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Musina Local Municipality

2025/26 Draft Budget And MTREF



MUSINA LOCAL MUNICIPALITY TABLED BUDGET NARRATIVE REPORT 2025/26



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ABBREVIATION

MFMA-Municipal Finance Management Act 56 of 2003

MBRR-Municipal Budget and Reporting Regulations

MTREF-Medium Term Revenue and Expenditure Framework

EPWP-Expanded Public Works Programme

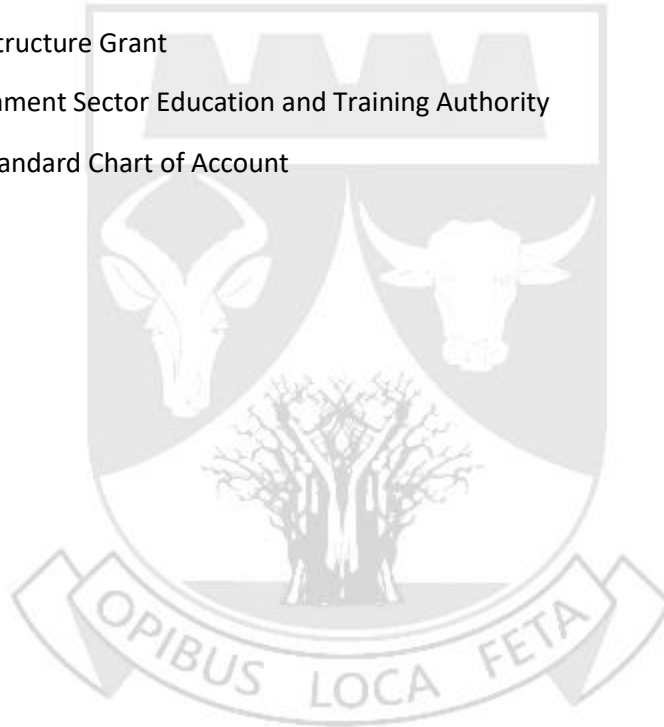
FMG-Finance Management Grant

INEP-Integrated National Electricity Program

MIG-Municipal Infrastructure Grant

LGSETA- Local Government Sector Education and Training Authority

Mscoa – Municipal Standard Chart of Account





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MAYORS REPORT

See as a separate attached Draft budget speech as by His Worship Mayor of Musina Local Municipality, Councillor Nkhanedzeni Godfrey Mawela

DEPARTMENTAL BUDGET BY MAJOR VOTE

Financial and Administration: **R 285,5Million**

Community and Public Safety: **R 31,8 Million**

Economic and Environmental Services: **R 80, 40 Million**

Trading Services: **R 266,3Million**

GRAND TOTAL OF THE FINAL DRAFT BUDGET: **R 662 Million**

GRANTS ARE AS PER DORA ALLOCATION:

Equitable Share: **R 232 657 Million**

FMG: **R 3 Million**

EPWP: **R 1 986 Million**

MIG: **R 35 242 Million**

GRAND TOTAL OF THE GRANTS;

- Operational Grants: **R240 826 Million**
- Capital Projects (MIG): **R 35 242 Million**
- Own Funding: **R 98 892 Million**

Council Resolution and Quality Certificate for the 2025/26 Draft Budget attached.



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MULTI-YEAR BUDGET 2025/26 – 2026/27 – 2027/28

Report of the Chief Financial Officer

Purpose

The purpose of the report is to present the final budget Multi-year Budget 2025/26 – 2027/2028 to Council for approval.

Background

The IDP/Budget Process Plan to review the 2025/26 IDP/Budget was adopted on 30 August 2024 in terms of the provision of the Municipal Finance Management Act. The process plan outlines the key deadlines for the preparation, tabling and approval of the annual budget.

Discussion

Section 16 of the Municipal Finance Management Act stipulates the following:

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

Section 24 further stipulates that the Council must at least 30 days before the start of the budget year consider approval of the annual budget. Municipality before the start of that financial year.

This 2025/26 MTREF Budget places emphasis on inclusive growth, as well as a progressive programme of capital expenditures. The MTREF Budget also relies on practice of good governance and a public ethic that values honesty and fairness. If we act together, on these principles, as public representatives, civil servants, business people, youth, workers and citizens, we can overcome the challenges of tough economic times and difficult adjustments. National Treasury's MFMA Circular No.129 was used to guide the compilation of the 2025/26 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following budgeting PRINCIPLES were applied in formulating the medium term budget:

- Realistic and achievable collection rates.
- Sustainable, affordable, realistic and balanced budget
- Major tariffs to be cost reflective, realistic and affordable
- Budget to contribute to achieving strategic objectives of the IDP
- Balancing capital expenditure for social, economic, rehabilitation and support.
- Income/ revenue driven budget: affordability i.e. if funds do not materialise, review expenditure.

In this MTREF we have ensured that we eradicate non-priority spending and reprioritise expenditure to focus on core infrastructure and service delivery.



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The main **CHALLENGES** experienced during the compilation of the **2025/2026 MTREF** are as follows:

- The ongoing difficulties in the national and local economy;
- Huge backlogs and further demands due to urbanization.
- Economic slowdown & unemployment: impacts on collection rates
- Limited available own funding to fund much needed infrastructure

The following are some of the **SEVERITY MEASURES** that will be applied to the 2025/26 medium term budgets, in order confirm to National Treasury cost containment guidelines.

- Fuel, Overtime, Travelling, Catering, and
- Consultants are some of the costs that are closely monitored.

OVERVIEW OF THE 2025/26 MTREF

Total budget for the 2025/2026 financial year is **R 759 146 Million** made up of an operating budget of **R662 253 Million** and a capital budget of **R 35 242 Million**. The focus of this budget will be directed to the key areas in line with our promises to improve the lives of our people. Ensuring good governance in the City and ensuring the effective use of public funds and enhance accountability

The following assumptions were taken into account during the compilation of MTREF budget:

1. Revenue: Tariff increases:

- **Electricity:** charges proposed to increase by 11.6%.
- **Waste Removal:** charges proposed to increase by 5.5 %.
- **Assessment rates:** charges proposed to increase by 6 %

The municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and to ensure that all revenue due is billed correctly and collected efficiently.

2. Expenditure increases

- **Electricity bulk purchases** have been increased by 11.6% in line with National Treasury's inflation forecasts.
- **Salaries and allowances** have been increased by 6% subject to agreement at South African Local Government Bargaining Council.
- **Other Materials** and **Other expenses** will increase at rate CPIX



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The following are general contributory factors for the increase in levels of rates and service charges:

- The cost of bulk purchases.
- Cost of the social package to indigents.
- Salary increase with effect from 1 July 2025.

The cost pressures of the electricity bulk purchases tariffs continue to grow faster than the inflation rate. Given that these tariff increases are determined by the external bodies; the impacts they have on the municipality's tariff are largely outside the control of the Municipality. Furthermore, the adverse impacts of the current economic climate coupled with unfavourable external pressures on services, make tariff increases higher than the CPI levels inevitable.

Indigent subsidies

Provision is made in the operating budget for the subsidizing of indigent households. This subsidy includes a free 5Kl of water, 100 units of electricity, a 100% subsidy for refuse removal and sewerage charges. A 100% rebate on assessment rates will also be given for Indigent households. The subsidy allowed, exceeds the National norm and stretches the affordability threshold of the municipality.

To qualify as indigents, the household income must not exceed **R3 900**, the policy is reviewed to also cater for the child headed families and the qualifying people with disability. During the current financial year, the municipality is providing free services to more **3577** indigent families at a cost of over **R6.6Million**.

The municipality further grants 75% rebates to owners of residential properties who depend on pensions or social grants provided the household income does not exceed **R 3 900**.

The application of sound financial management principles for the compilation of Musina Local Municipality's MTREF is essential and critical to ensure that Musina Local Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities

In view of the aforementioned, the following tables are a consolidated overview of the 2025/26 medium-term Revenue and Expenditure Framework



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Operating revenue and expenditure by source:

LIM341 Musina - Table A1 Budget Summary

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	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	23 252	24 867	28 756	39 050	39 050	39 050	39 050	40 964	42 971	45 076
Service charges	168 103	178 691	217 315	204 273	200 273	200 273	200 273	302 396	317 108	332 647
Investment revenue	—	—	1 276	897	897	2 397	2 397	2 514	2 637	2 767
Transfer and subsidies - Operational	159 192	198 323	225 307	235 098	239 026	239 026	239 026	248 520	290 550	273 170
Other own revenue	31 818	29 708	23 185	106 292	109 092	109 092	109 092	164 852	171 767	180 184
Total Revenue (excluding capital transfers and contributions)	382 365	431 589	495 840	585 610	607 638	607 638	607 638	759 140	795 034	833 844
Employee costs	142 809	149 315	159 131	174 124	174 124	174 124	174 124	182 656	191 806	200 995
Remuneration of councillors	10 097	10 360	11 367	10 963	11 963	11 963	11 963	12 549	13 164	13 809
Depreciation and amortisation	—	—	—	35 316	35 316	35 316	35 316	37 046	38 862	40 786
Interest	15	—	709	1 800	1 800	1 800	1 800	1 888	1 961	2 078
Inventory consumed and bulk purchases	63 578	94 074	177 873	147 936	232 411	232 411	232 411	242 657	253 567	265 558
Transfers and subsidies	6 255	4 497	12 080	5 975	5 975	5 975	5 975	4 049	4 100	4 154
Other expenditure	57 515	70 495	86 086	139 956	134 740	134 740	134 740	181 408	191 486	200 940
Total Expenditure	280 270	328 742	447 245	516 070	586 328	586 328	586 328	662 253	694 785	728 299
Surplus/(Deficit)	102 095	102 847	48 594	69 540	21 310	21 310	21 310	96 887	100 249	105 545
Transfers and subsidies - capital (monetary allocations)	36 968	36 267	34 421	33 559	35 959	35 959	35 959	35 242	47 384	49 428
Transfers and subsidies - capital (in-kind)	4 353	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	143 447	139 114	83 015	103 099	129 469	129 469	117 010	132 135	147 633	154 973
Share of Surplus/(Deficit) attributable to Associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	143 447	139 114	83 015	103 099	129 469	129 469	117 010	132 135	147 633	154 973
Capital expenditure & funds sources										
Capital expenditure	31 701	35 905	54 619	101 299	129 093	129 093	35 280	122 385	128 014	133 647
Transfers recognised - capital	24 995	24 822	32 743	33 559	35 959	35 959	19 803	35 242	36 863	38 485
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	—	8 631	21 705	67 740	93 134	93 134	15 476	87 143	91 151	95 182
Total sources of capital funds	24 995	33 653	54 448	101 299	129 093	129 093	35 280	122 385	128 014	133 647
Financial position										
Total current assets	227 965	267 275	150 960	207 238	221 803	221 803	249 296	338 918	517 923	695 774
Total non current assets	592 634	611 157	707 942	719 646	774 763	774 763	778 515	776 074	875 425	978 953
Total current liabilities	524 620	608 015	278 241	168 005	306 936	306 936	292 814	429 751	590 475	697 438
Total non current liabilities	29 182	31 871	36 974	41 920	40 625	40 625	40 625	40 625	40 625	40 625
Community wealth/Equity	266 797	238 546	543 688	716 960	649 005	649 005	582 305	644 616	792 248	936 665
Cash flows										
Net cash from (used) operating	257 639	96 951	18 751	148 115	163 260	163 260	163 260	161 542	178 485	187 200
Net cash from (used) investing	(20 633)	(40 712)	(47 006)	(100 929)	(128 723)	(128 723)	(128 723)	(132 135)	(138 213)	(144 294)
Net cash from (used) financing	—	—	(362)	—	—	—	—	—	—	—
Cash/leash equivalents at the year end	259 872	72 172	(15 798)	58 005	44 864	44 864	44 864	39 230	79 502	122 407
Cash banking/surplus reconciliation										
Non current investments	—	5 579	12 439	52 305	45 294	45 294	10 506	10 506	10 506	10 506
Statutory requirements	(267 591)	(312 986)	(57 826)	(33 029)	(159 426)	(159 426)	(112 026)	16 676	62 619	100 934
Balance - surplus (shortfall)	267 591	318 587	70 265	85 334	204 720	204 720	122 532	(8 172)	(52 114)	(90 428)
Asset management										
Asset register summary (WDV)	592 634	611 157	697 211	708 915	761 594	761 594	761 594	762 905	862 256	965 785
Depreciation	—	—	—	35 316	35 316	35 316	35 316	37 046	38 862	40 786
Renewal and Upgrading of Existing Assets	6 050	3 972	10 067	—	14 355	14 355	14 355	36 717	38 406	40 096
Repairs and Maintenance	260	5 575	10 109	14 795	11 032	11 032	11 032	1 337	1 402	1 474
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	50	—	572	2 182	—	—	—	—	—	—
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	—	—	—	—	—	—	—	—	—	—

For Musina Local Municipality to continue improving the quality of services provided to its citizens 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



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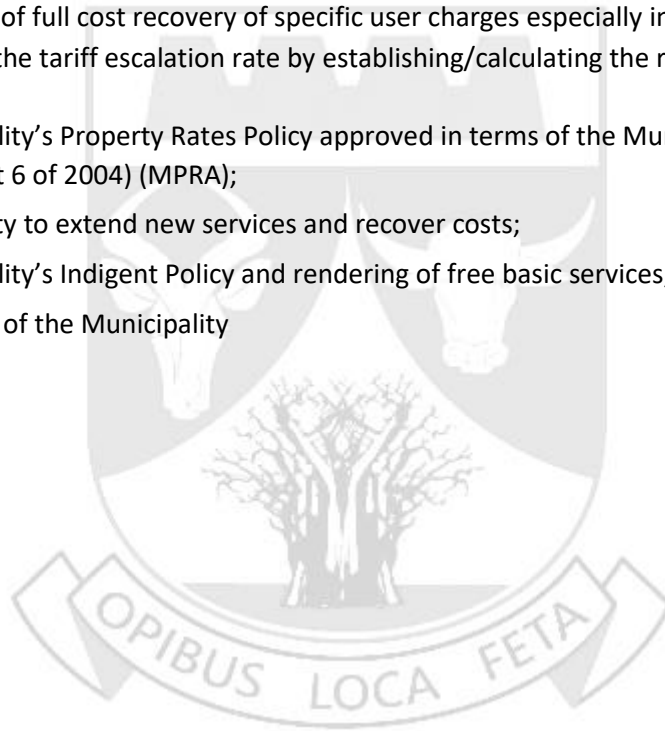
Musina Local Municipality

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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 ;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 86 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- 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





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The following Final is a summary of the 2025/26MTREF (classified by main revenue source):

LIM341 Musina- Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	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 By Source											
Property rates	2	25 684	26 814	26 950	39 050	39 050	39 050	39 050	40 964	42 971	45 076
Service charges - electricity revenue	2	152 981	147 859	160 630	180 843	265 843	265 843	265 843	276 669	290 226	304 447
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	14 368	19 263	15 497	23 429	24 429	24 429	24 429	25 626	26 882	28 199
Service charges - other						2 561	2 561	2 561	4 260	3 305	3 467
Rental of facilities and equipment		693	469	588	616	416	416	416	437	458	481
Interest earned - external investments		469	1 586	555	897	2 397	2 397	2 397	2 514	2 637	2 767
Interest earned - outstanding debtors		4 964	5 978	5 767	6 049	7 549	7 549	7 549	7 874	8 259	8 664
Dividends received					-				-	-	-
Fines, penalties and forfeits		3 123	3 428	4 075	4 275	4 275	4 275	4 275	4 185	4 390	4 605
Licences and permits		2 099	2 126	2 565	2 691	2 691	2 691	2 691	2 744	2 879	3 020
Agency services					-				-	-	-
Transfers and subsidies		174 429	198 183	227 135	235 098	239 026	239 026	239 026	248 520	260 550	273 170
Other revenue	2	11 752	395 394	93 613	12 660	91 599	91 599	91 599	12 048	12 638	13 258
Gains on disposal of PPE		(2 310)	(48 309)	-	80 000	-	-	-	133 305	139 837	146 689
Total Revenue (excluding capital transfers and contributions)		388 251	752 791	537 375	585 609	679 836	679 836	679 836	759 146	795 034	833 844

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 mispresented the calculation of the operating surplus.

Operating Grants & Subsidies are the largest revenue source totalling in 2025/26 and increased from **R 232 657 Million** in 2026/27 to **R 234 798 Million**.

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. This being the Second biggest source of revenue the Service charges revenues comprise more than **34.88 %** of the total revenue mix. This increases to **R302 295 Million**, **R315 899 Million** and **R 323 796 Million** in the respective financial years 2025/26 of the MTREF. This growth can be mainly attributed to the increased in sale of electricity that adds to revenue mix, which in turn is due to rapid increases in the Eskom tariffs.

Sale of Stands is the third largest source of revenue with 18.57 %, **R 140 997 Million** which will be generated from the sale of 900 Rhino Ridged Stands.

The fourth and last revenue source is from revenue generated with 2.76% is from Fines, Licences and permits, rental income, interest and other revenue such as grave yards fees, tender documents, and library fees e.c.t.





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

Summary of operating expenditure by standard classification item

Expenditure By Type											
Employee related costs	2	151 683	156 123	164 268	174 124	174 124	174 124	174 124	182 656	191 606	200 995
Remuneration of councillors		10 097	10 295	11 428	10 963	11 963	11 963	11 963	12 549	13 164	13 809
Debt impairment	3	41 885	13 770	45 000	12 225	10 725	10 725	10 725	367	385	404
Depreciation & asset impairment	2	31 885	30 844	34 000	35 666	35 666	35 666	35 666	37 046	38 862	40 766
Finance charges		122	1 235	525	1 800	1 800	1 800	1 800	1 888	1 981	2 078
Bulk purchases	2	137 919	126 092	144 815	142 145	228 400	228 400	228 400	316 161	331 652	347 903
Other materials	8	4 200	7 083	4 678	5 791	4 011	4 011	4 011	4 208	4 414	4 630
Contracted services		37 408	35 955	39 779	51 187	49 155	49 155	49 155	49 155	51 992	54 155
Transfers and subsidies		4 565	4 390	11 307	5 975	5 975	5 975	5 975	4 049	4 100	4 154
Other expenditure	4, 5	31 519	56 913	43 158	76 194	64 510	64 510	64 510	54 175	56 629	59 404
Loss on disposal of PPE			-								
Total Expenditure		451 283	442 701	498 958	516 070	586 329	586 329	586 329	662 253	694 785	728 298
Surplus/(Deficit)		(63 033)	310 090	38 417	69 540	93 508	93 508	93 508	96 893	100 249	105 546
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		31 409	30 941	42 307	33 559	35 959	35 959	35 959	35 242	47 384	49 428
Transfers and subsidies - capital (in-kind - all)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(31 624)	341 031	80 724	103 099	129 467	129 467	129 467	132 135	147 633	154 974
Taxation											
Surplus/(Deficit) after taxation		(31 624)	341 031	80 724	103 099	129 467	129 467	129 467	132 135	147 633	154 974
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(31 624)	341 031	80 724	103 099	129 467	129 467	129 467	132 135	147 633	154 974
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(31 624)	341 031	80 724	103 099	129 467	129 467	129 467	132 135	147 633	154 974

The budgeted allocation for employee related costs for the 2025/26 financial year totals **R182 655 Million**, Salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2025/26 for the MTREF.

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. **R 11 962 Million** was budget for 2025/26 MTREF.

The provision of debt impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality as well as the write off of the Vhembe District Debt. For the 2025/26 financial year **R367 Thousand** was budget. 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, as well as the municipality's realistically anticipated revenues.

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 **R38 918 Million** for the 2025/26 financial.

Finance charges consist primarily on payment of interest paid to service lease for machinery of computer equipment. The budget for 2025/26 financial year is **R2 088 Million**.





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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. Bulk purchases make up 36% percent with a budget of **R 238 499 Million** of operating expenditure.

Contracted services such as research and development have been identified as a cost saving area for the Municipality. In 2025/26 financial year it increased to **R69 975 Million** for 2024/25. The following table will illustrate what is budgeted for this Item. Dumbing Site and Security Services are the Items biggest expenses.

CONSULTANTS,COTRACTOR,PROFESSIONAL AND OUTSOURCED	2025/26
CONSULTANTS	
Asset Management:Asset Management	Business and Advisory: Accounting and Auditing 2 419 600.00
Governance Function:Governance	Business and Advisory: Audit Committee New 321 552.00
Information Technology:Information Technology	Business and Advisory: Business and Financial Management 7 664 600.00
Core Function:Human Resources	Business and Advisory: Medical Examinations 3 573 500.00
Core Function:Human Resources	Business and Advisory: Occupational Health and Safety 2 088 032.08
Mayor and Council:Mayor	Consultants and Professional Fees -
Core Function:Human Resources	Business and Advisory: Organisational 104 400.00
Economic Development/Planning:Economic Development and Planning	consultant and professional 208 800.00
Core Function:Finance	Business and Advisory Quality ControlNew 8 062 474.00
Core Function:Administrative and Corporate Support	Business and Advisory: Quality Control 354 900.00
Licensing and Regulation:Licensing and Regulation	Business and Advisory: Quality Control 86 652.00
Administrative and Corporate Support:Administrative and Corporate support	Business and Advisory: Research and Advisory 114 840.00
Legal Services:Legal Services	Business and Advisory: Valuer and Assessors 2 088 000.00
Legal Services:Legal Services	Legal Cost: Legal Advice and Litigation 5 622 500.00
Core Function:Finance	Auctioneer 514 700.00
Non-core Function:Disaster Management	Catering 156 600.00
Core Function:Finance	Contractors:Catering Services 104 400.00
Disaster Management:Disaster Management	caterig services -
Mayor and Council:Mayor and Council	Contractors: Catering Services New 522 000.00
Town Planning; Building Regulations and Enforcement; and City Engineer:Town	Contractors:Catering Services 338 498.30
Municipal Manager; Town Secretary and Chief Executive:Municipal Manage and	Contractors:Catering Services 93 960.00
Economic Development/Planning:Economic Development and Planning	Contractors:Catering Services 41 760.00
Administrative and Corporate Support:Administrative and Corporate support	Contractors:Catering Services 104 400.00
Disaster Management:Disaster Management	Contractors:Catering Services 156 600.00
CONTRACTOR	
Economic Development/Planning:Technical Services	Maintenance of Municipal Buildings Use 417 600.00
Information Technology:Information Technology	Contractors:Maintenance of Equipment 125 280.00
Economic Development/Planning:Technical Services	Maintenance of Equipment Use 83 520.00
Police Forces; Traffic and Street Parking Control:Parking Control	Maintanance of Machinery and Equipment 62 640.00
Administrative and Corporate Support:Administrative and Corporate support	Contractors: Maintenance of Equipment 626 400.00
Roads:Roads	Contractors: Maintenance of Equipment 1 625 880.00
Water Distribution:Vhembe-Water0m	Repairs and maintenance 270 000.00
Asset Management:Stores	Contractors: Maintenance of Unspecified Assets 208 800.00
Fleet Management:Fleet Management	Maintenance of Vehicles Use 313 200.00
Roads:Roads	Maintenance of Roads use 334 700.00
Core Function:Police Forces; Traffic and Street Parking Control	Maintenance of vehicles-new 26 100.00
OUTSOURCED	
Mayor and council	Burial of paupers 208 800.00
Solid Waste Disposal (Landfill Sites):Solid Waste Disposal	Outsourced Services:Drivers Licence Cards 417 600.00
Security Services:Security Services	Dumping Site Maintenance 10 677 328.00
	Outsourced Services: Security Services 19 836 000.00
	69 976 616.38



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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. Printing and stationary, subsistence and travelling, attending of conferences and workshops have significantly been upwards. Other expenditure makes up **14.58**percent with a budget of **R 96 562 Million** of operating expenditure.

See Table below for breakdown of other expenditure,

Bursaries (Non-employees)	1 148 400.00
Advertising Publicity and Marketing: Corporate and Municipal	157 916.48
Advertising Corporate and Municipal Activities	39 445.45
Advertising	36 540.00
Corporate and Municipal Activities	52 200.00
Corporate and Municipal Activities	114 840.00
Corporate and Municipal Activities	62 640.00
Advertising Publicity and Marketing: Corporate and Municipal	55 924.99
Municipal Newsletters	941 960.00
Advertising Signs	229 680.00
Bank Admin Fees	607 608.00
Bank Admin Fees	525 420.14
Bank Charges Facility and Card Fees: Bank Accounts New-nev	495 900.00
Expenditure: Operational Cost: Bursaries (Employees)	1 000 000.00
Mayor's Car Wash New	3 972.42
Communication Postage Stamps Franking MachinesNew	22 098.00
Communication: Postage/Stamps/Franking Machines	29 598.35
Communication: Postage/Stamps/Franking Machines	202 098.00
Postage/Stamps/Franking Machines	313 086.20
Communication: Postage/Stamps/Franking Machines New	104 052.35
SMS Bulk Message Service	250 560.00
Communication: Telephone Fax Telegraph and Telex	2 020 980.00
Communication: Telephone Fax Telegraph and Telex	31 320.00
Communication: Telephone Fax Telegraph and Telex	1 020 823.20
Communication: Telephone Fax Telegraph and Telex	2 010 262.37
Telephone Land Line	2 062 940.00
Communication Telephone Fax Telegraph and TelexNew	2 005 245.00
Communication: Telephone Fax Telegraph and Telex Use	2 213 266.43
Communication: Telephone Fax Telegraph and Telex Use	149 347.33
Communication: Telephone Fax Telegraph and Telex New	39 672.00
Telephone Fax Telegraph and Telex	5 220.00
Communication: Telephone Fax Telegraph and Telex	6 264.00
Telephone; Fax; Telegraph and Telex	6 264.00
Telephone; Fax; Telegraph and Telex	517 073.36
Telephone; Fax; Telegraph and Telex	54 604.33





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Telephone; Fax; Telegraph and Telex	38 836.80
Communication: Telephone Fax Telegraph and Telex	10 213.45
Entertainment MAYOR-new	94 240.88
Entertainment: Councillors Use	272 398.00
Expenditure: Operational Cost: External Audit Fees	7 011 200.00
Information Services	1 397 349.11
External Computer Service: Software Licences	2 054 706.22
Indigent Relief	6 357 200.00
Premiums	11 396 000.00
Bursaries	1 660 755.53
Licences: Motor Vehicle Licence and Registrations	141 266.97
Mayors Social Responsibility	52 200.00
Expenditure: Operational Cost: Printing Publications and Boo	31 320.00
Expenditure: Operational Cost: Printing Publications and Boo	41 760.00
Expenditure: Operational Cost: Printing Publications and Boo	53 040.82
Operational Cost:Printing; Publications and Books	21 470.00
Printing; Publications and Books	8 352.00
Printing; Publications and Books	19 372.00
Operational Cost:Printing; Publications and Books	145 466.00
Printing Publications and Books	83 520.00
Expenditure: Operational Cost: Printing Publications and Boo	3 654.00
Expenditure: Operational Cost: Printing Publications and Boo	37 462.01
Expenditure: Operational Cost: Printing Publications and Boo	3 132.00
Expenditure Operational Cost Printing Publications and BooN	21 470.00
Expenditure: Operational Cost: Printing Publications and Boo	21 470.00





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Expenditure: Operational Cost: Professional Bodies Members	23 568.00
Registration Fees:Professional and Regulatory Bodies	9 500.40
Registration Fees:Professional and Regulatory Bodies	9 500.40
Membership Fees -SALGA	3 055 585.78
Membership Fees	5 220.00
GRAP Training	2 047 205.00
Seminars; Conferences; Workshops and Events	152 450.00
Seminars; Conferences; Workshops and Events	1 041 960.00
Seminars; Conferences; Workshops and Events	1 041 960.00
Seminars; Conferences; Workshops and Events	1 052 450.00
Seminars Conferences Workshops and Events: National New	104 410.00
Seminars Conferences Workshops and Events:National	74 096.12
Training of BTO Management and Staff	1 125 880.00
Seminars Conferences Workshops and Events: National New	18 792.00
Seminars Conferences Workshops and Events: National New	63 034.63
Seminars Conferences Workshops and Events NationalNew	261 000.00
Conference and Convention	62 640.00
Seminars Conferences Workshops and Events: National	52 200.00
Seminars Conferences Workshops and Events: National	608 697.94
Seminars Conferences Workshops and Events: National	52 200.00
Seminars Conferences Workshops and Events: National	100 834.74
Expenditure: Operational Cost: Signage	207 800.00
Skills Development Levy Use	1 252 800.00
Skills Development Training	219 240.00
Asset Storage	12 528.00
Toll Gates Fees	10 440.00
Toll Gates Fees	14 146.20
Toll Gates Fees	3 132.00
Operational Cost:Toll Gate Fees	15 660.00
Operational Cost:Toll Gate Fees	3 132.00
Toll gate fees New	1 566.00
Toll gate fees New	36 573.41
Toll gate fees-new	10 560.06
Transport Provided as Part of Departmental Activities: Munic	1 448 199.55
Domestic: Accommodation	49 464.78
Domestic: Accommodation	167 920.00
S&T Accomodation	457 295.00
S&T Accomodation	12 528.00
Domestic: Accommodation	1 719 814.61
Domestic: Accommodation New	1 359 527.08
Domestic AccommodationNew	62 149.32





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Daily Allowance	2 860.56
Training Accommodation inc S and T	52 200.00
Domestic: Accommodation	194 370.88
Domestic: Accommodation	104 400.00
Domestic: Accommodation	221 591.09
Domestic: Accommodation	68 916.53
Domestic: Accommodation New	784 000.00
Domestic: Accommodation	31 320.00
Domestic: Daily Allowance	156 600.00
Domestic: Daily Allowance	32 430.82
Domestic: Daily Allowance	45 616.54
Domestic: Daily Allowance	626.40
Domestic: Daily Allowance New	3 132.00
S&T Daily Allowance	3 591.36
Domestic: Daily Allowance	12 528.00
Domestic: Daily Allowance New	3 340.80
Domestic: Daily Allowance New	29 680.00
Domestic: Daily Allowance New	321 296.46
Daily Allowance	18 223.02
Domestic: Daily Allowance	20 880.00
Domestic: Daily Allowance	69 195.28
Domestic Daily Allowance	12 528.00
Domestic Daily Allowance	78 300.00
Domestic: Daily Allowance	122 868.27
Domestic: Daily Allowance	3 132.00
Domestic: Daily Allowance	62 640.00
Domestic Daily Allowance New New	60 749.22
Domestic: Daily Allowance New	6 264.00
Domestic Incidental Cost New	7 028.21
Domestic: Incidental Cost	10 440.00
Domestic: Incidental Cost New	12 468.49
Domestic: Incidental Cost	3 132.00
Domestic: Incidental Cost	36 540.00





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Own Transport	546 924.58
Transport without Operator: Own Transport	93 960.00
Transport without Operator: Own Transport	2 296 800.00
Transport without Operator: Own Transport	52 200.00
Transport without Operator: Own Transport	208 800.00
Transport without Operator: Own Transport	125 280.00
Transport without Operator: Own Transport	124 862.40
Transport without Operator: Own Transport	62 640.00
Transport without Operator: Own Transport	72 320.00
Transport without Operator: Own Transport	79 342.99
Uniform and Protective Clothing	9 000 000.00
Ward Committe stipends	2 531 430.65
Expenditure: Operational Cost: Wet Fuel New	2 146 049.00
Fuel-new	4 438 715.84
	96 562 168.76

LIM341 Musina- Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2024/25 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											
<i>Governance and administration</i>		7 265	(9 063)	4 300	27 049	32 339	32 339	32 339	24 763	22 436	39 540
Executive and council		6 050	1 150	–	–	–	–	–	–	–	–
Finance and administration		1 215	(10 213)	4 300	27 049	32 339	32 339	32 339	24 763	22 436	39 540
Internal audit		–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		3 643	1 788	10 180	–	–	–	–	940	1 009	1 250
Community and social services		3 643	1 780	5 180	–	–	–	–	–	–	–
Sport and recreation		–	–	5 000	–	–	–	–	–	–	–
Public safety		–	8	–	–	–	–	–	940	1 009	1 250
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		24 319	37 301	33 103	45 400	57 468	57 468	57 468	95 122	96 940	89 009
Planning and development		25 210	15 818	18 036	32 140	38 743	38 743	38 743	62 722	35 053	26 228
Road transport		(891)	21 483	15 067	13 260	18 725	18 725	18 725	32 400	61 887	62 781
Environmental protection		–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		430	4 816	43 000	28 850	39 286	39 286	39 286	11 310	27 041	25 200
Energy sources		430	4 816	35 000	26 200	37 136	37 136	37 136	4 410	17 250	7 550
Water management		–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–
Waste management		–	–	8 000	2 650	2 150	2 150	2 150	6 900	9 791	17 650
<i>Other</i>		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	35 657	34 842	90 583	101 299	129 093	129 093	129 093	132 135	147 426	154 999
Funded by:											
National Government		28 853	38 484	42 307	33 559	35 959	35 959	35 959	35 242	47 177	49 453
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Other transfers and grants		6 804	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	35 657	38 484	42 307	33 559	35 959	35 959	35 959	35 242	47 177	49 453
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		(891)	8 831	46 000	67 740	93 134	93 134	93 134	96 893	100 249	105 546
Total Capital Funding	7	34 766	47 315	88 307	101 299	129 093	129 093	129 093	132 135	147 426	154 999



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Capital Budget

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders through extensive public participation processes as well as ward committee processes where applicable.

Capital expenditure is budgeted is budget at **R 132 134 Million** with MIG allocation of **R35 242 Million** and **R 96 892 Million** for Own Capital Projects for the 2025/26. The capital budget continues to reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services.

The following project will be covered with the **MIG allocation** budget:

MIG Projects			
PMU	Nancefield ext 9& 10 paved road phase 3	Nancefield ext 9&10	6 517 502
PMU	Masisi paved streets phase 1	Masisi	8 000 000
PMU	Shakadza access streets	Shakadza	7 436 810
PMU	Tshikotoni bridge	Tshikotoni	11 442 088
PMU	PMU admin		1 845 600
			35 242 000

Own funding Capital projects 2025/26

FUNCTION	PROJECT NAME	LOCATION	BUDGET
Office Facilities & Auxilliary	Install Cleaning & Hygiene Equipment	Municipal Facilities	400 000
Office Facilities & Auxilliary	Revamp of Reception	Civic Centre	700 000
Office Facilities & Auxilliary	Revamp of Kitchen/Dining Hall	Civic Centre	1 500 000
Office Facilities & Auxilliary	Renovation of Council Chamber	Civic Centre	1 600 000
Office Facilities & Auxilliary	Renovation of Old Traffic Offices	Municipal Office Facilities	3 500 000
Communication	Equipment (sound system)		300 000
			8 000 000
Human Resources Manage	Facilities installed with Fire Exit Plan, Alarm and Detectors	Civic Centre, Workshop & Traf	750 000
MM	Individual Performance Management System	Civic Centre	1 200 000
Human Resources Manage	Organisational Structure System	Civic Centre	200 000
			2 150 000



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ICT	Internet & Email Services(40Mbps		289 500
ICT	Emergency Power Supply		200 000
ICT	Telephone Management System		1 000 000
ICT	Linking offices and internet breakouts	Civic Centre	108 000
ICT	Provision of VoIP infrastructure for buildings	Civic Centre	2 052 000
ICT	Protection of servers and data	Civic Centre	140 400
ICT	Virtual servers		2 178 000
ICT	Firewall		300 000
ICT	VPN		329 842
ICT	Server Room Fire Suppression Equipment		120 000
ICT	Provision of bio-metric system		1 400 000
ICT	Software licensing	Civic Centre	1 800 000
ICT	Development of ITC Business Continuity Plan	Civic Centre	350 000
			10 267 743
Fleet Management	2 x Double cab Bakkie		1 000 000
Fleet Management	2 x Sedan		1 000 000
Fleet Management	Pressure Washer car wash		20 000
Fleet Management	Diagnostic machine		20 000
Fleet Management	Tools box		15 000
Fleet Management	hydraulic car lifting jack		50 000
Fleet Management	Pneumatic Tyre Changers and Balancers		50 000
			2 155 000
PMU	Eagle landing street	town	10 000 000
PMU	Refurbishment of Nancefield building	town	2 000 000
PMU	Enhancing security features of main office and old traffic office	town	2 000 000
			14 000 000
Waste	Purchase skip bins	Musina	280 000
Waste	Purchase 4 ton truck	Musina	700 000
Waste	Purchase bakkie	Musina	800 000
Waste	Develop a climate change response and implementation strategy	Musina	800 000
Waste	Procure recycling bins	Musina	500 000
Waste	Procure PPE for recyclers	Musina	200 000
Waste	Separation at source project	Musina	1 000 000
Waste	Review Environmental Management Plan	Musina	350 000
Waste	Develop a wetland rehabilitation plan	Musina	350 000
Waste	Develop an open space management plan	Musina	600 000
Waste	Develop an air quality management plan	Musina	600 000
Waste	Develop invasive plant management plan	Musina	600 000
Waste	Street bins X80	Musina	120 000
			6 900 000



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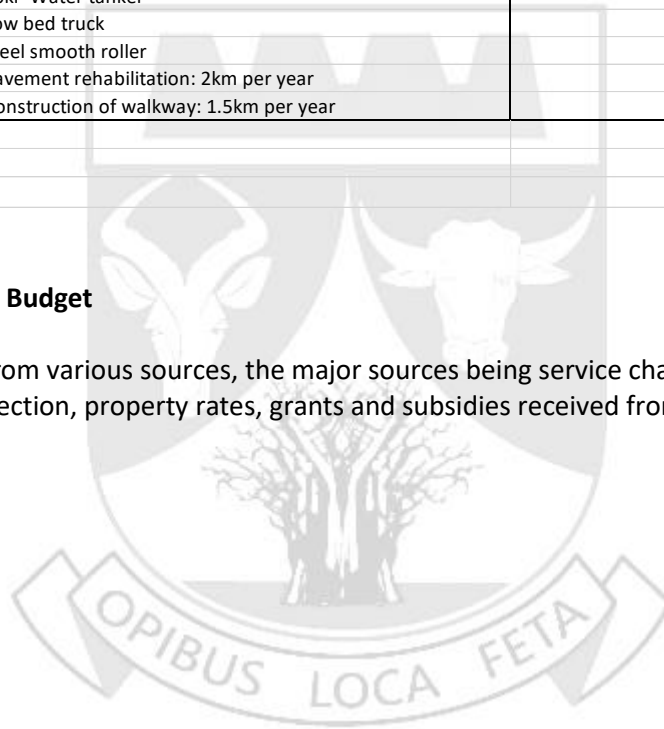
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Recreation	Upgrade showground and connect to main sewer	Musina	500 000
			500 000
Traffic	Building Materials for Animal Pound/ manenzhe	Musina	450 000
Traffic	Portable blue lights	Musina	240 000
			690 000
Licensing	Bulk filling System/ X5 Cabinet	Musina	250 000
			250 000
PMU	Infrastructure for Musina Landfill Site	Musina	2 500 000
PMU	Purchase compactor truck	Musina	2 080 000
PMU	Construct a central landfill site in villages	Musina	15 000 000
			19 580 000
Civil	Additional motor grader		5 000 000
Civil	20ton tracked excavator		5 000 000
Civil	10kl- Water tanker		1 200 000
Civil	Low bed truck		1 600 000
Civil	Steel smooth roller		1 100 000
Civil	Pavement rehabilitation: 2km per year		16 000 000
Civil	Construction of walkway: 1.5km per year		2 500 000
			32 400 000
Total Own Funding Projects			96 892 743

Funding of Operating Budget

Funding is obtained from various sources, the major sources being service charges such as electricity, refuse collection, property rates, grants and subsidies received from National government.





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LIM341 Musina - Table A6 Budgeted Financial Position

Description	R thousand	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	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS											
Current assets											
Cash and cash equivalents		20 550	36 773	12 027	53 705	43 954	43 954	86 447	38 795	78 081	109 394
Trade and other receivables from exchange transactions	1	41 518	43 517	74 323	71 983	87 970	87 970	95 580	217 417	331 509	451 191
Receivables from non-exchange transactions	1	22 354	18 669	22 415	21 200	22 218	22 218	24 744	26 542	35 136	44 151
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	30 701	29 862	24 528	25 852	24 528	24 528	25 139	24 528	24 528	24 528
VAT		112 842	138 535	16 910	34 499	43 124	43 124	15 212	29 454	46 488	54 329
Other current assets		0	(80)	758	–	–	–	2 174	2 181	2 181	2 181
Total current assets		227 965	267 275	150 960	207 238	221 803	221 803	249 296	338 918	517 923	695 774
Non current assets											
Investments		–	–	10 731	10 731	13 169	13 169	15 419	13 169	13 169	13 169
Investment property		173 984	156 564	203 109	203 449	205 010	205 010	205 010	205 010	205 010	205 010
Property, plant and equipment	3	418 185	453 982	493 485	502 015	548 810	548 810	497 618	556 125	654 116	756 225
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets	65	65	65	65	65	65	65	65	65	65	65
Intangible assets	399	546	552	3 386	7 709	7 709	7 709	404	1 705	3 065	4 485
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		592 634	611 157	707 942	719 646	774 763	774 763	718 515	776 074	875 425	978 953
TOTAL ASSETS		820 599	878 433	858 902	926 884	996 566	996 566	967 811	1 114 991	1 393 348	1 674 727
LIABILITIES											
Current liabilities											
Bank overdraft		338	513	426	–	–	–	0	504	504	504
Financial liabilities		594	(7 072)	0	362	–	–	–	–	–	–
Consumer deposits		5 027	5 222	6 493	5 232	6 135	6 135	5 982	6 188	6 188	6 188
Trade and other payables from exchange transactions	4	365 976	433 081	214 126	76 933	223 597	223 597	238 653	330 150	411 722	497 124
Trade and other payables from non-exchange transactions	5	–	5 579	12 439	52 305	45 294	45 294	10 506	10 506	10 506	10 506
Provision		22 741	22 481	29 621	2 532	3 389	3 389	30 612	30 612	30 612	30 612
VAT		110 821	126 461	14 639	30 641	28 521	28 521	7 061	51 792	100 944	152 504
Other current liabilities		19 123	21 750	497	–	–	–	–	–	–	–
Total current liabilities		524 620	608 015	278 241	168 065	306 936	306 936	292 814	429 751	560 475	697 438
Non current liabilities											
Financial liabilities	6	7 871	7 871	–	–	–	–	–	–	–	–
Provision	7	21 311	24 000	22 589	41 920	40 625	40 625	26 240	26 240	26 240	26 240
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		–	–	14 385	–	–	–	14 385	14 385	14 385	14 385
Total non current liabilities		29 182	31 871	36 974	41 920	40 625	40 625	40 625	40 625	40 625	40 625
TOTAL LIABILITIES		553 802	639 887	315 214	209 925	347 561	347 561	333 439	470 376	601 100	738 062
NET ASSETS		266 797	238 546	543 688	716 960	649 005	649 005	634 373	644 616	792 248	936 665
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	266 718	238 467	543 688	716 960	649 005	649 005	582 305	644 616	792 248	936 665
Reserves and funds	9	79	79	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	10	266 797	238 546	543 688	716 960	649 005	649 005	582 305	644 616	792 248	936 665

The Municipality's expenditure framework for the 2025/26 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plan no budget. If there is no business plan no funding allocation can be made.



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Municipalities play a critical role in furthering government's objective of providing services to all. Cities are also driving South Africa's growth and development. However, to play these roles, cities need to be supported and funded. Local Government conditional grants are being reformed to provide targeted support to different types of municipalities. The following projected grant allocations to the municipality in terms of the 2025/26 Division of Revenue Bill have been included in this medium term budget.

Operating Transfers and Grant Receipts:

LIM341 Musina - 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:		153 257	192 995	216 341	235 098	239 026	224 593	248 520	260 550	273 170
Expanded Public Works Programme Integrated Grant		-	-	-	1 975	1 975	-	-	-	-
Infrastructure Skills Development Grant		-	-	-	1 000	4 928	-	5 170	5 423	5 689
Local Government Financial Management Grant		-	-	-	3 000	3 000	-	3 147	3 301	3 463
Equitable Share		153 257	192 995	216 341	229 123	229 123	224 593	240 203	251 826	264 018
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	153 257	192 995	216 341	235 098	239 026	224 593	248 520	260 550	273 170
Capital Transfers and Grants										
National Government:		-	-	-	33 559	35 959	-	35 242	47 384	49 428
Municipal Disaster Relief Grant		-	-	-	-	2 400	-	-	-	-
Municipal Infrastructure Grant		-	-	-	33 559	33 559	-	35 242	38 040	39 662
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	9 344	9 766
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	33 559	35 959	-	35 242	47 384	49 428
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	153 257	192 995	216 341	268 657	274 985	224 593	283 762	307 934	322 598

Capital Infrastructure Grants Allocation for 2025/26 Financial Year

The capital budget is directly informed by the needs submitted by the community through the IDP process. The ability of the Municipality to deliver services depends greatly on its funding sources, own resources. For the 2025/26 financial year, the budgeted service delivery is summarised as follows:



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LIM341 Musina - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	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													
KPA 1 Basic Service Delivery and Infrastructure Development	KPA 1 To initiate and improve the Quantity and Quality of municipal infrastructure services			165 857	352 663	352 663	345 586	345 586	345 586	311 052	317 692	331 670	
KPA 2 Good Governance and Public Participation	KPA 2 To Deepen Democracy and promote Accountability			17 539	21 355	7 613	10 254	10 254	10 254	10 726	11 209	11 702	
KPA 3 Municipal Transformation and Organisational Development	KPA 3 To increase institutional capacity efficiency and effectiveness			15 512	25 814	26 996	39 094	39 094	39 094	40 863	42 732	44 612	
KPA 4 Financial Viability and management	KPA 4 To enhance compliance with legislation and improve financial viability			212 088	362 679	189 972	205 558	205 558	205 558	221 598	234 378	244 691	
KPA 5 Local Economic Development	KPA 5 To create a conducive environment for sustainable economic growth			8 017	5 027	77 660	8 774	8 774	8 774	7 112	7 432	7 759	
KPA 6 Social and Justice	KPA 6 To Improve Quality of life through social development and provision of effective community services			6 756	60 826	20 127	9 903	9 903	9 903	10 220	10 545	11 009	
Allocations to other priorities													
				2									
Total Revenue (excluding capital transfers and contributions)				1	425 769	828 364	675 021	619 169	619 169	619 169	601 561	623 988	651 443

2025/26-2026/2027 Service Delivery Impact of MTREF

To increase the number of household with access to basic services such as Water, Electricity, roads and Sanitation in predominantly rural areas while planning and implementing catalytic projects over the next few years which will create investment and employment opportunities, some of them will transform the town's landscape and growth patterns forever while cementing the Musina town.

OVERVIEW OF ALIGNMENT OF BUDGET WITH IDP

Integrated Development Planning is a process through which municipalities prepare a strategic development plan which extends over a five-year period. The Integrated Development Plan (IDP) is a product of the IDP process. The IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, management and decision-making processes in a municipality.

Integrated development planning necessitates the involvement of all relevant stakeholders. Musina municipality was able to:

- Identify its key development priorities;
- Formulate a clear vision, mission and values;
- Formulate appropriate strategies;

Develop the appropriate organizational structure and systems to realize the vision; and mission; and align resources with the development priorities.





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All the planning within the Municipality should be guided by what the pillars want to achieve i.e.

- Economy;
- Environment;
- Governance;
- Living condition
- Mobility; and
- People.

2. KEY NATIONAL AND PROVINCIAL GUIDING DOCUMENTS

Section 24 (1) of the Municipal Systems Act 32 of 2000 requires that the planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.

It must be noted that a variety of International, National and Provincial priorities and outcomes were considered during the strategic planning phase, namely: 2030 Goals for Sustainable Development, National Development Plan, Medium Term Strategic Framework (MTSF) 2014-2019 Priorities, Back to Basics, Limpopo Development Plan (LDP) 2015-2019 and the Local Government Manifesto 2016.

OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Municipal Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, to be updated on an annual basis. The main purpose of budget related policies is to govern and guide the budget process and inform the projections of the medium term.

The following are Final budget related policies which have been approved by Council, or have been reviewed /amended and / or are currently being reviewed / amended in line with National Guidelines and other legislation

Cash Management and Investment Policy

The objectives of the Investment Policy are: -to manage the investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens; that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

Leave Policy



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To ensure that employees know their entitlement with regard to the allocation of leave, the responsibility to apply for leave in the prescribed manner(s) and for good governance of leave in the Musina Local Municipality.

Integrated Customer Policy

The objective of this policy is to provide a policy framework for the circumstances under which deposit must be paid, the determination of the amount of the deposit that must be paid and the refund or forfeiture of deposit

Assets Management Policy

The objective of this policy is to ensure the effective and efficient control of the municipality's assets through proper recording of assets from authorisation to acquisition and to subsequent disposal; providing for safeguarding procedures, setting proper guidelines as to authorised utilisation and prescribing for proper maintenance. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

Budget and Virement Policy

- The budget and virement policy sets out the budgeting principles which Musina Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.
- The policy shall apply to all the relevant parties within the Musina Municipality that are involved throughout the budget process.
- The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

Indigent and Social Assistance Policy

The objectives of this Policy are to: -



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- Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- Determine the criteria for qualification of Indigent and poor households;
- Ensure that the criteria are applied correctly and fairly to all applicants;
- Allow the municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household with respect to meeting the criteria on an indigent household.
- Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies (financial aid in respect of the Municipal Services account)

Supply Chain Management Policy

The objective of the supply chain management policy is

- To give effect to the provisions of section 217 of the Constitution of the Republic of South Africa, 1996;
- To give effect to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003)
- To give effect to the provisions of the Preferential Procurement Policy Act 5 of 2000 and regulations 2011
- To give effect to the Municipal Supply Chain Management Regulations
- The Broad Based Black Economic Empowerment Act 53 of 2003
- The prevention and combating of corruption Activities Act 12 of 2004.

Credit Control and Debt Collection Policy

- The objectives of Credit Control Policy are:
- To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community
- To limit risk levels by means of effective management tools.



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- To provide for restrictions, limitations, termination of services for non-payment.
- The objective of Debt Collection Policy is:
- To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt

Tariff Policy

- To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.
- To ensure that there is consistency in how the tariffs are applied throughout the Municipality.
- To ensure municipal services are financially sustainable, affordable and equitable.
- Determining cost effective tariff as far as possible.
- To ensure affordability of basic services to the community.

Property Rates Policy

The key objectives of the policy are to:

- ensure that all owners of rateable property are informed about their liability to pay assessment rates;
- specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- recognise the state, organs of state and owners of public service infrastructure as property owners;



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- not discourage the development of property;
- ensure that all persons liable for rates are treated equitably as required by the Act;
- determine the level of increases in rates; and
- Provide for exemption, rebates and reductions

Subsistence and Travel Policy

- Subject to the provisions of the standard Conditions of Services and any other Agreement with the Bargaining Council applicable to the Council of its employees, the objective of the policy is:
- To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- To ensure uniformity in the payment of subsistence and traveling allowances.

RECOMMEND

1. That the Draft Budget of the Musina Local municipality for the financial year 2025/26 and the multi-year and single-year capital appropriations as set out in the following tables be approved and adopted:

1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;

1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;

1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4;

1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5

2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

2.1 Budgeted Financial Position as contained in Table A6

2.2 Budgeted Cash Flows as contained in Table A7;

2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;

2.4 Asset management as contained in Table A9; and

2.5 Basic service delivery measurement as contained in Table A10.

3. The Council of Musina Local Municipality, acting in terms of section 75A of the Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2020: as set out in the



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Proposed Tariffs booklet:

3.1 The tariffs for property rates

3.2 The tariffs for waste services

4. That the following budget related policies be approved for implementation in 2025/26;

- Cash management and Investment Policy
- Leave Policy
- Integrated Customer Care Policy
- Asset Management Policy
- Loss and Claims Policy
- Budget and Virement Policy
- Indigent and Social Assistance Policy
- Supply chain management Policy
- Credit control and debt collection Policy
- Tariff Policy
- Property Rates Policy
- Subsistence and Travelling Policy

Part B Legislative Mandate

1. Legislative Mandate

Section 16 of Municipal Systems Act (32 of 2000) mandate municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in:

- The preparation, implementation and review of its Integrated Development Plan (IDP).
- The establishment, implementation and review of its Performance Management System(PMS);
- Monitoring and review of its performance, including the outcomes and impact of such performance;
- The preparation of its budget;



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- Strategic decision relating to the provision of municipal services.

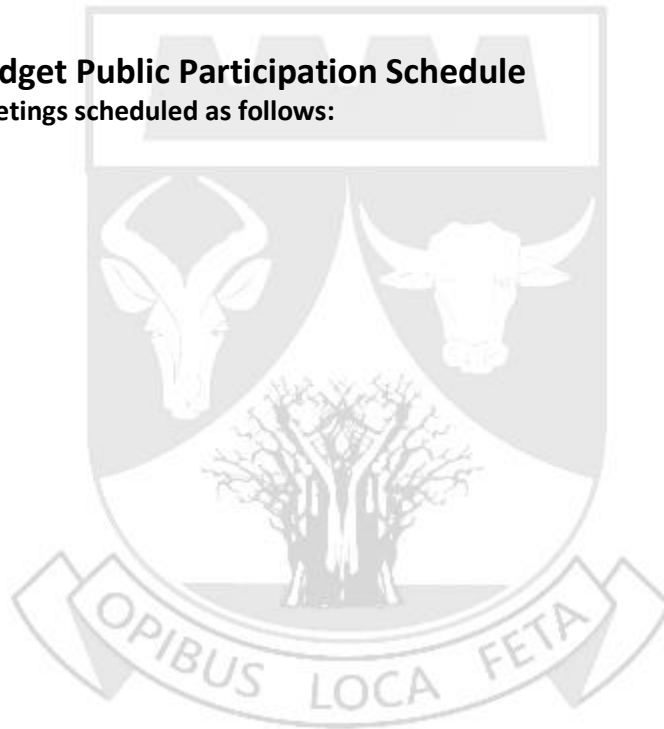
Section 152 of the Constitution (108 of 1996) provides objectives of local government. One of the objectives is to **encourage the involvement of communities and community organizations in the matters of local government.**

In line with the above-mentioned legislative mandate, Musina Local Municipality undertook the IDP/Budget review consultation process from the **01 April 2025 – 30 April 2026**. Musina municipality is made up of 12 wards,

For effective and efficient public participation process, the **2024/25 IDP/Budget** Public Consultation Process was conducted as reflected on the table below:

2025/26 IDP /Budget Public Participation Schedule

The dates for the meetings scheduled as follows:





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SUMMARY BUDGET PROCESS 2025/2026

PLANNING ACTIVITY	TIME SCHEDULE
Approval of Budget time schedule	30 August 2024
Income Budget Submission	26/27 September 2024
Departmental Budget Submission (Budget and business Plans)	17 October 2024
Departmental Budget meeting with Municipal manager	14 November 2024
Budget meeting	6 March 2025
Tabling of first draft Budget, SDBIP (Service delivery Budget implementation plan)	27 March 2025
Provincial Treasury session on draft budget	To be announced
Upload budget on municipal website and SMS distribution for budget reviews and public input at satellite offices and municipal offices.	1 April 2025 -30 April 2025
Provincial Treasury budget engagements	May 2025
Tabling Final Budget, SDBIP	23 May 2025
Budget speech and Approval of Budget and SDBIP	End June 2025





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