

GREATER TAUNG

LOCAL MUNICIPALITY



ANNUAL BUDGET DOCUMENT

2025/26 TO 2027/28

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

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Abbreviations and Acronyms

AMR	Automated Meter Reading	KPI	Key Performance Indicator
ASGISA	Accelerated and Shared Growth Initiative	kWh	kilowatt
BPC	Budget Planning Committee	ℓ	litre
CBD	Central Business District	LED	Local Economic Development
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act Programme
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Electricity Regulator South Africa
EM	Executive Mayor	NGO	Non-Governmental organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross domestic product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Strategy	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
		SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

Background

Purpose

The purpose of this report is to comply with sections 16(1) (2) and 24 of the Municipal Finance Management Act no.56 of 2003 which requires council to approve the annual budget of the municipality before the start of the budget year.

Legislative framework

Approval of the annual budget

Section 16 of the Municipal Finance Management Act no.56 of 2003 states that;

1. The council of the municipality must for each financial year approve an annual budget of the municipality before the start of that budget year.
2. In order for a municipality to comply with subsection (1) above the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 24 of the Municipal Finance Management Act no.56 of 2003 states that;

1. The municipal council must at least thirty days before the start of the budget year consider approval of the annual budget.
2. An annual budget –
 - i. Must be approved before the start of the budget year;
 - ii. Is approved through adoption by way of a council resolution referred to in section 17(3)(a)(i) of the MFMA and
 - iii. Must be approved together with the adoption of resolutions as may be necessary-
 1. Imposing any municipal tax for the budget year;
 2. Setting any municipal tariffs for the budget year;
 3. Approving measurable performance objective for revenue from each source and for each vote in the budget;
 - (1) Approving any changes to the Integrated Development Plan; and
 - (2) Approving any changes to the municipality's budget-related policies.
 - (3) The accounting officer of a municipality must submit the approved annual budget to the National Treasury and the relevant Provincial Treasury.

Failure to approve budget before the start of the budget year

Section 25 of the Municipal Finance Management Act no.56 of 2003 states;

1. If a municipal council fails to approve the annual budget including revenue-raising measures necessary to give effect to the budget the council must reconsider the budget

and again vote on the budget or on an amended version thereof within seven days of the council meeting that failed to approve the budget.

2. The process provided for in subsection (1) must be repeated until a budget including revenue-raising measures necessary to give effect to the budget is approved.
3. If a municipality has not approved an annual budget including revenue-raising measures necessary to give effect to the budget by the first day of the budget year the mayor must immediately comply with MFMA Section 55

Consequences of failure to approve budget before start of the budget year

Section 26 of the Municipal Finance Management Act no.56 of 2003 states;

- (1) If by the start of the budget year a municipal council has not approved an annual budget or any revenue-raising measures necessary to give effect to the budget the provincial executive of the relevant province must intervene in the municipality in terms of section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or those revenue-raising measures are approved including dissolving the council and-
 - (a) Appointing an administrator until a newly elected council has been declared elected; and
 - (b) Approving a temporary budget or revenue-raising measures to provide for the continued functioning of the municipality.
- (2) Sections 34(3) and (4) and 35 of the Municipal Structures Act apply when a provincial executive dissolves a municipal council.
- (3) When approving a temporary budget for a municipality in terms of subsection (1) (b) the provincial executive is not bound by any provision relating to the budget process applicable to a municipality in terms of this Act or other legislation. Such a budget must after the intervention has ended be replaced by a budget approved by the newly elected council provided that the provisions of this Chapter relating to annual budgets are substantially complied with in line with any revised time frames approved by the MEC for finance in the province.
- (4) Until a budget for the municipality is approved in terms of subsection (1) funds for the requirements of the municipality may with the approval of the MEC for finance in the province be withdrawn from the municipality's bank accounts in accordance with subsection (5).
- (5) Funds withdrawn from a municipality's bank accounts in terms of subsection (4)-
 - (a) may be used only to defray current and capital expenditure in connection with votes for which funds were appropriated in the approved budget for the previous financial year; and

1.1. MAYOR'S REPORT

That Council takes note that section 16 of the MFMA requires that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

- (a) That Council takes note of the contents of the Final Budget of Greater Taung Local Municipality for the financial year 2025/26 and indicative of the two projected outer years 2026/27 and 2027/28.
- (b) That Council approves of the Final Budget for the 2025/26 financial year as follows:

1.1 Total revenue by source with an amount of R405 467 023

1.2 Operating revenue by source with an amount of R344 760 823

1.3 Operating expenditure by vote with an amount of R432 249 340

1.4 Capital Expenditure by vote with an amount of R81 016 200

- (c) That transfers within a vote be approved at the level of the Municipal Manager in order to reduce bottlenecks and ensure smooth operation of the municipality; and report be submitted to Council on quarterly basis of any transfers made during the financial year.
- (d) That transfer of funds from capital budget should be approved by the municipal manager through consultation with the mayor.
- (e) That Council approves the tariff increases with affect from 01 July 2025 as follows:

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property Rates	4%	4.4%	4.4%
Electricity	11.32%	11.6%	12.3%
Water	4.3%	4.6%	4.4%
Sanitation	4.3%	4.6%	4.4%
Refuse	4.3%	4.6%	4.4%
Other services	As and when the need arises		

- (f) That Council take note of NERSA guideline which indicates a 11.32 % increase.
- (g) That the allowances for ward committee members be R1 500 per month on the condition of at least one sitting.
- (h) That Council further approves of the Salary Budget which is at 52% of the municipality's operating budget.
- (i) That the 2025/26 Final Tariff Schedule be approved

1.2. RESOLUTIONS

GREATER TAUNG LOCAL MUNICIPALITY

MINUTES OF THE SPECIAL COUNCIL MEETING HELD ON FRIDAY 31 MARCH 2025, TAUNG DEPOT HALL AT 14H00.

8.2 Tabling of Municipal Draft Budget in terms of Section 16 of the Municipal Finance Management Act (MFMA)

Report is to give effect to the regulations concerning financial reporting by municipalities: Local Government: Municipal Finance Management Act, 2003 (Act no. 56 of 2003), as promulgated in the Government Gazette no. 26019 dated 13 February 2004

Council Resolution 192-2024/25

- (a) That Council take note of the contents of the Draft Budget of Greater Taung Local Municipality for the financial year 2025/26 and indicative of the two projected outer years 2026/27 and 2027/28.
- (b) That Council approves of the Draft MTREF Budget for the 2025/26 financial year as follows:
 - Total revenue by source with an amount of R 405 467 023
 - Operating revenue by source with an amount of R 344 760 823
 - Operating Expenditure by type with an amount of R 432 249 340
 - Capital Expenditure by vote with an amount of R 81 016 200
- (c) That transfers within a vote be approved at the level of the Municipal Manager in order to reduce bottlenecks and ensure smooth operation of the municipality; and report be submitted to Council on quarterly basis of any transfers made during the financial year.
- (d) That transfer of funds from capital budget should be approved by the municipal manager through consultation with the mayor.
- (e) That Council considers the inputs of the Provincial Treasury after the budget engagement
- (f) That Council approves the Draft tariff increases as follows with affect from 01 July 2025:

Description R thousand %	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property rates	4.0%	4.4%	4.4%
Water	4.3%	4.6%	4.4%
Electricity	11.32%	11.6%	12.3%
Refuse	4.3%	4.6%	4.4%
Sanitation	4.3%	4.6%	4.4%
Other services	As and when a need arise		

- (g) That Council take note of NERSA guideline which indicates an 11.32% increase
- (h) That Council further approves of the Salary Budget with an increase of 4.75% (CPI plus 0.75%) which is the bargaining council increment.
- (i) That the 2025/26 Draft Tariff Schedule be approved
- (j) That Revenue Strategies be enhanced and implemented to collect outstanding monies due to Greater Taung Local Municipality.
- (k) That the following budget related policies be tabled together with the Draft budget and Draft IDP:

- 1) Asset Management Policy
- 2) Budget Policy
- 3) Cash Management & Investment Policy
- 4) Credit Control & Debt Collection Policy
- 5) Funding & Reserve
- 6) Indigent Policy
- 7) Property Rates Policy
- 8) Property Rates By-Laws
- 9) Supply Chain Management Policy
- 10) Tariff Policy
- 11) Virement Policy
- 12) 2025/26 Procurement Plan
- 13) 2025/26 Draft Tariff Schedule
- 14) Cost containment policy
- 15) All the relevant HR policies and NT Circulars

1.3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably economically and equitably to all communities. The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. National Treasury's MFMA Circular No. 129 and 130 were used to guide the compilation of the 2025/26 MTREF.

Financial Assumptions

The revenue proposed through the tax measures announced in this Budget will contribute largely to providing R232.6 billion in additional funding to key programmes over the medium term. This amounts to R102 billion in 2025/26, R68 billion in 2026/27, and R62 billion in 2027/28.

The funding is for spending pressures for infrastructure investments, social protection, a higher-than-anticipated public-service wage agreement, and provisional allocations for critical frontline services.

The local government equitable share will increase from R99.5 billion in 2024/25 to R115.7 billion in 2027/28. This is to fund increases in the cost of bulk water and electricity costs provided for free to needy households. In 2025/26, 83 percent of the local government equitable share provides a free basic services package of R610 per month to 11.2 million poor households.

Economic Outlook:

Real economic growth is forecast to increase to 1.9 per cent in 2025. Lower-than-expected growth in 2024 is due to unanticipated weaknesses in agriculture and transport during the third quarter. Economic growth is projected to average 1.8 per cent from 2025 to 2027, with the continued recovery supported by improved investor confidence, stable electricity supply, lower interest rates and a declining risk premium. Continued implementation of structural reforms is essential to accelerate growth, supported by macroeconomic stability, infrastructure investment and a capable state.

Budget Framework:

Investing in strategic infrastructure, supporting job creation and maintaining a growth-friendly fiscal policy will underpin government policy over the medium term. The fiscal strategy remains on course. It blends critical spending measures, including for essential services and infrastructure investments, with revenue increases. The consolidated budget deficit is expected to narrow from 5 per cent of GDP in 2024/25 to 3.5 per cent of GDP in 2027/28. Government will reach the important milestone to stabilise debt next year through the strengthening primary surplus. Debt-service costs, which consume 22 cents of every rand of revenue, will stabilise in the current year.

Spending Programmes:

Consolidated government spending increases at an annual average of 5.6 per cent, from R2.4 trillion in 2024/25 to R2.83 trillion in 2027/28. Over the medium term, economic development is the fastest-growing function at an annual average rate of 8.1 per cent, driven by higher allocations to infrastructure projects. Spending is highly redistributive, with the social wage making up 61 per cent of total consolidated non-interest spending over the next three years. The 2025 Budget funds spending pressures of R232.6 billion over the medium-term expenditure framework (MTEF) period, including provisional allocations for frontline service delivery departments amounting to R70.7 billion. Additional funding of R46.7 billion is made available for infrastructure investments and R23.4 billion is made available for the 2025 public service wage agreement, which provides greater certainty for budget planning for the next three years.

Principles and guidelines:

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF. The 2025/26 Budget priorities and targets as well as the base line allocations contained in the draft budget were adopted as the upper limits for the new baselines for the 2025/26 annual budget. Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI except where there are price increases in the inputs of services that are beyond the control of the municipality for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective and should consider the need to address infrastructure backlogs.

The latest release of the municipal standard chart of accounts (mSCOA) version 6.9 has a huge impact on the municipality on how the budget is compiled since it now requires all budget schedules to be extracted directly from the financial system as opposed to previously when only the main budget tables were a strict requirement to be extracted from the financial system. This has presented challenges not only to the municipality but also on the side of the financial system vendor where numerous budget input templates had to be developed and training needed to be provided to end-users to assist with populating budget data into the financial system and ensure compliance

with mSCOA regulations the municipality has also resuscitated the mSCOA Committee to ensure that compliance is attained. Despite these challenges that we have faced our budget has been prepared in line with the latest requirements of mSCOA.

In view of the abovementioned, the following table is a consolidated overview of the proposed 2025/26 Medium-term Revenue and Expenditure Framework:

Table 1. Consolidated Overview of the 2025/26 MTREF

NW394 Greater Taung - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	45 256	26 214	29 883	44 172	–	–	–	45 939	36 751	38 401
Service charges	7 251	11 746	11 821	14 831	–	–	–	20 150	13 918	14 543
Investment revenue	6 820	6 591	6 575	10 000	–	–	–	10 480	10 941	11 432
Transfer and subsidies - Operational	241 465	213 566	239 776	254 670	–	–	–	266 922	266 266	265 174
Other own revenue	6 550	4 777	6 053	7 210	–	–	–	16 173	16 885	17 643
Total Revenue (excluding capital transfers and contributions)	307 343	262 894	294 109	330 883	–	–	–	359 664	344 761	347 193
Employee costs	114 075	122 543	123 466	134 368	–	–	–	143 086	148 572	155 629
Remuneration of councillors	20 130	20 303	21 098	23 279	–	–	–	24 908	26 091	27 330
Depreciation and amortisation	–	–	80 996	36 500	–	–	–	38 252	39 897	41 652
Interest	–	26	170	635	–	–	–	400	417	436
Inventory consumed and bulk purchases	13 528	17 034	14 793	13 485	–	–	–	15 446	20 221	21 434
Transfers and subsidies	572	300	453	1 000	–	–	–	50	500	530
Other expenditure	99 328	130 753	153 381	150 994	–	–	–	133 655	196 551	205 987
Total Expenditure	247 633	290 959	394 357	360 261	–	–	–	355 797	432 249	452 999
Surplus/(Deficit)	59 710	(28 065)	(100 248)	(29 378)	–	–	–	3 867	(87 489)	(105 806)
Transfers and subsidies - capital (monetary allocations)	–	–	48 338	53 691	–	–	–	69 600	60 706	60 416
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	59 710	(28 065)	(51 910)	24 314	–	–	–	73 467	(26 782)	(45 390)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	59 710	(28 065)	(51 910)	24 314	–	–	–	73 467	(26 782)	(45 390)

Total revenue budget for the 2025/26 financial year is projected at R405 million, this indicates an increase of thirteen percent when compared to the R359 million revenue budget of 2024/25. The revenue budget is inclusive of R60 million which relates to the Municipal Infrastructure Grant (MIG). The electricity service charges are projected to increase by 11.32% in the 2025/26 financial year as prescribed by the National Energy Regulator of South Africa (NERSA). This is due to the increase in revenue from transfers and subsidies by government and that which is raised through increased tariffs in line with CPI inflation. The deteriorating state of finances for municipalities continues and high unemployment rate results in more indigents which puts pressure on the ability of municipality to collect revenue.

As such our municipality therefore needs to follow a conservative approach when projecting revenue and to eliminate any wasteful and unnecessary expenditure. Importantly we should ensure that we adopt realistic and funded 2025/26 MTREF budget collect the debts owed to us and pay creditors within 30 days of receipt of invoice as prescribed by the MFMA.

Total operating expenditure budget totals R432 million which indicates an increase of R75.5 million for the 2025/26 financial year when compared to the 2024/25 operating expenditure budget of R357 million.

Capital expenditure budget is projected at R86 million for the 2025/26 which is made up of R60.6 million from Municipal Infrastructure Grant; R5 million from the Department of Sports, Arts and Culture; R40 000 from the Library Grant and R20.3 million from own funding. There is no indication of the INEP grant in the 2025/26 financial year. Own funding increases from R3M to R21.6M. The MIG grant is R55M inclusive of a R5M maintenance budget for sports facilities from the department of sports, arts and culture.

OPERATING REVENUE FRAMEWORK

For Greater Taung Local Municipality to continue improving the quality of services provided to its community it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management which aims to ensure at least 60% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality

The following table is a summary of the 2025/26 MTREF:

Table 2. Summary of revenue classified by main revenue source

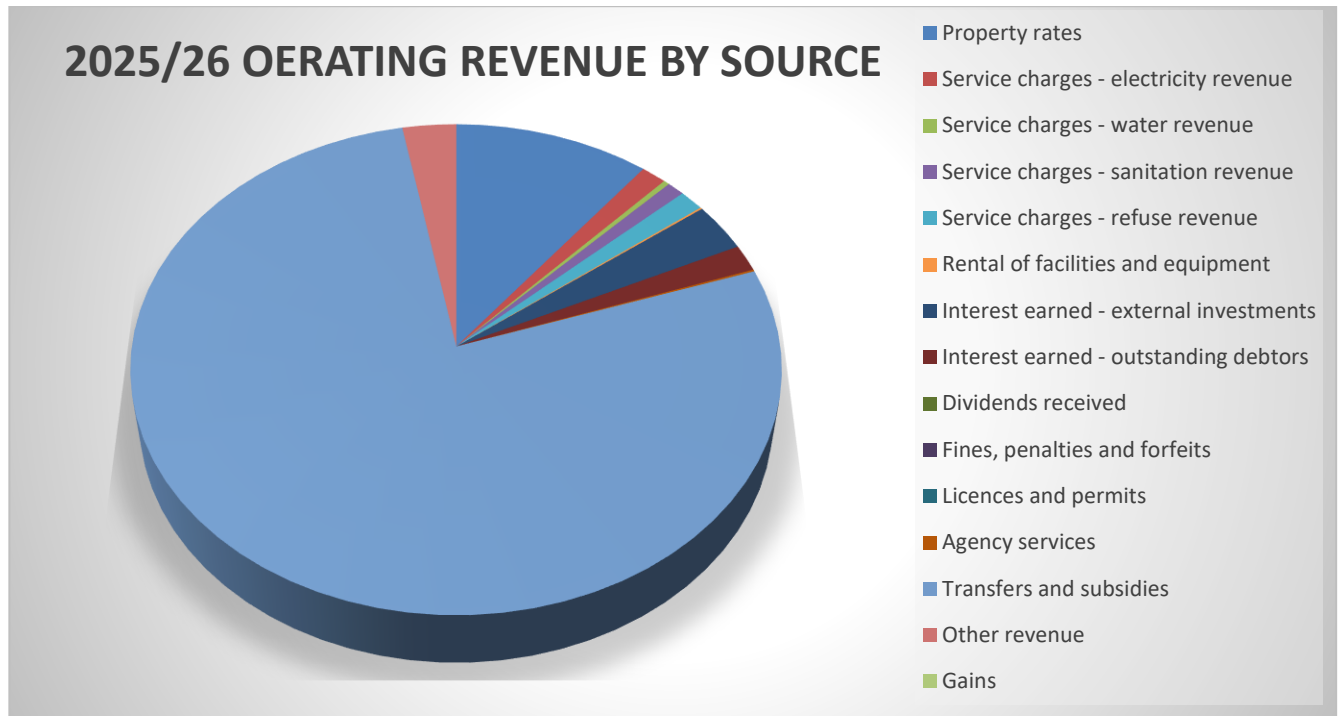
NW394 Greater Taung - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Framework	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27
Revenue										
Exchange Revenue										
Service charges - Electricity	2	1 669	3 586	3 450	6 055	-	-	-	6 826	4 778
Service charges - Water	2	704	1 181	1 287	1 148	-	-	-	1 870	1 122
Service charges - Waste Water Management	2	2 430	2 862	2 951	3 259	-	-	-	4 725	3 308
Service charges - Waste Management	2	2 449	4 118	4 134	4 369	-	-	-	6 729	4 710
Sale of Goods and Rendering of Services		2 120	623	682	906	-	-	-	1 190	1 242
Agency services		597	682	40	250	-	-	-	400	418
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 995	2 423	2 829	2 761	-	-	-	2 894	3 021
Interest earned from Current and Non Current Assets		6 820	6 591	6 575	10 000	-	-	-	10 480	10 941
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		156	(297)	386	350	-	-	-	367	383
Licence and permits		-	-	-	-	-	-	-	-	-
Operational Revenue		663	105	1 003	205	-	-	-	8 453	8 825
Non-Exchange Revenue										
Property rates	2	45 256	26 214	29 883	44 172	-	-	-	45 939	36 751
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		241 465	213 566	239 776	254 670	-	-	-	266 922	266 266
Interest		1 020	1 241	1 113	2 738	-	-	-	2 869	2 995
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		307 343	262 894	294 109	330 883	-	-	-	359 664	344 761

In line with the formats prescribed by the Municipal Budget and Reporting Regulations capital transfers and contributions are excluded from the operating statement as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Municipality adopts a tariff setting methodology that achieves an appropriate balance between the interest of poor households and other customers while ensuring financial sustainability of the municipality.

When setting tariffs, the following was considered:

- The guidelines from National Treasury
- cost of bulk purchases and the fluctuation of seasonal consumption;
- cost of providing services; and
- sound baseline information.
- The affordability of the services to all the classes of the consumers

Chart 1: Revenue Mix

Revenue from grants contributes 77% of the total operating revenue budget, this indicates that the municipality is grant dependent. Revenue generated from property rates is the second largest revenue source for the municipality alongside Transfers and subsidies. Service charges electricity is the largest of the service charges revenue. Transfers from National and Provincial government totals R266 million of the total R344 million revenue budgets, this translates to eighty percent of the total revenue budget.

Table 3. Operating Transfers and Grant Receipts**NW394 Greater Taung - Supporting Table SA18 Transfers and grant receipts**

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		5 058	4 807	5 355	5 925	–	6 149	7 496	4 842	4 715
Expanded Public Works Programme Integrated Grant		1 758	1 707	2 255	–	–	3 049	1 715	1 842	1 715
Local Government Financial Management Grant		3 300	3 100	3 100	3 100	–	3 100	3 000	3 000	3 000
Municipal Infrastructure Grant		–	–	–	2 825	–	–	2 781	–	–
Provincial Government:		–	–	–	1 097	–	–	1 146	1 259	1 319
Specify (Add grant description)		–	–	–	1 097	–	–	1 146	1 259	1 319
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	1 081	1 427	1 912
North West Provincial Arts and Culture Council		–	–	–	–	–	–	1 081	1 427	1 912
Total Operating Transfers and Grants	5	5 058	4 807	5 355	7 022	–	6 149	9 723	7 528	7 946
Capital Transfers and Grants										
National Government:		46 717	40 218	54 163	53 691	–	52 730	69 535	63 596	63 554
Municipal Infrastructure Grant		46 717	40 218	54 163	53 691	–	52 730	62 835	63 596	63 554
Integrated National Electrification Programme Grant		–	–	–	–	–	–	6 700	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	65	40	40
North West Provincial Arts and Culture Council		–	–	–	–	–	–	65	40	40
Total Capital Transfers and Grants	5	46 717	40 218	54 163	53 691	–	52 730	69 600	63 636	63 594
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	51 775	45 025	59 518	60 714	–	58 879	79 323	71 164	71 540

Proposed Tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates tariffs and other charges were revised local economic conditions input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the upper boundary of the South African Reserve Bank's inflation target. The municipality increased the property rates tariff by 4% and increased other tariffs charges with 4.3% except for electricity which was increased by 11.32% as per NERSA guidelines. Excessive increases are likely to be counterproductive resulting in higher levels of non-payment.

Multi-year tariff increases are proposed as follows:

Table 4. Proposed Tariff Setting

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property Rates	4%	4.4%	4.4%
Electricity	11.32%	11.6%	12.3%
Water	4.3%	4.6%	4.4%
Sanitation	4.3%	4.6%	4.4%
Refuse	4.3%	4.6%	4.4%
Other services	As and when the need arises		

1.3.1. Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2025/26 financial year based on a 4% for all properties.

The municipality has performed a reconciliation of the valuation roll against the financial system where disparities were found and the municipality is in the process of correcting the budget estimates above have taken these into consideration.

Table 5. Property rates

PROPERTY TAXES (Zero VAT Rated)							
Residential	R 0.01487	4.0%	R 0.01547	4.4%	R 0.01615	4.4%	R 0.01686
Businesses	R 0.01856	4.0%	R 0.01931	4.4%	R 0.02016	4.4%	R 0.02104
Industrial	R 0.01856	4.0%	R 0.01931	4.4%	R 0.02016	4.4%	R 0.02104
Agricultural	R 0.00372	4.0%	R 0.00387	4.4%	R 0.00404	4.4%	R 0.00421
Agricultural: Businesses	R 0.00000	4.0%	R 0.00000	4.4%	R 0.00000	4.4%	R 0.00000
PSP (Public Service Purposes)	R 0.01856	4.0%	R 0.01931	4.4%	R 0.02016	4.4%	R 0.02104
Multipurpose (Tariff Calculated based on Percentage of Property usage as Residential)	R 0.00000	4.0%	R 0.00000	4.4%	R 0.00000	4.4%	R 0.00000
Multipurpose (Tariff Calculated based on Percentage of Property usage as Business)	R 0.00000	4.0%	R 0.00000	4.4%	R 0.00000	4.4%	R 0.00000
PSI (Eg Roads)	R 0.01856	4.0%	R 0.01931	4.4%	R 0.02016	4.4%	R 0.02104
Mining	R 0.00000	4.0%	R 0.00000	4.4%	R 0.00000	4.4%	R 0.00000
Public Benefit Org (Eg Church, Sport Body)	R 0.00000	4.0%	R 0.00000	4.4%	R 0.00000	4.4%	R 0.00000

1.3.2. Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity since demand growth outstrips supply. Consequently National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective.

A tariff increases of 4.3 per cent from 1 July 2025 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge for all registered indigents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 6: Proposed Water Tariffs

WATER							
Households and Businesses							
Indigent households (0 kl - 6 kl)	R 0.00	0.0%	R 0.00	0.0%	R 0.00	0.0%	R 0.00
Consumption per kilolitre per monthly reading/estimate (0 kl - 6 kl)	R 6.04	4.3%	R 6.30	4.6%	R 6.59	4.4%	R 6.88
Consumption per kilolitre per monthly reading/estimate (7 kl - 15 kl)	R 6.04	4.3%	R 6.30	4.6%	R 6.59	4.4%	R 6.88
Consumption per kilolitre per monthly reading/estimate (16 kl - 30 kl)	R 8.17	4.3%	R 8.52	4.6%	R 8.91	4.4%	R 9.30
Consumption per kilolitre per monthly reading/estimate (31 kl - 50 kl)	R 10.12	4.3%	R 10.56	4.6%	R 11.05	4.4%	R 11.54
Consumption per kilolitre per monthly reading/estimate (51 kl and more)	R 12.25	4.3%	R 12.78	4.6%	R 13.37	4.4%	R 13.96

The above table shows the impact of the proposed increases in water tariffs on the water charges.

1.3.3. Sale of Electricity and Impact of Tariff Increases

NERSA proposed a 11.32% increase in electricity tariffs for the 2025/26 financial year.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2025. The effect thereof will be that the higher the consumption the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

Table 7. Proposed Electricity Tariff Increase

ELECTRICITY							
Basic Levy in Rand							
Indigent Registered (50 units free)	R 0.0000	11.3%	R 0.00	11.4%	R 0.00	12.6%	R 0.00
Residential Prepay	R 0.0000	11.3%	R 0.00	11.4%	R 0.00	12.6%	R 0.00
Household Tariff per month	R 176.5800	11.3%	R 196.57	11.4%	R 218.96	12.6%	R 246.55
Availability per year (Empty sites)	R 463.3900	11.3%	R 515.85	11.4%	R 574.61	12.6%	R 647.01
Three-phase & Small Business per month	R 483.5700	11.3%	R 538.31	11.4%	R 599.62	12.6%	R 675.17
Medium Users	R 1,711.4300	11.3%	R 1,905.16	11.4%	R 2,122.16	12.6%	R 2,389.55
Units (energy) in Rand							
Indigents per unit (50 units free)	R 0.0000	11.3%	R 0.00	11.4%	R 0.00	12.6%	R 0.00
Household pre-paid (no basic)	R 0.0000	11.3%	R 0.00	11.4%	R 0.00	12.6%	R 0.00
Three Phase & Commercial	R 2.8000	11.3%	R 3.12	11.4%	R 3.48	12.6%	R 3.92
Commercial Med users	R 1.7600	11.3%	R 1.96	11.4%	R 2.18	12.6%	R 2.45
Commercial Med users pre-paid	R 1.7600	11.3%	R 1.96	11.4%	R 2.18	12.6%	R 2.45
KVA in Rand	R 309.0200	11.3%	R 344.00	11.4%	R 383.18	12.6%	R 431.46
KVA Departmental Usage (Own) In Rand	R 309.0200	11.3%	R 344.00	11.4%	R 383.18	12.6%	R 431.46
Indigent pre-paid (50 units free)	R 0.0000	11.3%	R 0.00	11.4%	R 0.00	12.6%	R 0.00
Business pre-paid	R 2.8000	11.3%	R 3.12	11.4%	R 3.48	12.6%	R 3.92
Department Usage (Commercial)	R 2.8000	11.3%	R 3.12	11.4%	R 3.48	12.6%	R 3.92
Taung Taxi Tank Pre-Pay	R 2.8000	11.3%	R 3.12	11.4%	R 3.48	12.6%	R 3.92
Consumer Deposit (no deposit with prepay)	R 563.6000	11.3%	R 627.40	11.4%	R 698.86	12.6%	R 786.92
Business Deposit (or according to usage if>)	R 1,127.2000	11.3%	R 1,254.80	11.4%	R 1,397.72	12.6%	R 1,573.83
TEST METER (refundable if proven incorrect)	R 338.1600	11.3%	R 376.44	11.4%	R 419.32	12.6%	R 472.15

1.3.4. Sanitation and Impact of Tariff Increases

A tariff increases of five per cent for sanitation from 1 July 2025 is proposed. This is based on the input cost assumptions related to water. The following table compares the current and proposed tariff.

Table 8. Proposed Sanitation Tariff Increase

SANITATION SERVICES							
New Connections							
New connection	R 424.00	4.3%	R 442.23	4.6%	R 462.57	4.4%	R 482.92
Availability fees							
Monthly fee: Empty erven/houses/buildings not connected to network	R 318.00	4.3%	R 331.67	4.6%	R 346.93	4.4%	R 362.19
Yearly fee: Empty erven/houses/buildings not connected to network	R 2,120.00	4.3%	R 2,211.16	4.6%	R 2,312.87	4.4%	R 2,414.64
Sewerage fees per month							
Households for the first 4 flush units	R 67.20	4.3%	R 70.09	4.6%	R 73.31	4.4%	R 76.54
Households for every flush unit above 4 to maximum of an additional 5 flush units	R 74.20	4.3%	R 77.39	4.6%	R 80.95	4.4%	R 84.51
Sport clubs for the first 4 flush units	R 74.20	4.3%	R 77.39	4.6%	R 80.95	4.4%	R 84.51
Sport clubs for every flush unit above the first 4 flush units	R 106.00	4.3%	R 110.56	4.6%	R 115.65	4.4%	R 120.74
Church halls	R 175.13	4.3%	R 182.66	4.6%	R 191.06	4.4%	R 199.47
Early Learning Centres/Creche per flush unit	R 175.13	4.3%	R 182.66	4.6%	R 191.06	4.4%	R 199.47
Schools per flush unit	R 175.13	4.3%	R 182.66	4.6%	R 191.06	4.4%	R 199.47
Other premises: Per flush unit or 600mm urinal to a maximum of 50 flush units	R 180.20	4.3%	R 187.95	4.6%	R 196.60	4.4%	R 205.25
Sewerage blockages							
For the first hour or part thereof	R 230.44	4.3%	R 240.35	4.6%	R 251.41	4.4%	R 262.47
For every hour thereafter and part thereof	R 63.60	4.3%	R 66.33	4.6%	R 69.38	4.4%	R 72.43
CESSPOOL SERVICES							
Residential removal of sewerage from suction tank connected on the main sanitation line (per load)	R 67.20	4.3%	R 70.09	4.6%	R 73.31	4.4%	R 76.54
Business removal of sewerage from suction tank connected on the main sanitation line (per load)	R 74.20	4.3%	R 77.39	4.6%	R 80.95	4.4%	R 84.51
Removal of sewerage from suction tank within the 10km radius of the municipality (per load)	R 201.40	4.3%	R 210.06	4.6%	R 219.72	4.4%	R 229.39
Removal of sewerage from suction tank outside 10km radius (per load)	R 201.40	4.3%	R 210.06	4.6%	R 219.72	4.4%	R 229.39
Removal of sewerage from suction tank outside 10km radius (per kilometre)	R 10.60	4.3%	R 11.06	4.6%	R 11.57	4.4%	R 12.08

1.3.5. Waste Removal and Impact of Tariff Increases

A five per cent increase in the waste removal tariff is proposed from 1 July 2025. Any increase higher than five per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

Table 9. Waste Removal Tariff Increase

REFUSE REMOVAL SERVICES							
Refuse removal fees per month (one removal per week unless otherwise indicated)							
Residential Household	R 74.33	4.3%	R 77.53	4.6%	R 81.10	4.4%	R 84.67
Residential With additional flat	R 148.65	4.3%	R 155.04	4.6%	R 162.17	4.4%	R 169.31
Churches/Halls	R 75.73	4.3%	R 78.99	4.6%	R 82.62	4.4%	R 86.26
Sporting clubs	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Theatres	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Squatters with community toilets and water (all-inclusive tariff)	R 74.33	4.3%	R 77.53	4.6%	R 81.10	4.4%	R 84.67
Guest houses / Lodges (per room to a maximum of 10 rooms)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Hotels (3 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Old age homes and care centres	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Cafés, green grocers and restaurants (3 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Hostels	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Hospitals	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Schools	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Shops, hardware stores and other businesses	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Chain stores and supermarkets (3 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Banks, libraries, large offices and department offices	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Garages, workshops and spare part centres	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Factories	R 224.72	4.3%	R 234.38	4.6%	R 245.16	4.4%	R 255.95
Taxi rank (3 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Offices	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Franchise restaurants (3 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Tuck shops and taverns	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Exhaust centres	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Businesses on residential sites will be determined per type of business	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Shoprite, Spar and Pick & Pay (7 times per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Special removal from businesses per load	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Centres will be based on number and type of businesses in centre	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Business standing empty	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Mass containers (1 m³) (Capital Cost R 1,100)	R 224.72	4.3%	R 234.38	4.6%	R 245.16	4.4%	R 255.95
Mass containers (8 m³) (Capital Cost R 12,000)	R 224.72	4.3%	R 234.38	4.6%	R 245.16	4.4%	R 255.95
Mass containers (18 m³) (Capital Cost R 32,000)	R 224.72	4.3%	R 234.38	4.6%	R 245.16	4.4%	R 255.95

REFUSE REMOVAL SERVICES							
Refuse removal per 240 Liter refuse bin (2 removals per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Refuse removal per 240 Liter refuse bin (3 removals per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Refuse removal per 240 Liter refuse bin (7 removals per week)	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Refundable deposit: All new business applications - relocations included	R 191.01	4.3%	R 199.22	4.6%	R 208.38	4.4%	R 217.55
Penalty for the removal of municipal refuse bins (240 Liter refuse bins) from any premises	R 224.72	4.3%	R 234.38	4.6%	R 245.16	4.4%	R 255.95

1.3.6. Overall impact of tariff increases on households

The above table shows the overall expected impact of the tariff increases on a large and small household as well as an indigent household receiving free basic services.

1.4. OPERATING EXPENDITURE FRAMEWORK

The expenditure framework for the 2025/2026 MTREF is informed by:

- balanced budget constraints where operating expenditure should not exceed operating revenue;
- funding of the budget over the medium term as informed by section 18 and 19 of the MFMA;
- the capital programme;
- repairs and maintenance;
- direct available financial resources towards meeting the projects as identified in the IDP;
- bulk purchases costs for electricity and water;
- eliminating spending on non-priority items.

The following table is a high-level summary of the 2025/26 budget and MTREF (classified per main type of operating expenditure):

Table 10. Summary of operating expenditure by standard classification item

NW394 Greater Taung - Table A4 Budgeted Financial Performance (revenue and expenditure)										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Framework	
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27
Expenditure										
Employee related costs	2	114 075	122 543	123 466	134 368	-	-	-	143 086	148 572
Remuneration of councillors		20 130	20 303	21 098	23 279	-	-	-	24 908	26 091
Bulk purchases - electricity	2	9 316	11 118	4 601	5 500	-	-	-	7 256	7 521
Inventory consumed	8	4 212	5 916	10 192	7 985	-	-	-	8 190	12 700
Debt impairment	3	29	-	-	5 500	-	-	-	5 000	-
Depreciation and amortisation		-	-	80 996	36 500	-	-	-	38 252	39 897
Interest		-	26	170	635	-	-	-	400	417
Contracted services		52 116	68 013	75 428	65 916	-	-	-	63 342	89 087
Transfers and subsidies		572	300	453	1 000	-	-	-	50	500
Irrecoverable debts written off		-	-	-	-	-	-	-	-	6 000
Operational costs		47 183	62 740	77 953	79 578	-	-	-	65 313	101 464
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		247 633	290 959	394 357	360 261	-	-	-	355 797	432 249

Employee Related Cost

Employee related costs increased from 143M to R148M, an increase of 4.75% (CPI plus 0.75%) this is as per bargaining council agreement.

Councillor's Remuneration

he councillors' remuneration also increased from R24.9M to R26M. This is set to accommodate the councillors' upper limits; the gazette is released post approval of the annual budget.

Depreciation

Depreciation increased from R38.2M to R39.9M, an increment of R1.7M

Bulk Purchases

According to NERSA tariffs for Eskom direct customers will increase by 12.74% effective from 1 April 2025 and tariffs for municipal bulk purchases will increase by 11.32% effective from 1 July 2025.

Inventory consumed.

Inventory consumed increased from R8.1M to R12.5 due to correct mSCOA accounts mapping

Contracted Services

Repairs and maintenance increased with R8M, from R10M to R18M this is a recommendation from the Provincial Treasury.

Consultancy and professional services were increased to R70.1M

Other Expenditure

Other Expenditure increased from R64M to R101M

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment for the 2025/26 financial year equates to R6 000 000. While this expenditure is considered to be a non-cash flow item it informed the total cost associated with rendering the services of the municipality this relates to the amounts that the municipality considers might not be recovered from the consumers due to non-payments of the services as well as the municipality's realistically anticipated revenues. Debt impairment budget was done based on prior period information i.e. prior audited financial statements however due to improved debt collection strategies improved collection rate in the current year and the appointment of the municipal debt collector it is expected that the final budget will possibly reflect a lower provision of debt impairment the budgeting for this line item will be reviewed will possibly significantly decrease the anticipated deficit.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R39 897 000 for the 2025/26 financial and equates to 10 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on finance leases; interests on landfill sites; interest on post-employment (current and non-current) and interest on overdue accounts. Finance charges make up one per cent (R417 000) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

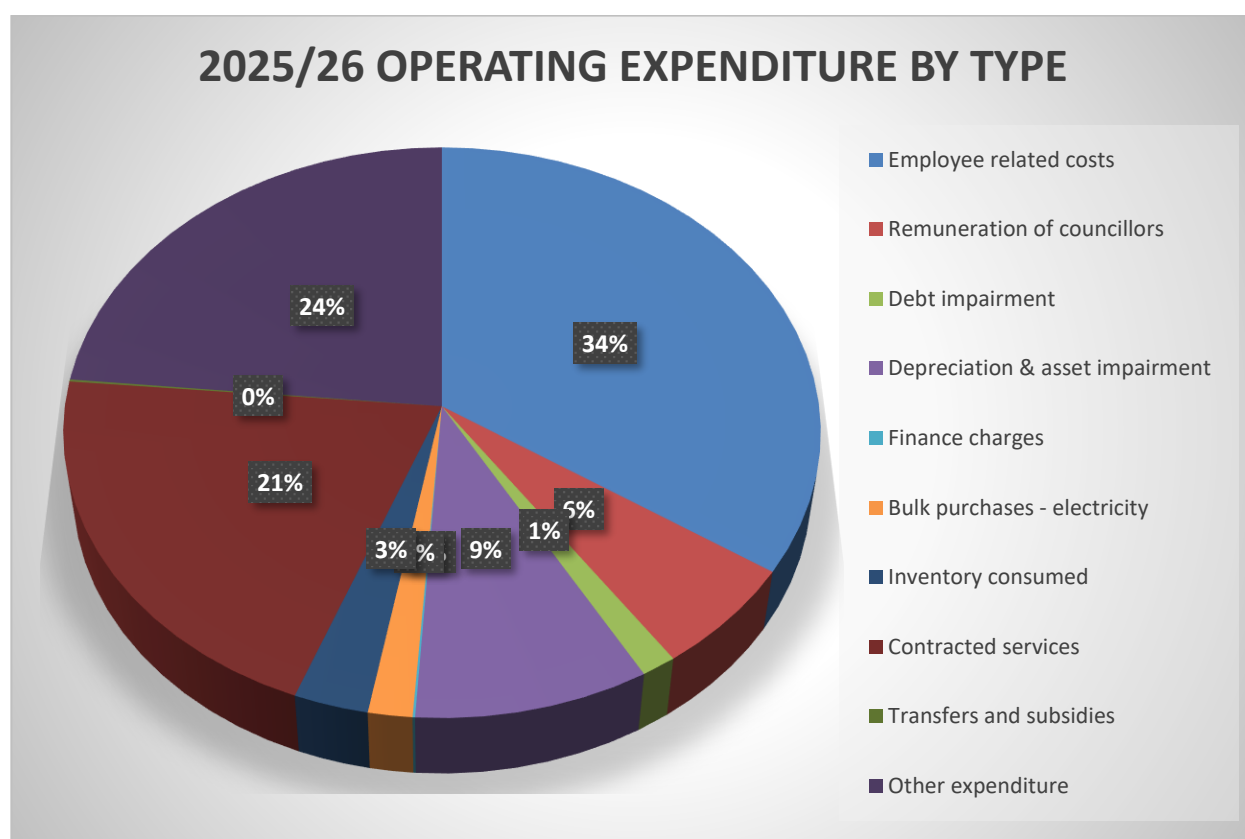
Other materials comprise of amongst others the purchase of fuel diesel materials for maintenance and cleaning materials. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure.

Contracted services is made up of business advisory (consultants); repairs and maintenance and catering.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2025/26 financial year.

Chart 2: Expenditure by type



Employee related costs is the largest contributor of the total operating expenditure budget, followed by general expenditure and contracted services.

These are essential for day-to-day running of the municipality; thus, the municipality retained them as they are.

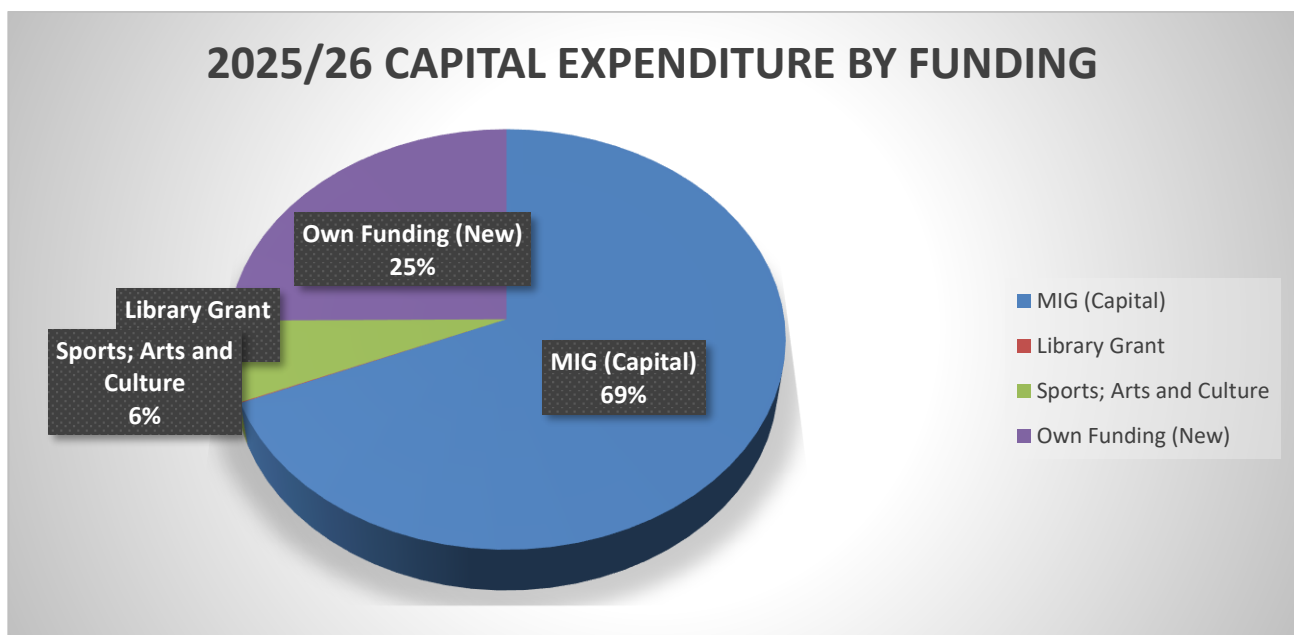
1.5. CAPITAL EXPENDITURE

The capital amount proposed for 2025/26 amounts to R81 056 2000. Greater Taung Local Municipality mainly spends its capital expenditure on infrastructure services and for the 2025/26 financial year 90% of the capital budget is allocated to the Infrastructure Department.

Table 11. Capital Expenditure

NW394 Greater Taung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional											
Governance and administration		6 392	5 986	7 411	6 750	-	-	-	2 750	15 050	15 200
Executive and council		112	44	509	-	-	-	-	-	200	202
Finance and administration		6 280	5 942	6 901	6 750	-	-	-	2 750	14 850	14 998
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		21 799	19 863	31 064	10 057	-	-	-	20 145	8 721	40
Community and social services		502	584	358	165	-	-	-	10 065	5 040	40
Sport and recreation		21 297	19 279	30 706	9 892	-	-	-	10 080	3 681	-
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		39 936	34 511	47 880	40 049	-	-	-	33 172	40 313	65 729
Planning and development		1 156	4 069	4 606	2 136	-	-	-	-	700	707
Road transport		38 780	30 442	43 274	37 913	-	-	-	33 172	39 613	65 022
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		15 046	8 176	7 861	7 000	-	-	-	16 533	17 012	40
Energy sources		10 760	8 051	6 537	-	-	-	-	6 700	40	40
Water management		3 819	70	-	-	-	-	-	-	-	-
Waste water management		-	-	1 324	7 000	-	-	-	9 583	16 972	-
Waste management		467	54	-	-	-	-	-	250	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	83 174	68 535	94 217	63 856	-	-	-	72 600	81 096	81 010
Funded by:											
National Government		34 270	34 015	53 147	53 691	-	-	-	69 535	60 706	60 416
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		502	51	349	45	-	-	-	65	40	40
Transfers recognised - capital	4	34 772	34 065	53 496	53 736	-	-	-	69 600	60 746	60 456
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		48 402	34 470	40 720	10 120	-	-	-	3 000	20 350	20 553
Total Capital Funding	7	83 174	68 535	94 217	63 856	-	-	-	72 600	81 096	81 010

Chart 2: Capital Expenditure by funding



1.5.1. Municipal Infrastructure Grant Capital Expenditure**Table 12. Municipal Infrastructure Grant Capital Expenditure Budget**

Description	
R thousand '000	Budget Year 2025/26
Construction of Matlhako 2 Access Road (Multi-Year): 2km	5,000
Construction of Khaukwe Road and Stormwater (multi-year):1km	5,800
Construction of Shaleng Access Road (Multi-Year): 2km	5,000
Construction of Majaneng Access Road (Multi-Year): 2km	5,000
Rietfontein Storm-water Management (Multi-Year): 2km	6,172
Closure of Pudimoe Land-fill site	3,146
Installation of 24 solar High-mast Lights in Various wards	13,920
Refurbishment of Mokassa 1 and Sekhing Sports facility (Ring fenced allocation from Department of Sports, Arts and Culture)	5,000
Construction of Vaaltyn Access Road	3,681
Construction of Seoding Access road	3,578
Construction of Tlapeng 2 Access Road	4,369

1.5.2. Own Funding Capital Expenditure**Table 13. Own Funding Capital Expenditure**

Description R thousand '000	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Computer Equipment	300	303	308
Office Furniture	200	202	205
Complete construction of 1 km road at Pudimoe Township	3,000	3,030	3,075
Office Space	1,500	1,515	1,538
Boardroom Furniture	200	202	205
Sewer Tanker	1,600	1,616	1,640
Tractor	500	505	513
Slasher	300	303	308
Office furniture	500	505	513
Bakkie for parks	700	707	718
Parks machinery Parks	250	253	256
Machinery Maintenance	400	404	410
Tipper Truck	1,600	1,616	1,640
11kv Line	4,000	4,040	4,101
Jojo Tanks X5	100	101	103
Mobile Sewer Pumps X5	1,500	1,515	1,538
Network Infrastructure and Telephone	2,500	2,525	2,563
CCTV	450	455	461
Transfer station	750	758	769
Totals	20,350	20,554	20,862

1.6. ANNUAL BUDGET TABLES - PARENT MUNICIPALITY

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council.

NW394 Greater Taung - Table A1 Budget Summary										
Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Financial Performance										
Property rates	45 256	26 214	29 883	44 172	–	–	–	45 939	36 751	38 401
Service charges	7 251	11 746	11 821	14 831	–	–	–	20 150	13 918	14 543
Investment revenue	6 820	6 591	6 575	10 000	–	–	–	10 480	10 941	11 432
Transfer and subsidies - Operational	241 465	213 566	239 776	254 670	–	–	–	266 922	266 266	265 174
Other own revenue	6 550	4 777	6 053	7 210	–	–	–	16 173	16 885	17 643
Total Revenue (excluding capital transfers and contributions)	307 343	262 894	294 109	330 883	–	–	–	359 664	344 761	347 193
Employee costs	114 075	122 543	123 466	134 368	–	–	–	143 086	148 572	155 629
Remuneration of councillors	20 130	20 303	21 098	23 279	–	–	–	24 908	26 091	27 330
Depreciation and amortisation	–	–	80 996	36 500	–	–	–	38 252	39 897	41 652
Interest	–	26	170	635	–	–	–	400	417	436
Inventory consumed and bulk purchases	13 528	17 034	14 793	13 485	–	–	–	15 446	20 221	21 434
Transfers and subsidies	572	300	453	1 000	–	–	–	50	500	530
Other expenditure	99 328	130 753	153 381	150 994	–	–	–	133 655	196 551	205 987
Total Expenditure	247 633	290 959	394 357	360 261	–	–	–	355 797	432 249	452 999
Surplus/(Deficit)	59 710	(28 065)	(100 248)	(29 378)	–	–	–	3 867	(87 489)	(105 806)
Transfers and subsidies - capital (monetary allocations)	–	–	48 338	53 691	–	–	–	69 600	60 706	60 416
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	59 710	(28 065)	(51 910)	24 314	–	–	–	73 467	(26 782)	(45 390)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	59 710	(28 065)	(51 910)	24 314	–	–	–	73 467	(26 782)	(45 390)
Capital expenditure & funds sources										
Capital expenditure	83 174	68 535	94 217	63 856	–	–	–	72 600	81 096	81 010
Transfers recognised - capital	34 772	34 065	53 496	53 736	–	–	–	69 600	60 746	60 456
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	48 402	34 470	40 720	10 120	–	–	–	3 000	20 350	20 553
Total sources of capital funds	83 174	68 535	94 217	63 856	–	–	–	72 600	81 096	81 010
Financial position										
Investments	–	–	–	–	–	–	–	–	–	–
LIABILITIES	–	–	–	–	–	–	–	–	–	–
Financial liabilities	–	(7)	(7)	373	–	–	–	(7)	–	–
NET ASSETS	876 879	815 313	752 927	148 644	–	–	–	825 608	681 134	640 248
Community wealth/Equity	–	–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating	314 292	132 506	139 044	71 760	–	–	–	100 661	8 344	(8 784)
Net cash from (used) investing	(94 534)	(82 421)	(57 390)	(63 856)	–	–	–	(72 600)	(81 096)	(81 010)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	219 758	194 152	163 693	54 129	–	–	–	75 843	3 091	(86 702)
Cash backing/surplus reconciliation										
Non current Investments	37 542	50 337	5 662	1 968	–	–	–	2 431	1 902	1 902
Statutory requirements	201 344	100 799	96 374	121 521	–	–	–	131 026	11 718	(67 064)
Balance - surplus (shortfall)	(163 802)	(50 462)	(90 712)	(119 552)	–	–	–	(128 595)	(9 817)	68 966
Asset management										
Asset register summary (WDV)	697 707	748 173	726 420	103 502	–	–	–	711 099	757 390	740 836
Depreciation	–	–	80 996	36 500	–	–	–	38 252	39 897	41 652
Renewal and Upgrading of Existing Assets	–	80	–	3 000	–	–	–	(2 053)	18 669	229
Repairs and Maintenance	18 177	23 888	29 525	21 425	–	–	–	10 930	19 282	20 438
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	4 116	4 697	3 187	7 152	5	5	–	7 762	6 097	6 370
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
<i>Governance and administration</i>		296 945	247 754	273 492	305 877	–	–	329 522	319 975	320 963
Executive and council		240 475	212 445	231 374	244 271	–	–	257 199	255 808	254 050
Finance and administration		56 470	35 308	42 118	61 606	–	–	72 323	64 167	66 913
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		965	911	21 041	55 401	–	–	65 764	64 057	64 342
Community and social services		935	872	1 886	1 312	–	–	2 492	2 935	3 489
Sport and recreation		30	39	19 155	54 089	–	–	63 272	61 122	60 853
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		58	67	25 916	6 128	–	–	4 679	4 963	5 092
Planning and development		58	67	2 155	2 899	–	–	2 964	3 121	3 377
Road transport		0	–	23 761	3 229	–	–	1 715	1 842	1 715
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		9 374	14 162	21 997	17 168	–	–	29 300	16 473	17 212
Energy sources		1 858	3 824	11 213	6 069	–	–	13 541	4 791	5 006
Water management		996	1 523	1 716	1 690	–	–	2 439	1 716	1 793
Waste water management		3 168	3 688	3 861	4 030	–	–	5 533	4 151	4 338
Waste management		3 352	5 126	5 208	5 379	–	–	7 786	5 814	6 075
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	307 343	262 894	342 447	384 575	–	–	429 264	405 467	407 610
Expenditure - Functional										
<i>Governance and administration</i>		161 052	192 764	214 225	221 770	–	–	205 035	245 405	257 118
Executive and council		88 891	108 627	113 729	117 067	–	–	122 616	131 368	137 889
Finance and administration		72 161	84 137	100 497	104 703	–	–	82 419	114 037	119 229
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		12 228	13 516	25 859	23 799	–	–	25 286	25 905	27 153
Community and social services		10 237	12 046	19 421	3 821	–	–	4 442	7 097	7 454
Sport and recreation		1 990	1 470	6 438	18 987	–	–	19 785	17 395	18 218
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	990	–	–	1 060	1 414	1 481
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		29 065	32 191	74 144	49 566	–	–	51 483	53 821	56 394
Planning and development		11 102	12 190	19 082	14 446	–	–	13 469	16 476	17 306
Road transport		17 963	20 001	55 063	35 121	–	–	38 014	37 345	39 087
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		45 288	52 487	80 143	65 027	–	–	73 593	106 701	111 899
Energy sources		16 653	21 603	45 147	41 785	–	–	42 155	69 328	72 673
Water management		6 182	7 069	7 424	3 497	–	–	4 098	4 950	5 216
Waste water management		5 932	6 259	6 533	9 402	–	–	10 711	11 499	12 076
Waste management		16 521	17 555	21 039	10 343	–	–	16 629	20 924	21 934
<i>Other</i>	4	–	–	(14)	100	–	–	400	418	436
Total Expenditure - Functional	3	247 633	290 959	394 357	360 261	–	–	355 797	432 249	452 999
Surplus/(Deficit) for the year		59 710	(28 065)	(51 910)	24 314	–	–	73 467	(26 782)	(45 390)

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote	1									
Vote 1 -		965	911	21 041	55 401	–	–	65 764	64 057	64 342
Vote 2 -		1 858	3 824	11 213	6 069	–	–	13 541	4 791	5 006
Vote 3 -		240 475	212 445	231 374	244 271	–	–	257 199	255 808	254 050
Vote 4 -		56 470	35 308	42 118	61 606	–	–	72 323	64 167	66 913
Vote 5 -		58	67	2 155	2 899	–	–	2 964	3 121	3 377
Vote 6 -		0	–	23 761	3 229	–	–	1 715	1 842	1 715
Vote 7 -		–	–	–	–	–	–	–	–	–
Vote 8 -		3 352	5 126	5 208	5 379	–	–	7 786	5 814	6 075
Vote 9 -		3 168	3 688	3 861	4 030	–	–	5 533	4 151	4 338
Vote 10 -		996	1 523	1 716	1 690	–	–	2 439	1 716	1 793
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	307 343	262 894	342 447	384 575	–	–	429 264	405 467	407 610
Expenditure by Vote to be appropriated	1									
Vote 1 -		12 228	13 516	25 845	23 713	–	–	25 487	26 115	27 371
Vote 2 -		16 653	21 603	45 147	41 785	–	–	42 155	69 328	72 673
Vote 3 -		88 891	108 627	113 729	117 067	–	–	122 616	131 368	137 889
Vote 4 -		72 161	84 137	100 497	104 703	–	–	82 419	114 037	119 229
Vote 5 -		11 102	12 190	19 082	14 446	–	–	13 469	16 476	17 306
Vote 6 -		17 963	20 001	55 063	35 121	–	–	38 014	37 345	39 087
Vote 7 -		–	–	–	186	–	–	199	208	218
Vote 8 -		16 521	17 555	21 039	10 343	–	–	16 629	20 924	21 934
Vote 9 -		5 932	6 259	6 533	9 402	–	–	10 711	11 499	12 076
Vote 10 -		6 182	7 069	7 424	3 497	–	–	4 098	4 950	5 216
Vote 11 -		–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	247 633	290 959	394 357	360 261	–	–	355 797	432 249	452 999
Surplus/(Deficit) for the year	2	59 710	(28 065)	(51 910)	24 314	–	–	73 467	(26 782)	(45 390)

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	1 669	3 586	3 450	6 055	-	-	-	6 826	4 778	4 993
Service charges - Water	2	704	1 181	1 287	1 148	-	-	-	1 870	1 122	1 173
Service charges - Waste Water Management	2	2 430	2 862	2 951	3 259	-	-	-	4 725	3 308	3 456
Service charges - Waste Management	2	2 449	4 118	4 134	4 369	-	-	-	6 729	4 710	4 922
Sale of Goods and Rendering of Services		2 120	623	682	906	-	-	-	1 190	1 242	1 298
Agency services		597	682	40	250	-	-	-	400	418	436
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 995	2 423	2 829	2 761	-	-	-	2 894	3 021	3 157
Interest earned from Current and Non Current Assets		6 820	6 591	6 575	10 000	-	-	-	10 480	10 941	11 432
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		156	(297)	386	350	-	-	-	367	383	400
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		663	105	1 003	205	-	-	-	8 453	8 825	9 221
Non-Exchange Revenue											
Property rates	2	45 256	26 214	29 883	44 172	-	-	-	45 939	36 751	38 401
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		241 465	213 566	239 776	254 670	-	-	-	266 922	266 266	265 174
Interest		1 020	1 241	1 113	2 738	-	-	-	2 869	2 995	3 130
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and cont		307 343	262 894	294 109	330 883	-	-	-	359 664	344 761	347 193
Expenditure											
Employee related costs	2	114 075	122 543	123 466	134 368	-	-	-	143 086	148 572	155 629
Remuneration of councillors		20 130	20 303	21 098	23 279	-	-	-	24 908	26 091	27 330
Bulk purchases - electricity	2	9 316	11 118	4 601	5 500	-	-	-	7 256	7 521	7 972
Inventory consumed	8	4 212	5 916	10 192	7 985	-	-	-	8 190	12 700	13 462
Debt impairment	3	29	-	-	5 500	-	-	-	5 000	-	-
Depreciation and amortisation		-	-	80 996	36 500	-	-	-	38 252	39 897	41 652
Interest		-	26	170	635	-	-	-	400	417	436
Contracted services		52 116	68 013	75 428	65 916	-	-	-	63 342	89 087	93 768
Transfers and subsidies		572	300	453	1 000	-	-	-	50	500	530
Irrecoverable debts written off		-	-	-	-	-	-	-	-	6 000	6 200
Operational costs		47 183	62 740	77 953	79 578	-	-	-	65 313	101 464	106 020
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		247 633	290 959	394 357	360 261	-	-	-	355 797	432 249	452 999
Surplus/(Deficit)		59 710	(28 065)	(100 248)	(29 378)	-	-	-	3 867	(87 489)	(105 806)
Transfers and subsidies - capital (monetary allocations)	6	-	-	48 338	53 691	-	-	-	69 600	60 706	60 416
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		59 710	(28 065)	(51 910)	24 314	-	-	-	73 467	(26 782)	(45 390)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		59 710	(28 065)	(51 910)	24 314	-	-	-	73 467	(26 782)	(45 390)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		59 710	(28 065)	(51 910)	24 314	-	-	-	73 467	(26 782)	(45 390)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	59 710	(28 065)	(51 910)	24 314	-	-	-	73 467	(26 782)	(45 390)

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional											
Governance and administration		6 392	5 986	7 411	6 750	–	–	–	2 750	15 050	15 200
Executive and council		112	44	509	–	–	–	–	–	200	202
Finance and administration		6 280	5 942	6 901	6 750	–	–	–	2 750	14 850	14 998
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		21 799	19 863	31 064	10 057	–	–	–	20 145	8 721	40
Community and social services		502	584	358	165	–	–	–	10 065	5 040	40
Sport and recreation		21 297	19 279	30 706	9 892	–	–	–	10 080	3 681	–
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		39 936	34 511	47 880	40 049	–	–	–	33 172	40 313	65 729
Planning and development		1 156	4 069	4 606	2 136	–	–	–	–	700	707
Road transport		38 780	30 442	43 274	37 913	–	–	–	33 172	39 613	65 022
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		15 046	8 176	7 861	7 000	–	–	–	16 533	17 012	40
Energy sources		10 760	8 051	6 537	–	–	–	–	6 700	40	40
Water management		3 819	70	–	–	–	–	–	–	–	–
Waste water management		–	–	1 324	7 000	–	–	–	9 583	16 972	–
Waste management		467	54	–	–	–	–	–	250	–	–
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	83 174	68 535	94 217	63 856	–	–	–	72 600	81 096	81 010
Funded by:											
National Government		34 270	34 015	53 147	53 691	–	–	–	69 535	60 706	60 416
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		502	51	349	45	–	–	–	65	40	40
Transfers recognised - capital	4	34 772	34 065	53 496	53 736	–	–	–	69 600	60 746	60 456
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		48 402	34 470	40 720	10 120	–	–	–	3 000	20 350	20 553
Total Capital Funding	7	83 174	68 535	94 217	63 856	–	–	–	72 600	81 096	81 010

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A6 Budgeted Financial Position

Description		###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS												
Current assets												
			165 051	82 146	47 151	54 129	–	–	–	75 943	(41 446)	(119 698)
	1		10 879	5 644	8 758	2 745	–	–	–	(7 524)	(661)	(5 799)
	1		23 214	19 007	23 619	351	–	–	–	24 495	1 583	756
			–	–	–	–	–	–	–	–	–	–
	2		361	(23)	474	161	–	–	–	877	743	743
			18 921	18 011	47 515	6 092	–	–	–	50 324	46 444	46 444
			–	(0)	0	(0)	–	–	–	7	7	7
Total current assets			218 426	124 784	127 516	63 478	–	–	–	144 123	6 670	(77 547)
Non current assets												
			–	–	–	–	–	–	–	–	–	–
			12 567	12 567	12 567	–	–	–	–	12 679	12 788	12 788
	3		751 446	803 086	741 203	152 319	–	–	–	810 592	813 865	857 727
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			590	2 632	419	141	–	–	–	1 857	988	988
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
			–	–	–	–	–	–	–	–	–	–
Total non current assets			764 603	818 285	754 189	152 460	–	–	–	825 128	827 641	871 503
TOTAL ASSETS			983 030	943 069	881 705	215 939	–	–	–	969 250	834 311	793 956
LIABILITIES												
Current liabilities												
			–	–	–	–	–	–	–	–	–	–
			–	7	7	7	–	–	–	7	–	–
			137	138	154	32	–	–	–	155	202	202
	4		22 929	24 862	28 134	27 824	–	–	–	41 563	44 472	45 002
	5		37 542	50 337	5 662	1 968	–	–	–	2 431	1 902	1 902
			–	15 430	14 856	380	–	–	–	104	1 722	1 722
			17 448	3 864	44 766	3 654	–	–	–	46 705	40 745	40 745
			270	426	434	434	–	–	–	–	–	–
Total current liabilities			78 326	95 064	94 013	34 299	–	–	–	90 964	89 043	89 573
Non current liabilities												
	6		–	(7)	(7)	373	–	–	–	(7)	–	–
	7		15 227	16 847	16 558	14 409	–	–	–	34 472	45 921	45 921
			–	–	–	–	–	–	–	–	–	–
			12 598	15 853	18 214	18 214	–	–	–	18 214	18 214	18 214
Total non current liabilities			27 825	32 693	34 765	32 996	–	–	–	52 678	64 135	64 135
TOTAL LIABILITIES			106 150	127 757	128 778	67 295	–	–	–	143 643	153 177	153 707
NET ASSETS			876 879	815 313	752 927	148 644	–	–	–	825 608	681 134	640 248
COMMUNITY WEALTH/EQUITY												
	8		972 336	910 963	847 915	228 516	–	–	–	938 937	804 170	758 781
	9		(95 457)	(95 345)	(95 302)	(79 872)	–	–	–	(95 115)	(95 115)	(95 115)
			–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY			876 879	815 618	752 613	148 644	–	–	–	843 821	709 055	663 665

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		27 060	23 167	23 931	56 323	–	–	–	41 917	40 539	42 359
Service charges		2 735	7 960	9 024	13 226	–	–	–	13 977	15 961	16 677
Other revenue		3 061	5 339	5 553	1 711	–	–	–	10 310	10 725	11 207
Transfers and Subsidies - Operational	1	246 620	218 582	237 765	254 670	–	–	–	266 922	266 266	265 174
Transfers and Subsidies - Capital	1	46 717	40 218	54 163	53 691	–	–	–	69 600	60 706	60 416
Interest		–	5 578	5 739	10 000	–	–	–	10 480	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(11 900)	(168 086)	(197 131)	(317 226)	–	–	–	(312 545)	(385 852)	(404 617)
Interest		(1)	(251)	–	(635)	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		314 292	132 506	139 044	71 760	–	–	–	100 661	8 344	(8 784)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
VAT Control (receipts)		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(94 534)	(82 421)	(57 390)	(63 856)	–	–	–	(72 600)	(81 096)	(81 010)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(94 534)	(82 421)	(57 390)	(63 856)	–	–	–	(72 600)	(81 096)	(81 010)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		219 758	50 084	81 653	7 903	–	–	–	28 060	(72 752)	(89 794)
Cash/cash equivalents at the year begin:	2	–	144 067	82 039	46 225	–	–	–	47 783	75 843	3 091
Cash/cash equivalents at the year end:	2	219 758	194 152	163 693	54 129	–	–	–	75 843	3 091	(86 702)

NW394 Greater Taung - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available											
Cash/cash equivalents at the year end	1	219 758	194 152	163 693	54 129	–	–	–	75 843	3 091	(86 702)
Other current investments > 90 days		(54 707)	(112 005)	(116 541)	–	–	–	–	100	(44 537)	(32 996)
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		165 051	82 146	47 151	54 129	–	–	–	75 843	(41 446)	(119 698)
Application of cash and investments											
Unspent conditional transfers		37 542	50 337	5 662	1 968	–	–	–	2 431	1 902	1 902
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	(1 473)	(14 146)	(2 748)	(2 438)	–	–	–	(3 619)	(5 699)	(5 699)
Other working capital requirements	3	22 929	24 862	28 134	27 824	–	–	–	41 563	44 472	45 002
Other provisions		270	15 856	15 290	814	–	–	–	104	1 722	1 722
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	(95 561)	(95 561)	(95 561)	(95 561)	–	–	–	(95 561)	(95 561)	(95 561)
Total Application of cash and investments:		(36 293)	(18 653)	(49 223)	(67 392)	–	–	–	(55 083)	(53 165)	(52 635)
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		201 344	100 799	96 374	121 521	–	–	–	131 026	11 718	(67 064)
Creditors transferred to Debt Relief - Non-Current portion		–	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		201 344	100 799	96 374	121 521	–	–	–	131 026	11 718	(67 064)

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A9 Asset Management

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
ASSET REGISTER SUMMARY - PPE (WDV)	5	697 707	748 173	726 420	103 502	–	–	711 099	757 390	740 836
Roads Infrastructure		312 749	306 859	308 542	56 971	–	–	297 426	303 671	294 660
Storm water Infrastructure		59 111	50 274	58 521	15 768	–	–	52 146	61 308	57 995
Electrical Infrastructure		20 773	71 161	76 139	5 476	–	–	77 411	107 390	110 970
Water Supply Infrastructure		3 949	(3 587)	(3 685)	(116)	–	–	(3 659)	(9)	(45)
Sanitation Infrastructure		1 121	1 121	1 121	–	–	–	1 121	14 004	14 004
Solid Waste Infrastructure		1 532	1 067	964	(69)	–	–	889	605	523
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		3 269	1 871	(28)	(809)	–	–	(28)	–	–
Infrastructure		402 504	428 765	441 574	77 221	–	–	425 306	486 968	478 108
Community Assets		179 102	185 548	182 886	18 515	–	–	179 026	174 085	160 105
Heritage Assets		–	–	–	–	–	–	–	–	–
Investment properties		12 567	12 567	12 567	–	–	–	12 679	12 788	12 788
Other Assets		20 190	18 145	14 151	(3 846)	–	–	11 407	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		590	2 632	419	141	–	–	1 857	988	988
Computer Equipment		2 950	3 826	1 523	1 926	–	–	5 696	3 275	3 578
Furniture and Office Equipment		2 391	3 520	873	1 405	–	–	1 181	3 455	4 915
Machinery and Equipment		8 936	11 067	8 840	6 036	–	–	11 159	11 511	17 350
Transport Assets		8 779	22 403	3 888	2 104	–	–	3 087	4 601	3 284
Land		59 700	59 700	59 700	–	–	–	59 700	59 719	59 719
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	697 707	748 173	726 420	103 502	–	–	711 099	757 390	740 836

GREATER TAUNG LOCAL MUNICIPALITY DRAFT ANNUAL BUDGET 2025/26 – 2027/28 MTREF

NW394 Greater Taung - Table A10 Basic service delivery measurement

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets	1									
Water:										
Piped water inside dwelling		–	–	–	–	–	–	–	–	–
Piped water inside yard (but not in dwelling)		–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	2	–	–	–	–	–	–	–	–	–
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		–	–	–	–	–	–	–	–	–
Flush toilet (with septic tank)		–	–	–	–	–	–	–	–	–
Chemical toilet		–	–	–	–	–	–	–	–	–
Pit toilet (ventilated)		–	–	–	–	–	–	–	–	–
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Bucket toilet		–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Energy:										
Electricity (at least min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Refuse:										
Removed at least once a week		–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>		–	–	–	–	–	–	–	–	–
Removed less frequently than once a week		–	–	–	–	–	–	–	–	–
Using communal refuse dump		–	–	–	–	–	–	–	–	–
Using own refuse dump		–	–	–	–	–	–	–	–	–
Other rubbish disposal		–	–	–	–	–	–	–	–	–
No rubbish disposal		–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
Total number of households	5	–	–	–	–	–	–	–	–	–
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free minimum level service)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		–	–	–	–	–	–	–	–	–
Informal Settlements		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		–	–	–	–	–	–	–	–	–
Sanitation (free sanitation service to indigent households)		–	–	–	–	–	–	–	–	–
Electricity/other energy (50kwh per indigent household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed once a week for indigent households)		–	–	–	–	–	–	–	–	–
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided	8	–	–	–	–	–	–	–	–	–
Highest level of free service provided per household										
Property rates (R value threshold)		85 000	85 000	85 000	85 000	85 000	85 000	85 000	85 000	85 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		1	1	1	1	1	1	1	1	1
Sanitation (Rand per household per month)		46	46	46	46	46	46	46	46	46
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		1	1	1	1	1	1	1	1	1
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		4 500	4 700	4 850	5 000	5 000	5 000	5 250	5 500	5 850
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		3 857	4 342	2 964	6 366	–	–	6 620	5 296	5 534
Water (in excess of 6 kilolitres per indigent household per month)		7	–	–	6	–	–	10	6	6
Sanitation (in excess of free sanitation service to indigent households)		108	159	97	177	–	–	257	180	188
Electricity/other energy (in excess of 50 kwh per indigent household per month)		12	–	–	122	–	–	138	97	101
Refuse (in excess of one removal a week for indigent households)		128	192	122	476	–	–	732	513	536
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies		–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	6	4 116	4 697	3 187	7 152	5	5	7 762	6 097	6 370

PART 2: SUPPORTING DOCUMENTATION

2.1. Overview of the Annual Budget Process

Section 21 – Budget Preparation Process

- The schedule of key deadlines (IDP/PMS & Budget process Plan) was tabled and published in August 2024.
- Community Ward based planning meeting took place between September 2024 towards the beginning of December 2024.
- The 2025/26 Final Budget was tabled together with the Final IDP in council on the 30 March 2025
- The Final 2025/26 – 2027/28 IDP was also tabled in council on 30 March 2025 and consultative meetings are scheduled to follow during the month of April 2025.
- The municipality has had consultation meetings with external Government sectors in terms of their budget allocation
- The final budget will be adopted after considering the public input by 30 June 2025.

2.2. Overview of Alignment of Annual Budget with IDP

Greater Taung Local Municipality has adopted the Turn Around Strategy approach to inform both the IDP and resource allocation (budget process). Integrated Development Plan is the principal strategic planning tool that guides and informs all planning, development and decision-making in the municipality. Poverty eradication and job creation are critical ingredients of sustainable economic development. The integrated development plan has a number of clear objectives and intended impacts such as consultative processes, strategic process and implementation-oriented processes. The primary objective of the IDP is to accelerate service delivery by providing a framework for economic and social development.

Greater Taung Local Municipality's development plan needs are aligned with National and Provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are five critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS) and Provincial Spatial Development Framework (PSDF). All these feed into and influence the Integrated Development Plan.

Municipal Transformation and Organizational Development

This key performance area focuses on the availability and implementation of programmes that transform the municipality to cope with the on-going and ever-changing community needs as well as being a learning organization. Institutional transformation is necessary condition to achieve the

strategic objectives of the developmental governance. The key performance indicators under this key performance area as follows:

- Organizational design (Organogram that is linked to the organizational strategy)
- Employment Equity issues.
- Skills Development (Institutional Skills Development)
- Integrated Development Planning (Integration of strategic frameworks)
- Performance Management System
- Administrative and institutional Systems and structures
-

Infrastructure Development and Services Delivery

The delivery of basic services and provision of infrastructure is the most important element of poverty eradication. The council noted the fact that the provisions of economic and social infrastructure to communities facilitate the local economic development. This key performance area focus on services rendered directly to the communities, such as water, sanitation, electricity, solid waste management, environmental management, roads, housing and community facilities. The council has resolved to accelerate the provision of these services, especially water, sanitation and electricity through a three-year budgeting cycle.

Local Economic Development

This key performance area focuses on the measure that the municipality will apply to promote the local economy. The measures such as how to implement the supply chain management in terms of SMME development, Broad Based Black Economic Empowerment, Poverty alleviation initiatives and job creation initiatives. It further puts emphasis on the attraction and retention of investment, SMME support, provision of basic needs, skills development and the implementation of the affirmative procurement framework and labour-intensive program.

We have identified competitive advantages to bolster “logistic hub initiative”. These include implementation of the inner urban renewal program, initiating of the regional shopping centre, the regional transport hub and agro-processing, mineral beneficiation centre and the international convention centre. We are implementing Extended Public Works Program to facilitate economic growth, skills development and acceleration of infrastructure investment.

Municipal Finance Viability and Management

Council has adopted sustainability as one of the key performance areas. This key performance area puts emphasis on the interconnection between the institutional, social, environmental and financial arrangement of the implementation of any program and project in the municipality. Sustainability in terms of the above-mentioned aspects informs the action plans of the municipality to ensure the provision and maintenance of sustainable infrastructure to communities.

Good Governance and Public Participation

It focuses primarily on the development and implementation of the systems and procedures that will ensure that the municipality promotes good governance and public participation in terms of the constitutional mandate. The core objective of this key performance area is to mobilize and empower local communities to take control of the process of social transformation. The most key performance indicators under this key performance area are as follows:

- Availability of communication strategy
- Citizen/customer satisfaction survey
- Service delivery improvement program
- Functional Ward Committee System
- Council System
- Corporate Governance (Audit Committee, Performance Audit Committee, Anti-Corruption Strategy and Policy)
- Internal Audit

The core objective of this Key Performance Area is to ensure that we meet the needs of today without diminishing the capacity of future generations to meet theirs. Sustainable development implies a broad view of human welfare, a long-term perspective about the consequences of today's activities, and global co-operation to reach viable solutions. It is within this context that the Council has resolved to adopt best practices in all sectors to inform all development activities for sustainable development.

Core functions and Services provided

Section 152 of the **Constitution of the Republic of South Africa** – Act 108 of 1996 summarises the objects of Local Government as follows:

- a. To provide democratic and accountable government to local communities;
- b. To ensure the provision of services to communities in a sustainable manner;
- c. To promote social and economic development;
- d. To promote a safe and healthy environment; and
- e. To encourage the involvement of communities and community organisations in the matters of Local Government.

Development Duties of Municipalities:

A Municipality **must**:

- a. Structure and manage its administration and budgeting and planning processes to give priority to basic needs of the community and to promote the social and economic development of the community and;
- b. Participate in national and provincial development programmes.

In order to give effect to the above-mentioned, Council has determined five (5)

Key Performance Areas namely:

1. Municipal Transformation and Organisational Development
2. Infrastructure Development and Services Delivery
3. Promotion of Local Economic Development
4. Municipal Finance Viability and Management
5. Good Governance and Public Participation

2.3. Measurable performance objectives and indicators

A detailed service delivery and budget implementation plan on the IDP which is to be approved by the Mayor shows the measurable performance objectives and annual target that each directorate should achieve and become part of the performance agreement for all sections of employees.

2.4. Overview of Budget Related Policies

(j) The following budget related policies to be tabled together with the Final budget and Final IDP:

- i. Asset Management Policy
- ii. Cash Management & Investment Policy
- iii. Credit Control & Debt Collection Policy
- iv. Funding & Reserve (Budget) Policy
- v. Indigent Policy
- vi. Property Rates Policy
- vii. Property Rates By-Laws
- viii. Supply Chain Management Policy
- ix. Tariff Policy
- x. Virement Policy
- xi. 2025/26 Procurement Plan
- xii. 2025/26 Final Tariff Schedule

2.5. Background to the Budget Preparation Process

The budget process is an effective process that every local government must undertake to ensure Good Governance and accountability. The process outlines the current and future direction that the municipality would follow in order to meet legislative stipulations. The budget process enables the municipality to optimally involve residents and other stakeholders in the budgeting process.

In terms of Section 15 of the MFMA, a municipality may except where otherwise provided in the Act, incur expenditure only in terms of the approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. The MFMA prescribes further that the Council must for each financial year approve an annual budget for the municipality before the start of that financial year. An annual budget must set out realistically anticipated revenue for the budget year from each revenue source and expenditure appropriated under the different votes of the municipality.

Greater Taung Local Municipality's Budget/ Integrated Development Plan (IDP) Review process for the 2025/26 financial year started with the development and approval in August 2024 of the "Process Plan for the Budget Formulation and IDP Review". The timetable provided broad timeframes for the IDP and budget preparation process. The main aim of the timetable was to ensure integration between the Integrated Development Plan and the budget towards tabling a balanced budget.

Monitoring of the Implementation of the SDBIP

Progress against the objectives/targets set out in the SDBIP will be reported on a monthly, quarterly, mid-year and annual basis as set out in the MFMA.

A series of reporting requirements are outlined in the MFMA as follows:

- Monthly budget statements (Section 71)
- Quarterly reports (Section 52)
- Mid-year budget and performance assessment (Section 72)
- Annual report (Section 121)

General

The SDBIP largely complies with legislation as well as policy guidelines issued by National Treasury it is however an evolving document and will continue to be refined to improve the content and the quality of information contained therein on a continued basis.

2.6. Overview of Funding the Budget

The statement of financial performance reflects an operating surplus of R1.1M therefor Greater Taung Local Municipality is fully compliant Sec 18 of MFMA.

Furthermore, Table A8 on the A-Schedule reflected a surplus over the MTREF after taking into account all commitments as indicated.

Monthly targets for Revenue as indicated on table SA26

2.7. Reconciliation between of transfers, grant receipts and unspent

NW394 Greater Taung - Supporting Table SA18 Transfers and grant receipts										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		5 058	4 807	5 355	5 925	–	6 149	7 496	4 842	4 715
Expanded Public Works Programme Integrated Grant		1 758	1 707	2 255	–	–	3 049	1 715	1 842	1 715
Local Government Financial Management Grant		3 300	3 100	3 100	3 100	–	3 100	3 000	3 000	3 000
Municipal Infrastructure Grant		–	–	–	2 825	–	–	2 781	–	–
Provincial Government:		–	–	–	1 097	–	–	1 146	1 259	1 319
Specify (Add grant description)		–	–	–	1 097	–	–	1 146	1 259	1 319
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	1 081	1 427	1 912
North West Provincial Arts and Culture Council		–	–	–	–	–	–	1 081	1 427	1 912
Total Operating Transfers and Grants	5	5 058	4 807	5 355	7 022	–	6 149	9 723	7 528	7 946
Capital Transfers and Grants										
National Government:		46 717	40 218	54 163	53 691	–	52 730	69 535	63 596	63 554
Municipal Infrastructure Grant		46 717	40 218	54 163	53 691	–	52 730	62 835	63 596	63 554
Integrated National Electrification Programme Grant		–	–	–	–	–	–	6 700	–	–
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	65	40	40
North West Provincial Arts and Culture Council		–	–	–	–	–	–	65	40	40
Total Capital Transfers and Grants	5	46 717	40 218	54 163	53 691	–	52 730	69 600	63 636	63 594
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	51 775	45 025	59 518	60 714	–	58 879	79 323	71 164	71 540

2.8. Disclosure on Salaries, Allowance and Benefits (SA22)

NW394 Greater Taung - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15 278	17 666	18 787	17 063	–	–	18 257	19 125	20 033
Pension and UIF Contributions		–	–	–	–	–	–	–	–	–
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		2 806	971	1 074	3 669	–	–	3 926	3 798	3 979
Cellphone Allowance		2 046	1 667	1 237	2 546	–	–	2 724	2 644	2 770
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	524	549
Sub Total - Councillors		20 130	20 303	21 098	23 279	–	–	24 908	26 091	27 330
% increase	4		0.9%	3.9%	10.3%	(100.0%)	–	–	4.7%	4.8%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	6 221	6 176	4 911	6 794	–	–	7 220	12 748	13 354
Pension and UIF Contributions		11	13	11	94	–	–	101	629	659
Medical Aid Contributions		–	–	–	–	–	–	–	314	329
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		48	82	82	–	–	–	–	–	–
Motor Vehicle Allowance	3	815	938	802	1 124	–	–	1 202	631	661
Cellphone Allowance	3	60	60	59	77	–	–	82	86	90
Housing Allowances	3	–	–	–	–	–	–	–	42	44
Other benefits and allowances	3	21	30	70	–	–	–	–	–	–
Payments in lieu of leave		–	–	492	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	681	713
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		102	95	65	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7 278	7 393	6 492	8 089	–	–	8 606	15 132	15 851
% increase	4		1.6%	(12.2%)	24.6%	(100.0%)	–	–	75.8%	4.7%
Other Municipal Staff										
Basic Salaries and Wages		66 827	72 027	77 621	79 513	–	–	83 941	83 475	87 440
Pension and UIF Contributions		11 379	12 040	12 897	14 783	–	–	15 878	15 952	16 709
Medical Aid Contributions		4 819	5 261	5 755	5 407	–	–	5 855	5 987	6 271
Overtime		9 138	4 395	5 611	6 798	–	–	7 214	5 986	6 270
Performance Bonus		4 543	4 859	4 342	5 845	–	–	6 204	6 499	6 807
Motor Vehicle Allowance	3	4 484	4 758	4 802	5 098	–	–	5 525	5 264	5 514
Cellphone Allowance	3	340	317	347	1 063	–	–	1 138	720	755
Housing Allowances	3	320	292	179	977	–	–	1 045	309	324
Other benefits and allowances	3	3 005	7 781	2 610	618	–	–	921	2 327	2 437
Payments in lieu of leave		702	1 987	670	4 233	–	–	4 540	4 755	4 981
Long service awards		205	262	1 134	–	–	–	150	–	–
Post-retirement benefit obligations	6	(58)	(64)	(65)	597	–	–	639	669	701
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		1 093	1 234	1 069	1 346	–	–	1 430	1 498	1 569
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		106 798	115 149	116 974	126 279	–	–	134 480	133 440	139 779
% increase	4		7.8%	1.6%	8.0%	(100.0%)	–	–	(0.8%)	4.8%
Total Parent Municipality		134 205	142 846	144 564	157 647	–	–	167 994	174 663	182 960

Supporting table is attached in respect of disclosure of salaries, allowances and benefits.

Councillors

On a yearly basis the Minister of Local Provincial Government set the upper limit on determination of councillor's allowances. The provision made on the 2025/26 financial year is adequate for allowances and salaries for councillors. Cost of living (inflation) annual increase has been set at 4.75%. The payment of allowances to councillors for 2025/2024 will be made using the upper limit gazette available during payment of such allowances. Total budget for 2025/26 for Councillors is R26, 091, 158.

Senior Officials

The total budget for 2025/2024 senior officials employed in terms of sections 56 and 57 of Municipal System Act equals R15,132,000.

Other Municipal Staff

The total budget for other Municipal staff on 2025/26 equals R134,120,985.48

The total budget in respect of Councillor's allowance and officials equals R133, 440, 0002.

2.9. Monthly Targets for Revenue, Expenditure and Cash Flow (SA25-30)

Annexure is attached that present the monthly projection on cash inflow and outflow. No bridging will be required. Although anticipated collection of revenue fluctuates seasonally, it will not require the Municipality to take a bank.

2.10. Annual budgets and SDBIP's – internal departments

Introduction

The purpose of this document is to present the Service Delivery and Delivery and Budget Implementation Plan (SDBIP) of the Greater Taung Local Municipality for 2025/26 Financial Year. The development, implementation, and monitoring of a Service Delivery and Delivery and Budget Implementation Plan is a requirement for of the Municipal Finance Management Act (MFMA) No 56 of 2003.

The SDBIP is a detailed one-year plan of the municipality that gives effect to the IDP and budget of the municipality. The SDBIP is a management plan for implementing the IDP through the approval budget. It is an expression of the objective of the municipality, in quantifiable outcomes that will be implemented for the financial year. It includes the service delivery targets for each quarter and facilitates oversight over financial and non-financial performance of the municipality.

The 2025/26 SDBIP will not only ensure appropriate monitoring in the Execution of the municipality budget and processes involved in the allocation of budget to achieve key strategic objectives as set in the municipality's Integrated Development Plan (IDP), but will also serve as the kernel of annual performance contract for senior management and provide a foundation for the overall annual and quarterly organisational performance for the 2025/26 Financial Year.

The SDBIP also assist the Executive, Council and the community in their respective oversight responsibilities since it serves as an implementation and monitoring tool.

Greater Taung Local Municipality does not have any entity; therefore the SDBIP is only for the parent municipality.

Legislative framework

Section 1 of the MFMA defines the SDBIP as a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c)(ii) for implementing the municipality's delivery of service and its annual budget and which must indicate:

- a) Projections for each month of:-
 - I. Revenue to be collected, by source and
 - II. Operational and capital expenditure by vote
- b) Service delivery targets and performance indicators for each quarter and
- c) Any other matter that may prescribed and includes any revision of such plan by the mayor in terms of section 54(1) (c)

The MFMA requires that municipalities develop a Service Delivery and Budget Implementation Plan as a strategic financial management tool to ensure that budgetary decision that are adopted by municipalities for the financial year are aligned with their Integrated Development Plan Strategy. In terms of section 53(1) (c)(ii) of the MFMA, the SDBIP must be approved by the mayor of a municipality within 28 days of the approval of the budget

Components of the SDBIP

- Monthly Projections of Revenue to be collected for each source
- Monthly Projections of Expenditure and Revenue for each vote
- Quarterly projections of Service Delivery targets and Performance Indicators
- Detailed capital Budget Broken Down by ward over three years

Monthly Projections of Revenue to be collected for each Source

The failure to collect its revenue as a budgeted will severely impact on the municipality's ability to provide services to the community. The municipality therefore has to institute measures to achieve its monthly revenue targets for each source. These measures will enable the municipality to assess its cash flow on monthly basis with a view to undertaking contingency plans should there be a cash flow shortage or alternatively invest surplus cash. Furthermore, the effectiveness of credit control policies and procedures can be monitored with appropriate action taken if considered necessary

Monthly Projections of Expenditure and Revenue for each Vote

The monthly projection of revenue and expenditure per vote relate to the cash paid and reconciles with the cash statement adopted with the budget. The focus under this component is a monthly projection per vote in addition to projection by source. When reviewing budget projections against actuals, it is useful to consider revenue and expenditure per vote in order to gain more complete picture of budget projections against actuals.

Quarterly Projections of Service Delivery Targets and Performance Indicators for each vote

This component of the SDBIP requires non- financial measurable performance objectives in the form of service delivery targets and other indicators of performance. The focus is on outputs rather than inputs. Service delivery targets relate to the level and standard of service being provided to the community and include the addressing of backlogs in basic services. The approach encouraged by NT's MFMA circular No. 13 is the utilisation of scorecards to monitor service delivery.

Detailed Capital Budget over Three Years

Information detailing infrastructural projects containing project description and anticipated capital costs over three year period. A summary of capital project per the IDP will be made available on Council website.

SDBIP Cycle

The SDBIP Process comprises the following stages, which forms part of a cycle.

Planning:

During this phase the SDBIP Process plan is developed to be tabled with the IDP Process plan. SDBIP related processes e.g., Management meetings, strategic Planning working session.

Strategizing:

During this phase the IDP is reviewed and subsequent SDBIP programmes and projects for the next 5 years based on local, provincial and national issues, previous year's performance and current economic and demographic trends etc.

Tabling:

The SDBIP is tabled with the Final IDP and budget before Council. Consultation with the community and stakeholders of the IDP on the SDBIP is done through budget hearings and formal local, provincial and national inputs or responses are also considered in developing the final document.

Adoption:

The Mayor approves the SDBIP no later than 28 days after the adoption of the Municipality's budget.

Publishing:

The adopted SDBIP is made public and is published on Council's website.

Implementation, Monitoring and Reporting:

SDBIP projects are implemented and quarterly reporting takes place. Mid-year reporting is done to assess performance on the SDBIP, the document is amended, where applicable and adopted by Council.



2.11. Contracts having future budgetary implications

In terms of Greater Taung Local Municipality Supply Chain Management Policy, no contracts are rewarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to Bid Committees must obtain formal financial comments from the Chief Financial Officer.

2.12. Capital Expenditure Details (SA 34a – 34b)

The following tables indicate the Capital Expenditure. Greater Taung Local Municipality is currently not budgeting for renewal of assets because new assets are rather being paid for than replacement.

2.13. Disclosure on implementation of MFMA and other legislation

The promulgation of the Municipal Finance Management Act has brought a profound effect on the local government operations as it necessitated changes and transformation in financial planning process. As the medium-term budget for 2025/2024 – 2025/2026 financial year is an expression of continuous process of improving the financial planning progress at municipal level and conform to formats and circulars sent by national Treasury.

Areas Identified in the MFMAIntegrated Development Plan

The plan guides the municipality in respect of the budgeting process and take account of community needs and their priorities in terms of the needs identified and service gaps. Consultation with community and other stakeholders play a major role in the development of the IDP.

Budget

The budget process started in August 2022 when council approved the budget time schedule. The budget was submitted to Council for tabling on 30 March 2025. Adoption of the budget is envisaged to take place on 26 May 2025.

Annual Report

An annual report has been developed for 2021/2022 and tabled to council on 31 January 2025, and an oversight committee has been established to look into the matters of the Annual report.

In-year reporting

The municipality submits and provides financial reports as required in terms of the MFMA to various stakeholders as identified on an on-going basis. The municipality has been implementing the provisions of the MFMA in accordance

Budget and Treasury offices

A budget and treasury office has been established in accordance with the MFMA. The Supply Chain Management Unit reports to the Chief Financial Officer. The position of Chief Financial Official is filled.

Supply Chain Management

The Supply Chain Management Policy has been approved by Council. The unit of Supply Chain Management is headed by the SCM Manager who report to the Chief Financial Officer. Three bid committees are in place the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee.

Audit Function

The municipality has a shared Internal Audit Unit with the district, with the audit charter, plan and programmes informed by the District's plan.

2.14. Rates & Taxes

Refer to attached Final Tariff Schedule

2.15. Legislation Compliance Status

Below are the legislative requirements that guide the budget preparation process:

Municipal Structures Act

The Municipal Structures Act (No. 117 of 1998) as amended, under section 44: Functions and Powers of Executive Committee, states that the Executive Committee must:

- a) Identify the needs of the Municipality.
- b) Review and evaluate those needs in order of priority.
- c) Recommend to the Municipal Council strategies, programmes and services to address priority needs through the integrated development plan and estimates of revenue and expenditure, taking into account any applicable national and provincial development plans.
- d) Recommend or determine the best methods, including partnership and other approaches, to deliver those strategies, programmes and services to the maximum benefit of the community.

Legislation also requires municipalities to compile operating and capital budgets on an annual basis. The operating and capital budgets must balance (i.e. may not reflect a deficit) and must be prepared in accordance with the integrated development plan.

Municipal Finance Management Act

Section 16(2) of the Municipal Finance Management Act No. 56 of 2003, (MFMA) dealing with legislative compliance regarding the tabling of the annual budget states inter alia that:

“The Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.”

Section 21(1) of the MFMA, which deals with the budget preparation process, stipulates that the Mayor must:

- a) Co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible.
- b) At least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for:

- I. The preparation, tabling and approval of the annual budget.
- II. The annual review of:
 - The integrated development plan in terms of section 34 of the Municipal Systems Act.
 - The budget related policies.
- III The tabling and adoption of any amendment to the integrated Development plan and the budget related policies.
- IV Any consultative processes forming part of the processes referred to in sub-paragraph (i) (ii) and (iii).

The approval of the Budget is regulated by section 24 of the MFMA, which states as follows:

- 1) The municipal council must least 30 days before the start of the budget year consider approval of the annual budget.
- 2) An annual budget:
 - a) Must be approved before the start of the budget year.
 - b) Must be approved together with the adoption by the council of the resolutions as may be necessary for:
 - i) Imposing any municipal tax for the budget year.
 - ii) Setting any municipal tariffs for the budget year.
 - iii) Approving measures performance objectives for each vote in the budget
 - iv) Approving any changes to the municipality's integrated development plan and approving any changes to the municipality's budget-related policies.



2.16. MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I, **Adrew Motlhaletsimang Makuapane**, Municipal Manager of **Greater Taung Local Municipality (NW394)** hereby certify that this Operating and Capital Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act (MFMA) and the regulations made under the Act and that the 2025/2026 Operating and Capital Budget and the MTREF and supporting documents are consistent with the Integrated Development Plan (IDP) of the Municipality.

Signature: _____

Date : _____