2026/2027 and 2025/2026 tariff was R13.29.

To apply the abovementioned charges, the total area of any new building must be calculated at every floor level on the same erf, including verandas, galleries and balconies.

1. In addition to the charges payable in terms of item 1, a charge of R5.03 per m² for 2026/2027 and (2025/2026 - tariff R4.85per m²) of the reinforced area is payable for every new building in which structural steelwork or concrete is utilized for the main framework as the main structural components of the building.

2. Charges payable for approval of alterations to existing buildings and buildings of special character such as factory chimneys, spires and similar erections, shall be calculated on the estimated value thereof at the rate of R48.78 for every R6361.89 or part thereof, with a minimum charge of R968.53 and a maximum charge of R10 762.81.

3. Building plans for swimming pools will be approved at a charge of R677.99 per plan (2025/2026 tariff – R653.80)

4. Charges payable for the re-inspection of buildings and swimming pools: R966.46 per re-inspection. (2025/2026 tariff R931.98)

5. New tariffs for copy of approved building plans R293.91/ copy (2025/2026 tariff R290.21).

6. Re- examination of building plans the costs as per item 1.

7. Town maps R313.44 per copy (2025/2026 Tariff R302.26)

SCHEDULE

ELECTRICAL CHARGES

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice 19 of 1988, with effect from 1 July 2026 by the addition in part (iii) after clause (2) of the following:

TESTING OF METERS

		OLD TARIFF	NEW TARIFF
I	Rural	R2 800	R2 904
II	Town	R1 960	R2 033
III	New Connection charge	R499	R517

TARIFF CHANGE AND DATA ACCESS

Electricity tariff change (Maximum Demand Flat rate to Time of Use)	R1 948	R2 020
Electricity tariff change (Maximum Demand Time of Use to Flat rate)	R1 948	R2 020
Provision of Load Profile Data (all Tariffs)	R2 682	R2 781
Remote Access Metering Data (Maximum Demand)/month	R280	R290

PRE-PAID

Keypad Replacement Fee	R565	R586
Lost Card Fee	R56	R58
Pre-paid: (Domestic) Conventional to 60 Amp pre-paid Conversion charge (If infrastructure is available)	R2 897	R3 004

Pre-paid: (Domestic)

Upgrade from 20 Amp to 60 Amp Connection (Consumers to provide COC) (Rural settlements overhead connections only)	R8 226	R8 530
Pre-paid:(Commercial) Conventional to 70 Amp pre-paid Conversion charge (If infrastructure is available)		R3 332

APPROVAL OF DESIGNS

Review of Electricity designs	R27/KVA	R28/KVA

COST ESTIMATION AND BUDGET QUOTATION

Cost Estimation and Budget Quotation (MV Network)	R2 300	R2 385
Re-Quote		R650

DETERMINATION OF CHARGES PAYABLE IN TERMS OF THE PROVISIONS OF CHAPTER 3, REGULATION 14(1)(b) OF THE SPATIAL PLANNING & LAND USE MANAGEMENT ACT, 2013 (ACT 16 OF 2013) AND SECTION 79 OF THE SPLUMA BY-LAW OF GREATER TZANEEN MUNICIPALITY

Notice is hereby given in terms of the provisions of Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by Resolution A68, dated 16 May 2024, determined charges payable in terms of the provisions of Chapter 3, Regulation 14 (1)(b) of the Spatial Planning & Land Use Management Act, 2013 (Act 16 of 2013) and Section 79 of the SPLUMA By-Law of Greater Tzaneen Municipality, with effect from **1 July 2026**, as set out in the Schedule below.

SECTION A:

FEES EXCLUDING ADVERTISMENT AND INSPECTION

APPLICATION		**CURRENT TARIFF**	**PROPOSED TARIFF**
i.	Application for township establishment, extension of boundaries of an approved township, or amendment or cancellation in whole or in part of a General Plan of a township	**R9495.00**	**R9846.00**
ii.	Application for consent use/special consent, excluding Spaza shops and telecommunication masts	**R2538.00**	**R2632.00**
iii.	Application for consent use for spaza shops provided for in terms of an existing scheme	**R346.00**	**R359.00**
iv.	Application for consent use for telecommunication masts and base stations	**R2867.00**	**R2973.00**

v.	Application for the amendment of an existing scheme or land use scheme by the rezoning of land	**R5524.00**	**R5728.00**
vi.	Application for the removal, amendment, or suspension of a restrictive or absolute condition, servitude or reservation registered against the title of land and simultaneous rezoning	**R5524.00**	**R5728.00**
vii.	Application for subdivision for property in 5 or less portions	**R3114.00**	**R3229.00**
viii.	Application for subdivision of property in more than 5 portions	**R3280.00** for the first 5 portions plus **R291.00** in respect of each further portion	**R3401.00** for the first 5 portions plus **R302.00** in respect of each further portion
ix.	Application for consolidation of any land	**R1251.00**	**R1297.00**
x.	Exemption of Municipal Approval ito Section 63 of SPLUMA By-Law of GTM	**R646.00**	**R670.00**
xi.	Application for permanent closure of any public place	**R3088.00**	**R3202.00**
xii.	Application for amendment of land use on communal land (former application for Permission to Occupy – PTO) i.e., applications for churches, crèches, taverns, etc.	**R204.00**	**R212.00**
xiii.	Application for consent or approval require in terms of a condition of title/condition of establishment of a township/existing scheme, or any consent or approval provided for in a Provincial Law	**R462.00**	**R479.00**
xiv.	Application for Tribunal's reasons	**R1042.00**	**R1081.00**
xv.	Comments of Tribunal regarding applications in terms of Act 21 /1940, Act 70/1970 and recommendation of layouts on R293 townships, or any other consent i.t.o. legislation not listed herein	**R3115.00**	**R3230.00**
xvi.	Amendment of pending subdivision application	**R2668.00**	**R2767.00**
xvii.	Amendment of pending Township application- • Material amendment • Non-material amendment	**R8908.00** **R2668.00**	**R9238.00** **R2767.00**
xviii.	Phasing of a Township application	**R2668.00**	**R2767.00**
xix.	Consideration of a Site Development Plan – SDP, in terms of the Tzaneen Town Planning Scheme, 20000	**R2668.00**	**R2767.00**
xx.	Application for extension of time – 1st application (year 1) 2nd application (year 2) 3rd application (year 3)	**R1326.00** **R2668.00** **R3996.00**	**R1375.00** **R2767.00** **R4144.00**

xxi.	Application for Excision of Agricultural Holding	**R2867.00**	**R2973.00**
xxii.	Monthly fee payable in respect of Illegal use of land from date of expiry of 14-day notice if no extension of time was granted to date of promulgation of rights	**R5734.00**	**R5946.00**
xxiii.	Hard copy of Spatial Development Framework document	**R7742.00**	**R8028.00**
xxiv.	Hard copy of SPLUMA By-Law of Greater Tzaneen Municipality	**R2921.00**	**R3029.00**
xxv.	Copy of record of Municipal Planning Tribunal i.t.o Section 44(2) of the SPLUMA By-Law of Greater Tzaneen Municipality	**R2921.00**	**R3029.00**
xxvi.	Lodging of an objection	**R7217.00**	**R5000.00**
xxvii.	Granting of intervener status i.t.o Section 127 of the SPLUMA By-Law of Greater Tzaneen Municipality	**R10235.00**	**R10614.00**
xxviii.	Lodging of an Appeal	**R10235.00**	**R10614.00**
xxix.	Issuing of zoning certificate	**R104.00** per certificate	**R108.00** per certificate
xxx.	Application for relaxation of Building line/s	**R1017.00**	**R1055.00**
xxxi.	Application for Temporary Consent in terms of Section 44 of the GTM LUS,2024	**R750.00**	**R778.00**
xxxii.	Request for Windeed print out (Ownership)	**R0.00**	**R60.00**

SECTION B:

ADVERTISMENT AND INSPECTION FEES

Apart from the fees prescribed in Section A, the following fees shall be payable to the Local Authority

i.	Notice of application in Provincial Gazette and newspapers	**R5472.00**	**R5674.46**
ii.	Inspection and hearing regarding any application	**R2401.00**	**R2489.84**

ALLOCATION AND RATES FOR HAWKERS' BUSINESSES

<u>Site Allocation</u>	<u>Type of Business</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Market Stall	Hairdressing	R13.90/d	R14.41/d
	Food and Soft drinks	R27.79/d	R28.82/d
	Fruit and Vegetables	R13.90/d	R14.41/d
	Accessories and other Appliance (Cell/Jewellery/hair/books)	R13.90/d	R14.41/d
	Clothing	R27.79/d	R28.82/d

Pavements/Sidewalks	Fruit and Vegetables	R6.88/d	R7.13/d
	Accessories (Cell/Jewellery/Hair)	R6.88/d	R7.13/d
	Clothing and Toys	R13.90/d	R14.41/d
Trolleys/Designated Cart	Food and Soft drinks	R13.90/d	R14.41/d
	Accessories	R6.86/d	R7.13/d
	Fruit and Vegetables	R6.86/d	R7.13/d
Junction/Road side	Food and Soft drinks	R13.84/d	R14.35/d
	Fruit and Vegetables	R13.84/d	R14.35/d
	Décor materials (flower pots/flowers, etc.)	R13.84/d	R14.35/d
Open designated site Hawker's fee	Centre of town	R55.34/d	R57.39/d
Hawkers Bush Mechanics		R692.00	R717.60
Hawkers Car wash		R692.00	R717.60
Taxi & Busses		R1 384.00	R1 435.21

TARIFFS FOR CONTROL OF OUTDOOR ADVERTISING & SIGNAGE

DESCRIPTION	Tariff 2025/2026	Tariff 2026/2027
APPLICATION FEE:		
Super, large, and small billboards, electronic signs, and stack signs	R 598.21 per sign	R 628.12 Per sign
Undefined advertising signs >4,5m²		
Sky, roof, on-premises business signs or service facility signs		
Landscaped advertisements		
Advertising on bridges, boundary walls and fences		
Advertisements on water towers, reservoirs, silos and on ground level		
Gantry, construction site, product replicas, three-dimensional and security advertising signs		
Flat signs excluding locality bound flat signs smaller than 36m²		
Projecting signs overhanging Council land		
Trailer's advertising Application Fee	R598.21 per sign	R 628.12 per sign
Street name advertising signs	R340. per sign	R 357.00 per sign
Semi-permanent flags	R 598.21 per property	R 628.12 per property

DESCRIPTION	Tariff 2025/2026	Tariff 2026/2027
Banners	R 245.00 event in which R130 is refundable	R257,00 per event in which R130 is refundable
Aerial signs		
Category one posters for auction sales and events of a cultural, political, social, sporting, or recreational nature.	R24,30 per event per sign in which R5.50 is refundable	R25.51per event per sign in which R5.50 is refundable
Category one posters of a charitable, religious, or educational nature.	R40.00 per event	R42.00 per event
Sponsored road traffic projects	R150.00 per sign	R157.5 per sign
Project and development advertising signs	R520,50 per sign	R546.52 per sign
Lodging of an appeal	R2 093.84 per appeal	R2 198.53 per appeal
INSPECTION FEE:		
Super, large and small billboards, electronic signs and stack Signs	R119.02 per sign board	R124.97 per sign board
Undefined advertising signs >4,5m²		
Sky, roof, on-premises signs and service facility signs		
Landscape advertisements		
Advertising on bridges, boundary walls and fences		
Advertisements on water towers, reservoirs, silos and on ground level		
Gantry, construction site, product replicas, three-dimensional and security advertising signs		
Flat signs excluding locality bound flat signs smaller than 36m²		
Projecting signs overhanging Council land		
Trailer advertising sign	R148.00 per sign	R155.40 per sign
ANNUAL LICENSING FEE:		
Estate agent signs	R1 211.00 per sign per annum	R1 271.55 per sign per annum
Estate agent signs for commercial, industrial, and non-residential property	R3 365.00 per agency per annum	R3 533.25 per agency per annum
Portable advertising signs	R350,00 per annum per Enterprise	R367.5 per annum per Enterprise
Flags		
Category Four posters in frames for public awareness and community-based campaigns and notices of a public meeting	R20.00 per frame which is non-refundable	R21.00 per frame which is non-refundable
STORAGE FEE:		
Trailer, vehicular advertising, and other types of advertising signs	R100.00 per day	R105.00 per day
DESCRIPTION	**Tariff 2025/2026 (VAT Inclusive)**	**Tariff 2026/2027 (VAT Inclusive)**
Banners and aerial signs	R34.00 per day	R35.7 per day

Category one posters for auction sales and events of a cultural, political, social, sporting, or recreational nature or of a charitable, religious or educational nature.	R25.00 per day	R26.25 per day
REMOVAL FEE:		
Super, large, and small billboards, electronic signs, and stack signs	Tendered rate of R180.00 per m² or part thereof for the total face of each sign if removed by GTM	Tendered rate of R189.00 per m² or part thereof for the total face of each sign if removed by GTM
Undefined advertising signs >4,5m²		
Sky, roof, on-premises business signs and service facility signs		
Landscape advertisements		
Veranda, balcony, canopy and under awning signs		
Painted advertisements		
Residential home-undertaking and community institution signs		
Advertising on bridges, boundary walls and fences		
Advertisements on water towers, reservoirs, silos and on ground level		
Gantry, construction site, product replicas, three- dimensional and security advertising signs		
Project signs and development advertising signs		
Estate agent signs for commercial, industrial, and non-residential property > 1m²		
Aerial signs		
Advertising signs at educational facilities and sport stadiums and fields < 18m²		
Security services and projecting signs		
Flat signs excluding locality bound flat signs smaller than 36m²		
Projecting signs overhanging Council land		
Portable advertising sign	R220.00 per sign	R231.00 per sign
Trailer or vehicular advertising	R110.00 per vehicle or trailer	R1115.5 per vehicle or trailer
Bicycle trailer advertising	R220.00 per bicycle	R231.00 per bicycle
REMOVAL FEE TEMPORARY SIGNS:		
Unlicensed Estate agent signs	R130.00 per sign	R136.5 per sign
Licensed Banners	R130.00 per sign	R136.5 per sign
Category one unlicensed posters for auction sales and events of a cultural, political, social, sporting, or recreational nature or of a charitable, religious, or educational nature and for commercial advertising.		
Portable Flags	R130,00 per sign	R136,5 per sign
Unlicensed Banners	R220.00 per sign	R231.00 per sign
Licensed Estate agent signs	R50.00 per sign	R52.5 per sign

Category one licensed posters for auction sales and events of a cultural, political, social, sporting, or recreational nature and of a charitable, religious, or educational nature and for commercial advertising	R50.00 per sign	R52.5 per sign
DESCRIPTION	**Tariff 2025/2026 (VAT Inclusive)**	**Tariff 2026/2027 (VAT Inclusive)**
Category three posters to display news headlines for a newspaper	**R180,00**	**R189,00**
Category four posters in frames for public awareness and community-based campaigns and notices of a public meeting		
Category five posters for parliamentary or municipal elections, by-elections, referenda, and registration process		
All temporary signs > $1m^2$	Tendered rate or R180,00 per m² or part thereof for the total face of each sign if removed by GTM	Tendered rate or R189,00 per m² or part thereof for the total face of each sign if removed by GTM
1. Trailer Advertising		
Monthly fee per trailer	R360.00 per month	R378.00 per month
EXEMPTED		
Signs exempted from tariffs except removal fees		
Category Five posters for parliamentary or municipal elections, by-elections, referenda, and registration process		
Projecting signs not overhanging council land		
Security services signs		
Veranda, balcony, canopy and under awning advertising signs		
Painted advertisements		
At educational facilities and sport stadiums and fields a combination of advertising signs on boundary walls and fences, permanent flags, and free-standing advertising signs smaller than 4,5m²		
Locality bound flat signs smaller than 36m²		
Residential home-undertaking and community institution signs		
Window signs		
Signs incorporated in the fabric of a building Locality bound canopy, internal direction and orientation signs at filing stations and roadside rest and service areas		
Vehicular advertising		

1. All charges, except removal fees, levied in terms hereof are payable in advance.
2. The classification of signs as listed herein is in accordance with the Greater Tzaneen Municipality Control of Outdoor Advertising and Signage By-Laws.
3. That the Greater Tzaneen Municipality and its departments are exempted from payment of tariffs as stipulated above subject to compliance to the provisions of the Control of Outdoor Advertising and Signage By-Laws.

BUSINESS REGISTRATION TARIFFS

That these tariffs be increased/ changed according to the tariffs gazette by LEDET. The tariffs below unchanged and queries by Limpopo Municipalities reached LEDET for consideration to be online with MFMA

CODE	TYPE OF BUSINESS	APPLICATION FEE	REGISTRATION FEE	ANNUAL RENEWAL FEE
251	Stone quarrying, clay, and sandpits	R200.00	R400.00	R480.00
3	Manufacturing	R200.00	R600.00	R720.00
412	Manufacturing and distribution of gas	R200.00	R400.00	R480.00
50	Construction	R200.00	R600.00	R720.00
61	Wholesale: sale to public Sells to retailers. Sells to both public, and retailers	R200.00	R1000.00 R1000.00 R1000.00	R1200.00 R1200.00 R1200.00
621	General trade (General Dealer)	R200.00	R400.00	R480.00
622	Retail trade in food, beverages, and tobacco	R200.00	R400.00	R480.00
623	Other retail trade in new goods	R200.00	R400.00	R480.00
624	Retail trade in second-hand goods	R200.00	R400.00	R480.00
625	Retail trade not in stores	R200.00	R200.00	R240.00
626	Repair of personal and households' goods	R200.00	R400.00	R480.00
631	Sale of motor vehicle	R200.00	R1000.00	R1200.00
632	Maintenance and repair of motor vehicles	R200.00	R400.00	R480.00
633	Sale of motor vehicle parts and accessories	R200.00	R400.00	R480.00
634	Sale, maintenance and repair of motorcycles and related parts and accessories	R200.00	R400.00	R480.00
635	Retail sale of automotive fuel	R200.00	R800.00	R960.00

641	Hotels accommodation, camping sites and provision of short-stay accommodation	R200.00	R800.00 R200.00 R600.00	R960.00 R240.00 R720.00
642	Restaurants, bars and canteens	R200.00	R400.00	R480.00
71	Land transport	R200.00	R400.00	R480.00
72	Water transport	R200.00	R400.00	R480.00
73	Air transport	R200.00	R400.00	R480.00
741	Supporting and auxiliary transport	R200.00	R800.00	R480.00
75	Post and Tele-communication	R200.00	R500.00	R480.00
81	Financial intermediations	R200.00	R400.00	R480.00
84	Real estate activities	R200.00	R400.00	R960.00
85	Renting of machinery and equipment	R200.00	R800.00	R600.00
86	Computer related activities	R200.00	R800.00	R480.00
87	Research & development	R200.00	R400.00	R480.00
881	Legal, accounting, bookkeeping and auditing activities, tax consultants, market research & public opinion research, business &management consultancy	R200.00	R400.00	R960.00
882	Architectural, Engineering and other technical activities	R200.00	R400.00	R960.00
883	Advertising	R200.00	R400.00	R480.00
8891	Labour recruitment and provision of staff	R200.00	R400.00	R480.00
8892	Investigation and security activities	R200.00	R400.00	R480.00
8893	Building and industrial plant cleaning activities	R200.00	R400.00	R480.00
8894	Photograph activities	R200.00	R400.00	R480.00
8895	Packaging activities	R200.00	R400.00	R480.00
88991	Credit rating agency activities	R200.00	R300.00	R480.00
88992	Debt collecting agency activities	R200.00	R400.00	R480.00
88993	Stenographic,duplicating,addressing, mailing list and similar activities	R200.00	R400.00	R480.00
920	Educational and training activities	R200.00	R400.00	R480.00
931	Human health activities	R200.00	R400.00	R480.00
932	Veterinary activities	R200.00	R400.00	R480.00
933	Social work activities	R200.00	R400.00	R480.00
951	Activities of business, employers and professional organizations	R200.00	R400.00	R480.00
96	Recreational, cultural & sporting activities	R200.00	R400.00	R480.00
961	Motion pictures, radio, television and other entertainment activities	R200.00	R480.00	R960.00

962	News agency activities	R200.00	R400.00	R480.00
9901	Washing and dry-cleaning of textiles and for products	R200.00	R300.00	R360.00
9902	Hair-dressing and other beauty treatment	R200.00	R400.00	R480.00
9903	Funeral and related activities	R200.00	R800.00	R960.00

REVENUE

Unpaid debit orders – Admin fee
Current R200.00 and Proposed R200.00

Supply of information (faxes)
Current R21.00 and Proposed R22.00

Supply of Duplicate statements
Current R21.00 and Proposed R22.00

Furnishing of Clearance Certificate Electronically
Current R330.00 and Proposed R350.00

Furnishing of Clearance Certificate Manually
Current R290.00 and Proposed R305.00

Furnishing of Valuation Certificate
Current R230.00 and Proposed R250.00

Furnishing of Duplicate Clearance Certificate
Current R170.00 and Proposed R180.00

Applying for Clearance Figures Electronically
Current R220.00 and proposed R230.00

Applying for Clearance Figures Manually
Current R320.00 and proposed R340.00

Final reading levy
Current R170.00 and Proposed R180.00

Credit Control Action – Friendly Reminders and Final Demand Notice
Current R52.00 and Proposed R52.00

Credit Control Action – SMS Notification
Current R3.00 and Proposed R3.00

Copy of the Valuation Roll
Current R1 750.00 and Proposed R1 840.00

MINIMUM INITIAL CONSUMER DEPOSITS PER CATEGORY:

	CURRENT	PROPOSED
Flats with electricity only	R2 500.00	R2 750.00
Flats with electricity and water	R2 800.00	R3 100.00
Residential and agricultural properties:		
Single phase	R3 800.00	R4 200.00
Three phase	R9 000.00	R9 900.00
Business:		
Single phase	R10 500.00	R11 550.00
Three phase	R16 000.00	R17 600.00
Pre-paid electrical users (Water deposit)	R700.00	R770.00

Threshold for indigent households to be equal to the pensioners allowance as promulgated every year for those not yet 65 years and those 65 years and older R 8000.00 pm

All above tariffs are VAT excluded.

RENTAL OF UNIMPROVED PORTIONS OF THE FARM LETABA FLYING CLUB 512

Hanger number	Area/m²	Current Rental per Month	Proposed Rental per Month
1A	437	2 147,81	985,35
1	118	579,96	266,46
2	215	1 056,72	484,63
3	660	3 243,83	1 487,53
4	225	1 105,86	690,78
5	175	860,11	430,01
6	123	-	-
7	137	673,33	387,12
8	215	1 056,72	484,63
9	283	1 390,92	1 057,57
10A	207	1 017,39	467,05

10	190	933,84	-
11	215	1 056,72	484,63
12	193	948,58	434,83
13	483	2 373,91	1 089,28
14	231	1 135,36	652,74
15	473	2 324,75	1 336,54
16A	400	1 965,95	2 803,10
16	422	2 074,09	1 084,05
20		1 061,63	-
22			965,12
23	204	1 002,65	459,72
24	391	2 113,90	881,38
Main Building	992	1 464,64	505,00
Hanger :Pro Air	188	-	-
27		-	531,22
28	123	604,53	209,00
29		924,03	424,60
30	225	550,21	526,28
31	225	646,80	329,42
33	400	743,82	646,80

LANDING FEES

	CURRENT	PROPOSED
Single motor aircraft:	R180 per landing	R250 per landing
Double motor aircraft:	R250 per landing	R400 per landing
Helicopter:	R180 per landing	R250 per landing
Parking fees:	R100 per night	R150 per night
INDIGENT FEE		
Indigent Management Fee	R200.00	R200.00

ENVIRONMENTAL HEALTH FEES

	CURRENT	**PROPOSED**
Cleaning of overgrown stands	R5.00c/m²	R5.00c/m²
Validation of waste management plan	R1 560.00	R1 560.00

LICENCING TARIFFS

Poster

With regard to posters the amount of R20.00 per advertisement of which R5.00 is refundable.

Election Posters

A once off payment of R625,00 per candidate/applicant per election and a R150,00 deposit which is refundable.

Pamphlets

An amount of R210.00 per applicant which is not refundable.

Advertisement – Properties

With regard to advertisement of the selling of properties, an amount of R625.00 per calendar year or any part thereof.

Banners

With regard to banners, an amount of R210.00 of which R125.00 is refundable.

Driving School Registrations

Regarding driving school registration an amount of R1 050.00 per calendar year or any part thereof.

Dog Tax

Application for dog tax (Licensing) R50,00 amount payable per dog.

AMENDMENT TO DETERMINATION OF CHARGES FOR THE FURNISHING OF INFORMATION AND DOCUMENTS

It is hereby notified in terms of Section 80B(8) of the Local Government Ordinance, 1939 (Ordinance 17 of 1939), read with Section 10G(7) of the Local Government Transition Act, 1993, read with Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by special resolution further amended the charges payable for the furnishing of information and documents, contained in Municipal Notice no. 24 dated 29 July 1981, and published in Provincial Gazette, No. 4157 of 29 July 1981, with effect from 1 July 2025 as follows:

		CURRENT	PROPOSED
a)	Written information: for every folio of 150 words or part thereof:	R8.50	R8.50
b)	Continuous search for information:		
	- For the first hour	R52.00	R52.00
	- For every additional hour or part thereof	R29.00	R29.00
c)	Faxes:		
	i Faxes received (per A4 copy)	R3.90	R3.90
	ii Faxes dispatched (per A4 copy)	R3.90	R3.90
d)	Duplicating Work:		
	Per folio	R0.36	R0.36
	Per master	R0.36	R0.36

(w) That the following Reviewed Policies attached to this report be approved by Council:

Budget Related Policies

a) Tariff Policy
b) Credit Control & Debt Collection
c) Consumer Deposits
d) Cash Control Policy
e) Impairment of Debt Policy
f) Budget Policy
g) Indigent Policy
h) Supply Chain Management
i) Property Rates Policy
j) Cash Management and Investment Policy
k) Virement Policy
l) Adjustment Budget Policy
m) Borrowing Policy
n) Funding and Reserves Policy
o) Policy Relating to Long-Term Financial Planning
p) Policy Relating to Management and Disposal of Assets
q) Policy dealing with Infrastructure Investment and Capital Projects
r) Subsistence and Travelling Policy
s) Cost Containment Policy
t) Petty cash policy

(x) That the Capital projects for MIG and Own Funding attached as **Annexure "R"** be approved.

(y) That Council approve the mSCOA Roadmap and mSCOA Risk Register as per **Annexure "S"**

(z) That Council approve the Procurement Plan as per **Annexure "T"**

(aa) That the cost containment regulations and related circulars continuously be enforced to reduce spending on non-priority items.

(bb) That the Operational Projects for INEP attached as **Annexure "R"** be approved.

(cc) That the Mid Year Assessment Resolutions 2025/2026 be noted as per **Annexure "U"**

THE BUDGET

EXECUTIVE SUMMARY

INTRODUCTION

During the Budget Process, the budget steering committee was confronted with numerous challenges. It remains a complex task in balancing the needs of the community with limited resources, while the municipality is expected to operate within the legislative prescripts and ensuring a credible funded budget is realized.

Since the 2008 global financial crisis South African public finance deteriorate, weal economic growth experienced and led to large revenue shortfalls. To maximize the value of spending and acceleration of service delivery, municipality needs to contain costs and eradicate wasteful treatment of public funds and resources.

The uninterrupted supply of electricity remains a binding constraint which could exacerbate over the short term and are a strain on economic growth. The inability of the municipality to provide consumers with uninterrupted services like water supply put stress on consumer ability to pay for services. The poor payment levels of consumers resulted in the Municipality being unable to meet their payment obligations with ESKOM, Water Bords and other creditors, while transfers from National Government are growing slower than in the past.

We are currently in an economic crisis with high levels of unemployment. Good Governance and accountability are therefore essential for sustainable and economic growth to ensure amongst others equitable allocation and distribution of the Municipalities resources. The efficient delivery of Municipal services will create a conducive environment for the upliftment of communities.

The objectives of combating service interruptions are high on the Municipalities agenda and the short-term objectives are;

- The upgrading of the Municipalities Electricity network to ensure the provision of an uninterrupted service to our Consumers.

- Data cleansing and improvement of the Municipalities Revenue collection and Revenue enhancement functions.

- A strong administration to ensure a stable working environment through which future development can be established.

Management considers the upgrading of the Municipalities electrical network as essential seeing that its performance is unacceptable and below standard.

Distribution losses of 13,74 percent, 17,05 percent and 11,08 percent for the 2022/2023, 2023/2024 and 2024/2025 financial years respectively have been recorded in Councils financial statements.

The Municipality attempts to provide services that are essential for the daily lives of residents such as the distribution of water and electricity as well as the collection and disposal of waste. The provision of services however depends on the availability of financial resources which are directly linked to the payment for services by the communities.

Available financial resources are dependent on the collection of revenue which has been identified as one of the major challenges facing Municipalities and will be addressed to ensure financial sustainability.

MAXIMISING REVENUE GENERATION

The municipality is implementing revenue enhancement strategy, which intends to support the municipality to strengthen its capacity to generate sustainable revenue in alignment with the objectives of the Integrated Development Plan(IDP). The municipality face growing service delivery demands, infrastructure backlogs and constrained fiscal environment; a structured revenue enhancement strategy becomes essential for long term financial planning. The strategy has attributing factors to identify new investment attraction and capitalize on comparative advantage.

The revenue enhancement strategy, include immediate and short-term revenue enhancement goals, medium term and long-term goals. Through integrated planning approach, the municipality aim to align spatial, infrastructure development, economic, and financial strategies, forging a sustainable foundation for revenue diversification and enhanced fiscal resilience.

The municipality is embarking on the following measures to enhance revenue collection:

- The municipality is enforcing credit control and debt collection policy and disconnect services for accounts in arrears.
- Provide debt incentive for consumers who wishes to settle their accounts.
- Data cleansing under way for purification of customer data, improve revenue collection measures.
- Persuade government departments/ organ of state to bring their accounts in standing.

mSCOA IMPLEMENTATION

MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

RELEASE OF VERSION 7.1 OF THE CHART

The mSCOA chart is reviewed on an annual basis to address implementation challenges and correct chart related errors. Towards this end, the 2025/2026 MTREF was drafted and approved on version 6.9 of the chart. The Adjustment Budget and mid-year performance report strings for the 2025/2026 financial year were also submitted in version 6.9 of the chart.

The preparation of the 2026/2027 Final MTREF will however be done in version 7.1 of the chart.

The municipality developed an mSCOA road map, which intends to address full implementation of all mSCOA modules and ensure the municipality complies with all Treasury requirements on mSCOA. This includes ensuring that credible data strings are submitted to the Provincial and National Treasury, full integration of all mSCOA modules and implementation of the mSCOA Annual Financial Statements Specimen.

OVERVIEW OF THE 2026/2027 MTREF BUDGET

This section provides an overview of the Greater Tzaneen Municipality’s 2026/2027 to 2028/2029 MTREF.

The Municipality’s budget must be seen within the context of the policies and financial priorities in meeting the service delivery challenges faced in Greater Tzaneen Municipality. Greater Tzaneen alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

Per MFMA Circular No. 132, the following headline inflation forecasts support the national 2026 Budget:

Fiscal Year	2025/26	2026/27	2027/28	2028/29
		Forecast		
CPI inflation	4.6%	3.7%	3.3%	3.2%

The growth limits apply to tariff increases for user and other charges raised by municipalities.

The budget process in Greater Tzaneen followed the requirements of the MFMA. A Table of key deadlines was tabled in Council by the Mayor during August 2025.

A Budget Steering Committee was established to examine, review and prioritize budget proposals from departments. In 2026/2027, the capital budget is R299 million. Operating expenditure in 2026/2027 is budgeted at R 2 201 billion and the operating revenue is budgeted at R2 494 billion.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These "key deliverables" link the financial inputs of the budget to service delivery on the ground. As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.

The following table is an overview of the proposed MTREF:

OPERATING AND CAPITAL BUDGET	2026/2027 FINAL BUDGET	2027/2028 FINAL BUDGET	2028/2029 FINAL BUDGET
TOTAL REVENUE	R 2,494,102,544	R 2,582,309,765	R 2,665,333,548
TOTAL OPERATING EXPENDITURE	R 2,201,307,483	R 2,252,935,714	R 2,325,055,233
TOTAL CAPITAL EXPENDITURE	R 299,496,150	R 336,534,050	R 288,503,850
TOTAL OPEX AND CAPEX BUDGET	**R 2,500,803,633**	**R 2,589,469,764**	**R 2,613,559,083**

The operating revenue increase is mainly attributable to an increase in service charges Electricity and Property Rates, tariff increase as well other revenue performing over and above the projections in the budget. The operating expenditure increase is mainly attributable to the annual increase that is linked to CPI, debt impairment item aligned to audited figures and the increase in bulk electricity cost.

The following table is a summary of all revenue and expenditure on item level:

BUDGET PER ITEM FOR GREATER TZANEEN MUNICIPALITY

Row Labels	Sum of 2026 2027 FINAL Budget	Sum of 2027 2028 FINAL Budget	Sum of 2028 2029 FINAL Budget
Expenditure/Bulk purchases - electricity	842 890 312	870 705 692	898 568 274
Expenditure/Contracted services	140 610 476	145 250 621	149 898 641
Expenditure/Debt impairment	95 277 001	98 421 142	101 570 619
Expenditure/Depreciation and amortisation	125 251 665	129 384 970	133 525 289
Expenditure/Employee related costs	550 136 178	568 290 672	586 475 973
Expenditure/Interest	8 834 348	9 125 881	9 417 909
Expenditure/Inventory consumed	134 279 985	138 711 225	143 149 984
Expenditure/Operational costs	226 077 222	233 537 770	241 010 979
Expenditure/Remuneration of councillors	33 613 297	34 722 536	35 833 657
Expenditure/Transfers and subsidies	44 337 000	24 785 205	25 603 908
Revenue/Exchange Revenue/Agency services	16 664 291	17 214 213	17 765 067
Revenue/Exchange Revenue/Interest earned from Current and Non-Current Assets	37 006 502	38 227 717	39 451 003
Revenue/Exchange Revenue/Interest earned from Receivables	67 113 637	69 328 387	71 546 895
Revenue/Exchange Revenue/Licence and permits	600 845	620 673	640 534
Revenue/Exchange Revenue/Operational Revenue	41 523 254	42 893 521	44 266 114
Revenue/Exchange Revenue/Rental from Fixed Assets	2 267 100	2 341 914	2 416 856
Revenue/Exchange Revenue/Sale of Goods and Rendering of Services	1 314 231	1 357 601	1 401 044
Revenue/Exchange Revenue/Service charges - Electricity	1 307 615 196	1 386 072 108	1 413 793 550
Revenue/Exchange Revenue/Service charges - Waste Management	48 980 000	50 596 340	52 215 423
Revenue/Non-Exchange Revenue/Fines, penalties and forfeits	1 490 000	1 539 170	1 588 423
Revenue/Non-Exchange Revenue/Interest	41 890 000	43 272 370	44 657 086
Revenue/Non-Exchange Revenue/Property rates	223 106 488	230 469 002	237 844 010

Revenue/Non-Exchange Revenue/Transfer and subsidies - Operational	591 654 850	572 692 700	607 993 692
Revenue/Non-Exchange Revenue/Transfers and subsidies - capital (monetary allocations)	112 876 150	125 684 050	129 753 850
Grand Total	**292 795 061**	**329 374 051**	**340 278 316**

The Total Revenue budget of Greater Tzaneen Municipality for the 2026/2027 financial year amounts to R2,494 billion. The Municipalities commitment to respond to the communities' demand for a better life is reflected in a budget in which the key priorities are the renewal repairs and maintenance of our electricity distribution network and related critical infrastructure maintenance.

The Revenue and Expenditure Budgets are summarized as follows:

The total projected revenue for the 2026/2027 financial year amounts to R2,494 billion, which represents an increase of R299 million over the 2025/2026 original budget. This increase is mainly due to the increase in property rates, service charges and external grants from Government.

The total revenue budget includes an amount of R549 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R223 million will be levied by property rates and R1,357 billion will be sourced from user service charges. National allocations to fund operational activities amount to R41,2 million which includes the Finance Management Grant of R2 million, the EPWP grant of R5,2 million; MIG operation of R6 million and the INEP allocation of R28 million.

An amount of R2,201 billion has been made available on the operational budget for expenditure. This substantial increase is largely due to the increase in employee related costs, inventory consumed, debt impairment and bulk purchases. The Expenditure amount includes R550 million for employee related costs, R134 million for inventory consumed excluding labour costs and R 842 million for the purchase of bulk electricity.

An amount of R299 million has been allocated for capital expenditure for the 2026/2027 financial year. This amount includes the MIG allocation of R118 million which will be spent on roads, community hall and installation of high mast. A summary of the detailed capital budget is attached as Annexure "O" to this report.

This amount can be summarized as follows:

Financial Year	Inventory Consumed
2026/2027	R134 279 985
2027/2028	R138 711 225
2028/2029	R143 149 984

The amounts allocated for Capital Projects from MIG Funding are as follows:

Financial Year	Capital Project from MIG
2026/2027	R118 817 000
2027/2028	R132 299 000
2028/2029	R136 583 000

ELECTRICITY SERVICES

It is therefore important that the Municipality ensures that the electricity network is maintained adequately and put measures to curb the losses.

SOLID WASTE

Each year the Municipality solid waste function is brought under pressure due to the fact that +- 33 600 Rural households have access to a basic removal service less frequent than once a week. +- 66 550 Rural households are using communal dump services.

An increase of 3.7% on the previous financial year tariff is proposed, which will provide for an amount of R48 980 000 as service charges on the 2026/2027 Budget.

The increase of 3.7% on the previous year tariffs is within the acceptable norm by National Treasury.

It will not be possible to address this problem in the short term but additional allocations in future budgets will be considered to ensure that all the communities are provided with at least a basic refuse removal service.

LIQUIDITY

The key liquidity metrics are currently deemed to be adequate however to ensure future viability the Municipality needs to determine creative ways in which it can generate funds to comply with the requirements of MFMA Circular 71 which determines that the cash/cost coverage ratio of a Municipality must remain between 1 and 3 months. The Municipality was encouraged by Treasury to adopt an operational budget which provides for a surplus of between one- and three-months actual expenditure.

To comply with this requirement, the Budget Steering Committee recommended that the surplus of between 1 and 3 months must be phased in over a period.

The following provision has been made over the next three years:

Year	Surplus Allocation
2026/2027	R292 795 061
2027/2028	R329 374 051
2028/2029	R340 278 316

MULTI-YEAR PROJECTIONS

ITEM	2026/2027	2027/2028	2028/2029
Revenue	R 2 494 102 544	R 2 582 309 765	R 2 665 333 548

The table above reflects the multi-year projections on revenue which is mainly based on the inflation forecast contained in National Treasuries Budget Circular 132 as well as the Grants contained in the Division of Revenue Bill (DORA) 2026/2027.

The main contributors to these increases are:

Grants

Grants are contained in the Division of Revenue Act and the following Grants have been published.

2026/2027 - R703 781 000
2027/2028 - R697 602 000
2028/2029 - R736 948 000

Service Charges

The increase in service charges are based on the inflation forecast contained in National Treasuries Budget Circulars 132.

ITEM	2026/2027	2027/2028	2028/2029
Service charges	R1 356 595 196	R1 436 668 448	R1 466 008 973

The operating expenditure has increased from R1 991 billion in the 2025/2026 financial year to R2 201 billion in the 2026/2027 financial year. This increase is primarily the result of increases in several expenditure items.

CAPITAL

The Multi-Year capital projections are contained in item "19 summary of detailed capital budget" of this report.

TARIFFS

National Treasury informed Municipalities through Budget Circular's 132 that the under-mentioned Macro Economic forecasts must be considered when preparing the 2026/2027 MTREF Municipal Budget

CATEGORY	2026/2027	2027/2028	2028/2029
Property Rates	3,70%	3,30%	3,20%
Electricity	9,10%	9,10%	9,10%
Refuse	3,70%	3,30%	3,20%
Water (Haenertsburg)	3,70%	3,30%	3,20%
Water (Other users)	3,70%	3,30%	3,20%
Sewerage	3,70%	3,30%	3,20%

The Municipality strives to project tariff increase within National Treasury guidelines/MFMA circulars and CPI. Furthermore, the municipality considered cost associated with the provision of the service when determining tariff increase. The Municipality will however continue to focus on budget Management to reduce any inefficiency and ensure financial sustainability.

COMPLIANCE INFORMATION

Property Rates

The cent in the Rand rates has increased to 3.7% on Property Rates from 1 July 2026.

Service Charges

The increases in the service charge tariffs are within the guidelines set by National Treasury for the 2026/2027 financial year and according to the inflation forecast for the 2027/2028 and 2028/2029 financial years.

The effective budget management is, however, dependent on whether the risk Council is exposed to are identified and addressed and if sufficient control measures have been put in place to curb the risks Council are exposed to.

To address these problems Council has established a Risk Management Unit and an Internal Audit Unit whose duties and responsibilities are as follows:

Risk Management and Compliance Monitoring

In terms of the Municipal Management Act no 56 of 2003, Chapter 8, Section 62 (i) (c), The Accounting Officer of a Municipality must maintain an effective, efficient and transparent system of Financial and Risk Management and Internal Control.

Compliance Monitoring

The Municipal Finance Management Act 56 of 2003, Section 60 (1) '***states that the Municipal manager of the municipality is the Accounting Officer of the Municipality, exercise the functions and powers assigned to an Accounting Officer in terms of this Act; and provide guidance and advice on compliance with this Act to the political structures, political office-bearers and officials of the municipality and any municipal entity under the sole or shared control of the municipality'',***
The Risk and Compliance Management Unit of Greater Tzaneen Municipality has been established within the office of the Municipal Manager and Reports administratively to the Municipal Manager and functionally to the Risk and Compliance Committee.

This Unit is active and is inter-alia responsible for the following functions:

- Develop and implement Risk Management Policies and Strategies.

- Develop Risk Management framework and incorporate inter-alia Policies, implementation plan and the risk identification and methodology.

- Training of all stakeholders in Risk Management and continuously driving Risk assessments.

- Develop and implement compliance monitoring plans, policies and strategies;

- Facilitate risk assessment sessions for the municipality.
- Investigate cases of fraud and corruption.
- Conduct compliance monitoring with relevant legislations, laws and regulations, policies and procedures.

Internal Audit

Greater Tzaneen Municipality established an Internal Audit Unit in terms of section 165 of the Municipal Finance Management Act (MFMA). The Unit reports to the Municipal Manager administratively and functionally to the Audit Committee. Some of their duties are summarized as follows:

To advise the Accounting Officer and report to the Audit Committee on matters relating to:

- Internal Control
- Accounting procedures and practices
- Risk and Risk management
- Performance and Financial Management,
- Loss control and compliance with legislation

Cost Containment Measures

To ensure value for money and to curb cost, Municipalities are urged to take cognizance of the cost containment measures which have been prescribed for Government Departments, constitutional institutions and public entities.

Section 62 (1) (a) of the Municipal Finance Management Act No. 56 of 2003 stipulates that the Accounting Officer of a Municipality is responsible for managing the financial administration of a Municipality and must for this purpose take all reasonable steps to ensure that the resources of the Municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected Councils and Accounting Officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of Municipal Cost Containment Regulations and MFMA Circular 82 is to guide Municipalities and Municipal Entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others. Greater Tzaneen Municipality has adopted the cost containment measures as well as the annual update.

Schedule of Key Deadlines

The schedule of key deadlines is an extract from the Municipality's IDP Budget and PMS Calendar and details the key events and activities involved in the budget process. It is a statement that outlines the key elements of the Budget process that the Municipality embarked on while drafting the 2026/2027 Budget. This schedule is meant to ensure that all Legislative requirements are complied with during the preparation and approval of the 2026/2027 Budget.
The schedule of key deadlines was approved by Council on the 21st of August 2025.

The IDP, Budget and PMS processes are done within Legislative guidelines and Policy context with amongst other the following:

- Constitution of the Republic of South Africa (Act 108 of 1996)
- The Municipal Systems Act (Act 32 of 2000)
- Municipal Planning and Performance Management regulations 2001
- Municipal Finance Management Act (Act 56 of 2003)
- Spatial Planning and Land Use Management Act, 2013, Act No. 16 of 2013.

Budget Steering Committee

Section 4 of the Municipal Budget and Reporting Regulations provides that the Mayor of the Municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging his responsibility regarding the budget process.

The Budget Steering Committee was established and is functional. The Agenda and minutes of this Committee is attached to this report as Annexure "P".

(A) <u>THE EFFECT OF THE ANNUAL BUDGET</u>

The growth of Council's Medium-Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors of which, the most important is the fact that National Treasury advises Council not to increase its budget unrealistically.

The National Treasury also cautioned Municipality's not to materially and unreasonably prejudice national economic policies particularly those on inflation and that cognizance must be taken of the Municipal Budget Circular's no. 132 of the 2026/2027 MTREF which determines the following:

Revising rates tariffs and other charges.

"National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason, Municipalities must justify in their budget documentation all increases in excess of the projected inflation target for 2026/2027*.*

The upper boundary of tariff increases prescribed by National Treasury in Circular no 132 is 3.7% for tariffs and other charges.

The operating budget, of Greater Tzaneen Municipality reflects the following increases:

PROPERTY RATES

Property rates is a major source of revenue for the Municipality and contribute to cover cost for the provision of general services. Determining the effective property rates tariff is therefore an integral part of the Municipalities budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the differential rate ratio for public service infrastructure, public benefit organization and agricultural properties relative to residential properties to be 0.25:1. The implementation of these Regulations was effected in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA)

- 100% Rebate will be granted to registered indigents in terms of the Municipality's Indigent Policy.

An increase of 3.7% on the previous year Property Rates Tariffs are proposed.

The categories of property rates and the proposed rates for the 2026/2027 financial year is contained in item 3 of this report.

TARIFF INCREASES TO CONSUMPTIVE TARIFF-BASED SERVICES ARE:

- Electricity (average) 9.10%
- Water 3.7%
- Sanitation 3.7%
- Solid Waste 3.7%

All tariff increases are within the guidelines set by National Treasury which confirms that Greater Tzaneen Municipality does not prejudice National Economic Policy on Inflation.

ELECTRICITY

Council is advised that Treasury Circular 132 approved an increase of 9.10% on the previous year electricity tariff. NERSA is responsible for the determination of electricity tariff increase and these increases in tariffs will be communicated through the consultation paper – Municipal Tariff Guideline, Benchmarks and proposed timelines for financial year 2026/2027.

The increase of 9.10% will be sufficient to provide for the electricity service but it is challenged by the ongoing high increases in electricity bulk purchases over the past few years that resulted in decrease in demand as some consumers have moved to alternative sources of energy and/or invested in energy saving equipment.

The Municipality has therefore taken all the cost drivers associated with rendering the electricity service, including the statistical data and distribution losses in consideration with the calculation of the electricity tariffs.

WATER

Water tariffs have been increased by 3.7% on the 2026/2027 approved tariffs. This increase is in line with the guidelines received from National Treasury. In calculating the water tariffs, the following were taken into account.

- Affordability of the tariff increases
- Breakeven point of the services
- Essential Operational Requirements
- Equitable share allocation from MDM

SANITATION

The proposed sewer tariff increase is 3.7% for the 2026/2027 financial year. There is however a concern regarding the ageing sanitation infrastructure and the impact that it may have on future operational budgets. The tariff increase of 3.7% is necessary to address essential operational requirements.

SOLID WASTE

The proposed Solid Waste Tariff increase is 3.7% for the 2026/2027 financial year. The increase is necessary to recover the cost of services provided to consumers which include refuse collection cost, disposal cost, weighbridge cost and other ad hoc services.

EMPLOYEE COST

Though the percentage is within the norm of 25% to 40% as per MFMA Circular 71 guideline from National Treasury the fact that it shows an upward trend when compared with the previous year needs to be noted. It must also be noted that Councillors allowances and contracted services are not included in this percentage.

Employee costs have increased by 7% in the 2026/2027 financial year as recommended by the Budget Steering Committee. Provision has also been made for critical positions that have not been budgeted previously as well as positions that have become vacant during the past 12 months.

BULK PURCHASES

The Bulk Purchases represent 38% of the total expenditure budget and is directly informed by the purchase of electricity from ESKOM.

INVENTORY CONSUMED

Aligned to the priority given to the maintaining of Council's Assets the 2026/2027 Operating Budget provides growth in the repairs and maintenance as well as the renewal repairs and maintenance vote.

The Municipality is striving to achieve a budget allocation of not less than 10% of the total operating expenditure budget. This goal has been set to cater for the ageing infrastructure and to ensure that the historic deferred maintenance is not repeated. The Municipality has embarked on a programme of replacing and maintaining electricity infrastructure which have reached and/or exceeded its useful lives.

GENERAL EXPENDITURE

The General Expenditure which comprises of various line items constitute 10% of the total operational Expenditure. To comply with the provisions of Circular's, 132 guidelines issued by National Treasury a line by line analysis have been done to improve efficiency and to ensure a credible budget.

Expenditure categories as a percentage of total expenditure:

• Employee cost	25%
• Bulk Purchases	38%
• Inventory Consumed	6%
• General Expenses	10%

(B) PAST AND CURRENT PERFORMANCE ACHIEVEMENTS

MUNICIPAL MANAGER'S DEPARTMENT:

The office of the Municipal Manager comprises of the Internal Audit, Disaster Management, Performance Management, Integrated Development Planning and Risk Management divisions. The following are the main achievements:

- Council approved the 2025/26 IDP, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury
- Annually the SDBIP is drafted and approved on time. The 2025/2026 SDBIP was approved by the Mayor on the 26 June 2025 and quarterly progress reports are submitted to Council. The Back-to-Basics Action Plan for 2025/26 was approved by the Council on the 24th of August 2025. Quarterly Back to Basics reports are submitted to council.

- Risk Management Plan (Annual Risk Assessment) is done on annual basis and was approved by Council. Strategic and Operational Risk Registers have since been developed and progress is being monitored on quarterly basis. Risk Committee meetings are taking place on quarterly basis.

- The Internal Audit Unit is functional and reports administratively to the Accounting Officer and functionally reports on a quarterly basis to the Audit Committee.

- The Audit committee has approved all the Internal Audit Strategic documents

- An Audit Committee was appointed by Council on 29 September 2025 for a three-year period.

Risk and Compliance Management unit:

The following are the main achievements for Risk and Compliance Management Unit:

- A Risk Management Plan (Annual Risk Assessment) is done on annual basis and was approved by Council. Strategic and Operational Risk registers have since been developed and progress is being monitored on quarterly basis. Risk committee meetings are taking place on quarterly basis.

  - Compliance monitoring with relevant Laws and Regulations are being conducted and monitored on continuous basis.

INTERNAL AUDIT

- The following Internal Audit strategic documents have been reviewed and approved by the Audit Committee; Internal Audit Charter, Internal Audit methodology, Internal Audit Strategy and Annual Plan.
- An Audit Committee was appointed by Council on 29 September 2025 for a three-year period. Council has approved the Audit Committee Charter.
- The Committee is functional and all quarterly Audit Committee meetings were held.

DISASTER MANAGEMENT

The adoption of the Disaster Management Plan in January 2024 is a major achievement of the Disaster Management unit followed by the launching of the

Disaster Management Advisory Forum. The four task teams of the advisory forum were also established as follows:

(u) Natural hazard task team
(v) Technological hazard task team
(w) Environmental degradation task team
(x) Relief task team

On incidents:

During the financial year 2024/2025 the response of the unit is represented by the following table:

Annual statistics

Total number of households affected	220
Total number of fire incidents attended to	43
Total number of storm incidents	21
Total number of blankets distributed	129
Total number of mattresses distributed	122
Total number of tents distributed	29

Awareness campaigns.

The table below represents all the awareness programmes attended during the financial year 2023/2024:

Structural and wildfires	19
Flooding	11
Communicable diseases	04

Projects and special events attended:

1. Held three successful DRM Advisory Forum meetings
2. Compiled an indicative risk profile for the municipality
3. Conducted a GIS based DRA at Mosoroni village
4. Held 4 successful DRM task team meetings
5. Completed 3 disaster grant projects

PERFORMANCE MANAGEMENT

Quarterly progress reports were submitted to council. The Back-to-Basics Action Plan for 2025/26 was approved by the Council on the 24th of July 2025. Quarterly Back to Basics reports are submitted to council.

The 2024/2025 Annual Performance Report was submitted to the Auditor General, Treasury and COGHSTA on the 31st of August 2025.

The mid-year performance report for 2025/2026 was submitted to the Auditor General, Treasury and COGHSTA on the 25th of January 2026. The annual report for 2024/2025 is currently being reviewed by MPAC and should be approved by council by March 2026.

The MM and Directors have signed performance agreements for the 2025/2026 financial year.

IDP

Council approved the 2025/26 IDP on 29 May 2025, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury.

The IDP Process of 2025/26 unfolded as planned and most activities all places despite changes in venues. The IDP Rep Forums took place as planned and were held physically.

The 2025 IDP public participation will take place physically in wards. All community inputs were incorporated into the Final IDP which was later approved by Council.

The submission of the IDP in the provincial COGHSTA and Provincial Treasury was done through emails.

No challenges were experienced in the implementation of the IDP/Budget/PMS Process Plan.

LEGAL SERVICES:

- ❖ The Legal Division has a responsibility and duty to administer and manage the flow of litigation within the Municipality and to ensure that the Municipality is represented in all the litigation processes instituted by the Municipality and litigation processes instituted against the Municipality by other parties. The Legal Division final all legal documents in the Municipality and provide legal advice in written or verbal opinions.

- ❖ The Legal Division offers a full spectrum of services but concentrate on three main business streams:

(a) Civil and Criminal Litigation
(b) Corporate legal services and Labour Dispute Resolutions
(c) Drafting of By-Laws, Contracts, Legal Opinions and Review of Policies.

- The Legal Services division established Legal Tariffs which regulates the payment of legal fees to external legal service providers.

FINANCIAL SERVICES DEPARTMENT:

Multi Year Budgets (3 Years)

- The 2025/26 Preliminary, Operational and Capital Budgets, which are based on the new financial structure as prescribed by National Treasury are in progress.
- The contents of the budgets and the budget processes that were followed are according to the requirements as set out in Chapter 4 of the Municipal Finance Management Act.
- mSCOA data strings on the budget will also be submitted to National Treasury as required by legislation.

Financial Reporting

All the Financial Reports required by the MFMA are completed and submitted to the MEC, NT, Mayor and Council on or before the dates stipulated in the Act.

Financial Statements

The 2024/2025 Financial Statements were compiled during August 2025. An unqualified audit opinion was received on the 30th of November 2025. Consolidated financial statements were also compiled to accommodate Councils Municipal Entity. The Audit of the Municipalities Consolidated Annual Financial Statements were completed during the month of January 2026.

Revenue

The municipality managed to collect R597 808 477 for the first 6 months.

The Municipality averages the payment rate of 84%.

The collection rate remained 84% as at midyear, proving that the municipality continues to collect revenue substantially.

Supply Chain Management

A Supply Chain Management Unit has been established within the Budget and Treasury Office. This Unit is responsible for all procurement processes of the Municipality. Council has in this regard approved a Supply Chain Management Policy to regulate activities of the Unit.

Assets

An Asset Management Unit has been established within the budget and treasury office which is responsible for the management of Councils assets within the requirements of the GRAP Standards.

Stores and Fleet Management

This division has been established within the budget and treasury office and is responsible for the management of inventory and fleet administration.

ENGINEERING SERVICES DEPARTMENT

The Engineering Services Department of Greater Tzaneen Municipality is divided into four (4) divisions namely, Water and Sanitation, Roads and Building Maintenance, Mechanical Workshop and Technical Planning, Design and Project Management Unit (PMU); and are headed by respective Managers.
The services rendered within the divisions relate to administration, operation, maintenance, and implementation of services like blading of roads, tarring of roads, stormwater systems, community halls, public toilets, various municipal buildings, libraries, sports facilities / stadiums, water reticulation, water purification, wastewater treatment, sewer reticulation, etc.

Road and Building Maintenance

This division is responsible for maintenance of roads, installation and unblocking of stormwater drainage systems and grading of internal gravel roads within the municipal area. Routine and periodic maintenance are done to improve the safety of roads and stormwater drainage to reduce number of road accidents and improve access to households and public amenities.

This division is also responsible for the maintenance of all municipal buildings, and the maintenance and management of fleet within Greater Tzaneen Municipality. The municipal buildings include the community halls, public toilets, libraries, sport facilities, living quarters for officials and other municipal building related matters.

Mechanical Workshop

The mechanical workshop section is responsible for maintenance of fleet and administration of trip authorizations, pre-trip inspections, logbooks, requests for services and other control documents. This function is often confused with the responsibilities of fleet management in Finance Department. There is a need to review the Fleet Management Policy to resolve this discrepancy.

Project Management Unit

Project Management Unit (PMU) is responsible for project implementation of both own funded capital and Municipal Infrastructure Grant (MIG) funded projects. The projects include the upgrading of gravel roads to tar or paving, stormwater management systems, building of community halls and sports facilities. The municipality is mainly dependent on the MIG for funding the projects implemented within the PMU of which the allocation for the current financial year is R118 817 000(inclusive of VAT). The unit is also responsible for coordination of EPWP.

Water and Sewer

Greater Tzaneen Municipality (GTM) is the Water Services Provider (WSP) as per the signed Service Level Agreement (SLA) between Mopani District Municipality (MDM) as the Water Services Authority (WSA). The division is responsible for the operation and maintenance of both water and sewer systems within the following areas: Tzaneen, Letsitele, Haenetsburg, Nkowankowa and Lenyenye towns

ELECTRICAL ENGINEERING DEPARTMENT

Greater Tzaneen Municipality (GTM) distributes power to an area of approximately 3200 m². The distribution area is not the same as the municipal jurisdiction area. The distribution area encroaches into neighbouring Municipalities of Ba-Phalaborwa, Greater Giyani and Greater Letaba. The Municipality has a license to distribute power to areas around Haenertsburg, Georgesvalley, Makgobaskloof, Politsi, Campsies Glen, Agatha, Tzaneen, Letsitele Valley, Yamorna/Ledzee, Broederstroomdrift, Deerpark, Riverside, Letsitele, Gravelotte, Waterbok, Letaba Ranch. The larger part of the distribution network supplies farming areas through overhead power lines.

Some of the major challenges in the municipality, related to the Electrical Engineering Department (EED) are the following:

A. Our electricity distribution system which includes in excess of 2 200 km of overhead lines and total assets of an estimated R1.5 billion (NERSA estimated replacement value) performed increasingly below standards because of vegetation were again reinforced by a sharp increase in outages, especially in the outside and rural areas, highlighting the weaknesses of the distribution system created by increasing vegetation growth into our overhead lines

   A further concern is that vegetation control is deemed to be a direct correlation between network performance and number of outages. Willing consumers have out of frustration with poor network performance, taken to clearing their own overhead lines, despite it being a service that are supposed be provided by the GTM.

   Another concern is the fleet of vehicles, 4x4 Vehicles and trucks that are constantly in the workshop and the time frames of repairing them are at the point where service delivery is being grossly affected.
   With this large farming community (3 500 square kilometres) and the towns of Tzaneen, Letsitele, Haenertsburg, Gravelotte and Politsi within its distribution area, the Electrical Department has, and will continue to be the leader in the business of electricity distribution amongst Municipalities. This leadership position amongst the Limpopo Municipalities with large electrical networks is however being eroded as the network continues to deteriorate

B. Increased power outages due to ageing infrastructure.
C. Theft of infrastructure (mainly transformers and copper cables).
D. Ageing Fleet
E. Insufficient Customer Communication System

VEGETATION CONTROL

The Municipality's distribution area is characterised by natural vegetation which contributes to the natural beauty of our area. However, conservation of this natural vegetation sometimes creates conflict with the requirements of overhead power lines. It is therefore important to balance the needs to preserve the natural beauty of our area and the minimum requirements of the overhead power lines. Continuous efforts are being made to control the vegetation in collaboration with private landowners to ensure the balancing of both needs. The Municipality utilises internal staff and sometimes outsources the service to eliminate backlogs.

AGEING INFRASTRUCTURE

Various projects have been identified for implementation over the MTREF period. The Implementation of the projects will assist in improving the performance of the electrical network. Improvement in the Municipal electrical network and has improve the customers outlook in the ability of the municipality to provide electrical services. The capital projects has also contributed in creating temporary job opportunities in the municipality. The municipality has been slow in the adoption of new technological advances will assist in improving the efficiency with the electrical department. Not sufficient funding has been allocated to infrastructure maintenance, less than what NERSA prescribed.

REVENUE ENHANCEMENT

The objective of the revenue enhancement strategy is to ensure that the GTM has stable and financial base to fund essential services through increased revenue base. The strategy has attributing factors to identify new investment attraction and capitalise on comparative advantage. The strategy is aligned with the municipality’s broader objective for economic development, infrastructure management and financial sustainability.

The strategy ensures that the revenue generating initiatives complement and support local economic growth and business development. Diverse revenue source will make the municipality more reliant to economic downturns and promote economic growth. The strategy goes beyond traditional revenue sources and seeks to leverage on municipal assets, land development and strategic partnership that contribute to economic development.

The revenue enhancement capitalise on competitive advantage of the municipality, which include among others natural resources, agriculture, cultural heritage, development of business hubs and maximizing on land use to generate revenue.

The Revenue enhancement strategy is aligned to LED strategy to ensure that both economic growth and financial sustainability go hand in hand, that economic development leads to increased revenue generation, while the revenue generated supports expansion of economic growth.

The revenue enhancement program implemented by the municipality has assisted in reducing distribution electricity losses the program focused on identifying areas that will improve the municipal revenue this included the replacement of defective electrical meters, electrical data analysis of electrical meters and billing data.

INFRASTRUCTURE THEFT

Infrastructure theft is a serious threat to the sustainability and reliability of the network. The Municipality's network is spread over a wide area to supply power to some of the very important food producers (farmers) in our area. Theft of this infrastructure is bordering on sabotage of the livelihood of our communities. The escalating theft of cables and transformers requires a joint effort by all affected stakeholders to curb this scourge.

AGEING FLEET

The electrical fleet was replaced with 9 new vehicles and a crane for the truck. Although this is a huge improvement, we still need to replace Five (5) more vehicles. The municipality is in the process of procuring additional vehicles and plant.

CUSTOMER COMMUNICATION SYSTEM

Insufficient communication with consumers has been identified as one of the major challenges in the EED. The municipality has introduced a 24-hour service, which is available for reporting service delivery challenges, fault reporting.

ELECTRIFICATION

The Municipality is proud to announce that all villages in the GTM jurisdiction have access to the electricity grid. However, due to continuous natural growth of villages, electrification of extensions is ongoing. The performance of electrification projects has been unsatisfactory due to low cost per connection leading to service providers taking time to complete projects. Forward planning is required in the execution of electrification projects to limit the need for rollover.

CORPORATE SERVICES DEPARTMENT

- **ADMINISTRATION AND RECORDS**

  11 Council meetings were held (7 normal and 4 Special Council meetings) from January to December 2025.

Out of 606 Council resolutions, 585 (96%) were implemented, 17 resolutions were still in progress for implementation, and 4 reports were still pending comments from January to December 2025.

From January to December 2025, only 1 Council meeting was held virtually, and 10 physical meetings.

16 MPAC oversight reports were submitted to Council for adoption for the period January to December 2025.

- **HUMAN RESOURCES**

Council staff complement was at a total of 715. Council approved organizational structure on the 11 July 2024 with comments from COGHSTA as per Chapter 2 of Municipal Staff Regulations.

From July 2025 to date a total of 528 employees trained as per Workplace Skills Plan submitted to LGSETA, we have two schedules training interventions for Councilors. It must further note that we are still implementing the remaining training interventions as per the plan.

62 employees were awarded bursaries to study qualification as guided by the bursary policy

Number of Councilors: 0 (Training is scheduled for 23 February 2026)

Number of Personnel: 528

Greater Tzaneen has 715 full time personnel employed which includes Senior Managers appointed in terms of Section 57 of the Municipal Systems Act. The Senior Managers are:

1.	Municipal Manager	D Mhangwana
2.	Director Corporate Services	NMH Maake
3.	Director PED	BM Mathebula
4.	Chief Financial Officer	CM Maeta
5.	Director Engineering Services	H O Tshisevhe
6.	Director Electrical Engineering	F Mthetwa
7.	Director Community Services	C Ntimbani

Management Capability and Structure

The organizational structure of the Municipality as from 1 July 2026/2027 provides for the following departments:

- Office of the Mayor
- Office of the Municipal Manager
- Budget & Treasury Office
- Planning & Economic Development Services
- Corporate Services
- Engineering Services
- Community Services
- Electrical Engineering Services

Each department is headed by a Section 56/57 Manager appointed on a fixed term contract coupled to a renewable Annual Performance Agreement. All the departments except for the Mayor and Municipal Manager have Directors who manages the departments.

Care is taken as prescribed in legislation that capable Senior Managers are being appointed who have the necessary qualifications and experience to do justice to their respective functions and responsibilities.

- **COMMUNICATION**

- Media Networking Session
- Hosting of Recognition Day (Employee and Councilors Awards)
- Live streaming and recording of Council meeting and other key events such as Recognition Day and Excellence Awards
- Coordination of Rapid Response Team
- Coordination of Events
- Procurement of Presentation Files
- Procurement of branding material (tablecloth, gazebos, wall banners, flags, tables
- Procurement of a drone
- Issuing public notices
- Website content management
- Social media management
- Call Center Management – Introduction of a complaints management system
- Graphic design services for all departments

PUBLIC PARTICIPATION

The Public Participation and Project Support Division plays a critical role in promoting inclusive governance, strengthening stakeholder engagement, and providing administrative and technical support for community-driven and institutional projects. The division further focuses on enhancing public involvement in decision-making processes, improving project coordination, and strengthening support systems to ensure effective service delivery.

The Division's objectives for the period under review were:

- To enhance structured public participation platforms.
- To improve communication between the institution and stakeholders.
- To provide efficient administrative and technical support for approved projects.
- To ensure compliance with legislative and policy frameworks.
- To strengthen monitoring and reporting mechanisms for supported projects.

Key Performance Areas and Achievements

  - Facilitated public consultations (IDP), community meetings (Community Feedbacks), and stakeholder forums in line with approved engagement plans.
  - Increased community awareness through outreach campaigns, digital communication platforms, and information dissemination initiatives.
  - Strengthened partnerships with civil society organizations, community leaders, and sector stakeholders.
  - Improved response time to public queries and submissions.

Performance Outcome:
High participation levels were recorded across major consultations, reflecting improved stakeholder confidence and transparency.

- **Project Support and Coordination**

  - Provided administrative and logistical support to departmental and community-based projects.
  - Coordinated project planning sessions and progress review Project Steering Committee meetings.
  - Assisted in budget monitoring and compliance tracking.

Capacity Building and Institutional Support

- Conducted internal training sessions on Ward Committee engagement protocols.

- Developed standardized templates and reporting tools to improve reporting
- Strengthened internal coordination between divisions to enhance service delivery efficiency.

Performance Outcome:
Improved quality of reporting, streamlined communication processes, and enhanced internal collaboration.

Challenges Experienced

- Limited financial and human resources to meet increasing public engagement demands.
- Scheduling conflicts affecting community participation in certain areas.
- Delays in project approvals due to procedural compliance requirements.
- Technological limitations impacting virtual engagement in remote communities.

Corrective Measures Implemented

- Prioritized high-impact engagement activities within available budgets.
- Introduced hybrid participation models (physical and virtual platforms).
- Strengthened pre-planning and compliance checks to reduce approval delays.
- Enhanced coordination with ICT support for improved digital access.

Lessons Learned

- Early stakeholder engagement significantly improves project acceptance and implementation success.
- Digital communication platforms enhance accessibility but must be complemented by physical outreach especially in towns
- Strong interdepartmental coordination is essential for efficient project support.
- Proactive monitoring reduces compliance and implementation risks.

The Division remains committed to continuous improvement, innovation in engagement approaches, and strengthening support mechanisms to ensure effective service delivery in the upcoming financial year.

TOWN PLANNING DIVISION

1. SDF: The 2024-2029 SDF was adopted on 30 September 2024.
2. SPLUMA:

- The new Greater Tzaneen Municipal Planning Tribunal was adopted by Council on 27 October 2022 and gazette on 2 December 2022
- (No new update on SPLUMA By-Law)
- Land Development office is operational.

- No backlog on Land Development applications
- Names of Appeal Tribunal members gazette on 3 June 2022. Appeal Tribunal is fully operational.
- The Greater Tzaneen Municipality land use scheme was promulgated on the 02 February 2024.

COMMUNITY SERVICES DEPARTMENT

Community services department comprise seven divisions which are Waste Management, Licensing, Law enforcement, Safety and Security, Environmental Health, Libraries and Parks, Sports & Recreation, Arts & Culture.

Environmental Health Services

Environmental Health Services promotes and protects public health through an effective regulatory framework for occupational hygiene, water quality monitoring, vector control and food control as well as environmental management. We also do management of human remains as well as public awareness in schools to promote environmental sustainability.

Law Enforcement Services

The division renders traffic Law enforcement including By-laws enforcement. The division is also responsible for road safety.

Safety and Security Division

Safety and security is responsible for safety of council assets and personnel.

Licensing Services

The division is responsible for licensing of drivers, vehicles, temporary posters/banners and dog license applications.

Library Division

Library Services provide valuable information to the community and promote a culture of reading. Services including access to varied book collections and the provision of free internet is available at the Tzaneen; Letsitele, Haenertsburg, Shiluvane and Mulati libraries.

Parks, Sports & Recreation, Arts and Culture

The division is responsible for management, maintenance and development of parks, stadiums, swimming pool, tennis courts, open spaces, cemeteries,

organizing, coordination and gives support in activities of Sport, Arts and Culture within the Municipality, District, Provincial and National Department of Sports, Arts and Culture.
Monthly maintained 9 cemeteries in town out of 136 at Villages. Grass cutting was done by GTM personnel and Contractor on quotation basis, while Garden maintenance of 18 developed parks and gardens was done by GTM and EPWP.

Waste Management

Description Waste Management Functions

- ***Waste Minimization (Recycling)***

  To improve waste minimization and waste diversion by promoting recycling at source. We are diverting garden refuse from the landfill site to a composting plant. To reclaim recyclables from the landfill site, a recycling depot is operating at the landfill site. A total of 2751,53 tons(2496155kg) of recyclables were reclaimed from the landfill site.

- ***Waste Minimization-Composting***

  To improve waste diversion, this is achieved by diverting garden-waste that is received and treating it at a basic technology composting site.

- ***Rural Waste Management***

  To expand refuse collection to un-serviced rural areas. We have four Waste Development Workers (WDW) under the EPWP scheme do awareness activities at Rural Wards and Schools.

  - Firewood from the Landfill site are available for re-use and also delivered to rural Drop-off Centers (DoCs) for utilization by communities, to mitigate deforestation-practices.

  - 97 x DoCs have been erected in Rural Waste Service areas of which only 59 are active, whilst 38 DoC's are not utilized due to various factors.

  - Dedicated "Financial" interventions is needed to implement the requirements of the National Basic Refuse Removal Policy as well as the National Waste Management Strategy.

- ***Collection & transportation***

  - A level 1 service – kerbside-removals is rendered at 7,45% of all households (representing 9660 of the 129 579 H/h's)

- A level 2 service – Communal Drop of Centre removals is rendered at 44% of all households (representing 48,987 of the 129 579 H/h's)
- Due to a moving target, we have 70,932 H/h's that are either doing on-site disposal or illegal dumping in some instances. This constitutes (56%) of households in the rural areas.

- Health Care Risk Waste is removed to an appropriate licensed facility for incineration.

- The cost to address the service in full (urban and rural), with immediate effect, will be approximately R168 000 000,00 per annum for all waste service areas.

- ***Litter Picking***

  - 140 x designated urban litter picking routes are cleansed on a scheduled daily basis.

  - Rural roads & open areas at the 46 activated EPWP Waste Service Areas, are cleansed on scheduled basis.

- ***Vehicle replacements***

  - *A dedicated replacement-programme of Waste specialized-vehicle is urgently needed to ensure the fleet being turn-around every 5 x years.*

- ***Treatment & disposal***

  - To ensure compliance to landfill management we have a licensed landfill site which occupies 5 hectares of the 21hectare erven. The landfill site is in terms of the permit classified as a GMB-site.

  - The remaining lifespan of the permitted site is ± 5 years.

  - Four Internal Landfill Audits are conducted annually with an average of 92% to 95%.

  - Contingencies have been made to establish an End-use-Plan
    - To determine the existing lifespan

(D) <u>FINANCIAL POSITION</u>

With the implementation of the mSCOA system the Balance Sheet figures are contained in the mSCOA Data Strings which will be submitted to Treasury with the approved final budget.

MUNICIPAL MANAGERS QUALITY CERTIFICATION

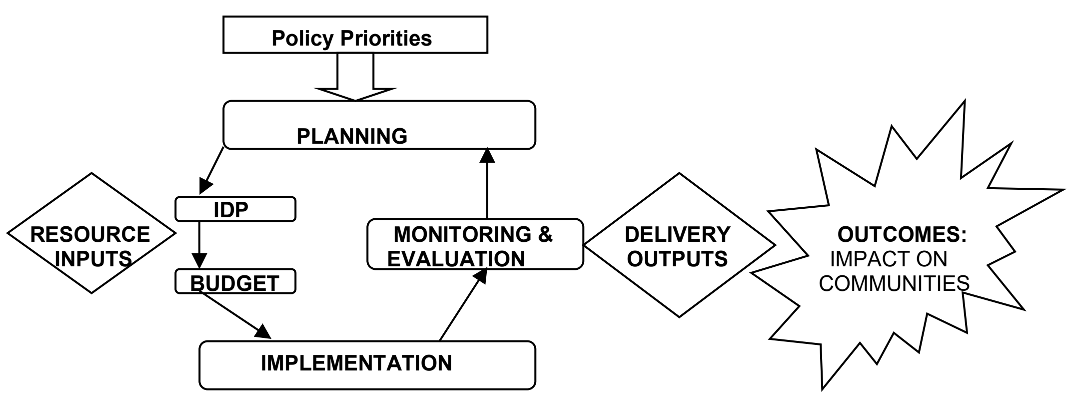
The Quality Certificate is attached as Annexure " N ".
Budget Report

(E) MUNICIPAL PRIORITIES AND LINKAGES TO THE IDP

The strategic objectives of Council are informed by the national priorities arising from the 2021 national and 2026 local government electoral mandate, National Development Plan and the Limpopo Development Plan. Key to our focus as municipality is the following priorities:

- Maintenance of Electrical infrastructure
- Revenue Enhancement
- Effective and efficient administration
- Maintenance of Municipal infrastructure
- Addressing service delivery backlogs
- Rural development

The process that was followed to ensure that the abovementioned political priorities are linked with the IDP and budget is as follows:



All the operating and capital projects in the 2024/2025 reviewed IDP have been evaluated through our prioritization system to ensure that the IDP, budget and performance targets are aligned. The IDP forms the basis of this process and all resources are focused on combining the different strategies in attaining our vision.

(F) KEY AMENDMENTS TO THE IDP

Analysis Phase

- The IDP must be in alignment with the National Development Plan, Limpopo Development Plan and the Mopani District Planning Framework. The IDP must be prepared in line with the District Development Model (One Plan One Budget Model)
- The 2024/2025 IDP Analysis took cognizance of the Census 2022 and other mid term statistics.

Strategies Phase

- The Vision has been re-affirmed and is in line with Council's 2030 growth development strategy and the Municipality is also following the growth and development strategy.

- Mission and values were also re-affirmed.

Project Phase

- Prioritized projects have been approved. Most capital projects will funded through Municipal Infrastructure Grants, Integrated National Electricity Programme, Municipal Disaster Relief Fund and others through Own funding.

(G) ALIGNMENT WITH NATIONAL, PROVINCIAL AND DISTRICT PRIORITIES

To attain the Strategic Intent, with limited resources, forced the Municipality to develop strategies on how to achieve these through optimal utilizations of human and capital resources. Using the outcome-based planning methodology the Municipality has a proven way of developing strategies to attain its strategic intent. Taking into account the various aspects and challenges facing Greater Tzaneen Municipality, the outcome-based planning methodology is implemented to develop strategies to ensure that the Municipality focuses on all perspectives as contained within the outcome-based planning methodology:

- Customer perspectives (defines what the organization will do to satisfy customers and community members)
- Financial perspectives (defines how effectively the Municipality is utilizing its resources to deliver on the community expectations)
- Internal processes perspective (defines and clarifies activities and processes required at providing the value expected by community)

- Learning and growth perspective (defines the foundation of strategic attainment by focusing on the development of skills and capabilities of human resources.

In addition to the above-mentioned perspective Greater Tzaneen Municipality has identified and aligned strategic themes that will provide the essential components of the strategies developed. A theme can be defined as an area of strategic focus within the organization that will enable the organization to focus on achieving its strategic intent. The four themes are mentioned below.

- Economic Growth
- Social, Environmental Sustainability and Infrastructure Development
- Good Governance and Administration
- Financial viability and management

The first two themes are contributing towards the growth strategy of Greater Tzaneen Municipality. (The focus of growth within the Municipality will be towards increasing the income for all and contributing towards the quality of life for all living within the Municipal boundaries).

(H) KEY AMENDMENTS TO BUDGET RELATED POLICIES

No key amendments have been affected on policies.

(I) DEMOGRAPHIC, ECONOMIC AND OTHER ASSUMPTIONS

All assumptions are contained in Item 10, Budget assumptions

(J) DETAILS OF PROPOSED AMENDMENTS TO THE IDP

Preparatory Phase

The IDP Process Plan has been developed to ensure alignment with the Provincial Integrated Planning Framework (PIPF) and Mopani District Planning framework and has been approved by Council on the 21st of August 2025.

ACTIVITY	DATE
Approval of Final IDP	26 March 2026
Public Participation Programme	April 2026
Approval of Final IDP	28 May 2026

Strategies Phase

- The Vision has been re-affirmed as adopted in the current IDP to be in line with the current Council 2030 growth development strategy and the Municipality is also following the growth and development strategy.
- Mission and values have also been re-affirmed.

An IDP Strategic Session was held from the 10th to 12th December 2025.

4. ANNUAL BUDGET TABLES

The budget tables to be approved by Council are attached hereto as Tables A1 to A 10 and SA 1 to SA 38. The key variances on table A4 are explained below:

Revenue Impact:

The revenue budget will see an increase of R273 million illustrated below:

LIM333 Greater Tzaneen - Table A4 Budgeted Financial Performance (revenue)

Description	Ref	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
R thousand	1	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	% Increase
Revenue							
Exchange Revenue							
Service charges - Electricity	2	1 080 674	1 105 674	1 307 615	1 386 072	1 413 794	18%
Service charges - Water	2	-	-	-	-	-	
Service charges - Waste Water Management	2	-	-	-	-	-	
Service charges - Waste Management	2	46 615	46 615	48 980	50 596	52 215	5%
Sale of Goods and Rendering of Services	2	1 314	1 314	1 314	1 358	1 401	0%
Agency services	2	16 664	16 664	16 664	17 214	17 765	0%
Interest earned from Receivables	2	57 114	57 114	67 114	69 328	71 547	18%
Interest earned from Current and Non Current Assets	2	31 907	31 907	37 007	38 228	39 451	16%
Rental from Fixed Assets	2	1 859	2 061	2 267	2 342	2 417	10%
Licence and permits	2	506	506	601	621	641	19%
Operational Revenue	2	21 533	37 533	41 523	42 894	44 266	11%
Non-Exchange Revenue							
Property rates	2	202 824	208 909	223 106	230 469	237 844	7%
Fines, penalties and forfeits	2	1 490	1 490	1 490	1 539	1 588	0%
Transfer and subsidies - Operational	2	579 413	579 684	591 655	572 693	607 994	2%
Interest	2	35 890	35 890	41 890	43 272	44 657	17%
Total Revenue (excluding capital transfers and contributions)		**2 077 803**	**2 125 361**	**2 381 226**	**2 456 626**	**2 535 580**	12%
Transfers and subsidies - capital (monetary allocations)	6	116 193	143 234	112 876	125 684	129 754	-21%

The revenue budget reflects a net increase of R303.4 million excluding capital transfers and a net increase of R273 million after capital transfers and reasons for variances explained as follows:

Revenue Source	Explanation of variances
Service charges electricity	Electricity service charges reflect an increase of 18% above the prescribed CPI and NERSA guideline increases. This adjustment is informed by the audited annual financial statements and the positive performance recorded during the six-month assessment period, which indicated that previous budget assumptions were understated.
Service charges waste management	Waste management service charges increased by 5% above the prescribed CPI-related increase. The adjustment is based on the audited outcome and improved revenue performance recorded during the six-month assessment period.
Agency Services	The Agency Services budget remained unchanged at 0% growth due to actual revenue collections being below the originally budgeted amount. However, uncertainties relating to the implementation and financial impact of the new Service Level Agreement with Mopani District Municipality warranted the retention of the current budget allocation.
Interest earned - Receivables	Interest earned on receivables increased by 18% due to improved collection performance and increased interest charged on overdue municipal consumer accounts. The six-month assessment reflected overperformance against the original budget, thereby necessitating an upward adjustment above CPI.
Interest earned from Current and Non-Current Assets	Interest earned from investments increased by 16% due to the growth in short-term investment balances over recent financial years, resulting in higher interest yield returns.
Rental from Fixed Assets	Revenue from rental of fixed assets increased above CPI due to heightened demand for the leasing of municipal properties during the current financial year.
License and Permits	Revenue from licenses and permits increased above CPI as a result of improved permit issuance by the Planning Economic Development Department, supported by initiatives aimed at auditing and verifying compliance of street hawkers operating within the Tzaneen area.
Operational Revenue	Operational revenue increased by 11% due to higher anticipated collections from administrative handling fees, including electricity connection fees. The increase is supported by the audited outcome and current year mid-year assessment, which indicated historical under-budgeting in this revenue category.
Property Rates	Property rates revenue increased by 7% above CPI due to ongoing revenue enhancement initiatives aimed at improving the completeness and accuracy of property rates billing. These interventions resulted in stronger-than-anticipated performance during the six-month assessment period.
Interest earned - Property Rates	Interest earned on property rates increased by 17% due to higher interest charged on overdue property rates accounts. Performance during the six-month assessment period exceeded initial projections, warranting an increase above CPI assumptions.

Expenditure Impact:

The expenditure budget will see an increase of R 155.7 million in the 2026 2027 final budget, explained as follows:

LIM333 Greater Tzaneen - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
R thousand	1	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	% Increase
Expenditure							
Employee related costs	2	540 799	490 653	550 136	568 291	586 476	12%
Remuneration of councillors	2	31 414	31 414	33 613	34 723	35 834	7%
Bulk purchases - electricity	2	763 383	763 383	842 890	870 706	898 568	10%
Inventory consumed	2,8	133 079	136 059	134 280	138 711	143 150	-1%
Debt impairment	2,3	66 458	105 277	95 277	98 421	101 571	-9%
Depreciation, amortisation and impairment	2	125 252	125 252	125 252	129 385	133 525	0%
Interest, Dividends and Rent on Land	2	12 354	12 355	8 834	9 126	9 418	-28%
Contracted services	2	125 347	136 878	140 610	145 251	149 899	3%
Transfers and subsidies	2	39 774	33 900	44 337	24 785	25 604	31%
Irrecoverable debts written off	2	-	-	-	-	-	
Operational costs	2	207 719	208 494	226 077	233 391	240 859	8%
Total Expenditure		**2 045 580**	**2 043 665**	**2 201 307**	**2 252 789**	**2 324 904**	**8%**

The impact of the changes on the different categories of the operating expenditure as the result of the final budget will be as follows:

Expenditure	**Explanation of Variance**
Employee Related Costs	The increase of 12% on Employee Related Costs is due to salary increase in line with the SALGA wage agreement, as well as provision made for newly budgeted vacancies.
Remuneration of Councillors	The 7% increase on Councilor's remuneration Budget is in line with the new Upper Limits Gazette for councilors.
Bulk Purchases Electricity	The 10% increase in Bulk Purchases for Electricity incorporated the NERSA Guidelines on increases together with the mid year performance and audited outcome which were assessed to inform the increase.
Inventory Consumed	The reduction in Inventory Consumed is attributable to the reallocation of various budget items to Repairs and Maintenance, as well as the implementation of cost containment measures relating to avoidable inventory purchases.
Debt Impairment	The 9% reduction in Debt Impairment is due to the audited outcome being significantly lower following the implementation of a new impairment methodology.

Depreciation	The Depreciation budget remains relatively constant due to the ongoing process of replacing the old fleet during the 2026/27 financial year through a Finance Lease arrangement, which is expected to result in a significant reduction in fleet depreciation costs.
Interest, Dividends and Rent on Land	The 28% decrease in Interest on Loans is due to two loan accounts that were fully settled, resulting in a reduction in interest repayment obligations.
Transfers and Subsidies	The 30% increase in Transfers and Subsidies is due to the increase in the allocation of the INEP Grant in terms of DORA, which increased from R10 million to R28 million.
Operational Costs	The 8% increase in Operational Costs is mainly due to an increase in insurance premiums. All other operational costs remained relatively constant in support of cost containment measures.

PART 2:

SUPPORTING DOCUMENTATION (Budget Report)

5. OVERVIEW OF ANNUAL BUDGET PROCESS

(a) Overview of the Budget Process

The Annual Budget process outlines the current and future direction that our Municipality would follow in order to provide services in a sustainable manner. The budget process enables Council to optimally involve residents and other stakeholders in the preparation of the budget.

Greater Tzaneen Municipalities IDP, Budget and PMS process plan for the 2026/2027 financial year was developed and approved by Council in August 2026. The process plan provides broad timeframes for the IDP and Budget preparation process and the main aim of the process plan is to ensure integration between the IDP and Budget and the adoption of a well-balanced and credible budget.

The Budget process is guided by Chapter 2 of the Municipal Budget and Reporting Regulations, Gazetted 17 April 2009, which states that the Mayor of a Municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in Section 53 of the Act.

Section 53(1)(a) of the Municipal Finance Management Act determines that the Mayor must provide general political guidance over the budgetary process and the priorities that must guide the preparation of the budget, whiles Section 21(1) of the Municipal Finance Management Act states that the Mayor of a Municipality must 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 credible.

The Budget Steering Committee has been established and is functional. It discusses all budget-related activities to ensure that all legislative requirements are adhered to and that a well balance and realistic budget is approved.

Some of the issues, with regard to the 2026/2027 financial year, that were discussed by the Budget Steering Committee are as follows:

- Budget Dates
- Budget Risks
- Adjustment Budget
- Inflation Forecast
- Financial Systems
- Mscoa Data Strings
- Approval of Budget and Tariffs
- Property Rates
- National Treasury Audits on mSCOA
- Non-compliance with mSCOA
- Revenue Budget
- Budget assessment by Treasury
- Increase in salaries
- Overtime
- Increase in Councillor allowances
- DORA Allocations
- Increase in tariffs
- Service Level Standards
- Amount to be allocated for capital projects
- Financing of Capital Projects
- Budget Requests
- Increase in Electricity Bulk purchase
- Repairs and maintenance
    - Renewal R & M
    - Routine R & M
- Budgeted Employee Structure
    - New Positions
    - Current Vacant Positions

- Electricity Tariff structure to NERSA
- Sundry Tariffs
- Dates IDP process to be finalized

  - Adjustment budget
  - Draft IDP
  - Draft Budget
  - Final IDP
  - Final Budget

- MDM Previous budgets
- Water and Sewer Budget = Operational
- Water and Sewer Budget = Capital
- Review of past performances
- Budget requests
- mSCOA Readiness

Budget meetings were held with all departments with the commencement of the budget process to review the 2024/2025 budget and to discuss past performance trends of the operating budget. During these meetings the alignment of the IDP and Budget was discussed as well as the 2025/2026 budget realities to ensure that critical service delivery needs are budgeted for.

The Mayor and Councillors have, through the IDP process, guided the 2025/2026 budget process in such a manner that the balance between policy priorities and fiscal realities resulted in a balanced and credible budget.

(b) Planning Process

The Municipalities Integrated Development Plan (IDP) is the principal strategic planning instrument which guides and informs its on-going planning, management and development actions. The IDP represents Councils commitment to exercise its budget planning to ensure an effective budget process.

Effective budget planning assists the Municipality in transforming its area of responsibility into a better place to live for all.

The development of the IDP and drafting of the budget is an evolving and interactive process over a 10-month period. This process commences with the approval of the IDP and Budget time-table, followed by the approval of the IDP and the drafting of the budget to determine the affordability of service delivery.

It is then followed by Public Participation process to ensure that the needs of our communities have been considered after which the IDP and budget are tabled to Council for approval.

Integrated Development Planning is seen as a function of Municipal Management which includes a system of planning and delivery. The Integrated Development Planning process is meant to arrive at decisions on issues that need to be provided for in Municipal budgets. Integrated Development Planning not only informs Management it also guides the activities from the planning stage through the budget culminating in the execution thereof.

(c) Process for Consultations With Each Group of Stakeholders and Outcomes

Section 22 (1) of the Municipal Finance Management Act determines that:

"22 PUBLICATION OF ANNUAL BUDGETS

Immediately after an annual budget is tabled in a Municipal council, the Accounting Officer of the Municipality must:-

in accordance with Chapter 4 of the Municipal Systems Act-

make public the annual budget and the documents referred to in section 17(3); and

invite the local community to submit representations in connection with the budget; and

submit the annual budget:-

in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury; and

in either format to any prescribed National or Provincial organs of state and to other Municipalities effected by the budget."

The Municipalities Consultation process on its Draft IDP review and Draft Budget commenced during August 2023 with the approval of the IDP, Budget and PMS calendar.

After approval of the Draft IDP and Draft Budget it has been submitted to National Treasury and Provincial Treasury for their consideration in line with Section 22 of the MFMA.

The Draft Budget report, budget resolutions, budget tables, budget related policies and all budget related documents as required by Section 75 of the

MFMA were placed on Councils website after approval by Council. It was also made public as required by Section 22 of the MFMA and the local community was invited to submit representations in connection with the budget to Council.

Community representatives and organizations have been given the opportunity to review the priorities indicated previously to ascertain whether it has been captured as agreed upon.

Public hearings were held in all 35 Wards. The meetings were scheduled during April 2026.

The meeting schedule will be distributed under a separate cover.

The IDP and Budget timetable was approved by Council, 10 months before the start of the budget year in order to comply with the requirements of the MFMA. This timetable guides all IDP, Budget, SDBIP and performance activities and is in line with legislative frameworks.

Process of tabling the final budget in Council for consideration and approval.

The tabling of the final budget in Council during May 2026 followed after an extensive publication of the IDP and budget in newspapers. It was also published on Councils website.

Public hearing on both the operational and capital budgets was held during April 2026.

Process to record and integrate inputs from the community in the final budget.

During the consultative process all verbal questions and answers were recorded.

All written submissions were directed to the IDP Office who keeps records thereof.

All the submissions received during the consultation process were considered before the tabling of the final budget.

The following documents will also be submitted in pdf format to the LG upload portal after approval of the final budget.

1. The Budget documentation as set out in the MBRR.
2. The non-financial supporting tables
3. The Final Budget Report in electronic format
4. The Council Resolution for the tabled and adopted budget.
5. Signed quality certificate as prescribed in the MBRR.

Statistics relevant to the process (Submissions received and attendance at forums)

The framework that was utilized to summarize submissions received during the consultation process is as follows:

WARD	DATE	ATTENDING	SUBMISSION

On completion of the consultation process the IDP Officer submitted a summarized report (as per the framework above) to the Chief Financial Officer who scrutinized the report and the Mayor, Municipal Manager and Chief Financial Officer, determined what actions, had to be taken to address the needs of the Community.

6. ALIGNMENT OF BUDGET WITH INTEGRATED DEVELOPMENT PLAN / SERVICE DELIVERY AGREEMENTS

Strategic Focus (Key Performance Areas)

The strategic focus, or strategic theme, as it is known in Greater Tzaneen Municipality is an area of strategic focus that will enable Council to focus on achieving its strategic intent. Greater Tzaneen Municipality has followed the initiative from Provincial Government and the Mopani District Municipality to align the strategic themes to that of the provincial clusters.

- Economic growth (Increased income for all)
- Service Delivery (Sustainable quality of life)
- Good Governance (Clean audit)

(A) Details of proposed amendments to the IDP

Strategies Phase

- The vision has been re-affirmed and is in line with the Council 's 2030 growth development strategy and the Municipality is also following the growth and development strategy.
- Mission and values have also been re-affirmed
- New operational strategies and KPI's has been added

Project Phase

- New projects were prioritized for implementation during the 2026 2027 financial year.

(B) Revenue, Operating Expenditure and Capital Expenditure aligned to action plans of the IDP

The IDP provides a five-year strategic program aimed at setting short, medium and long-term strategic and budget priorities. The Plan aligns the resources and the capacity of a Municipality to its development goals and guides the Municipal Budget.
As part of the alignment process extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability.

The following factors have been taken into account during this process:

- IDP priorities and strategic objectives
- Economic climate and trends
- Councils cash flow situation
- Current debtor's payment levels
- Council's current loan status
- Tariff increases versus affordability.
- Improved and sustainable service delivery

The budgetary allocations for both the capital and operating expenditure are determined in a manner that will not only ensure that the outcomes of the IDP are achieved but also to ensure that Council's vision is realized.

The Performance Management System (PMS) which is aligned with the IDP and Budget also allows Council an opportunity to monitor and evaluate the organizational performance as well as individual performances of Directors to ensure that the IDP outcomes and vision of Council are met. Greater Tzaneen Municipality utilizes the SDBIP as a performance monitoring and evaluation tool. Quarterly performance reports are submitted to Council detailing progress on the implementation of the IDP.

The IDP projects have been prioritized to be implemented over the next three years. These projects will be included in the capital budget and is attached hereto as Annexure "O".

Alignment with National, Provincial and District Plans

The constitution of South Africa provides for co-operative Governance in that the three spheres of Government align their functions, strategies and programmes which entails that Municipalities have to align their activities to that of National and Provincial Government to ensure optimal service delivery and that the strategic priorities of government are supported.

As mentioned previously in this report an IDP process plan was FINALed and approved by the Council. This plan, which includes various processes i.e. Strategic Planning session, Integrated Development Planning and the budget process had brought about a collective approach in which the contributions of all the stakeholders are valued. We are therefore confident that this budget is structured in such a way that it will support the strategic priorities of the Government.

Various meetings were held with stakeholders to comply with the requirements of the Local Government Municipal Systems Act which determines that the planning undertaken by a municipality must be aligned with and compliment the development plans and strategies of affected municipalities and organs of state. Horizontal and vertical alignment is done through the local IDP Steering Committee, District engagement sessions and Provincial Development Planning forums.

7. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

(A) KEY FINANCIAL INDICATORS AND RATIO'S FOR:

OUTSTANDING SERVICE DEBTORS

A = B

C

"A" Outstanding service debtor to revenue	40.68%
"B" Total outstanding service debtors	669 716 397
"C" Annual revenue actually received for services	1 646 418 868

- DEBT COVERAGE
-

A = B – C
D

"A" Debt Coverage	58.06%
"B" Total Operating Revenue Received	2 180 239 154
"C" Operating Grants	572 698 000
"D" Debt Service Payments	27 688 516

COST COVERAGE

A = B + C
D

"A" Cost Coverage	1.81
"B" All available cash at a particular time	231 359 050
"C" Investments	
"D" Monthly Fixed Operating Expenditure	127 711 635

(B) MEASURABLE PERFORMNCE OBJECTIVES FOR:

The measurable performance objectives are attached as Annexure "J".

Providing clean water and managing wastewater.

e) The Greater Tzaneen Municipality operates and manage the following Water and Wastewater works:

Name of Water Works	Capacity
u) Georges Valley Water Works	9.0Ml/d
v) Tzaneen Dam Water Works	6.0Ml/d
w) Letsitele Water Works	1.4Ml/d
x) Tzaneen Wastewater Works	8Ml/d

a) Blue Drop and Green Drop performance ratings

Greater Tzaneen Municipality received a Blue Drop Certificate during 2011 assessment for Tzaneen and Letsitele Systems. For the 2012, 2013 and 2014 years' assessment for both Blue and Green Drop, all Water and Wastewater works and networks for four towns were assessed, and the results are as follows:

Assessment	System	Percentage	Status
2011	Tzaneen	95.08%	Achieved Silver
2011	Letsitele	95,05%	Achieved Silver
2011	Tzaneen Sewerage	84,3%	Not achieved
2011	Nkowankowa Sewer	77,9%	Not achieved
2011	Lenyenye Sewer	21,9%	Not achieved
2012	Tzaneen	95,14%	Achieved Gold
2012	Letsitele	95,02%	Achieved Gold
2013	Tzaneen Sewerage	94.14%	94.14%
2013	Nkowankowa Sewer	24.91%	24.91%
2013	Lenyenye Sewer	8.03%	8.03%
2014	Tzaneen	77.4%	Not achieved
2014	Nkowankowa	80.88%	Not achieved
2014	Lenyenye	28.09%	Not achieved
2014	Letsitele	73.4%	Not achieved

b) As part of the Blue Drop Certificate and Green Drop Certificate requirements, Water Safety Plans (WSP's) for both Wastewater and Water have been established. This Water Safety Plan is only applicable to the systems operated and Managed by Greater Tzaneen Municipality. Challenges were identified during the audit process for Wastewater Works in Tzaneen and the findings are treated accordingly to Wastewater Risk Abatement Plan (W^2RAP).

c) The following are the identified challenges in Water and Sewerage management

- There is not enough water for Tzaneen as demand is higher than supply. Application for an increase in water allocation by DWS has been made but with no success as both dams are over allocated (Tzaneen & Ebenezer)

- Aged infrastructure which requires replacement of all dilapidated AC pipes within Greater Tzaneen Municipality.

- There are illegal or unauthorized connections of both water and sewer by community members which result in high water loss and high blockages of sewers due to soil and debris entering the sewer lines.

- Vandalism and theft of municipal infrastructure which result to water loss and regular sewer overflows.

- Insufficient budget for repairing and maintenance of water services infrastructure.

d) Steps taken are:

1. Implementation of Water Bylaws, Developed by the WSA

2. Mopani District Municipality to intervene in speeding up the application of an increase in Water quota.

3. Engage Mopani District Municipality as WSA to fund activities that will improve water supply and Water Demand Management systems.

4. Mopani to fund the upgrading of Tzaneen Water Works and Georges Valley Water Works to meet the increasing water demand.

5. Mopani District Municipality to fund the replacement of AC pipes for Tzaneen town, Haenesburg, Letsitele, Lenyenye and Nkowankowa.

6. Engage communities (public participation) and educate them about the importance of protecting the Water and Sewerage system.

e) Budget allocations for 2026/2027 as outlined in the budget.

The certificate of analysis for water and waste water are attached as **Annexure "I".**

8. BUDGET RELATED POLICIES OVERVIEW AND AMENDMENTS

The budget process of Greater Tzaneen Municipality is guided and Governed by relevant Legislation, Frameworks, Strategies and Policies. The budget related Policies and Amendments are discussed as follows:

9.1 LIST OF BUDGET RELATED POLICIES

Revenue Framework

Section 18 of the Municipal Finance Management Act (MFMA) states that the Budget can only be funded by realistically anticipated revenue to be collected, and cash-backed accumulated funds from previous years, which was not committed for other purposes.

Council has approved policies for main services provided by the Municipality, which are attached as **Annexure " C "** to this document.
9.1.1 Revenue-related policies

a) Tariff Policy

The General Financial Management functions covered in Section 62 of the MFMA includes the implementation of a Tariff Policy. Specific legislation applicable to each service has been taken into consideration when the Policy was FINALed.

b) Credit Control and Debt Collection Policy

This has been formulated in terms of Section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

9.1.2 Budget-related policies

The following budget-related policies have been approved by Council in line with National Guidelines and Legislation.

a) Budget Policy

The Budget Policy, which was approved by Council deals with the objectives, budgeting principles, Responsibilities of the Chief Financial Officer's Legal requirements, Funding of Expenditure and Adjustment budget which are attached to this report.

b) Equitable Share and Indigent Policy

This policy deals with the Equitable Share allocation and Indigent Subsidy.

c) Supply Chain Management Policy

Section 111 of the MFMA requires each municipality and municipal entity to adopt and implement a Supply Chain Management Policy, which gives effect to the requirements of the Act. The Municipal Supply Chain Management Policy was adopted by Council and the three committees required by the Act have been established and are functional.

The Supply Chain Management Policy provides systems for the following functions:

- Demand Management
- Acquisition Management
- Logistics Management
- Disposal Management
- Risk Management
- Performance Management

It also describes in detail the process and procedures of the acquisition of goods, services and works as well as the disposal of inscrutable, redundant and obsolete goods.

d) Rates Policy

Greater Tzaneen Municipality prepared a General Valuation Roll of all property in terms of the Local Government: Municipal Property Rates Act of 2004 (MPRA). The policy is attached to the report. The new valuation roll will be implemented with effect from 1 July 2025.

e) Investment and Cash Management Policy

The Council approved the Investment Policy that deals with the management of the surplus cash resources and the investment thereof.

f) Virement Policy

The Virement Policy aims to empower Senior Management with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA. While no limits were placed on the amount of the virement, certain limitations were placed in terms of allocations and it further provides for flexibility within votes.

g) Adjustment Budget Policy

The Adjustment Budget Policy is governed by various provisions in the MFMA and the Municipal Budget and Reporting Regulations, which are aimed at establishing an increased level of discipline responsibility and accountability in the financial management practices of the Municipality

9.2 PROPOSED AMENDMENTS TO THE BUDGET RELATED POLICIES

The following change had to be made on Council's Policies during the 2025/2026 financial year

Indigent policy

10.6 Grave cost

Approved indigents may qualify for a grave at no cost
Applicants not yet approved may qualify for a grave at 50% of the cost.

Subsistence and travelling policy

6.3 Where the cost of accommodation includes the provision of breakfast and dinner a subsistence allowance of R160 remains for all officials and councillors, if supper is not included in the accommodation tariff a maximum of R200.00 is claimable on submission of proof

6.7 Officials must submit Original Tax Invoices for accommodation billed to the municipality, within 10 days of returning from official trips. Failure to do so will result in, the S & T claim withheld until submission of the tax invoice is made to Expenditure Division or deduction of amounts paid for such accommodation from the employee's salary in the next pay run.

9.2.1 An employee may claim a maximum of three meals per day in terms of actual expense provision, provided the total cost for all three meals does not exceed R584 as prescribed by SARS.

11.3 The maximum cost of the hotel bookings (Dinner, bed & breakfast) shall not exceed R1800.00 for all officials and Councillors

15.2 Officials & Councillors that structured a car allowance may not use municipal-owned vehicles to commute between official events

9. BUDGET ASSUMPTIONS

Budget assumptions and parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets. The assumptions and principles applied in the FINALing of this budget are mainly based upon guidelines from National Treasury and the National Electricity Regulator of South Africa (NERSA).

Municipality's long-term financial viability depends largely on the extent to which improved and sustainable revenue capacity on the one hand - and sound financial management of its resources on the other hand – can be achieved. These imperatives necessitate proper multi-year financial planning. Future impacts of revenue and expenditure streams and the financial implications for the community at large (i.e. the potential influence on property tax, tariffs and service charges) must be identified and assessed to determine the sustainability of planned interventions programmes, projects and sundry service delivery actions.

The following paragraphs outline the assumptions made by the Chief Financial Officer and the Budget Steering Committee:

A) INFLATION TARGET

At the beginning of each calendar year National Treasury issues a budget circular that is intended to guide Municipalities in the preparation of their budgets. Amongst other things the circular indicates anticipated inflation figures that are to guide the Municipalities when setting increases to their tariffs. Circular's no 132 indicates an inflation rate of 3.7% for the 2026/2027 financial year.

PERSONNEL ISSUES

The Salary and Wage Collective Agreement for the period 1 July 2024 to 30 June 2029, which provide yearly increase was considered in 2026/27 MTREF.

Number of employees**:** Provision has been made for positions that become vacant during the past twelve months as well as vacant positions that were classified as critical to ensure continuous service delivery.

B) COUNCILLOR'S ALLOWANCES

Composition of and increases to Councillor's allowances are determined annually by the Minister of the Department of Co-operation and Traditional Affairs (COGSTA) through a Gazette setting out the upper limits of the allowances to Councillor's. This Gazette is normally issued towards the end of December to apply retrospectively from 1 July of that year. The Gazette had not been issued yet.

C) BORROWINGS

The Municipal Finance Management Act no 56 of 2003 permits long term borrowing by Municipalities only to finance Capital Expenditure.
The strategy of Greater Tzaneen Municipality is to borrow long-term funds only at the lowest possible interest rate at minimum risk. No loan will be taken up during the 2025/2026 financial year.

D) COLLECTION RATES

In accordance with relevant legislation and national directives, revenue recovery rates are based on realistic and sustainable trends. The municipal collection rate is set at an average of 90% and is based on a combination of actual rates achieved to date and estimated outcomes of the current financial period. Adequate provision is made for non-recovery.

E) BAD DEBTS PROVISION

The bad debt provision is determined on 10% of the non-collection of debt older than 90 days.

F) TARIFF ADJUSTMENTS

The property rates tariff will be adjusted with 3.7% on the previous year's tariff to cater for changes in the inflation rate.

The electricity tariff adjustment is 9.10%, largely due to the increase for Eskom bulk purchases.

Water and Sewerage tariff adjustments are 3.7% on the previous year tariff, while refuse and disposal charges are modeled to decrease to 3.7%. All the increases are within the upper limit set by National Treasury.

G) INVENTORY CONSUMED

Greater Tzaneen Municipality's target with regard to inventory consumed is set at 7% of total expenditure to address backlogs.

H) DEPRECIATION

Depreciation which is prescribed by the Budget Regulations on new capital expenditure is calculated at a varying rate ranging between 3 and 20 years, depending on the nature of the asset. Actual depreciation was modeled on existing assets.

I) WATER AND SEWER SERVICES

Mopani District Municipality is the Water and Sewer Services Authority and Greater Tzaneen Municipality is the Water and Sewer Service Provider. An agreement to this extends has been signed. The budget for these services has been drafted according to legislative requirements and will be submitted to Mopani District Municipality for approval.

J) ESKOM

An increase of 9.10% was proposed pending approval by NERSA.

K) TARGETED GROWTH

As part of the normal budgeting process, consideration is normally given to the anticipated growth in the population of the Municipality due to normal increment and mobility of people into the urban areas where cost recovery is taking place. However due to stagnation of development in areas where cost recovery is taking place, no increases in the population has been taken into account.

L) CAPITAL EXPENDITURE

It is recommended that no loan be taken up to finance Capital projects.

M) OTHER ASSUMPTIONS

That unconditional grants and subsidies are not allocated to certain services but that it be allocated within the context of the overall financial position of Council.

10. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

The budget tabled to Council today followed a structured cycle that include planning based on community needs and strategic priorities. This process ensured transparency, accountability and alignment with IDP and/development goals. The key consideration include economic fluctuations, revenue collection challenges, growth the municipality which increases demand for services and infrastructure. Maintaining and upgrading infrastructure is prioritized to ensure reliable service delivery.

During planning, the municipality ensured that the tariff setting strike a balance between affordability for residents and cost reflective pricing to ensure financial sustainability.

As part of our financial sustainability strategy an aggressive revenue management measures has been implemented to enhance revenue generation. The intention of the strategy and revenue initiatives is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

The free basic service of Council is a social package which assists qualifying residents with the relief for payment services and rates. Only registered indigents qualify for the free basic service.

The implementation of the MFMA required a reform in financial planning within Municipality's. All senior managers are responsible for managing the respective votes or departments of the Municipality, to whom powers and duties for this purpose have been delegated. Top Management must also assist the Accounting Officer in managing and coordinating the financial administration of the Municipality.

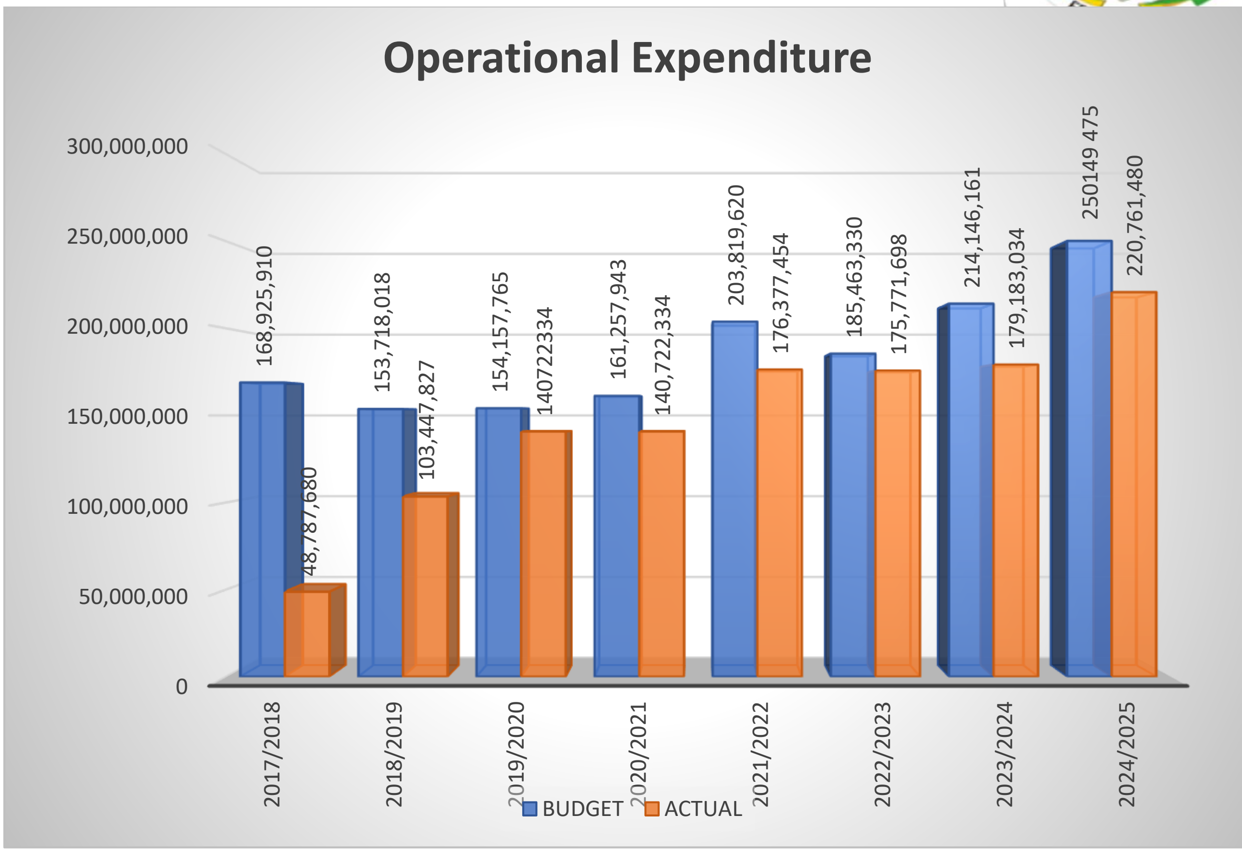
(A) Outcomes of the Past Years and Current year

The graph below indicates the comparison between budgeted and actual operating expenditure over the past 8 years:

OPERATING EXPENDITURE

YEAR	BUDGET	ACTUAL
2017/2018	1 117 685 742	1 195 776 661
2018/2019	1 184 776 021	1 202 734 280
2019/2020	1 248 665 025	1 139 784 807
2020/2021	1 289 198 789	1 167 410 998
2021/2022	1 334 748 887	1 427 722 794
2022/2023	1 432 598 658	1 452 493 560
2023/2024	1 591 661 563	1 532 539 619
2024/2025	1 795 373 479	1 764 946 486

GRAPH

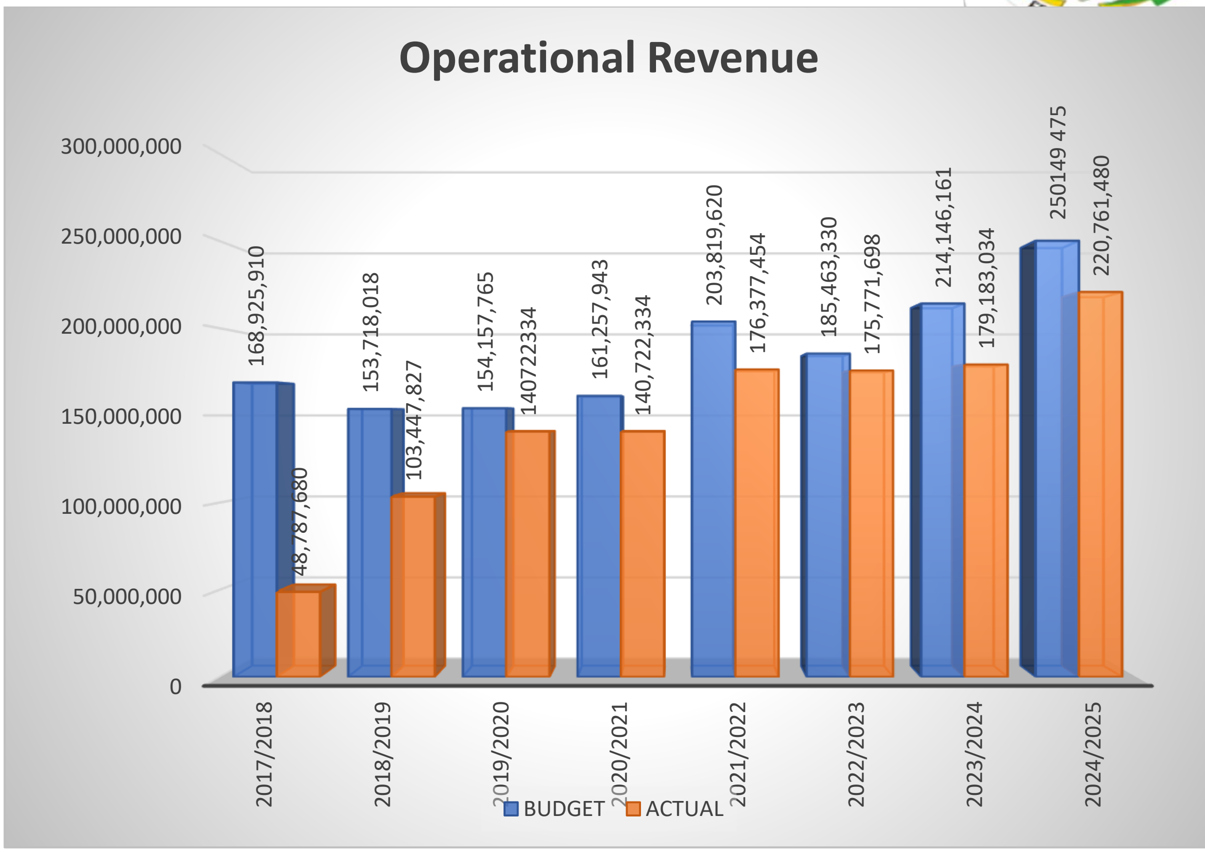


The graph below indicates the comparison between budgeted and actual operating Income over the past 8 years.

OPERATING INCOME

YEAR	BUDGET	ACTUAL
2017/2018	1 169 602 034	1 126 982 043
2018/2019	1 174 423 977	1 137 825 267
2019/2020	1 368 008 037	1 274 427 231
2020/2021	1 478 075 365	1 397 561 361
2021/2022	1 562 745 714	1 510 863 461
2022/2023	1 624 123 625	1 577 592 218
2023/2024	1 794 854 098	1 770 987 868
2024/2025	2 061 882 305	2 045 141 005

GRAPH

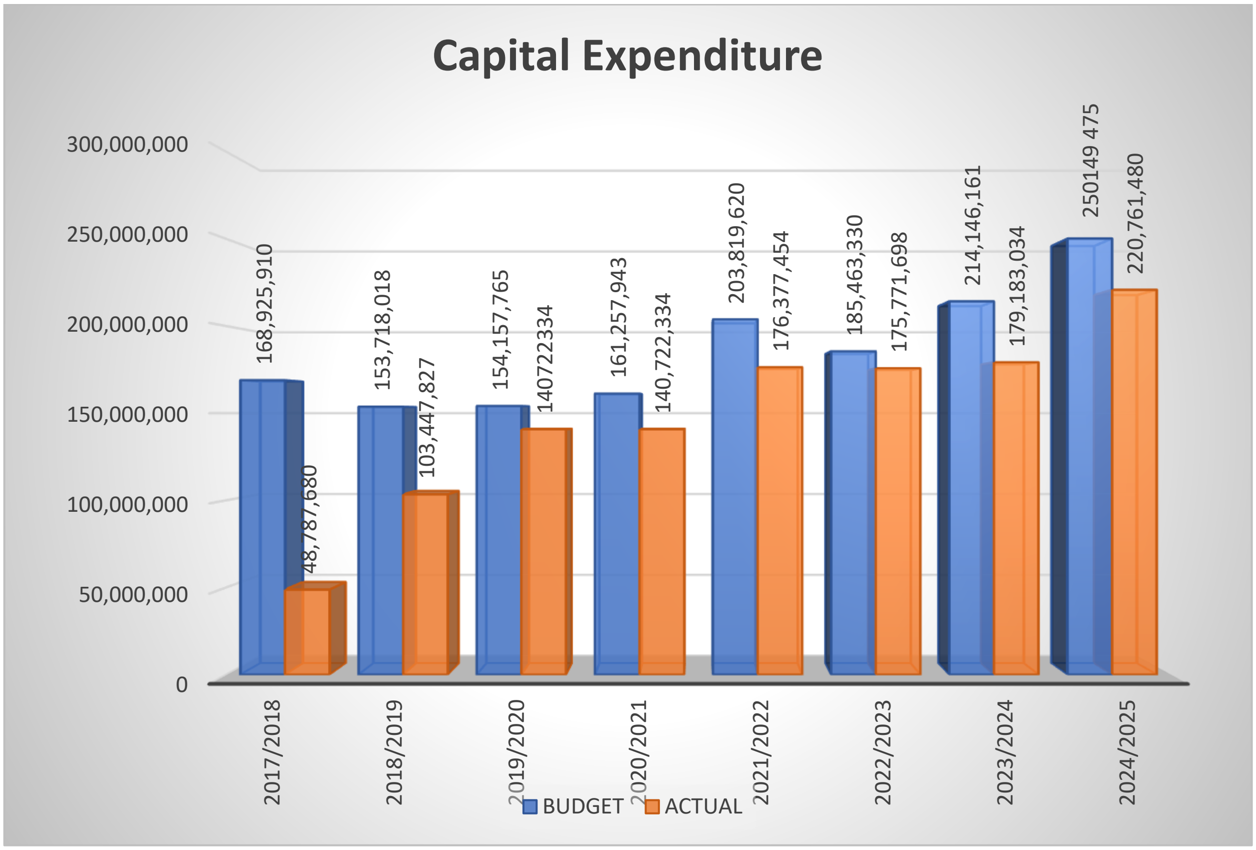


The capital expenditure against the budget of the past 8 years is also indicated graphically below:

CAPITAL EXPENDITURE – MIG INCLUDED

YEAR	BUDGET	ACTUAL
2017/2018	168 925 910	48 787 680
2018/2019	153 718 018	103 447 827
2019/2020	154 157 765	140722334
2020/2021	161 257 943	140 722 334
2021/2022	203 819 620	176 377 454
2022/2023	185 463 330	175 771 698
2023/2024	214 146 161	179 183 034
2024/2025	250 149 475	220 761 480

GRAPH



OPERATING BUDGET 2026/2027

Operating Revenue

The revenue of Greater Tzaneen Municipality is pre-dominantly raised through rates and tariffs. Grants and subsidies from National and Provincial Government constitute a portion of the total revenue but the budget is based on a strong base of own sources.

Metered services and property rates will contribute the following revenue to Greater Tzaneen Municipality during the 2026/2027 financial year:

Electricity	52.43%
Refuse Removal	1.96%
Property Rates	8.95%

The Greater Tzaneen Municipal operating income will be allocated as follows during 2026/2027 Financial year:

Row Labels	Sum of 2026 2027 Final Budget
Revenue/Exchange Revenue/Agency services	-16 664 291
Revenue/Exchange Revenue/Interest earned from Current and Non-Current Assets	-37 006 502
Revenue/Exchange Revenue/Interest earned from Receivables	-67 113 637
Revenue/Exchange Revenue/Licence and permits	-600 845
Revenue/Exchange Revenue/Operational Revenue	-41 523 254
Revenue/Exchange Revenue/Rental from Fixed Assets	-2 267 100
Revenue/Exchange Revenue/Sale of Goods and Rendering of Services	-1 314 231
Revenue/Exchange Revenue/Service charges - Electricity	-1 307 615 196
Revenue/Exchange Revenue/Service charges - Waste Management	-48 980 000
Revenue/Non-Exchange Revenue/Fines, penalties and forfeits	-1 490 000
Revenue/Non-Exchange Revenue/Interest	-41 890 000
Revenue/Non-Exchange Revenue/Property rates	-223 106 488
Revenue/Non-Exchange Revenue/Transfer and subsidies - Operational	-591 654 850
Revenue/Non-Exchange Revenue/Transfers and subsidies - capital (monetary allocations)	-112 876 150
Grand Total	**-2 494 102 544**

Operating Expenditure

The budgeted expenditure per item is as follows for the 2026/2027 financial year:

Row Labels	Sum of 2026 2027 Final Budget
Expenditure/Bulk purchases - electricity	842 890 312
Expenditure/Contracted services	140 610 476
Expenditure/Debt impairment	95 277 001
Expenditure/Depreciation and amortisation	125 251 665
Expenditure/Employee related costs	550 136 178
Expenditure/Interest	8 834 348
Expenditure/Inventory consumed	134 279 985
Expenditure/Operational costs	226 077 222
Expenditure/Remuneration of councillors	33 613 297

Expenditure/Transfers and subsidies	44 337 000
Grand Total	**2 201 307 483**

CAPITAL BUDGET

An amount of R299 million was approved for capital projects for the 2026/2027 financial year. This was funded as follows:

- Own Sources R186 620 000
- MIG R112 876 150

TOTAL **R299 496 150**

(b) FUNDING MEASURES

The funding of the budget is based on realistic anticipated revenue to be collected which was calculated on collection levels to date and actual revenue collected in previous financial years.

Financial Challenges

The challenges facing Greater Tzaneen Municipality are, inter alia, the following:

- Economic fluctuation/down turn
- Electricity losses
- Job losses which have a negative effect on payment for services rendered.
- Non payment of rates and services by consumers
- Increased demand of services due to population growth
- Non reimbursement of water services costs by Mopani District

Sources of Funding

It is evident from the summary below that the revenue of Council is predominantly raised through rates, service charges and grants. This high level of relative stable revenue source is a key factor in sound financial position, the Municipality will however have to increase its tax base to ensure that the much-needed development can be funded.

The 2026/2027 expenditure will be funded as follows:

Funding source Amount

Grants & Subsidies	R 704 531 000
Rates & Service Charges	R1 579 701 684
Sundry Income	R 209 869 860
Budgeted Revenue	R2 494 102 544

(c) PROPERTY VALUATION RATES TARIFFS AND OTHER CHARGES

To maintain an effective, efficient and sustainable town, tariff increases are inevitable. Tariff setting plays a major role in ensuring desired levels of revenue by assisting in the compilation of a credible and balanced budget to accommodate the basic service provision. The determination of tariffs for the financial year has been guided by our Tariff Policy and guidelines set by National Treasury in the Municipal Budget Circular's 132 and 134 for the 2026/2027 MTREF.

Property Rates

The proposed property rates are to be levied in accordance with existing Council's Policy, and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The Property Rates Policy of Council is attached hereto as prescribed by National Treasury.

Property rates are based on values indicated in the General Valuation Roll. The Roll is updated for properties affected by land sub-division, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls. New valuation roll will be implemented from 1 July 2026 and the Property Rates Tariff contained in the 2026/2027 Budget is calculated on the Valuation Roll for the period 2024 - 2029. The proposed rate increase is 3.7%

The proceeds from property rates must cover the shortfall in the provision of general service. It is also seen as the most important source of general revenue for Municipalities, especially in developed areas. The revenue generated from property rates is used to fund services like maintaining streets, roads, sidewalks, storm water drainage, parks and cemeteries.

Water and Sewer Services

Council must take note that Greater Tzaneen Municipality is only the water service provider and not the water service authority.

The water and sewer budgets are drafted by Greater Tzaneen Municipality but submitted to Mopani District Municipality for approval.

The proposed Sanitation Tariffs for 2026/2027 are consistent with National Policy on the extension of free basic services, the National Strategic Framework for Sanitation and with Council's Indigent Relief Measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation is pro-poor and allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

It is proposed that the step tariff structure from the 2026/2027 financial year be retained, with a proposed 3.7% water tariffs generally, and a proposed 3.7% sanitation tariffs generally.

Indigent Accounts

It is also recommended that the indigent accounts remain at R200.

Electricity Service

The proposed revisions to the tariffs have been formulated in accordance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA).

The increase in electricity tariffs has not yet been communicated by NERSA through the consultation paper- Municipal Tariff Guideline, Benchmarks and proposed timeline for financial year 2026/2027. The budget steering committee resolved that an increase of 9.10% on the previous year tariffs be approved as communicated by National Treasury

Refuse Removal Service

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a municipality must ensure a safe and healthy environment for its residents. Greater Tzaneen Municipality is therefore responsible to adequately maintain its refuse removal service, as well as refuse sites and solid waste disposal efforts.

The solid waste tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees and other ad hoc services.

It is proposed that the tariff be decreased to 3.7% on the 2026/2027 tariffs with effect from 1 July 2026.

Tariffs and Charges Book

Council is permitted to levy rates, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, no. 56 of 2003, 17 (a)(ii).

(d) DEBTORS

The table below illustrates the debtor revenue in millions for the 6 months, July 2025 to December 2025:

Description	**25-Jul**	**25-Aug**	**25-Sept**	**25-Oct**	**25-Nov**	**25-Dec**
	R0,00	**R0,00**	**R0,00**	**R0,00**	**R0,00**	**R0,00**
Revenue billed	128 861 871	145 023 333	162 132 947	123 695 706	129 968 521	118 112 487
Revenue collected	83 490 002	113 257 605	123 029 088	125 527 394	107 142 211	124 904 879
% Revenue collected	64,79%	78,10%	75,88%	101,48%	82,44%	105,75%

The MFMA requires that the budget be based on realistic forecasts for revenue and the average collection rate for Greater Tzaneen Municipality amounts to 83%.

(e) SAVINGS AND EFFICIENCIES

To ensure value for money and efficient utilization of resources, performance indicators have been set for all Section 57 Directors.
In-year reports (monthly and quarterly) as well as annual reporting are done on functional service delivery against information contained in the approved SDBIP.

Performance plans and productivity measures exist for each Director and it is expected of top management (all Directors) to manage their respective votes / departments.

(f) INVESTMENTS

Adequate provision has been made by way of external investments to ensure that cash is available on the maturity date of external sinking fund loans. Short-term Investment income on the other hand is utilized to fund the operational budget.

Details of the long-term investment of Greater Tzaneen Municipality are disclosed as follows.

Valuation of unlisted Investment

ABSA R22 794 721

ABSA

An investment of R16 million was made with ABSA as a security of a R90 million loan taken from DBSA and the value of the investment amounts to R22 794 721

(g) GRANT ALLOCATION

National Treasury advised Municipalities, through their Budget Circular 132 use the indicative numbers as set out in the Division of Revenue Act to compile their 2026/2027 MTREF.

Greater Tzaneen Municipality, however, included the Grant allocations as contained in the DORA as published in Government Gazette no. *54086 of 6 February 2026*, in the 2026/2027 FINAL Budget. The grant allocations published in the 2026/2027 Division of Revenue Bill are summarized as follows:

MUNICIPAL GRANTS FOR 2026/2027- 2028/2029			
Grant Description	**2026/2027 (R)**	**2027/2028 (R)**	**2028/2029 (R)**
EQUITABLE SHARE	549 512 000	549 696 000	584 233 000
MIG	118 817 000	132 299 000	136 583 000
FMG	2 100 000	2 200 000	2 300 000
EPWP	5 211 000	-	-
INEP	28 141 000	13 407 000	13 832 000

EEDSM	**-**	**-**	**-**
TOTAL	**703 781 000**	**697 602 000**	**736 948 000**

11. EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

According to the introduction of the Municipal Infrastructure Grant (MIG) the grant has been divided as follows for the following three Municipal Budget years:

Project Name	2026/2027 (R)	2027/2028 (R)	2028/2029 (R)
Upgrading of Access Street at Lenyenye from Gravel to Paving	3 500 000	-	-
Upgrading of Nkowakowa Section B & D Streets from Gravel to Paving	20 864 652	-	-
Upgrading of Access Street from Serutung to Malengenge from Gravel to Paving	35 104 388	14 402 799	-
Paving of Khetoni Access Road from gravel to paving	27 067 833	35 650 261	4 200 000
~~Upgrading of Access Streets from Serutung to Malengenge from Gravel to Paving tickyline from gravel to paving~~ Upgrading of Access Streets from Serututung to tickyline from Gravel to Paving	21 339 277	40 065 640	7 395 110
Mariveni Community Hall	-	-	3 500 000
Supply and Installation of 20 High Mast	-	-	13 000 000
Upgrading of Access Streets from Relela Via Boke High School to Fobeni from gravel to Paving	-	26 565 350	29 434 650

~~Upgrading of Access Streets from Thako to Sel from Gravel to Paving~~ Upgrading of access street from Thako Sefolwe to Kherobeni	2 500 000	2 000 000	3 500 000
Upgrading of Access Streets from Shikwambana intersection to Sure Sure Brickyard from gravel to paving road	-	-	31 724 090
Upgrading of Access Streets from Tickyline to Munyakayaka, via Molabosani School to Khopo from Gravel to Paving	-	-	33 500 000
Assets Management Plan	-	5 000 000	-
~~Upgrading of Access Streets from Mokgoloboto from Gravel to Paving~~ Upgrading of Mokgolobotho access street from Malakia graveyard, Sebone school to R36	2 500 000	2 000 000	3 500 000
PMU Management (5% of Total MIG)	5 940 850	6 614 950	6 829 150
TOTAL MIG	**118 817 000**	**132 299 000**	**136 583 000**

12. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The allocations made by Council for the 2026/2027 financial year can be summarized as follows:

	2026/2027
Museum	R 45 000
Eskom EBSST	R6 000 000
Mayor Special Account	R 750 000
SPCA	R 300 000
Mayors Bursary Account	R 500 000
Sport Council	R 190 000
Arts & Cultural	R 150 000
Speaker Special Account	R 250 000

13. DISCLOSURE ON COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

(A) COUNCILLORS ALLOWANCES AND COST TO COUNCIL

Row Labels	Sum of Basic Salary	Sum of Travel	Sum of Telephone	Total
EX-CO MEMBER	4 874 285	1 624 762	489 974	6 989 021
EXECUTIVE MAYOR	837 311	279 104	48 997	1 165 412
OTHER COUNCILLORS	11 924 023	3 974 672	2 204 885	18 103 580
SECTION 79 COUNCILLORS	3 740 624	1 246 874	538 972	5 526 470
SPEAKER	669 848	223 282	48 997	942 127
CHIEF WHIP	628 265	209 421	48 997	886 683
Grand Total	**22 674 356**	**7 558 115**	**3 380 822**	**33 613 297**

(B) EMPLOYER BENEFITS FOR MUNICIPAL MANAGER AND OTHER SENIOR MANAGERS

	MUNICIPAL MANAGER	DIRECTOR PLANNING ECONOMIC & DEVELOPMENT	CHIEF FINANCIAL OFFICER	DIRECTOR CORPORATE SERVICES	DIRECTOR COMMUNITY SERVICES	DIRECTOR ELECTRICAL ENGINEERING SERVICES	DIRECTOR ENGINEERING SERVICES
Total Cost to Employer	2 272 155	1 920 956	1 966 569	1 932 550	1 923 638	1 915 919	1 917 183

(C) EMPLOYEE BENEFITS FOR OTHER MUNICIPAL EMPLOYEES

Row Labels	2025/2026 Final Budget
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Accommodation, Travel and Incidental	20 013 945
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Cellular and Telephone	2 448 000
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Essential User	2 334 000
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Rental Subsidy	320 556
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Housing Subsidy	1 322 266
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Leave Pay	12 974 413
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Long Service Award	35 639 730
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Structured	18 228 689
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Standby Allowance	1 879 659

Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages	339 909 300
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Bonuses	6 047 899
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Bargaining Council	107 227
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Group Life Insurance	5 854 802
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Medical	37 734 382
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Pension	60 390 965
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Unemployment Insurance	1 569 093
Expenditure:Operational Cost:Skills Development Fund Levy	4 016 778
Grand Total	**550 791 908**

15 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW

(a) PROJECTION OF REVENUE BY SOURCE AND EXPENDITURE.

Attached as **Annexure "K"**

(b) CAPITAL EXPENDITURE BY VOTE.

DEPARTMENT NUMBER	DEPARTMENT	2026/2027	2027/2028	2028/2029
2	Municipal Manager	0	0	0
52	Corporate Services	7 770 000	2 750 000	0
32	Financial Services	1 000 000	0	0
140	Community Services	11 450 000	6 200 000	10 850 000
62	Engineering Services	183 776 150	192 484 050	180 553 850
162	Electrical Engineering Services	90 000 000	135 100 000	97 100 000
12	PED	5 500 000	0	0
	TOTAL	**299 496 150**	**336 534 050**	**288 503 850**

The Capital budget increased from **R256 442 600** in the 2025/2026 financial year to **R299 496 150** in the 2026/2027 financial year.

(c) CASH FLOW SETTING OUT RECEIPTS BY SOURCE AND PAYMENT BY TYPE.

Attached as **Annexure "E"**

16 SUMMARY OF THE BUDGET AND THE SDBIP – INTERNAL DEPARTMENTS

A) Executive summary of the SDBIP for each internal department.

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the Mayor of a Municipality for implementing its delivery of municipal services and its annual budget which must indicate the following: -

a) Monthly projections 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.

c) Other matters prescribed.

The Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the Budget. In addition, the 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 its approval.

The SDBIP gives effect to the Integrated Development Plan and the Budget of the Municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2024 to 30 June 2025. It includes the service delivery targets and performance indicators for each quarter, which should be linked to the performance agreements of senior management. It therefore facilitates oversight of financial and non-financial performance of the Municipality and allows the Municipal Manager to monitor the performance of the managers.

B) Services provided including level of services.

With regard to service delivery standards Greater Tzaneen Municipality endeavors to realize the following values:

- Give priority to the basic needs of the community.
- Promote the development of the community.
- Ensure that all members of the Local Community have access to at least the minimum level of basic municipal services.

With regard to the levels of services currently rendered in our area of jurisdiction we are convinced, although much more needs and will be done, that Greater Tzaneen Municipality is one of the leading municipalities in the Province.

The level of the different services currently rendered by Council can be summarized as follows:

Waste Management

- **Powers and Function of Waste Management**

  The mandate of GTM is to provide all households with a basic removal service to protect the environment for the benefits of present and future generations through legislative and other measures to prevent pollution and ecological degradation promote conservation to secure sustainable development.

  Section 84 read with Section 85 of the Municipal Structures Act 117 of 1998; determine the division of powers and functions, and such require Landfill-sites to be a district function for more than one Municipality.

  The Department of Environmental Affairs already resolved that a process of Landfill "Regionalization" must be pursued, which is aligned with Sec. 84 (1) (e) (iii) of the above-mentioned Act.

  The jurisdiction-area of GTM is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region.

Electricity

Tzaneen has the options of power delivery in single or three phase form. Three phase < 75 kVA and Single phase domestic pre-paid has been added as a third option and is available in areas where pre-paid monitoring infrastructure is installed.

Power provision is on a 24-hour basis with interruptions due to faults and maintenance due to lack of funding for operational and capital activities, systems integrity is being negatively affected. Vegetation Control was in-sourced four years back and is proving a huge challenge.

The issue of FBE (Free Basic Electricity) to our indigent people has been fully addressed by Council and is implemented as far as the ESKOM administrative constraints will allow.

C) Senior Management Capability and Structure

The organizational structure of the Municipality as from 1 July 2026 provides for the following departments:

Office of the Mayor
Office of the Speaker
Office of the Municipal Manager
Budget & Treasury Office
Planning & Economic Development Services
Corporate Services
Engineering Services
Community Services
Electrical Engineering Services

Each department is headed by a Section 56/57 Manager appointed on a fixed term contract coupled to a renewable Annual Performance Agreement. All the departments except for the Mayor and Municipal Manager have Directors who manages the departments.

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Care is taken as prescribed in legislation that capable Senior Managers are being appointed who have the necessary qualifications and experience to do justice to their respective functions and responsibilities.

D) Changes to service levels and standards

The service levels and standards are contained in item 16 (B) of this report

17 CONTRACTS HAVING FUTURE AND BUDGETARY IMPLICATIONS

- **NAMES OF ALL CONTRACTING PARTIES**

NAME	SERVICE
MOD HOPE	VALUATION ROLL

- **INFORMATION ON EXPENDITURE ON EACH CONTRACT FOR THE LAST THREE YEARS**

NAME	SERVICE	Expenditure for 3 Years
MOD HOPE	VALUATION ROLL	0

C. TOTAL EXPENDITURE ON EACH CONTRACT TO DATE

NAME	SERVICE	Amount paid to date
MOD HOPE	VALUATION ROLL	0

D. PLANNED EXPENDITURE ON EACH CONTRACT FOR THE BUDGET YEAR AND THE FOLLLOWING TWO YEARS

NAME	SERVICE	PLANNED EXP p.a.
MOD HOPE	VALUATION ROLL	5 000 000

E) ESTIMATE OF THE TOTAL BUDGETARY IMPLICATIONS OF EACH CONTRACT

Provision has been made on the budget by the departments to accommodate the cost i.e. Contracted Services, Repairs & Maintenance, Depreciation, etc., of all contracts.

18 SUMMARY OF DETAILED CAPITAL BUDGET

Capital expenditure/projects relates to the investment in major initiatives, the benefit of which is going to last for more than one financial year. It represents infrastructure which forms part of the service that is provided to our communities.

The primary role of Local Government is the provision of services. The capacity to do so is largely dependent on an appropriate and functional infrastructure.

The obtaining of functional infrastructure is ultimately dependent on project management.

In this regard our Municipality has made considerable improvements from the drafting of a Demand Management Plan, the establishment of internal SCM procedures up to the managing and monitoring of projects.

Although the benefits derived from capital projects will last for more than one year, Council must take cognizance that capital expenditure has ongoing financial implications on the operational budget. Not only must funds be made available on the capital budget, but sufficient funds must also be provided on the operational budget to sustain the operations into the future.

Section 19(2) of the MFMA determines that:

"(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 implication."

Council must also take cognizance that the budget which includes the capital projects is informed by the IDP. The projects on the IDP are firstly subjected to a prioritization system subject to the availability of funds, before it is included in the capital budget.

Section 19 of the MFMA determines that a Municipality may spent money on a capital project only if the money for the project has been appropriated in the capital budget. It also determines that the total cost of the project must be approved by Council and that the sources of funding for the project are available and have not been committed for other purposes.

19 LEGISLATIVE COMPLIANCE STATUS

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

- Budget and Treasury Office have been established in accordance with the MFMA.
- Budget Steering Committee required by the Budget Regulations has been established and is functional.
- The 2025/2026 IDP review process is underway, with community consultation will be conducted during the month of April as required by Legislation.
- The Annual Budget has been prepared in accordance with the requirements prescribed by National Treasury, the MFMA and budget regulations. mSCOA Data Strings will also be submitted to National Treasury and Provincial Treasury as required.
- The Municipal Supply Chain Management Policy was adopted and the three committees required by the Act have been established and are functional.
- Compliance with regard to monthly, quarterly and annual reporting to the Mayor, Executive Committee, Council, Provincial Government and National Treasury.
- Compilation of the Annual Financial Statements to GRAP Statements.
- The Annual Report has been prepared in accordance with the MFMA and National Treasury requirements.
- An Audit Committee has been established which provides an oversight function over the Financial Management and Performance of the Municipality.
- A Municipal Public Accounts Committee has been established to ensure that the administration is held accountable for the Management of Municipal funds, assets and to ensure the efficient and effective utilization of Councils resources.

20 OTHER SUPPORTING DOCUMENTS

21.1 Providing clean water and managing wastewater.

Attached as Annexure "I" is a certificate of analysis of water samples of Greater Tzaneen Municipality.

21 PERFORMANCE AGREEMENTS OF SENIOR MANAGERS

The performance agreements of Senior Managers are attached hereto as **Annexure "N"**

22 MUNICIPAL MANAGERS QUALITY CERTIFICATION

The Quality Certificate is attached as **Annexure "L "**.