
REPORT OF THE DEPARTMENT OF THE CHIEF FINANCIAL OFFICER

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1.1 ANNEXURES

Annexure "A"	Supporting Tables A1 to A10 SA1 to SA 38 Supporting Charts
Annexure "B"	Water & Sewer Budget
Annexure "C"	Policies Budget Related Policies <ul style="list-style-type: none">- Tariff Policy- Credit Control & Debt Collection- Consumer Deposits- Cash Control Policy- Impairment of Debt Policy- Budget Policy- Indigent Policy- Supply Chain Management- Property Rates Policy- Cash Management and Investment Policy- Virement Policy- Adjustment Budget Policy- Borrowing Policy- Funding and Reserves Policy- Policy Relating to Long-Term Financial Planning- Policy Relating to Management and Disposal of Assets- Policy dealing with Infrastructure Investment and Capital Projects- Subsistence and Travelling Policy- Cost Containment Policy- Petty cash policy
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1.2 INTRODUCTION

PURPOSE OF THIS REPORT

The purpose of this report is to request Council to consider the 2025/2026 (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 129 and related circulars, which state inter alia that municipal revenues and cash flows are expected to remain under pressure in the 2025/2026 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 giving consideration to 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 2025/2026 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 draft Budget of Greater Tzaneen Municipality for the financial year 2025/2026 and the indicative revenue and projected expenditure for the two subsequent years 2026/2027 and 2027/2028 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 guideline 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 2025/2026 – 2027/2028 financial year be approved as follows:

	2025/2026	2026/2027	2027/2028
Grants	R116 192 600	R121 312 150	R127 035 900
Own Sources	R140 250 000	R150 000 000	R 81 250 000
TOTAL	R256 442 600	R271 312 150	R208 285 900

- (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) That the municipal fleet be purchased through a finance lease and that the process commences immediately after Council approval.

(k) CAPITAL BUDGET

- I. That no annuity loan be taken up to finance Capital Projects during the 2025/2026 financial year.
- II. That Council takes cognizance of the R122 308 000 MIG allocation for capital projects of which R116 192 600 is allocated for Capital and R6 115 400 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.

(l) PERSONNEL

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

(m) 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%.

(n) INTEREST ON AREAR RATES

That the interest rate of prime rate as at 1 July 2025 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.

(o) That R950 000 (previous year R950 000) be made available to the Mayor for the 2025/2026 financial year, allocated as follows:

- I R500 000 Public Programs which must be subjected to Audit and be utilized in accordance with circular 129. (Funds will only be used for charity purposes) (Previous year R500 000)
- II R450 000 For Bursaries (Previous year R450 000)

- (p) That R250 000 be made available for the Speaker's Public Programs.
- (q) That an amount of R250 000 (Previous year R200 000) be allocated to SPCA for the running of the pound effectively and successfully
- (r) SOLID WASTE: TARIFFS

That the following tariffs for solid waste be approved:

<u>Solid Waste Tariffs & Charges</u>			
<u>Solid Waste Kerbside Removals</u>		<u>Current</u>	<u>Proposed</u>
1.	<u>Residential waste</u>		
	a. Waste tariff for urban residential premises, for 1 x kerbside-removal p.w	R174,69	R182,38
	b. Basic waste charge for non-urban residential premises	R174,69	R182,38
2.	<u>Business waste</u>	<u>Current</u>	<u>Proposed</u>
	a. Basic waste charge	R582,28	R607,90
	b. Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R582,28	R607,90
3.	<u>Industrial waste</u>		
	a. Basic waste charge	R465,85	R486,35
	b. Waste tariff per unit of 85 x litres, for 3 x kerbside-removals p.w.	R465,85	R486,35
4.	<u>Institutional waste</u>		
	Basic waste charge	R553,03	R577,36
	Waste tariff per unit of 85 x litres, for 6 x kerbside-removals p.w.	R553,03	R577,36
5.	<u>Events</u>		
	Domestic waste generated from 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	R0,00	R70,00
6.	<u>Dead Animals</u>		
	Collection, transportation and disposal of animal carcasses per removal	R429,41	R448,31

7.	<u>Condemned Foodstuffs</u>		
	Collection; transportation and disposal of condemned foodstuffs per load of 1 x ton // 1 m ³ or part thereof and issuing of safe disposal certificates	R1 541,95	R1 609,80
8.	<u>Clean up Tariff of Dirty Stands/Premises</u>		
	Clean up tariff per ton or 1m ³ or part there-off	R2 761,49	R2 883,00
9.	<u>Bulky Waste charges for Removals in 6m³ Skip-containers</u>		
	Removal of 6m ³ (or part there-of) of compactable-waste p.w.	R629,40	R657,09
	Removal of 6m ³ (or part there-of) of non-compactable-waste p.w.	R576,95 See note	R602,34 See note
10.	<u>Landfill entrance charges for private waste depositions</u>		
	Per entry of a light delivery van or trailer load not exceeding ≤1 ton // 1 m ³ (or part thereof)	R330,30	R344,83
	Per entry of a lorry load not exceeding 3 tons // 3m ³ , but exceeding ≤ 1 ton // 1m ³ (or part thereof)	R649,21	R677,77
	Per entry of a lorry load not exceeding 6 x tons // 6m ³ but exceeding ≤ 3 x tons // 3m ³ (or part thereof)	R1 613,91	R1 684,92
	Per entry of a lorry load not exceeding 10 x tons // 10m ³ but exceeding ≤ 6 x tons // 6m ³ (or part thereof)	R2 750,58	R2 871,61
	Per entry of a lorry load exceeding ≤ 10 x tons // 10m ³ (or part thereof)	R3 563,80	R3 720,61
11.	<u>Health Care Risk Waste charges for collection, transportation & disposal</u>	<u>Current</u>	<u>Proposed</u>
	≤ = 5 x lit sharps	- R203,89	- R212,86
	≤ = 5 x lit human tissue	R323,81	R338,06
	≤ = 10 x lit sharps	R443,75	R463,27
	≤ = 10 x lit human tissue	R443,75	R463,27
	≤ = 20 x lit sharps	R635,64	R663,61
	≤ = 20 x lit human tissue	R635,64	R663,61
	≤ = 85 x lit H.C.R.W. in liner	R227,87	R237,89
	≤ = 25 x lit H.C.R.W box + liner	R167,91	R175,30
	≤ = 50 x lit H.C.R.W box + liner	R335,81	R350,58
	≤ = 140 x lit H.C.R.W box + liner	R827,53	R863,94

	≤ = 140 x lit Empty liners	R47,97	R50,08
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(s) WATER SUPPLY: TARIFFS

That the following tariffs for water supply be approved

Tariffs Basic Charges

	CURRENT	PROPOSED
Domestic (AA)	R44.63	R46.59
Business (BA)	R70.48	R73.58
Industrial (CA)	R70.48	R73.58
State (EA)	R119.85	R125.12
Dept (FA)	R44.63	R46.59
Transnet (HA)	R119.85	R125.12
Flats	R72.84	R76.04
Education	R56.41	R58.89

Tariffs for Consumption

I	DOMESTIC (AA)	CURRENT	PROPOSED
	0 – 6 kl 7 – 10 kl 11 – 25 kl 26 – 35 kl 36 – 100 kl 101 kl and more	R1,64 per kl R4,58 per kl R8, 09 per kl R10, 91 per kl R12, 17 per kl R22, 92 per kl	R1,71 per kl R4,78 per kl R8, 45 per kl R11, 39 per kl R12, 71 per kl R23, 93 per kl
ii	BUSINESS (BA) / INDUSTRIAL (CA)		
	0 – 50 kl 51 – 100 kl 101 and more	R5,83 per kl R9, 72 per kl R11, 66 per kl	R6, 09 per kl R10, 15 per kl R12, 17 per kl
iii	STATE (EA) TRANSNET (HA)		
	0 – 50 kl 51 – 250 kl 251 and more	R10, 80 per kl R14, 39 per kl R15, 29 per kl	R11, 28 per kl R15, 02 per kl R15, 96 per kl
iv	DEPT (FA) (MUNICIPAL BUILDINGS)		
	0 – 6 kl 7 – 10 kl 11 – 25 kl 26 – 35 kl 36 – 100 kl 101 kl and more	R1,19 per kl R3, 15 per kl R5,56 per kl R6,66 per kl R8, 35 per kl R15, 59 per kl	R1,24 per kl R3,29 per kl R5,80 per kl R6,95 per kl R8, 72 per kl R16, 28 per kl
V	FLATS		
	0 – 75 kl 76 – 120 kl 121 – 200 kl 201 – 250 kl 251 – 370 kl 371kl and more	R2,87 per kl R9, 12 per kl R9, 60 per kl R10, 07 per kl R10, 56 per kl R11, 52 per kl	R3, 00 per kl R9, 52 per kl R10,02 per kl R10, 51 per kl R11, 02 per kl R12, 03 per kl
vi	EDUCATION		
	0 – 50 kl 51 – 200 kl 201 – 400 kl 401 kl and more	R4,66 per kl R6, 22 per kl R6, 61 per kl R7,76 per kl	R4,87 per kl R6, 49 per kl R6,90 per kl R8, 10 per kl

HAENERTSBURG WATER TARIFFS

	CURRENT	PROPOSED
00 – 6 kl	10,42 per kl	10, 88 per kl
7 – 10 kl	10,42 per kl	10, 88 per kl
11 – 25 kl	10,42 per kl	10, 88 per kl
26 – 35 kl	10,42 per kl	10, 88 per kl
36 – 100 kl	10,42 per kl	10, 88 per kl
101 kl and more	10,42 per kl	10, 88 per kl

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

(s) **SEWERAGE: TARIFFS**

That the following tariffs for sewer services be approved:

	CURRENT	PROPOSED
Charge per m ² (Basic Charge)	R0,425/kl	R0,44/kl
CHARGE PER KL WATER USAGE/MONTH		
Domestic (AA)	R1, 08/kl	R1,13/kl
Business (BA)	R1,80/kl	R1,88/kl
Hotel (BB)	R1,50/kl	R1,60/kl
Guest Houses	R1,50/kl	R1,60/kl
Industrial (CA)	R1,80/kl	R1,88/kl
Flats (IA)	R1, 08/kl	R1,13/kl
State (EA)	R1,38/kl	R1,44/kl
Education	R0,60/kl	R0,63/kl
Incentives	R0,60/kl	R0,63/kl

(t) **GENERAL RATES AND REBATE**

PROPERTY RATES TARIFFS

Categories of properties in terms of the policy	CURRENT	PROPOSED
Agricultural Properties		
Tariff on market value	R0,002726	R0,002831
Business and Commercial Properties		
Tariff on market value	R0,015837	R0,016534
Cemeteries and Crematoriums Properties		
Tariff on market value	R0,00	R0,00
Industrial Properties		
Tariff on market value	R0,015837	R0,016534
Municipal Properties		
Tariff on market value	R0,00	R0,00
Vacant Land		
Tariff on market value	R0,015837	R0,016534
Public Benefit Organization Properties		
Tariff on market value	R0,002726	R0,002831
Public Service Infrastructure		
Tariff on market value	R0,002726	R0,002831
Properties for Religious Use		
Tariff on market value	R0,00	R0,00
Residential Properties		
Tariff on market value	R0,015837	R0,016534
Public Service Properties		
Tariff on market value	R0,015837	R0,016534

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:

<u>Categories</u>	<u>Ratio in Relation to Residential property</u>
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 2025 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: R718.98 / month
- Energy charge: R3.4513 / kWh
- Excess Energy Charge > 1500 kWh: R3.5548 / kWh

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

- Basic Charge: R2 849.20 / month
- Energy charge: R2.8658 / kWh
- Excess Energy Charge > 3000 kWh: R2.9425 / kWh

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

- Basic Charge: R3 798.94 / month
- Energy charge: R2.8658 / kWh
- Excess Energy Charge > 3000 kWh: R2.9425 / kWh

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

- Basic Charge: R5 318.51 / month
- Energy charge: R2.8658 / kWh
- Excess Energy Charge > 3000 kWh: R2.9425 / kWh

Commercial Conventional Meter Customer

Business Med: 16 kVa Single phase (70 Amps)

- Basic Charge: R2 172.66 / month
- Energy charge: R2.7425 / kWh
- Excess Energy Charge > 3000 kWh: R2.8247 / kWh

Business: 25 kVa Three Phase (45 Amps)

- Basic Charge: R2 806.59 / month
- Energy charge: R2.5423 / kWh

- Excess Energy Charge > 3000 kWh: R2.8247 / kWh

Business: 50 kVa Three Phase (80 Amps)

- Basic Charge: R3 408.57 / month
- Energy charge: R2.5423 / kWh
- Excess Energy Charge > 3000 kWh: R2.8247 / kWh

Business: 75 kVa Three Phase (100 Amps)

- Basic Charge: R4 910.41 / month
- Energy charge: R2.5423 / kWh
- Excess Energy Charge > 3000 kWh: R2.8247 / kWh

Commercial Pre-Paid Customers

Business Med: 16 kVa Single phase (70 Amps)

- Basic Charge: R1 086.34 / month
- Energy charge: R3.5132 / kWh

Business: 25 kVa Three Phase (45 Amps)

- Basic Charge: R1 363.38 / month
- Energy charge: R3.5132 / kWh

Business: 50 kVa Three Phase (80 Amps)

- Basic Charge: R1 704.23 / month
- Energy charge: R3.5132 / kWh

Business: 75 kVa Three Phase (100 Amps)

- Basic Charge: R2 471.13 / month
- Energy charge: R3.5132 / kWh

Streetlights

- Basic Charge: R362.90 / month
- Energy charge: R2.2991/ kWh

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

TARIFF C

Commercial High Consumption Customers > 100 kVa

Business High

- Basic Charge: R/month R5 063.37 / month

- Energy charge: R/kWh
 - High season R2.1624 / kWh
 - Low Season R1.5951 / kWh

- Demand charge: R/kVa
 - High season R527.38 / kVa
 - Low Season R224.59 / kVa

Agricultural / Domestic High Consumption Customers > 100 kVa

Agricultural / Domestic High

- Basic Charge: R/month R4 855.30 / month

- Energy charge: R/kWh
 - High season R2.1795 / kWh
 - Low Season R1.6151 / kWh

- Demand charge: R/kVa
 - High season R690.78 / kVa
 - Low Season R373.33 / 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

Bulk Meter TOU customers > 200 kVa

- Basic Charge: R/month R20 563.91 / month
- Energy charge: R/kWh
 - Low Season
 - Peak R2.4771
 - Standard R1.7509
 - Off-Peak R1.1890
 - High Season
 - Peak R8.0896
 - Standard R2.3375
 - Off-Peak R1.3592
- Demand charge: R/kVa
 - Low Season R127.78 / kVa
 - High Season R127.78 / kVa

NOTE 1: Please take note 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.

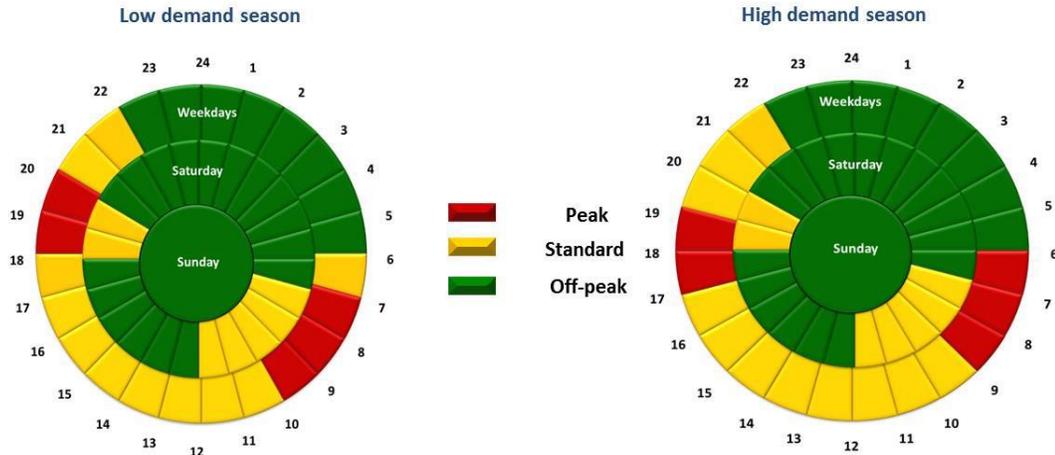
(September to May)

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, 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)

Domestic Block 1 (0 – 50 kWh) R/kWh	2.0286
Domestic Block 2 (51 – 350 kWh) R/kWh	2.5921
Domestic Block 3 (351 – 600 kWh) R/kWh	3.4374
Domestic Block 4 (>600 kWh) R/kWh	4.2826
Basic Charge R/ month	87.09

DOMESTIC INDIGENT (IBT's)

Domestic Block 1 (0 – 50 kWh) R/kWh	2.6034
Domestic Block 2 (51 – 350 kWh) R/kWh	2.6034
Domestic Block 3 (351 – 600 kWh) R/kWh	2.6034
Domestic Block 4 (>600 kWh) R/kWh	2.6034

(v) **SUNDRY TARIFFS 2025/2026**

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 2025 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	R26 500	R27 666
Domestic/Agricultural Three phase up to 75kVA	R39 750	R39 750
Business Single/Three Phase up to 75kVA	R45 750	R45 750
Domestic and Agricultural ≥100KVA	R53 000	R53 000
Business ≥100KVA	R79 500	R79 500

DISCONNECTION CHARGES

Electricity

Electricity Cut – disconnections	R500	R522
Electricity Cut – Removal of meters	R860	R898
Pulling of links	R3 680	R3 842
Removal of installation Permanently - Overhead to premises	R750	R5 500
Removal of installation Permanently - Underground cable to premises	R1 500	R1 566
Restoration of Supply (RIP reconnection) - Overhead to premises	R590	R590
Underground cable to premises	R1 650	R1 650
Underground reticulation 3 phase	R1 800	R1 800

Water

	Current	Proposed
Water restriction: Business	R285	R297.54
Water restriction: Residential/Urban	R300	R313.20
Water disconnection: (15 – 40 mm)	R725	R756.90
Water disconnection: (50-100mm)	R1 260	R1 315.44
Water Normalize Flow Res/Bus	R370	R386.28
Water Normalize Flow Farmers	R400	R417.60

SERVICE CONTRIBUTION TARIFF (2025/2026) PER Kva

	CURRENT	PROPOSED
1. New LV connection (Electrification)	R4 891	R5 106
2. LV at pole transformer rural	R4 990	R5 210
3. 11Kv at 33/11Kv rural sub	R3 507	R3 661
4. 33Kv at 33/11kv rural sub	R3 665	R3 826
5. 33Kv busbars at 66/33Kv rural main sub	R3 657	R3 818
6. 66Kv busbars at 66/33Kv rural main sub	R2 108	R2 201
7. LV 1ph at kiosk	R6 735	R7 031
8. LV 3ph at kiosk	R5 358	R5 594
9. LV busbars minisub provided by developer	R3 162	R3 301
10. LV busbars in minisub	R4 656	R4 861
11. 11Kv RMU MU provided by developer	R3 971	R4 146
12. 11Kv busbars at switching sub	R3 088	R3 224
13. 11Kv busbars main sub (Urban)	R5 719	R5 971
14. 66Kv busbars at main sub (Urban)	R1 170	R1 222
15. 66Kv busbars intake sub (Urban)	R48	R50
16. 32Kv busbars intake sub (Urban)	R65	R68

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	R8 705	R9 100
Sport bodies at club level: Stadium	R900	R940
Sport bodies at inter-district level	R1 680	R1 760
Athletics (Adults)	R1 680	R1 760
Athletics (Schools)	R1 680	R1 760
Rally's	R8 705	R9 100
Church Activities	R3 855	R4 050
Meeting at Nkowankowa Community Hall	R190 p/h	R190 p/h
Government and Agencies meetings and workshop	R750 p/day	R750 p/day

That 20% gate takings in respect of all events for which gate takings are collected be levied.

It is also recommended that Nkowankowa stadium be strictly used for sport.

	CURRENT	PROPOSED	
Soccer teams divisions:	NFD	R900	R900
	Provincial 2 nd Division	R790	R790
	Regional 3 rd Division	R400	R400
	Development/Local	R0	R200
	Master & Veterans	R0	R250
Sporting codes such as:	Tennis, Netball, Volleyball	R3 675	R3 675
	Aerobics, Boxing, etc. Annually training for 1 hour a day.		

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 850	R1935
Arts and Culture Activities	R2 250	R2350
Political Rally	R2 250	R2 350
Traditional Dance	R1 850	R1 935
Charitable Organisation & NGO	R750	R790
Wedding Ceremony	R2 500	R2 610
Funeral Service	R1 150	R1 210
Church Activities	R1 150	R1 210
Meetings	R210/hour	R220/hour
Trainings/Workshop	R1 000/day	R1 045/day
Festivals Nonrefundable	R20 000	R20 000
	AND 20% of all gate takings	
Minitzani Hall	R200/day	R220/day
Clubhouse	R380/day	R400/day
Project room (Muhlaba hall)	R250/day	R270/day
Graduation functions Adults	R1 900	R1 990
Graduation function for Day Care/Crèches	R900	R940
Julesburg Hall	R200/day	R220/day
Erection of tent on Va khegula ground for event	R1 300	R1 360
Nkowankowa Stadium yard parking only	R10/car	R10/car
Conference Room Nkowankowa Stadium	R370/day	R370/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	R600/day
Masters and Veterans	R250	R250
Beauty pageant	R2 500	R2 500
Concert	R2 500	R2 500
Choir	R1 150	R1 150

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 2025:

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:	R787	R850
1.2 Per grave for any person 03 years and over:	R1 254	R1 310
1.3 Opening for second burial:	R787	R850

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

Children under 03 years per grave	R1574	R1730
Adults 03 years and over per grave	R3080	R3365
Re-opening for second burial	R1679	R1835
Niches: Per niche per deceased	R787	R900
Memorial work: Removal or re-affixing	R441	R465
Removal of ashes from a niche: Per removal	R389	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
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 2 nd Study Room. (During working hours)	R115.00 per day or part thereof
Rent of Mulati 2 nd 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 2025 by the substitution for item 3 of the following:

Miscellaneous Charges

(a) For each separate 19 mm new water connection:

Old Tariff 2024/2025 VAT included = R4 515.00

Proposed Tariff 2025/2026 VAT included = R4 713.66

(b) For each new 50 mm water connection

Old Tariff 2024/2025 VAT included = R16 543.00

Proposed Tariff 2025/2026 VAT included = R17 270.00

(c) For each new 80 - 110 mm water connection

Old tariff 2024/2025 VAT included = R19 645.00

Proposed Tariff 2025/2026 VAT included = R20 509.38

(d) For each water re-connection & disconnection:

Old tariff 2024/2025 VAT included = R1 654.00

Proposed Tariff 2025/2026 VAT included = R1 726.78

(e) Water bulk contributions tariff

- New development to be charged according to their water daily demand as calculated on their design report.

Bulk contribution tariff = R 0.35/L/day

1.1. WATER TANKERS TARRIFS

- New Tarrif hiring of a water tanker and drawing water from the Municipal water station.
Proposed Tariff 2025/2026 + VAT = R0.30/kL

Only applies for Municipal water tanker - radius charge:

- + R0/km from 0 – 60 km
- +R5.20/km from 61 – 120 km
- +R7.43/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 Oxygen Demand (O.45µm Filtered)	FCOD	mg/L O ₂	R 300.12	No

CHEMICAL INORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Ammonia Nitrogen	NH ₃	mg/L N	R 95.42	No
Chloride	Cl	mg/L Cl	R 106.50	No
Fluoride	F	mg/L F	R 110.66	No
Free Chlorine	ClFre	mg/L Cl ₂	R 235.12	No
Nitrate Nitrogen	NO ₃	mg/L N	R 181.20	No
Orthophosphate	PO ₄	mg/L P	R 121.71	No
Sulphate	SO ₄	mg/L SO ₄	R 89.90	No

CHEMICAL PHYSICAL DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Apparent Colour	Col	PtCo	R 88.51	No
Conductivity	Cond	Ms/m@25°C	R 51.20	No
Dissolved Solids	TDS	mg/L@180°C	R 98.20	No
PH	PH		R 51.20	No
Suspended Solids	TSS	mg/L@105°C	R 114.84	No
Total Alkalinity	Talk	mg/LCaCO ₃	R 98.17	No
Turbidity	Turb	FTU	R 84.36	No
Calculation Methods (requires additional determinands, please confirm with laboratory)				

Ryznar Index	RyzInd		R 88.51	No
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OTHER

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Calcium Hardness	CaHard	mg/L	R 94.06	No
Magnesium Hardness	MgHard	mg/L	R 94.06	No
Total Hardness	Thard	mg/L CaCo ₃	R151.66	No

CHEMICAL METALIC DETERMINED

Dissolved Metals				
Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Aluminium	Al	mg/LAl	R 84.37	No
Calcium	Ca	mg/L Ca	R 84.37	No
Iron	Fe	mg/L Fe	R 84.37	No
Magnesium	Mg	mg/LMg	R 84.37	No
Manganese	Mn	mg/LMn	R 84.37	No
Potassium	K	mg/LK	R 84.37	No
Sodium	Na	mg/L Na	R 84.37	No
Zinc	Zn	mg/ L Zn	R 84.37	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	R 80.21	No
Total Coliforms	TC	cfu/100ml	R 200.54	No
Heterotrophic plate Count	HPC	Count/ml	R200.54	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 2025.

Old Tariff 2024/2025 + VAT = R4 810.13

Proposed Tariff 2025/2026 + VAT = R5 021.78

2.2. SEWER HONEY SUCKER

Current Tariff 2024/2025 + VAT = R186.10/m³

+ R0/km from 0 – 60 km

+R4.98/km from 61 – 120 km

+R7.12/km from 121 km plus

Only applies for Municipal water tanker - radius charge:

Proposed 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

<u>EFFLUENT TYPE</u>	<u>CURRENT</u>	<u>PROPOSED</u>
• Domestic effluent by private tanker	R 51.69/m ³	R53.96/m ³
• Domestic effluent by private discharger /200 Liter / Drum	R 17.24/l/d	R18.00/l/d
• Trade effluent from outside Municipal's jurisdiction per tanker	R742.12/t	R774.77/t
• Trade effluent from inside municipal jurisdiction	R649.06/t	R677.62/t

PENALTIES

New Tariff for illegal water and sewer services:

	<u>CURRENT</u>	<u>PROPOSED</u>
• Water Connection	R2 762.00	R2 883.53
• Sewer Connection	R2 762.00	R2 883.53
• Illegal water abstraction	R2 762.00	R2 883.53
• Illegal water/sewer discharge	R2 762.00	R2 883.53

WATER AND SEWER PERMIT FEE

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

- **R602.39 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 2025 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: 2025/2026 R798.00 (2024/2025 tariff was R764.38).

The charges payable for any building plans shall be R13.29 per m² for 2025/2026 and 2024/2025 tariff was R12.73.

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 R4.85per m² for 2025/2026 and (2024/2025 - tariff R4.65per 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 R47.04 for every R6358.19 or part thereof, with a minimum charge of R964.83 and a maximum charge of R10 378.79.
3. Building plans for swimming pools will be approved at a charge of R653.80 per plan (2024/2025 tariff – R626.25)
4. Charges payable for the re-inspection of buildings and swimming pools: R931.98 per re-inspection. (2024/2025 tariff R892.70)

5. New tariffs for copy of approved building plans R290.21/ copy (2024/2025 tariff R277.98).
6. Re- examination of building plans the costs as per item 1.
7. Town maps R302.26 per copy (2024/2025 Tariff R289.52)

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 2025 by the addition in part (iii) after clause (2) of the following:

TESTING OF METERS

	<u>OLD TARIFF</u>	<u>NEW TARIFF</u>
I Rural	R2 682	R2 800
II Town	R1 877	R1 960
III New Connection charge	R478	R499

TARIFF CHANGE AND DATA ACCESS

Electricity tariff change	R1 866	R1 948
Load Profile Data		R2 682
Remote Access Metering Data (Maximum Demand)		R280

PRE-PAID

Keypad Replacement Fee	R541	R565
Lost Card Fee	R54	R56
Pre-paid: Conventional to 60 Amp pre-paid Conversion charge (If infrastructure is available)	R2 775	R2 897
Pre-paid: Upgrade from 20 Amp to 60 Amp Connection (Consumers to provide COC) (Rural settlements overhead connections only)	R7 879	R8 226

Keypad Replacement Fee	R541	R565
Lost Card Fee	R54	R56
Pre-paid:		
Conventional to 60 Amp pre-paid Conversion charge (If infrastructure is available)	R2 775	R2 897
Pre-paid:		
Upgrade from 20 Amp to 60 Amp Connection (Consumers to provide COC) (Rural settlements overhead connections only)	R7 879	R 8 226
APPROVAL OF DESIGNS		
Review of Electricity designs	R26/KVA	R27/KVA
COST ESTIMATION AND BUDGET QUOTATION		
Cost Estimation and Budget Quotation (MV Network)	-	R2 300

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 2025**, as set out in the Schedule below.

SECTION A:

FEEES EXCLUDING ADVERTISEMENT 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	R9095.00	R9495.00
ii. Application for consent use/special consent, excluding Spaza shops and telecommunication masts	R2431.00	R2538.00
iii. Application for consent use for spaza shops provided for in terms of an existing scheme	R331.00	R346.00

iv.	Application for consent use for telecommunication masts and base stations	R2746.00	R2867.00
v.	Application for the amendment of an existing scheme or land use scheme by the rezoning of land	R5291.00	R5524.00
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	R5291.00	R5524.00
vii.	Application for subdivision for property in 5 or less portions	R2983.00	R3114.00
viii.	Application for subdivision of property in more than 5 portions	R3142.00 for the first 5 portions plus R279.00 in respect of each further portion	R3280.00 for the first 5 portions plus R291.00 in respect of each further portion
ix.	Application for consolidation of any land	R1198.00	R1251.00
x.	Exemption of Municipal Approval ito Section 63 of SPLUMA By-Law of GTM	R619.00	R646.00
xi.	Application for permanent closure of any public place	R2958.00	R3088.00
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.	R195.00	R204.00
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	R443.00	R462.00
xiv.	Application for Tribunal’s reasons	R998.00	R1042.00
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	R2984.00	R3115.00
xvi.	Amendment of pending subdivision application	R2556.00	R2668.00
xvii.	Amendment of pending Township application- <ul style="list-style-type: none"> • Material amendment • Non-material amendment 	R8533.00 R2556.00	R8908.00 R2668.00
xviii.	Phasing of a Township application	R2556.00	R2668.00
xix.	Consideration of a Site Development Plan – SDP, in terms of the Tzaneen Town Planning Scheme, 20000	R2556.00	R2668.00
xx.	Application for extension of time – <ul style="list-style-type: none"> 1st application (year 1) 2nd application (year 2) 3rd application (year 3) 	R1270.00 R2556.00 R3828.00	R1326.00 R2668.00

			R3996.00
xxi.	Application for Excision of Agricultural Holding	R2746.00	R2867.00
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	R5492.00	R5734.00
xxiii.	Hard copy of Spatial Development Framework document	R7416.00	R7742.00
xxiv.	Hard copy of SPLUMA By-Law of Greater Tzaneen Municipality	R2798.00	R2921.00
xxv.	Copy of record of Municipal Planning Tribunal i.t.o Section 44(2) of the SPLUMA By-Law of Greater Tzaneen Municipality	R2798.00	R2921.00
xxvi.	Lodging of an objection	R6913.00	R7217.00
xxvii.	Granting of intervener status i.t.o Section 127 of the SPLUMA By-Law of Greater Tzaneen Municipality	R9804.00	R10235.00
xxviii.	Lodging of an Appeal	R9804.00	R10235.00
xxix.	Issuing of zoning certificate	R100.00 per certificate	R104.00 per certificate
xxx.	Application for relaxation of Building line/s	R0.00	R1017.00
xxxi.	Application for Temporary Consent in terms of Section 44 of the GTM LUS,2024	R0.00	R750.00

SECTION B:

ADVERTISEMENT 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	R5242.00	R5472.00
ii.	Inspection and hearing regarding any application	R2300.00	R2401.00

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	R13.31/d	R13.90/d
	Food and Soft drinks	R26.62/d	R27.79/d
	Fruit and Vegetables	R13.31/d	R13.90/d
	Accessories and other Appliance (Cell/Jewellery/hair/books)	R13.31/d	R13.90/d
	Clothing	R26.62/d	R27.79/d

Pavements/Sidewalks	Fruit and Vegetables	R6.59/d	R6.88/d
	Accessories (Cell/Jewellery/Hair)	R6.59/d	R6.88/d
	Clothing and Toys	R13.31/d	R13.90/d
Trolleys/Designated Cart	Food and Soft drinks	R13.31/d	R13.90/d
	Accessories	R6.57/d	R6.86/d
	Fruit and Vegetables	R6.57/d	R6.86/d
Junction/Road side	Food and Soft drinks	R13.26/d	R13.84/d
	Fruit and Vegetables	R13.26/d	R13.84/d
	Décor materials (flower pots/flowers, etc.)	R13.26/d	R13.84/d
Open designated site	Hawker's fee Centre of town	R53.01/d	R55.34/d
Hawkers Bush Mechanics		R662.75	R692.00
Hawkers Car wash		R662.75	R692.00
Taxi & Busses		R1 325.51	R1 384.00

TARIFFS FOR CONTROL OF OUTDOOR ADVERTISING & SIGNAGE

DESCRIPTION	Current (VAT Inclusive)	Proposed (VAT Inclusive)
APPLICATION FEE:		
Super, large, and small billboards, electronic signs and stack signs	R573.00 per sign	R598.21 per sign
Undefined advertising signs >4,5m ²		
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 36m ²		
Projecting signs overhanging Council land		

Trailer's advertising Application Fee	R 0.00 per sign	R598.21 per sign
Street name advertising signs	R0.00 per sign (n/a)	R340. per sign
Semi-permanent flags	R573.00 per property	R598.21 per property
Banners	R0,00 per event in which R0.00 is refundable (n/a)	R245,00 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.	R0,00 per event per sign in which R0.00 is refundable (n/a)	R24,30 per event per sign in which R5.50 is refundable
Category one posters of a charitable, religious or educational nature.	R0,00per event	R40.00 per event
Sponsored road traffic projects	R0,00 per sign (n/a)	R150.00 per sign
Project and development advertising signs	R0,00 per sign	R520,50 per sign
Lodging of an appeal	R 0.00 per appeal (n/a)	R2 093.84 per appeal
INSPECTION FEE:		
Super, large and small billboards, electronic signs and stack Signs	R114,00 per sign board	R119.02 per sign board
Undefined advertising signs >4,5m ²		
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 36m ²		
Projecting signs overhanging Council land		
Trailer advertising sign	R0,00 per sign (n/a)	R148.00 per sign

ANNUAL LICENSING FEE:		
Estate agent signs	R0,00 per sign per annum (n/a)	R1 211.00 per sign per annum
Estate agent signs for commercial, industrial and non-residential property	R0,00 per agency (n/a)	R3 365.00 per agency
Portable advertising signs	R0,00 per annum per Enterprise (n/a)	R350,00 per annum per Enterprise
Flags		
Category Four posters in frames for public awareness and community based campaigns and notices of a public meeting	R0,00 per frame which is non-refundable (n/a)	R20.00 per frame which is non-refundable
STORAGE FEE:		
Trailer, vehicular advertising and other types of advertising signs	R0,00 per day (n/a)	R100.00 per day

DESCRIPTION	Tariff 2024/2025 (VAT Inclusive)	Tariff 2025/2026 (VAT Inclusive)
Banners and aerial signs	R0,00 per day (n/a)	R34.00 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.	R0,00 per day(n/a)	R25.00 per day
REMOVAL FEE:		
Super, large and small billboards, electronic signs and stack signs	Tendered rate of R0,00 per m ² or part thereof for the total face of each sign if removed by GTM (n/a)	Tendered rate of R180.00 per m ² or part thereof for the total face of each sign if removed by GTM
Undefined advertising signs >4,5m ²		
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 > 1m ²		
Aerial signs		
Advertising signs at educational facilities and sport stadiums and fields < 18m ²		
Security services and projecting signs		
Flat signs excluding locality bound flat signs smaller than 36m ²		
Projecting signs overhanging Council land		
Portable advertising sign	R0,00 per sign (n/a)	R220.00 per sign
Trailer or vehicular advertising	R0,00 per vehicle or trailer (n/a)	R110.00 per vehicle or trailer
Bicycle trailer advertising	R0,00 per bicycle (n/a)	R220.00 per bicycle
REMOVAL FEE TEMPORARY SIGNS:		
Unlicensed Estate agent signs	R0,00 per sign (n/a)	R130.00 per sign
Licensed Banners	R0,00 per sign (n/a)	R130.00 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	R0,00 per sign (n/a)	R130,00 per sign
Unlicensed Banners	R0,00 per sign (n/a)	R220.00 per sign
Licensed Estate agent signs	R0,00 per sign (n/a)	R50.00 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	R0,00 per sign(n/a)	R50.00 per sign
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DESCRIPTION	Tariff 2024/2025 (VAT Inclusive)	Tariff 2025/2026 (VAT Inclusive)
Category three posters to display news headlines for a newspaper	R0,00(n/a)	R180,00
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 R0,00 per m ² or part thereof for the total face of each sign if removed by GTM	Tendered rate or R180,00 per m ² or part thereof for the total face of each sign if removed by GTM
1. Trailer Advertising		
Monthly fee per trailer	R0,00 per month (n/a)	R360.00 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 4,5m ²		
Locality bound flat signs smaller than 36m ²		
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		

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 (2019). 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 (2019).

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

Refer to drawer cheques (R/D) – Admin Fee
Current R200.00 and Proposed R0.00

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

Supply of information (faxes)
Current R20.00 and Proposed R21.00

Supply of Duplicate statements
Current R20.00 and Proposed R21.00

Furnishing of Clearance Certificate Electronically
Current R310.00 and Proposed R330.00

Furnishing of Clearance Certificate Manually
Current R275.00 and Proposed R290.00

Furnishing of Valuation Certificate
Current R220.00 and Proposed R230.00

Furnishing of Duplicate Clearance Certificate
Current R160.00 and Proposed R170.00

Applying for Clearance Figures Electronically
Current R210.00 and proposed R220.00

Applying for Clearance Figures Manually
Current R300.00 and proposed R320.00

Final reading levy
Current R160.00 and Proposed R170.00

Credit Control Action – Friendly Reminders and
Final Demand Notice
Current R50.00 and Proposed R52.00

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

Copy of the Valuation Roll
Current R1 680.00 and Proposed R1 750.00

MINIMUM INITIAL CONSUMER DEPOSITS PER CATEGORY:

	CURRENT	PROPOSED
Flats with electricity only	R2 100.00	R2 500.00
Flats with electricity and water	R2 300.00	R2 800.00
Residential and agricultural properties:		
Single phase	R3 500.00	R3 800.00
Three phase	R8 000.00	R9 000.00
Business:		
Single phase	R9 500.00	R10 500.00
Three phase	R14 000.00	R16 000.00
Pre-paid electrical users (Water deposit)	R600.00	R700.00

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	1 952,55	2 147,81
1	118	527,23	579,96
2	215	960,65	1 056,72
3	660	2 948,94	3 243,83
4	225	1 005,33	1 105,86
5	175	781,92	860,11
6	123		
7	137	612,12	673,33
8	215	960,65	1 056,72
9	283	1 264,48	1 390,92
10A	207	924,90	1 017,39
10	190	848,95	933,84
11	215	960,65	1 056,72
12	193	862,35	948,58
13	483	2 158,10	2 373,91
14	231	1 032,14	1 135,36
15	473	2 113,41	2 324,75
16A	400	1 787,23	1 965,95
16	422	1 885,54	2 074,09
20		965,11	1 061,63
23	204	911,50	1 002,65
24	391	1 921,72	2 113,90
Main Building	992	1 331,49	1 464,64
Hanger :Pro Air	188		
28	123	549,57	604,53
29		840,03	924,03

LANDING FEES

	CURRENT	PROPOSED
Single motor aircraft:	R150 per landing	R180 per landing
Double motor aircraft:	R230 per landing	R250 per landing
Helicopter:	R150 per landing	R180 per landing
Parking fees:	R 80 per night	R100 per night

INDIGENT FEE

Indigent Management Fee	R200.00	R200.00
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ENVIRONMENTAL HEALTH FEES

	CURRENT	PROPOSED
Cleaning of overgrown stands	R5.00c/m ²	R5.00c/m ²
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

An 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 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.

4. 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 6,11 percent, 13,74 percent and 17,05 percent for the 2021/2022, 2022/2023 and 2023/2024 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 is 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 currently implementing revenue enhancement plans which were developed from revenue enhancement program in order to identify areas to work on to improve Revenue Collection / Debt challenges and Credit Control, experienced by the Municipality.

A number of strategies have been identified, however not all of the strategies can be implemented immediately, as some of them requires capital injection. The activities have been prioritized from high to low. The following activities have been agreed upon and are under discussion and/or implemented to address Councils credit control and debt collection.

The collection of revenue is however not the only challenge Municipalities are faced with. Municipalities must conduct their business in such a way that uninterrupted services are provided to its communities over the long term. Financial sustainability can therefore be regarded as the most important challenge Municipalities are faced with and can only be successfully addressed if the Municipality has strong administration in place.

Challenges faced with the provision of services to communities are:

- Financial sustainability
- Deteriorating infrastructure
- Debt Collection
- Electricity losses
- Unauthorized, irregular and fruitless and wasteful expenditure.

Financial sustainability cannot be achieved by just having good Laws and Regulations. It is achieved through a combination of factors such as adherence to Laws, Regulations and good financial management practices with other elements such as good leadership and strong oversight by Council.

Managers need to manage and contain their expenses, specifically on legal fees, consultant fees, overtime expenses.

To ensure Municipal financial viability and sustainability, with emphasis on revenue collection and expenditure management, our Municipality needs to focus on the following activities:

- Productivity of Officials
- Cut Cost – Do more with less resources
- Decrease debt by improving collection rates
- Base Budget on realistic anticipated revenue to be collected
- Management of Councils expenditure budget
- Management of Contractors payment
- Reduction of irregular expenditure
- Eliminate fraud and corruption
- Allocating resources to revenue generation projects
- Budgeting for sufficient cash backed reserves

The budget has been developed according to the requirements of the Municipal Finance Management Act (no. 56 of 2003) and will support the Municipality in achieving the strategic objectives contained in our IDP.

The projects in the IDP have been prioritized and will be implemented over the next three years. Due to funding constraints Council could not accommodate all high priority projects in the first year and had to spread it over a three-year period which is in line with National Treasuries requirements.

mSCOA IMPLEMENTATION

MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

RELEASE OF VERSION 6.9 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 2025/2026 draft MTREF will however be done in version 6.9 of the chart.

BUDGETING, TRANSACTING AND REPORTING IN mSCOA

Greater Tzaneen Municipality implemented the INZALO EMS mSCOA System over a period of time and went live on 1 July 2020. Although many challenges and system relate errors are experienced all the suggested modules of mSCOA, with the exception of the following, have been implemented and are currently in use.

- Human Resources and Salary module
- The Payday System is still in use and is integrated with the INZALO EMS System
- Asset Register is in progress with the conversion of asset data to mSCOA.
- With regard to Performance Management the IGS solutions is still in use with data being extracted from the mSCOA System.

All information required for reporting purposes are extracted from the INZALO EMS System and are submitted in monthly strings to the Treasury portal.

As the mSCOA chart is a complex process frequent meetings are held to evaluate the process outcome against the approved road map.

OVERVIEW OF THE 2025/2026 MTREF BUDGET

This section provides an overview of the Greater Tzaneen Municipality's 2025/2026 to 2027/2028 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. 129, the following headline inflation forecasts support the national 2025 Budget:

Fiscal Year	2024/25 Estimate	2025/26	2026/27	2027/28
	Forecast			
CPI inflation	4.6%	4.4%	4.5%	2.5%

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 2023.

A Budget Steering Committee was established to examine, review and prioritize budget proposals from departments.. In 2025/2026, the capital budget is R256 million. Operating expenditure in 2025/2026 is budgeted at R 1 990 billion and the operating revenue is budgeted at R2 188 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 draft budget and forms the basis for the Municipality’s in year monitoring.

The following table is a overview of the proposed MTREF:

OPERATING AND CAPITAL BUDGET	2025/2026 DRAFT BUDGET	2026/2027 DRAFT BUDGET	2027/2028 DRAFT BUDGET
TOTAL REVENUE	R 2,188,301,154	R 2,348,527,059	R 2,548,930,986
TOTAL OPERATING EXPENDITURE	R 1,990,250,148	R 2,140,507,986	R 2,305,489,535
TOTAL CAPITAL EXPENDITURE	R 256,442,600	R 271,312,150	R 208,285,900
TOTAL OPEX AND CAPEX BUDGET	R 2,246,692,748	R 2,411,820,136	R 2,513,775,435

The operating revenue increase is mainly attributable to an increase in grant allocations, tariff increase as well as the new valuation roll to be implemented from 1 July 2025. 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.

Although the budget is approved by National Treasury and Provincial

Treasury on vote level/department level the revenue and expenditure needs to be discussed on item level to get an overall picture of the 3-year budget.

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 2025 2026 Budget	Sum of 2026 2027 Budget	Sum of 2027 2028 Budget
Expenditure/Bulk purchases - electricity	763 382 880	860 332 506	969 594 734
Expenditure/Contracted services	117 692 540	122 871 012	128 277 336
Expenditure/Depreciation and amortisation	125 251 665	130 762 738	136 516 299
Expenditure/Employee related costs	493 531 490	515 246 875	537 917 738
Expenditure/Interest	12 354 069	12 897 648	13 465 145
Expenditure/Inventory consumed	107 852 169	112 597 664	117 551 962
Expenditure/Operational costs	204 999 990	214 019 989	223 436 869
Expenditure/Remuneration of councillors	31 414 297	32 796 526	34 239 573
Expenditure/Transfers and subsidies	38 494 048	39 513 838	40 644 047
Gains and Losses/Debt Impairment	95 277 001	99 469 189	103 845 833
Revenue/Exchange Revenue/Agency services	-16 664 291	-17 397 520	-18 163 011
Revenue/Exchange Revenue/Interest earned from Current and Non-Current Assets	-31 906 502	-33 310 388	-34 776 045
Revenue/Exchange Revenue/Interest earned from Receivables	-51 054 235	-53 300 621	-55 645 849
Revenue/Exchange Revenue/Licence and permits	-505 845	-528 102	-551 339
Revenue/Exchange Revenue/Operational Revenue	-22 847 485	-23 852 774	-24 902 296
Revenue/Exchange Revenue/Rental from Fixed Assets	-1 859 000	-1 940 796	-2 026 191
Revenue/Exchange Revenue/Service charges - Electricity	-1 080 673 716	-1 217 919 278	-1 372 595 026
Revenue/Exchange Revenue/Service charges - Waste Management	-46 980 000	-49 047 120	-51 205 193
Revenue/Non-Exchange Revenue/Fines, penalties and forfeits	-1 490 000	-1 555 560	-1 624 005
Revenue/Non-Exchange Revenue/Interest	-35 890 000	-37 469 160	-39 117 803
Revenue/Non-Exchange Revenue/Property rates	-202 824 080	-211 748 339	-221 065 266

Revenue/Non-Exchange Revenue/Transfer and subsidies - Operational	-579 413 400	-579 145 250	-600 223 062
Revenue/Non-Exchange Revenue/Transfers and subsidies - capital (monetary allocations)	-116 192 600	-121 312 150	-127 035 900
Grand Total	-198 051 005	-208 019 073	-243 441 450

The Total Revenue budget of Greater Tzaneen Municipality for the 2025/2026 financial year amounts to R2,188 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 2025/2026 financial year amounts to R2,188 billion, which represents an increase of R126 million over the 2024/2025 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 R555 million which represents the equitable share allocation to the Greater Tzaneen Municipality.

An amount of R202 million will be levied by property rates and R1,127 billion will be sourced from user service charges. National allocations to fund operational activities amount to R22,8 million which includes the Finance Management Grant of R2 million, the EPWP grant of R4,8 million; MIG operation of R6 million and the INEP allocation of R10 million.

An amount of R1,990 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 R492 million for employee related costs, R107 million for inventory consumed excluding labour costs and R 763 million for the purchase of bulk electricity.

An amount of R256 million has been allocated for capital expenditure for the 2025/2026 financial year. This amount includes the MIG allocation of R116 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
2025/2026	R107 852 169
2026/2027	R112 597 664
2027/2028	R117 551 962

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

Financial Year	Capital Project from MIG
2025/2026	R116 192 600
2026/2027	R120 753 500
2027/2028	R120 753 500

ELECTRICITY SERVICES

The electricity service has been allocated an amount of R326 million over the MTREF 2025/2025 to 2027/2028 for infrastructure and maintenance of the electricity network.

The inadequate maintenance of the electricity network can be problematic as an electricity grid is enduring and tolerant, it will persevere and withstand long-time abuse. Many grid transformers are overloaded for many hours in a day, when load is increased the windings heat up, when load decreases, they cool down. In most cases, it will take years to destroy a transformer, but when it finally let go it could cost lives.

It is therefore important that the Municipality ensures that the electricity network is maintained adequately. Meter reading audits must also be performed to curb the losses.

SOLID WASTE

Each year the Municipalities 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 4.4% on the previous financial year tariff is proposed, which will provide for an amount of R46 980 000 as service charges on the 2025/2026 Budget.

The increase of 4.4% 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:

<u>Year</u>	<u>Surplus Allocation</u>
2025/2026	R198 051 005
2026/2027	R208 019 073
2027/2028	R243 441 450

MULTI-YEAR PROJECTIONS

ITEM	2025/2026	2026/2027	2027/2028
Revenue	R 2 188 301 154	R 2 348 527 059	R 2 548 930 986

The table above reflects the multi-year projections on revenue which is mainly based on the inflation forecast contained in National Treasuries Budget Circular 129 as well as the Grants contained in the Division of Revenue Bill (DORA) 2025/2026.

The main contributors to these increases are:

Grants

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

2025/2026	-	R695 006 000
2026/2027	-	R699 831 000
2027/2028	-	R726 605 000

Service Charges

The increase in service charges are based on the inflation forecast contained in National Treasuries Budget Circulars 129.

ITEM	2025/2026	2026/2027	2027/2028
Service charges	R1 127 653 716	R1 266 966 398	R1 423 800 219

The operating expenditure has increased from R1.717 billion in the 2024/2025 financial year to R1.984 billion in the 2025/2026 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 129 that the under-mentioned Macro Economic forecasts must be considered when preparing the 2025/2026 MTREF Municipal Budget

CATEGORY	2025/2026	2026/2027	2027/2028
Property Rates	4,40%	4,50%	2,50%
Electricity	12,70%	12,70%	12,70%
Refuse	4,40%	4,50%	2,50%
Water (Haenertsburg)	4,40%	4,50%	2,50%
Water (Other users)	4,40%	4,50%	2,50%
Sewerage	4,40%	4,50%	2,50%

The Municipality strives to project increases that are not above the CPI as advised by National Treasury. This is however hampered by a combination of increases in input cost associated with providing services and the ongoing attempt to ensure that cost reflective tariffs are approved and implemented.

The Municipality will however continue focusing on Budget Management to reduce any inefficiency and thereby reduce the impact on our residents. It must also be mentioned that the Municipalities revenue base is not at the required level due to high rural areas that are part of the Municipalities responsibility. This requires creative and innovative ways of ensuring affordable and cost reflective tariffs as well as efficient service delivery. The Municipality strives for equal service levels for all communities it serves.

COMPLIANCE INFORMATION

Property Rates

The cent in the Rand rates will be increased by 4.4% on Property Rates from 1 July 2025, property rates will constitute an increase of 4.4% in Property Values.

Service Charges

The increases in the service charge tariffs are within the upper limit set by National Treasury for the 2025/2026 financial year and according to the inflation forecast for the 2026/2027 and 2027/2028 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 who's 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 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;
- Perform internal controls and develop an action plan to assist and improve on controls;
- 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 Management, and
- 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 2025/2026 Budget. This schedule is meant to ensure that all Legislative requirements are complied with during the preparation and approval of the 2025/2026 Budget.

The schedule of key deadlines was approved by Council during the month of August 2024

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) THE EFFECT OF THE ANNUAL BUDGET

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 Advices 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. 129 of the 2025/2026 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 2025/2026.

The upper boundary of tariff increases prescribed by National Treasury in Circular no 129 is 4.4% 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 0% on the previous year Property Rates Tariffs are proposed. To comply with Legislative requirements a new valuation roll will be effective from the 1st of July 2025.

The categories of property rates and the proposed rates for the 2025/2026 financial year is contained in item 3 of this report.

TARIFF INCREASES TO CONSUMPTIVE TARIFF-BASED SERVICES ARE:

• Electricity (average)	12.7%
• Water	4.4%
• Sanitation	4.4%
• Solid Waste	4.4%

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 129 approved an increase of 12.7% 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 2025/2026.

The increase of 12.7% 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 4.4% on the 2025/2026 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 4.4% for the 2025/2026 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 4.9% is necessary to address essential operational requirements.

SOLID WASTE

The proposed Solid Waste Tariff increase is 4.4% for the 2025/2026 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 Councilors allowances and contracted services are not included in this percentage.

Employee cost have increased by 7% in the 2025/2026 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 became 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 2025/2026 Operating Budget provides for 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, 122 and 123 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 5%
- 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 2024/25 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 2024/2025 SDBIP was approved by the Mayor on the 23rd June 2024 and quarterly progress reports are submitted to Council. The Back-to-Basics Action Plan for 2024/25 was approved by the Council on the 30th of August 2024. 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 following Internal Audit strategic documents have been reviewed and approved: Internal Audit Charter, Audit Committee Charter, three year strategic and annual risk-based plans and Internal Audit methodology.
- An Audit Committee was appointed by Council on 26 May 2023 for a three-year period. All quarterly Audit Committee meetings were held.

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: Internal Audit Charter, Audit Committee Charter, three year strategic and annual risk-based plans and Internal Audit methodology.

An Audit Committee was appointed by Council on 26 May 2022 for a three-year period. 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:

- Natural hazard task team
- Technological hazard task team
- Environmental degradation task team
- Relief task team

On incidents:

During the financial year 2023/2024 the response of the unit is represented by the following table:

Annual statistics

Total number of households affected	164
Total number of fire incidents attended to	81
Total number of storm incidents	78
Total number of blankets distributed	241
Total number of mattresses distributed	226
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	18
Flooding	13
Communicable diseases	03

Projects and special events attended:

- Held six divisional consultations (Disaster Management Unit initiated sessions with other divisions within the municipality to foster internal cooperation)
- Conducted a capacity building for both councillors and ward committees responsible for land, housing and disaster management
- Enrolment of 35 ward committees on a first aid and disaster management training with Red Cross
- Establishment of technical task teams
- Compiled the municipal indicative risk profile

PERFORMANCE MANAGEMENT

Quarterly progress reports were submitted to council. The Back-to-Basics Action Plan for 2024/25 was approved by the Council on the 30th of August 2024. Quarterly Back to Basics reports are submitted to council.

The 2023/2024 Annual Performance Report was submitted to the Auditor General, Treasury and COGHSTA on the 31st of August 2024.

The mid-year performance report for 2024/2025 was submitted to the Auditor General, Treasury and COGHSTA on the 25th of January 2025. The annual report for 2023/2024 is currently being reviewed by MPAC and should be approved by council by March 2025.

The MM and Directors have signed performance agreements for the 2024/2025 financial year.

IDP

Council approved the 2024/25 IDP on 16 May 2024, along with the budget, and it was submitted to the MEC for COGHSTA and Provincial Treasury.

The IDP Process of 2024/25 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 2024 IDP public participation will take place physically in wards. All community inputs were incorporated into the draft 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 and defended in all the litigation processes instituted by the Municipality and also litigation processes instituted against the Municipality by other parties. The Legal Division draft all legal documents in the Municipality and provide legal advice in written verbal 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 Dispute Resolutions
 - (c) Drafting of By-Laws, Contracts, Legal Opinions and Policies
- ❖ The Legal Division conducted successful legal compliance workshops from 2017/2018 financial year to date for Councillors and top management to uplift their skills, understanding and legal effects of the decisions the Councillors and Management are taking and will start conducting Divisional Workshops to avoid litigation against the Municipality.
- ❖ The Legal Services division established Legal Tariffs by means of which the legal fees our service providers charge the institution will be contained.

The Municipality completed several cases in 2023/2024 financial year. All of which were successfully contested and won, the initiative of which saved the Municipality significant amount of legal fees.

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 2023/2024 Financial Statements were compiled during August 2024. An unqualified audit opinion was received on the 30th of November 2024. Consolidated financial statements were also compiled to accommodate Councils Municipal Entity. The Audit of the Municipalities Consolidated Annual Financial Statements were complete during the month of January 2025.

Revenue

The municipality managed to collect R1 347 786 490 for the first 6 months.

The Municipality averages the payment rate of 83%.

The payment rate decreased from 84% to 83% as a result of economic climate affecting the consumer's/debtors ability to pay.

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 Storm water

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 on roads and stormwater drainage in order to reduce number of road accidents and improve access to households and public amenities.

Building Control and Mechanical Workshop

This division is responsible for the maintenance of all municipal buildings, 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. The building control unit is responsible for the administration of building plan applications, processing and approval of which the timeframe is 30 days from the date of submission.

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 R122 308 000(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, Nkawkawa 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:

1. 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

2. Increased power outages due to ageing infrastructure.
3. Theft of infrastructure (mainly transformers and copper cables).
4. Ageing Fleet
5. 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. Of which 2 were placed in 2022/2023 financial year and an additional 4 vehicle (LDV's) are currently on procurement in the 2023/2024 financial year.

INSUFFICIENT CUSTOMER COMMUNICATION SYSTEM

Insufficient communication with consumers has been identified as one of the major challenges in the EED. Although a 24-hour service is available for fault reporting, the manual system used poses a challenge both for reporting in terms of the license requirements and efficiency in dealing with customer complaints and queries. A telephone management system is required to. The municipality does not have a supervisory control and data acquisition (SCADA) system for monitoring and controlling the electrical network. This challenge is compounded by the nationwide loadshedding, as result operational costs and resource are overstretched. The municipality is in process of procuring a SCADA system to enable the effectiveness of operational the electrical network.

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

1. ADMINISTRATION AND RECORDS

11 Council meetings were held (8 normal and 3 Special Council meetings) from January to December 2023.

Out of 206 Council resolutions, 155 (75%) were implemented, 48 resolutions were still in progress for implementation and 4 reports were referred back from January to December 2023.

From January to December 2024, all Council meetings were held face to face.

8 MPAC oversight reports were submitted to Council for adoption for the period January to December 2024.

2. HUMAN RESOURCES

Council staff complement was at a total of 638. Council approved organizational structure on the 29 June 2024 with comments from COGHSTA as per Chapter 2 of Municipal Staff Regulations.

From July 2024 to date a total of 130 employees trained as per Workplace Skills Plan submitted to LGSETA, 35 Councillors were as trained on Protocol training. In addition, 69 Councillors will be trained on Ethics Training, 10 employees will also be trained on Communication Skills, both the training are scheduled for April 2024.

36 employees were awarded bursaries to study qualification related to their field of work as guided by the bursary policy

57 interns were also appointed for internship programmes for a period of 12 months, the interns are funded by LGSETA.

The main challenges with implementing the Workplace Skills Plan fully is limited training budget, the Municipality is not budgeting the required 1% of the total payroll for training of Employees and Councillors, this has been ongoing challenge for the past 10 years. With the given budget we are unable to train even 25% of the employees including Councillors.

Number of Councillors: 69

Number of Personnel: 638

Greater Tzaneen has 638 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 2024/2025 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.

3. PUBLIC PARTICIPATION

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 have been scheduled during April 2024.

TOWN PLANNING DIVISION

1. SDF: Service Provider has been appointed in December 2022 for the SDF Review 2022-2027.
2. SPLUMA:
 - a. The new Greater Tzaneen Municipal Planning Tribunal was adopted by Council on 27 October 2022 and gazette on 2 December 2022
 - b. (No new update on SPLUMA By-Law)
 - c. Land Development office is operational.
 - d. No backlog on Land Development applications
 - e. Names of Appeal Tribunal members gazette on 3 June 2022. Appeal Tribunal is fully operational.

- f. The Greater Tzaneen Municipality land use scheme was promulgated on the 02 February 2024.
Public Participation process to commence shortly.

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 21 hectare 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) FINANCIAL POSITION

With the implementation of the mSCOA system the Expenditure figures are contained in the mSCOA Data Strings which will be submitted to Treasury with the approved draft

MUNICIPAL MANAGERS QUALITY CERTIFICATION

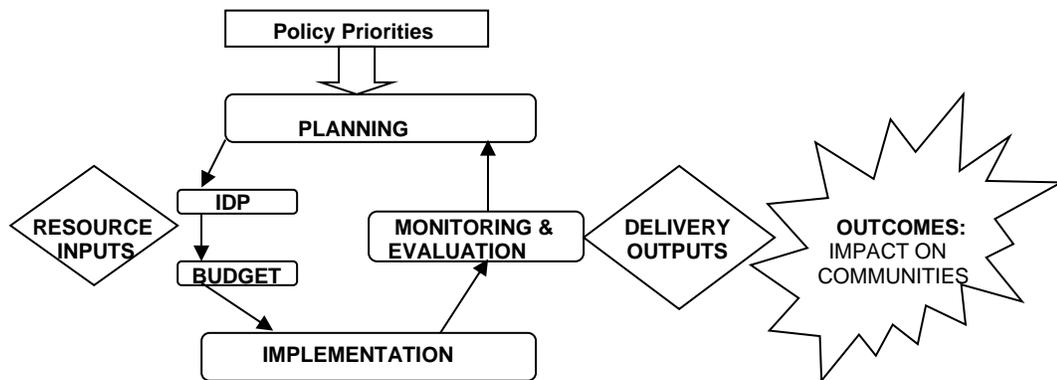
The Quality Certificate is attached as Annexure “ N “.
Budget Report

(E) MUNICIPAL PRIORITIES AND LINKAGES TO THE IDP

The strategic objectives of Council are informed by the national priorities arising from the 2019 national and 2021 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 be 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 to contribute 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 in August 2024.

ACTIVITY

DATE

Approval of draft IDP	27 March 2025
Public Participation Programme	April 2025
Approval of Final IDP	25 May 2025

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 11th to 13th December 2025.

5. 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.

PART 2:

SUPPORTING DOCUMENTATION (Budget Report)

6. 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 2025/2026 financial year was developed and approved by Council in August 2024. 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, while 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 2025/2026 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
 - Final IDP
 - Final 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 have been scheduled during April 2024.

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 budget in Council for consideration and approval.

The tabling of the draft budget in Council during March 2024 has been followed by 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 2024.

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

During the consultative process all verbal questions and answers will be recorded.

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

All the submissions received during the consultation process will be considered before the tabling of the draft budget.

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

- The Budget documentation as set out in the MBRR.
- The non-financial supporting tables
- The draft Budget Report in electronic format
- The Council Resolution for the tabled and adopted budget.
- Signed quality certificate as prescribed in the MBRR.
- D schedules specific for the entity

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.

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

The Vision of Greater Tzaneen Municipality

A Green, Healthy, Prosperous and United Municipality that provided quality services to all.

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 2025/2026 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 drafted 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.

8. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

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

OUTSTANDING SERVICE DEBTORS

$$A = \frac{B}{C}$$

"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

-

$$A = \frac{B - C}{D}$$

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

COST COVERAGE

$$A = \frac{B + C}{D}$$

"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 PERFORMANCE OBJECTIVES FOR:

The measurable performance objectives are attached as Annexure “J”.

Providing clean water and managing wastewater.

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

Name of Water Works	Capacity
1. Georges Valley Water Works	9.0MI/d
2. Tzaneen Dam Water Works	6.0MI/d
3. Letsitele Water Works	1.4MI/d
4. Tzaneen Wastewater Works	8MI/d

- 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

- 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 (W²RAP).

- 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.

- Steps taken are:
 - Implementation of Water Bylaws, Developed by the WSA
 - Mopani District Municipality to intervene in speeding up the application of an increase in Water quota.
 - Engage Mopani District Municipality as WSA to fund activities that will improve water supply and Water Demand Management systems.
 - Mopani to fund the upgrading of Tzaneen Water Works and Georges Valley Water Works to meet the increasing water demand.
 - Mopani District Municipality to fund the replacement of AC pipes for Tzaneen town, Haenesburg, Letsitele, Lenyenye and Nkowankowa.
 - Engage communities (public participation) and educate them about the importance of protecting the Water and Sewerage system.

- Budget allocations for 2025/2026 as outlined in the budget.

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

9. 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 drafted.

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

10. 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 drafting 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 129 indicates an inflation rate of 4.4% for the 2025/2026 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 2025/26 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

Due to the fact that there was an average increase of 12.1% of property valuation on the previous valuation roll, budget steering committee recommended that the cent in the Rand rates will be kept constant on Property Rates (0% tariff increase) due to the implementation of the new General Valuation Roll from 1 July 2024, which will constitute an increase in Property Values.

The electricity tariff adjustment is 12.7%, largely due to the increase for Eskom bulk purchases.

Water and Sewerage tariff adjustments are 4.9% on the previous year tariff, while refuse and disposal charges are modeled to increase by 4.9%. 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 12.7% was approved 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.

11. OVERVIEW OF BUDGET FUNDING

Fiscal Overview

The Greater Tzaneen Municipality is unfortunately not excepted to the economic risks facing the nation and the world and its necessary to table a budget that is balanced and realistic.

The budget tabled to Council today is based on the 2023/2024 budget and was drafted in a way that the Municipality will be able to pay for bulk services, focus on collecting the revenues owed to Council and eliminate wasteful and non-core spending.

According to Stats S.A., people in South Africa have lost their jobs resulted in revenue collection been under pressure. This has a direct impact on the ability of the Municipality to pay for Bulk Services and to spent on service delivery.

New and creative ways will have to be found to ensure financial sustainability.

As part of our financial sustainability strategy an Aggressive Revenue Management Framework has been implemented to increase our Cash flow, not only from current billings but also from debtors that are in arrears. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

With regard to creditors management Council is in the process of ensuring that creditors are settled within the legislated 30 days from invoice. All invoices are paid within 30 days with the exception of a few where services have not been provided at an acceptable standard. With regard to expenditure special attention will also be given to the cost containment measures approved by Cabinet on 23 October 2013 and updated on an annual basis by National Treasury to ensure value for money and cost savings.

The free basic service of Council is a social package which assists residents that have difficulty paying for services and are registered as indigent households in terms of Councils Indigent Policy. Only registered indigents qualify for the free basic service.

Cash flow problems are experienced from time to time due to the seasonal electricity tariff of ESKOM.

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.

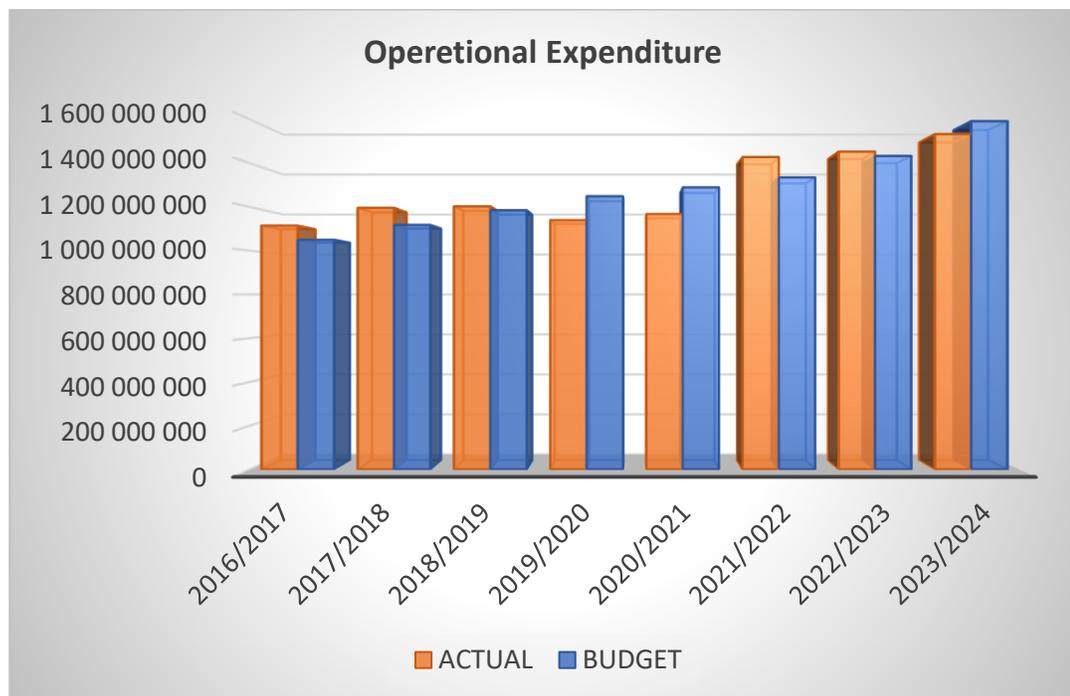
(A) Outcomes of the Past Years and Current year

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

OPERATING EXPENDITURE

YEAR	BUDGET	ACTUAL
2016/2017	1 049 831 674	1 114426002
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

GRAPH

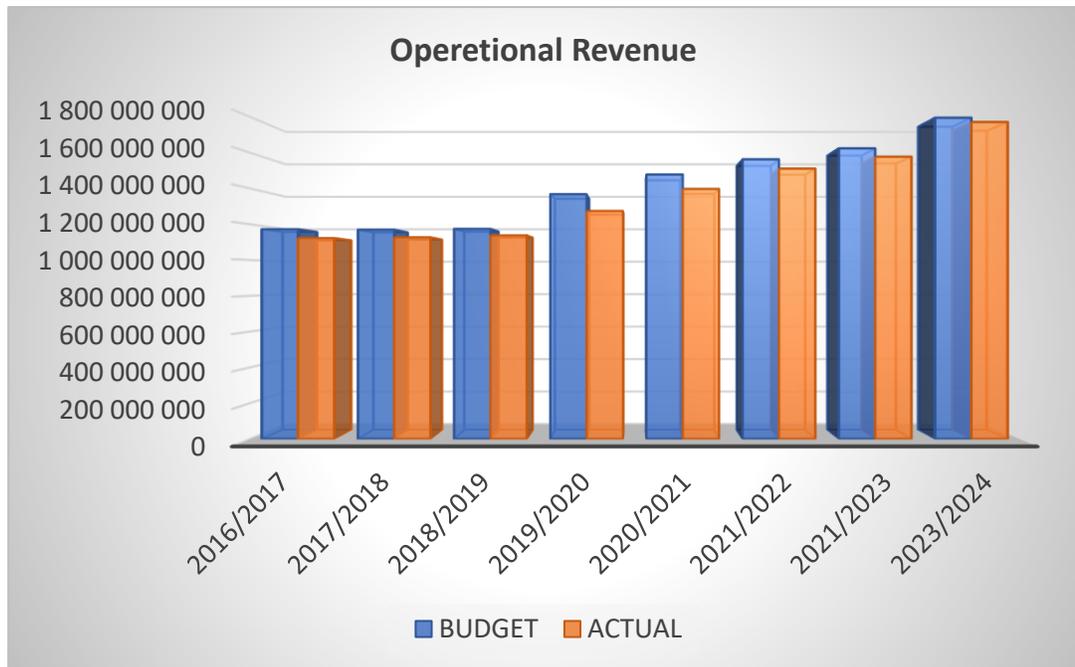


The graph below indicates the comparison between budgeted and actual operating income over the past 8 years.

OPERATING INCOME

YEAR	BUDGET	ACTUAL
2016/2017	1 172 632 424	1 122 605 916
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
2021/2023	1 624 123 625	1 577 592 218
2023/2024	1 794 854 098	1 770 987 868

GRAPH

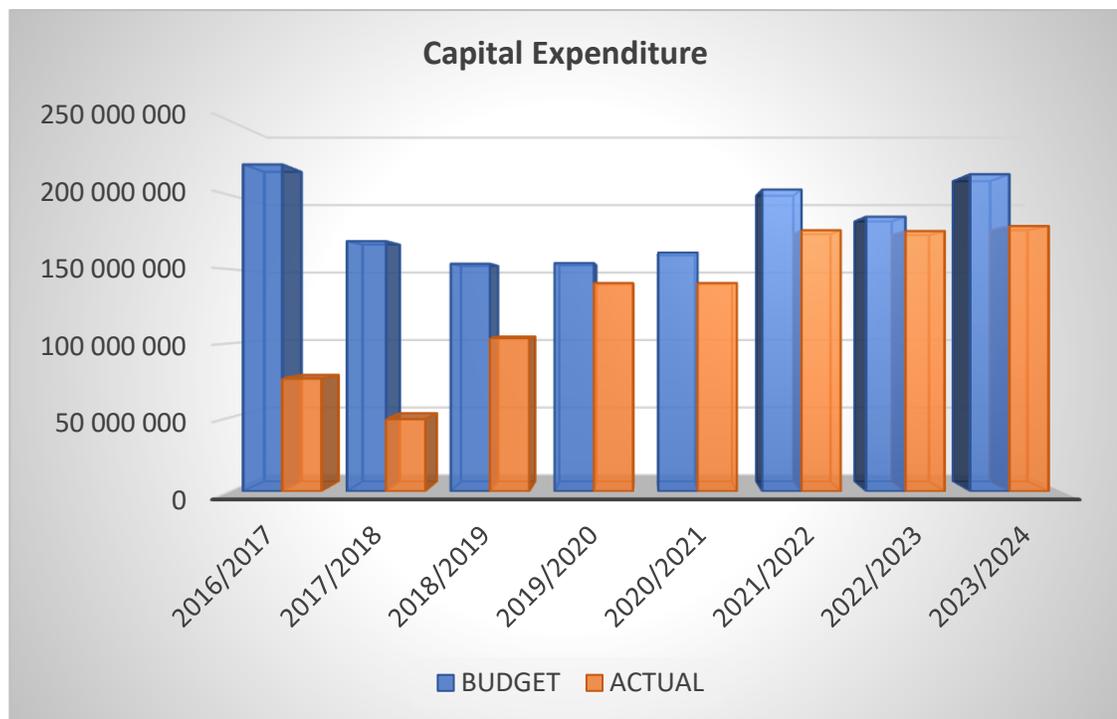


The capital expenditure against the budget of the past 8 years is also indicated graphically below:

CAPITAL EXPENDITURE – MIG INCLUDED

YEAR	BUDGET	ACTUAL
2016/2017	220 782 252	76 127 574
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

GRAPH



OPERATING BUDGET 2025/2026

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 2025/2026 financial year:

Electricity	49.57%
Refuse Removal	2.15%
Property Rates	9.30%

The Greater Tzaneen Municipal operating income will be allocated as follows during 2025/2026 Financial year:

Row Labels	Sum of 2025 2026 Budget
Revenue/Exchange Revenue/Agency services	-16 664 291
Revenue/Exchange Revenue/Interest earned from Current and Non-Current Assets	-31 906 502
Revenue/Exchange Revenue/Interest earned from Receivables	-51 054 235
Revenue/Exchange Revenue/Licence and permits	-505 845
Revenue/Exchange Revenue/Operational Revenue	-22 847 485
Revenue/Exchange Revenue/Rental from Fixed Assets	-1 859 000
Revenue/Exchange Revenue/Service charges - Electricity	-1 080 673 716
Revenue/Exchange Revenue/Service charges - Waste Management	-46 980 000
Revenue/Non-Exchange Revenue/Fines, penalties and forfeits	-1 490 000
Revenue/Non-Exchange Revenue/Interest	-35 890 000
Revenue/Non-Exchange Revenue/Property rates	-202 824 080
Revenue/Non-Exchange Revenue/Transfer and subsidies – Operational	-579 413 400
Revenue/Non-Exchange Revenue/Transfers and subsidies - capital (monetary allocations)	-116 192 600
Grand Total	-2 188 301 154

Operating Expenditure

The budgeted expenditure per item is as follows for the 2025/2026 financial year:

Row Labels	Sum of 2025 2026 Budget
Expenditure/Bulk purchases - electricity	763 382 880
Expenditure/Contracted services	117 692 540
Expenditure/Depreciation and amortisation	125 251 665
Expenditure/Employee related costs	493 531 490
Expenditure/Interest	12 354 069
Expenditure/Inventory consumed	107 852 169
Expenditure/Operational costs	204 999 990
Expenditure/Remuneration of councillors	31 414 297
Expenditure/Transfers and subsidies	38 494 048
Gains and Losses/Debt Impairment	95 277 001
Grand Total	1 990 250 148

CAPITAL BUDGET

An amount of R256 million was approved for capital projects for the 2025/2026 financial year. This was funded as follows:

- Own Sources	R140 250 000
- MIG	<u>R116 192 600</u>
TOTAL	<u>R256 442 600</u>

(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 2025/2026 expenditure will be funded as follows:

Funding source	Amount
Grants & Subsidies	R 695 606 000
Rates & Service Charges	R1 330 477 796
Sundry Income	<u>R 162 217 358</u>
Budgeted Revenue	<u>R2 188 301 154</u>

(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 129 for the 2025/2026 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 2025 and the Property Rates Tariff contained in the 2025/2026 Budget is calculated on the Valuation Roll for the period 2024 - 2029. The proposed rate increase is 4.4%

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 2025/2026 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 2024/2025 financial year be retained, with a proposed 4.4% increase in volumetric water tariffs generally, and a proposed 4.4% increase in 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 2025/2026. The budget steering committee resolved that an increase of 12.7% 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 increased by 4.4% on the 2024/2025 tariffs with effect from 1 July 2025.

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 2024 to December 2024:

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
	R000	R000	R000	R000	R000	R000
Revenue billed	120 607 285	133 346 198	141 228 629	111 612 861	115 158 269	111 047 521
Revenue collected	91 616 221	96 607 992	113 995 792	117 133 969	93 856 799	86 465 058
% Revenue collected	75,96%	72,45%	80,72%	104,95%	81,50%	77,86%

The MFMA requires that the budget be based on realistic forecasts for revenue and the average collection rate for Greater Tzaneen Municipality amounts to 82%.

(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

Standard Bank	R26 766 012
ABSA	R21 326 023

STANDARD BANK

An investment of R11 350 000 has been made with Standard Bank to repay a loan of R30 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R26 766 012.

ABSA

An investment of R16 million has been made with ABSA as a security of a R90 million loan taken from DBSA and the value of the investment amounts to R21 326 023.

(g) GRANT ALLOCATION

National Treasury advised Municipalities, through their Budget Circular 129 use the indicative numbers as set out in the Division of Revenue Act to compile their 2025/2026 MTREF.

Greater Tzaneen Municipality however included the Grant allocations as contained in the DORA as published in Government Gazette no. 52061 of 7 February 2025, in the 2025/2026 Draft Budget. The grant allocations published in the 2025/2026 Division of Revenue Bill are summarized as follows:

MUNICIPAL GRANTS FOR 2025/2026- 2027/2028			
Grant Description	2025/2026 (R)	2026/2027 (R)	2027/2028 (R)
EQUITABLE SHARE	555 351 000	556 034 000	581 276 000
MIG	122 308 000	127 697 000	133 722 000
FMG	2 000 000	2 100 000	2 200 000
EPWP	4 811 000	-	-
INEP	10 536 000	9 000 000	9 407 000
EEDSM	-	5 000 000	-
MDRG	-	-	-
TOTAL	695 006 000	699 831 000	726 605 000

12. 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	Funding sources	2025/2026 (R)	2026/2027 (R)	2027/2028 (R)
Rehabilitation of Dan Access Road from R36 (Scrapyard) to D5011 (TEBA)	MIG	9 211 880	-	-
Upgrading of Thapane Street from Gravel to Paving	MIG	16 113 919	-	-
Upgrading of Lenyenye Streets from Gravel to Paving	MIG	16 123 375	-	-

Upgrading of Nkowakowa Section B & D Streets from Gravel to Paving	MIG	36 000 000	8 500 000	-
Upgrading of Access Street from Serutung to Malengenge from Gravel to Paving	MIG	30 743 426	48 100 000	-
Construction Joppie Sport Facility	MIG	5 000 000	-	-
Paving of Khetoni Access Road	MIG	3 000 000	47 058 650	22 917 200
Upgrading of Access Streets from Khopo to Molapisane from Gravel to Paving	MIG	-	2 653 500	24 418 700
Upgrading of Access Streets from Molapisane School via Tickyline, Myakayaka to Serututung Gravel to Paving	MIG	-	2 000 000	36 700 000
Maribathema Pedestrian Bridge	MIG	-	2 000 000	28 000 000
20 High Mast	MIG	-	11 000 000	15 000 000
PMU.Management (5% of Total MIG)	MIG	6 115 400	6 384 850	6 686 100
TOTAL MIG		122 308 000	127 697 000	133 722 000

13. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The allocations made by Council for the 2025/2026 financial year can be summarized as follows:

2025/2026

Museum	R 45 000
Eskom EBSST	R4 000 000
Mayor Special Account	R 500 000
SPCA	R 250 000
Mayors Bursary Account	R 450 000
Sport Council	R 190 000
Arts & Cultural	R 150 000
Speaker Special Account	R 250 000

14. 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 FULL TIME	2 304 342	768 114	179 712	3 252 168
EXCO PARTTIME COUNCILLORS	1 606 180	535 393	224 640	2 366 213
MAYOR FULL TIME	767 770	255 923	44 928	1 068 621
PART TIME COUNCILLORS	10 846 216	3 644 559	2 021 760	16 512 536
SECTION 79 COUNCILLORS	3 295 246	1 143 316	494 208	4 932 770
SECTION 79 COUNCILLORS FULLTIME	558 935	186 312	44 928	790 174
SPEAKER FULL TIME	614 214	204 738	44 928	863 880
WHIP	576 085	192 029	44 928	813 042
Grand Total	20 568 988	6 930 384	3 100 032	30 599 403

(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	2 148 424.26	1 774 051.12	1 513 392.81	1 513 851.17	1 779 691.45	1 760 626.90	1 771 140.20

(C) EMPLOYEE BENEFITS FOR OTHER MUNICIPAL EMPLOYEES

Row Labels	2025/2026 Draft Budget
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Accommodation, Travel and Incidental	20 405 261
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Cellular and Telephone	2 208 000
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Essential User	1 800 000

Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Rental Subsidy	346 186
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Housing Benefits and Incidental:Housing Subsidy	929 506
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Leave Pay	23 864 618
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Long Service Award	5 674 567
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Overtime:Structured	16 870 876
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Allowances:Service Related Benefits:Standby Allowance	1 103 785
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Basic Salary and Wages	287 384 227
Expenditure:Employee Related Cost:Municipal Staff:Salaries, Wages and Allowances:Bonuses	23 947 800
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Bargaining Council	96 052
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Group Life Insurance	5 294 396
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Medical	31 609 635
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Pension	54 418 291
Expenditure:Employee Related Cost:Municipal Staff:Social Contributions:Unemployment Insurance	1 562 501
Expenditure:Operational Cost:Skills Development Fund Levy	3 754 610
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	177 037
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Allowance:Cellular and Telephone	24 000
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Pension	119 795
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Basic Salary	1 007 524
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Salaries and Allowances:Bonuses	171 966
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Unemployment Insurance	2 274
Expenditure:Employee Related Cost:Senior Management:Chief Financial Officer:Social Contributions:Bargaining Council	153
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	1 000 446
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Allowance:Cellular and Telephone	120 000
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Basic Salary	5 663 773
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Pension	775 793

Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Unemployment Insurance	11 371
Expenditure:Employee Related Cost:Senior Management:Designation:Salaries and Allowances:Bonuses	966 107
Expenditure:Employee Related Cost:Senior Management:Designation:Social Contributions:Bargaining Council	767
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Cellular and Telephone	24 000
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Bonuses	239 767
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Allowance:Accommodation, Travel and Incidental	295 320
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Salaries and Allowances:Basic Salary	1 406 272
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Pension	165 591
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Unemployment Insurance	2 274
Expenditure:Employee Related Cost:Senior Management:Municipal Manager (MM):Social Contributions:Bargaining Council	153
Expenditure:Operational Cost:Skills Development Fund Levy	86 794
Grand Total	493 531 490

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	2025/2026	2026/2027	2027/2028
2	Municipal Manager	700 000		
52	Corporate Services	4 000 000		
32	Financial Services	500 000		
140	Community Services	7 650 000	5 000 000	250 000
62	Engineering Services	175 092 600	146 312 150	141 535 900
162	Electrical Engineering Services	62 500 000	120 000 000	66 500 000
12	PED	6 000 000		
	TOTAL	256 442 600	271 312 150	208 285 900

The Capital budget increased from **R212 952 800** in the 2024/2025 financial year to **R256 442 600** in the 2025/2026 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 2025/2026 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

A. NAMES OF ALL CONTRACTING PARTIES

NAME	SERVICE
MOD HOPE	VALUATION ROLL

B. 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 FOLLOWING 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 spend 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 “**.