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Musina Local Municipality

2026/27 Draft Budget And MTREF

**DRAFT**



**MUSINA LOCAL MUNICIPALITY TABLED BUDGET  
NARRATIVE REPORT 2026/27**



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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

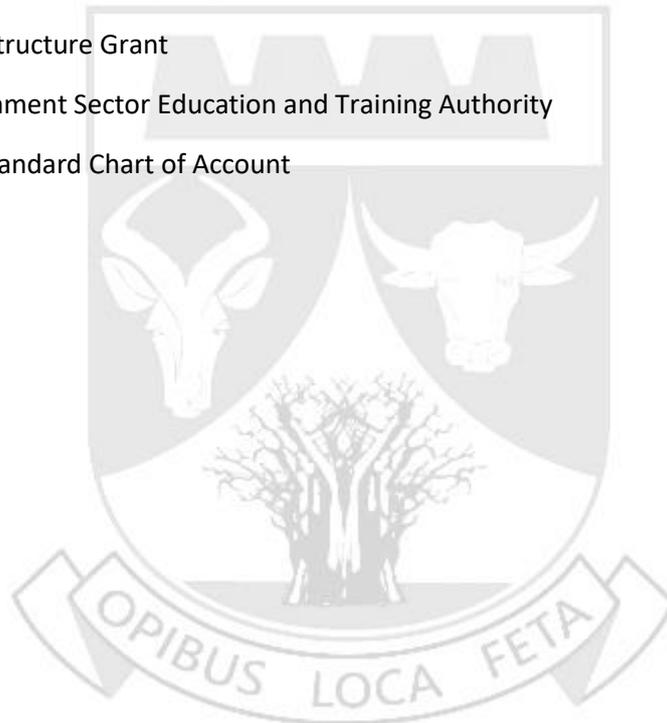
**FMG**-Finance Management Grant

**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: **R505 182Million**

Community and Public Safety: **R160 003Million**

Economic and Environmental Services: **R68 204 Million**

Trading Services: **R 80 482 Million**

GRAND TOTAL OF THE FINAL DRAFT BUDGET: **R 801 452 Million**

GRANTS ARE AS PER DORA ALLOCATION:

Equitable Share: **R 232 308 Million**

FMG: **R 3 000 Million**

EPWP: **R1 928 Million**

MIG: **R 35 649 Million**

INEP : **R 9 000 Million**

GRAND TOTAL OF THE GRANTS;

- Operational Grants: **R 232 308 Million**
- Capital Projects (MIG): **R 35 649Million**
- Own Funding: **R182 914 Million**

Council Resolution and Quality Certificate for the 2026/27 Draft Budget attached.





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## **MULTI-YEAR BUDGET 2026/27 – 2027/28 – 2028/29**

### **Report of the Chief Financial Officer**

#### **Purpose**

The purpose of the report is to present the final budget Multi-year Budget 2026/27 – 2028/2029 to Council for approval.

#### **Background**

The IDP/Budget Process Plan to review the 2026/27 IDP/Budget was adopted on 30 August 2025 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 2026/27 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 2026/27 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 2026/2027 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 2026/27 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 2026/27 MTREF**

Total draft budget for the 2026/2027 financial year is **R 984 948 Million** made up of an operating budget of **R801 452 Million** and a capital budget of **R 35 649 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 11.32%.
- **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 11.32% 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 2026.

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 6Kl 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 **3842** 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





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In view of the aforementioned, the following tables are a consolidated overview of the 2026/27 medium-term Revenue and Expenditure Framework

**Operating revenue and expenditure by source:**

LIM341 Musina - Table A1 Budget Summary										
Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	26 814	28 764	31 189	40 964	40 964	40 964	22 728	67 864	70 104	72 347
Service charges	166 687	214 486	232 590	302 296	335 113	335 113	171 493	447 640	438 345	449 303
Investment revenue	167	1 600	1 846	2 514	2 514	2 514	18	2 591	2 666	2 723
Transfer and subsidies - Operational	199 830	225 307	237 135	248 520	248 520	248 520	241 792	242 264	248 105	254 233
Other own revenue	338 876	30 186	27 421	164 852	204 186	204 186	16 917	224 005	229 218	222 977
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>732 374</b>	<b>500 343</b>	<b>530 180</b>	<b>759 146</b>	<b>831 297</b>	<b>831 297</b>	<b>452 948</b>	<b>984 365</b>	<b>988 427</b>	<b>1 001 583</b>
Employee costs	153 904	155 918	175 247	182 656	182 669	182 669	(125 387)	192 803	195 647	200 538
Remuneration of councillors	10 372	11 367	11 805	12 549	13 549	13 549	(10 791)	13 649	14 063	14 487
Depreciation, amortisation and impairment	30 844	35 293	37 966	37 046	37 046	37 046	-	38 417	39 685	40 955
Interest, Dividends and Rent on Land	1 235	2 937	4 693	1 888	3 467	3 467	(2 896)	5 253	5 413	5 576
Inventory consumed and bulk purchases	129 377	177 061	201 680	320 368	321 368	321 368	(151 298)	324 481	323 238	322 649
Transfers and subsidies	6 111	12 849	7 452	4 049	4 049	4 049	(3 840)	8 028	3 202	3 305
Other expenditure	96 919	94 247	121 693	103 697	155 788	155 788	(79 150)	218 820	224 709	231 546
<b>Total Expenditure</b>	<b>428 762</b>	<b>489 672</b>	<b>560 536</b>	<b>662 253</b>	<b>717 936</b>	<b>717 936</b>	<b>(373 363)</b>	<b>801 452</b>	<b>805 957</b>	<b>819 057</b>
<b>Surplus/(Deficit)</b>	<b>303 612</b>	<b>10 671</b>	<b>(30 356)</b>	<b>96 893</b>	<b>113 361</b>	<b>113 361</b>	<b>826 312</b>	<b>182 914</b>	<b>182 470</b>	<b>182 526</b>
Transfers and subsidies - capital (monetary allocations)	30 941	36 354	36 512	35 242	50 242	50 242	49 581	44 649	49 428	50 664
Transfers and subsidies - capital (in-kind)	16 744	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>60 044</b>	<b>57 209</b>	<b>75 871</b>	<b>132 681</b>	<b>163 632</b>	<b>163 632</b>	<b>43 454</b>	<b>227 562</b>	<b>231 898</b>	<b>233 190</b>
Transfers recognised - capital	47 970	32 644	34 900	35 242	35 242	35 242	11 712	44 649	49 428	50 664
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8 831	23 880	40 263	97 439	128 390	128 390	31 742	182 913	182 470	182 526
<b>Total sources of capital funds</b>	<b>56 801</b>	<b>56 524</b>	<b>75 163</b>	<b>132 681</b>	<b>163 632</b>	<b>163 632</b>	<b>43 454</b>	<b>227 562</b>	<b>231 898</b>	<b>233 190</b>
<b>Financial position</b>										
Total current assets	128 641	177 258	212 472	428 481	428 998	428 998	356 370	65 293	106 656	149 339
Total non current assets	653 663	709 537	767 316	776 621	807 571	807 571	810 145	189 145	381 358	573 593
Total current liabilities	280 176	307 087	370 106	509 356	509 356	(509 356)	(427 667)	1 123	2 801	4 529
Total non current liabilities	41 920	40 625	47 740	40 625	40 625	(40 625)	(47 740)	-	-	-
Community wealth/Equity	472 419	539 083	561 941	655 122	686 589	(686 589)	(606 610)	253 315	485 213	718 403
<b>Cash flows</b>										
Net cash from (used) operating	45 621	51 143	217 343	170 817	225 003	225 003	225 003	60 165	66 187	75 932
Net cash from (used) investing	(29 981)	(44 566)	(76 016)	2 609	(18 341)	(18 341)	(18 341)	(68 259)	(69 071)	(78 801)
Net cash from (used) financing	(437)	(362)	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end:</b>	<b>10 327</b>	<b>44 877</b>	<b>151 150</b>	<b>183 250</b>	<b>216 485</b>	<b>216 485</b>	<b>216 485</b>	<b>17 343</b>	<b>14 458</b>	<b>11 590</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	21 058	58 046	167 640	196 419	229 654	229 654	234 475	17 343	14 458	11 590
Application of cash and investments	163 672	103 173	99 628	227 198	246 785	(598 049)	(440 654)	(52 342)	(100 996)	(150 712)
<b>Balance - surplus (shortfall)</b>	<b>(142 614)</b>	<b>(45 128)</b>	<b>68 012</b>	<b>(30 779)</b>	<b>(17 131)</b>	<b>827 703</b>	<b>676 129</b>	<b>69 685</b>	<b>115 454</b>	<b>162 302</b>
<b>Asset management</b>										
Asset register summary (WDV)	642 932	726 011	750 825	763 452	794 402	794 402	-	189 145	381 358	573 593
Depreciation	30 844	35 293	37 966	37 046	37 046	37 046	-	38 417	39 685	40 955
Renewal and Upgrading of Existing Assets	20 827	12 054	3 913	47 132	36 700	36 700	-	23 400	23 400	23 400
Repairs and Maintenance	6 518	9 262	9 819	1 337	3 437	3 437	-	17 890	18 480	19 072
<b>Free services</b>										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(2 018)	(572)	(1)	(5 522)	(5 522)	(5 522)	-	-	(3 500)	(3 603)
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



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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 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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2026/27 Draft Budget And MTREF

The following Final is a summary of the 2026/27MTREF (classified by main revenue source):

LIM341 Musina - Table A4 Budgeted Financial Performance (revenue and expenditure)												Screen St
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
<b>Revenue</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	147 424	193 208	215 282	276 669	309 486	309 486	137 590	400 874	410 896	421 168	
Service charges - Water	2	(0)	(0)	-	-	-	-	20 958	-	-	-	
Service charges - Waste Water Management	2	-	0	(0)	-	-	-	1 113	-	-	-	
Service charges - Waste Management	2	19 263	21 279	17 308	25 626	25 626	25 626	11 831	46 767	27 449	28 135	
Sale of Goods and Rendering of Services	2	1 012	945	1 083	4 260	4 260	4 260	290	10 221	10 477	10 739	
Agency services	2	-	-	-	-	-	-	-	-	-	-	
Interest	2	-	-	-	-	-	-	-	-	-	-	
Interest earned from Receivables	2	6 586	7 879	12	7 874	7 874	7 874	745	8 115	8 383	8 593	
Interest earned from Current and Non Current Assets	2	167	1 600	1 846	2 514	2 514	2 514	18	2 591	2 656	2 723	
Dividends	2	1 419	378	-	-	-	-	1 145	-	-	-	
Rent on Land	2	-	-	-	-	-	-	-	-	-	-	
Rental from Fixed Assets	2	9	21	1 364	437	437	437	18	481	496	512	
Licence and permits	2	-	-	-	-	-	-	-	2 868	2 940	3 013	
Special rating levies	2	-	-	-	-	-	-	-	-	-	-	
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-	
Development Charges	2	-	-	-	-	-	-	-	-	-	-	
Operational Revenue	2	324 485	10 109	9 675	12 048	41 382	41 382	4 525	37 913	39 376	40 894	
<b>Non-Exchange Revenue</b>												
Property rates	2	26 814	28 764	31 189	40 964	40 964	40 964	22 728	67 864	70 104	72 347	
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	2	5 815	6 218	5 407	4 185	4 185	4 185	1 491	5 104	4 719	4 837	
Licences or permits	2	3 224	160	1 187	2 744	2 744	2 744	530	-	-	-	
Transfer and subsidies - Operational	2	199 630	225 307	237 135	248 520	248 520	248 520	241 792	242 264	248 105	254 233	
Interest	2	-	-	8 693	-	-	-	8 173	-	-	-	
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-	
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-	
Gains on disposal of Fixed and Intangible Assets	2	(3 674)	4 477	-	133 305	143 305	143 305	-	159 303	162 827	154 389	
Other Gains	2	-	-	-	-	-	-	-	-	-	-	
Discontinued Operations	2	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>732 374</b>	<b>500 343</b>	<b>530 180</b>	<b>759 146</b>	<b>831 297</b>	<b>831 297</b>	<b>452 948</b>	<b>984 365</b>	<b>988 427</b>	<b>1 001 583</b>	

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 242 264 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 **52.36 %** of the total revenue mix. This increases to **R515 505 Million**, **R508 449 Million** and **R 521 650 Million** in the respective financial years 2026/27 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 1.41 %, **R 13 943 075 Million** which will be generated from the sale of Rhino Ridged Stands.

The fourth and last revenue source is from revenue generated with 2% 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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2026/27 Draft Budget And MTREF

The following table is a high level summary of the 2026/27 budget and MTREF (classified per main type of operating expenditure):

**Summary of operating expenditure by standard classification item**

<b>Expenditure</b>											
Employee related costs	2	153 904	155 918	175 247	182 656	182 669	182 669	(125 387)	192 803	195 647	200 538
Remuneration of councillors	2	10 372	11 367	11 805	12 549	13 549	13 549	(10 791)	13 649	14 063	14 487
Bulk purchases - electricity	2	126 092	173 878	197 066	316 161	316 161	316 161	(149 943)	317 180	315 697	314 867
Inventory consumed	2,8	3 285	3 183	4 614	4 208	5 208	5 208	(1 356)	7 301	7 542	7 783
Debt impairment	2,3	13 770	8 094	13 841	-	15 367	15 367	-	15 787	16 371	16 977
Depreciation, amortisation and impairment	2	30 844	35 293	37 966	37 046	37 046	37 046	-	38 417	39 685	40 955
Interest, Dividends and Rent on Land	2	1 235	2 937	4 693	1 888	3 467	3 467	(2 896)	5 253	5 413	5 576
Contracted services	2	34 320	41 162	45 849	49 155	66 872	66 872	(33 159)	101 896	104 385	107 290
Transfers and subsidies	2	6 111	12 849	7 452	4 049	4 049	4 049	(3 840)	8 028	3 202	3 305
Irrecoverable debts written off	2	-	-	2 468	367	(0)	(0)	-	381	393	406
Operational costs	2	48 829	44 991	55 879	54 175	73 549	73 549	(45 991)	100 756	103 560	106 873
Disposal of Fixed and Intangible Assets	2	-	-	410	-	-	-	-	-	-	-
Other Losses	2	-	-	3 246	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>428 762</b>	<b>489 672</b>	<b>560 536</b>	<b>662 253</b>	<b>717 936</b>	<b>717 936</b>	<b>(373 363)</b>	<b>801 452</b>	<b>805 957</b>	<b>819 057</b>
<b>Surplus/(Deficit)</b>		<b>303 612</b>	<b>10 671</b>	<b>(30 356)</b>	<b>96 893</b>	<b>113 361</b>	<b>113 361</b>	<b>826 312</b>	<b>182 914</b>	<b>182 470</b>	<b>182 526</b>
Transfers and subsidies - capital (monetary allocations)	6	30 941	36 354	36 512	35 242	50 242	50 242	49 581	44 649	49 428	50 664
Transfers and subsidies - capital (in-kind)	6	16 744	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>351 297</b>	<b>47 025</b>	<b>6 156</b>	<b>132 135</b>	<b>163 603</b>	<b>163 603</b>	<b>875 893</b>	<b>227 563</b>	<b>231 898</b>	<b>233 190</b>

The budgeted allocation for employee related costs for the 2026/27 financial year totals **R192 803 Million**, Salary increases have been factored into this budget at a percentage increase of 6 per cent for the 2026/27 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. **R13 649 Million** was budget for 2026/27 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 2026/27 financial year **R 381 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 417 Million** for the 2026/27 financial.

Finance charges consist primarily on payment of interest paid to service lease for machinery of computer equipment. The budget for 2026/27 financial year is **R5 253 Million**.

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





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provisions. Bulk purchases make up 40% percent with a budget of **R317 180 Million** of operating expenditure.

Contracted services such as research and development have been identified as a cost saving area for the Municipality. In 2026/27 financial year it increased to **R101 896 Million** . The following table will illustrate what is budgeted for this Item. Dumbing Site and Security Services are the Items biggest expenses.

Business and Advisory: Accounting and Auditing	2 493 881.72
Business and Advisory: Audit Committee New	300 000.00
Business and Advisory: Business and Financial Management	6 500 000.00
Primary Vote (change name)	5 753 785.86
Business and Advisory: Medical Examinations	2 000 000.00
Business and Advisory: Occupational Health and Safety	100 000.00
Business and Advisory: Organisational	750 000.00
Conduct referral services (Wellness)	378 000.00
Competence,Assessment , Vetting & Screening	110 000.00
Primary Vote (change name)	215 210.16
consultant and professional	80 000.00
Business and Advisory Quality ControlNew	10 288 020.08
Business and Advisory: Quality Control	89 312.22
Business and Advisory: Quality Control	15 242 739.00
Business and Advisory: Research and Advisory	256 340.28
Business and Advisory: Valuer and Assessors	2 152 101.60
Legal Cost: Legal Advice and Litigation	7 000 000.00
Auctioner	530 501.29
Contractors:Catering Services	1 032 776.06
Contractors:Catering Services	34 518.17
Contractors:Catering Services	10 206.17
Contractors:Catering Services	30 000.00
Contractors:Catering Services	96 844.57
Contractors:Catering Services	8 681.93
Contractors: Catering Services New	1 447 994.37
Catering	161 407.62
Primary Vote (change name)	43 042.03
Maintenance of Municipal Buildings Use	555 000.00
Contractors: Maintenance of Equipment	200 000.00
Contractors: Maintenance of Equipment	250 000.00
Maintenance of Equipment Use	75 000.00
Contractors: Maintenance of Equipment	640 369.68





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Maintenance of Machinery and Equipment	64 563.05
Primary Vote (change name)	129 126.10
Contractors: Maintenance of Unspecified Assets	1 878 253.94
Operational Revenue Sale of Property	278 289.00
Maintenance of Roads use	800 000.00
Maintenance of Vehicles Use	1 200 000.00
Maintenance of vehicles-new	79 129.00
Burial of paupers	84 150.00
Outsourced Services:Drivers Licence Cards	202 064.62
Valuation Roll	920 550.00
Dumping Site Maintenance	7 839 873.42
Outsourced Services: Security Services	18 020 847.20
Call Center Management Operations and Maintance	300 000.00
Contracted Services: Document Printing Services	2 100 000.00
Contracted Services: HR & Payroll System	315 700.00
Contracted Services:Prepaid Services	500 000.00
Contracted Services: Metering & Cost Recovery System	200 000.00
Contracted Services: Traffic Management System	120 000.00
Contracted Services: Customer Care	1 200 000.00
Maintenance of counsil owned building	1 500 000.00
Stormwater maintenance	3 600 000.00
Contractors: Maintenance of Buildings and Office Facilities	350 000.00
Serviced or Maintained Fire Extinguishers or hose reel	142 000.00
Contractors: Independent AFS Reviewer	600 000.00
Contractors: Disposable of Assets	300 000.00
	<b>101 895 279.14</b>

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 **12.57** percent with a budget of **R100 756 Million** of operating expenditure.

**See Table below for breakdown of other expenditure,**





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Musina Local Municipality

2026/27 Draft Budget And MTREF

SegmentDesc	2026/27
Mayoral Study Bursary	1 399 652.43
Corporate and Municipal Activities	64 563.05
Advertising Publicity and Marketing: Corporate and Municipal	60 000.00
Advertising	37 661.78
Advertising Corporate and Municipal Activities	18 319.50
Corporate and Municipal Activities	7 821.00
Corporate and Municipal Activities	122404.8
Advertising Publicity and Marketing: Corporate and Municipal	130 225.80
Municipal Newsletters	970 878.17
Advertising Signs	300 000.00
Primary Vote (change name)	541 550.39
Bank Charges Facility and Card Fees: Bank Accounts New-new	511 124.13
Bank Admin Fees	626 261.57
Expenditure: Operational Cost: Bursaries (Employees)	4 020 000.00
Mayor's Car Wash New	4 093.94
Postage/Stamps/Frinking Machines	322 697.74
Communication Postage Stamps Frinking MachinesNew	22 776.41
Communication: Postage/Stamps/Frinking Machines New	107 204.78
Communication: Postage/Stamps/Frinking Machines	30 494.82
Communication: Postage/Stamps/Frinking Machines	208 221.57
SMS Bulk Message Service	258 252.19
Communication: Telephone Fax Telegraph and Telex	32 269.00
Communication: Telephone Fax Telegraph and Telex	1 051 753.94
Communication: Telephone Fax Telegraph and Telex	783 297.94
Communication: Telephone Fax Telegraph and Telex	1 051 915.69
Communication: Telephone Fax Telegraph and Telex	10 522.45
Primary Vote (change name)	6 456.30
Telephone; Fax; Telegraph and Telex	9 414.92
Telephone; Fax; Telegraph and Telex	532 947.14
Telephone; Fax; Telegraph and Telex	56 280.34
Communication: Telephone Fax Telegraph and Telex Use	3 316 672.70
Telephone; Fax; Telegraph and Telex	40 029.30
Communication Telephone Fax Telegraph and TelexNew	1 035 703.92
Telephone Fax Telegraph and Telex	5 380.25





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Communication: Telephone Fax Telegraph and Telex Use	153 872.21
Communication: Telephone Fax Telegraph and Telex New	40 874.06
Telephone Land Line	1 095 572.26
Entertainment MAYOR-new	100 240.00
Entertainment: Councillors Use	280 760.62
External Auditors	40 000.00
Expenditure Operational Cost External Audit FeesNew	6 144 265.06
External Computer Service: Software Licences	3 450 000.00
Insurance Underwriting: Premiums Use	9 777 023.95
Bursaries	1 660 755.00
Licences: Motor Vehicle Licence and Registrations	350 000.00
Licences and Registration Fees - Vehicles	2 970.00
Licence and Registrations	10 307.00
Mayors Social Responsibility	222 900.00
Operational Cost:Printing; Publications and Books	22 436.15
Printing; Publications and Books	8 727.84
Expenditure: Operational Cost: Printing Publications and Boo	3 766.18
Operational Cost:Printing; Publications and Books	149 931.81
Printing Publications and Books	86 084.06
Printing; Publications and Books	19 966.72
Expenditure Operational Cost Printing Publications and BooNe	453 744.84
Expenditure: Operational Cost: Printing Publications and Boo Use	38 612.08
Expenditure: Operational Cost: Printing Publications and Boo	3 228.15
Expenditure: Operational Cost: Printing Publications and Boo	32 281.52
Expenditure: Operational Cost: Printing Publications and Boo	22 129.13
Expenditure: Operational Cost: Printing Publications and Boo	270 000.00
Expenditure: Operational Cost: Printing Publications and Boo	393.26
Expenditure: Operational Cost: Professional Bodies Membershi	24 291.54
Registration Fees:Professional and Regulatory Bodies	9 791.65
Registration Fees:Professional and Regulatory Bodies	9 791.65
Membership Fees	5 380.25
Membership Fees -SALGA	2 093 339.90
Seminars Conferences Workshops and Events: National	627 385.03
Seminars; Conferences; Workshops and Events	1 073 948.17
Training of BTO Management and Staff	1 160 444.52
GRAP Training	2 139 329.23
Seminars; Conferences; Workshops and Events	363 270.22
Seminars Conferences Workshops and Events:National	76 370.75
Seminars Conferences Workshops and Events: National New	109 108.45
Seminars; Conferences; Workshops and Events	1 073 948.17





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Seminars; Conferences; Workshops and Events	1 084 760.22
Seminars Conferences Workshops and Events NationalNew	269 012.70
Seminars Conferences Workshops and Events: National New	225 000.00
Seminars Conferences Workshops and Events: National New	64 970.17
Conference and Convention	208 375.50
Seminars Conferences Workshops and Events: National	100 000.00
Seminars Conferences Workshops and Events: National	141 960.00
Seminars Conferences Workshops and Events: National	53 802.54
Expenditure: Operational Cost: Signage	214 179.46
Skills Development Training	1 000 000.00
Skills Development Levy Use	1 416 735.00
Asset Storage	12 912.61
Operational Cost:Toll Gate Fees	9 280.18
Operational Cost:Toll Gate Fees	11 321.82
Toll gate fees New	6 650.00
Toll gate fees New	53 029.17
Toll gate fees-new	24 000.00
Toll Gates Fees	20 000.00
Toll Gates Fees	13 500.00
Toll Gates Fees	14 580.28
Transport Provided as Part of Departmental Activities: Munic	1 492 658.71
Domestic: Accommodation	200 338.19
Domestic:Accommodation	40 000.00
Training Accomodation inc S and T	53 802.54
Primary Vote (change name)	178 636.80
S&T Accomodation	81 000.00
Daily Allowance	3 500.00
Domestic: Accommodation New	833 755.73
Domestic: Accommodation	52 401.10
Domestic: Accommodation	158 502.68
Domestic: Accommodation	1 772 613.32
Domestic: Accommodation	32 000.00
S&T Accomodation	471 333.96
Domestic: Accommodation	194 945.98
Domestic: Accommodation	30 000.00
Domestic: Accommodation	400 000.00
Domestic: Accommodation	40 000.00
Domestic: Accommodation New	1 207 066.21





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Domestic:Daily Allowance	3 228.15
Domestic:Daily Allowance	64 563.05
Domestic: Daily Allowance	1 000.00
Domestic: Daily Allowance	71 319.29
Primary Vote (change name)	126 640.05
Domestic Daily Allowance	12 912.61
S&T Daily Allowance	51 000.00
S&T Daily Allowance	162 000.00
Daily Allowance	18 782.45
Domestic: Daily Allowance New	3 228.15
Daily Allowance	23 000.00
Domestic Daily AllowanceNew New	154 234.90
Domestic: Daily Allowance New	18 800.00
Domestic: Daily Allowance New	40 000.00
Domestic: Daily Allowance New	29 900.00
Domestic: Daily Allowance New	511 636.13
Domestic: Daily Allowance	48 000.00
Domestic: Daily Allowance	48 533.00
Domestic: Daily Allowance	33 426.63
Domestic: Daily Allowance	12 912.61
Domestic: Daily Allowance	25 000.00
Domestic: Daily Allowance	161 407.62
Domestic: Daily Allowance	24 000.00
Domestic: Daily Allowance	175 000.00
Domestic: Incidental Cost	21 585.00
Domestic: Incidental Cost	10 055.16
Domestic Incidental CostNew	12 810.36
Domestic: Incidental Cost	20 000.00
Domestic: Incidental Cost New	12 850.77
Domestic: Incidental Cost	21 070.38
Domestic: Incidental Cost New	2 152.10
Domestic: Incidental Cost	50 000.00
Domestic: Incidental Cost	10 000.00
S&T Flights	21 521.02
Public Transport: Air Transport	120 000.00
Public Transport Air TransportNew	80 187.43
Flights	60 000.00
Public Transport:Air Transport	40 000.00





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Public Transport: Air Transport	260 000.00
Public Transport: Air Transport	83 375.38
Public Transport: Air Transport	10 000.00
Public Transport: Air Transport New	5 380.25
S&T Car Rental	76 795.40
Transport without Operator: Car Rental New	6 456.30
Transport without Operator: Car Rental New	25 047.04
Transport without Operator: Car Rental	17 910.47
Car Hire	21 512.66
Transport without Operator: Car Rental New	271 528.59
Transport without Operator Car RentalNew	97 035.51
Transport without Operator: Car Rental	6 456.30
Transport without Operator: Own Transport	1 861 765.76
Transport without Operator: Own Transport	53 802.54
Transport without Operator: Own Transport	215 210.16
Transport without Operator: Own Transport	150 000.00
Transport without Operator: Own Transport	2 078.66
Transport without Operator: Own Transport	62 749.02
Transport without Operator: Own Transport	45 000.00
Transport without Operator: Own Transport	81 778.83
Transport without Operator: Own Transport	93 000.00
Transport without Operator: Own Transport	550 000.00
Transport without Operator: Own Transport New	250 000.00
Transport without Operator: Own Transport use	657 886.53
Transport without Operator:Own Transport	220 000.00
Own Transport	100 000.00
Transport without Operator: Own Transport	80 671.86
Transport without Operator: Own Transport	293 219.72
Own Transport	151 879.57
Transport without Operator: Own Transport New	1 902 180.77
Transport without Operator: Own Transport	143 759.97
Transport without Operator Own TransportNew	452 935.97
Transport without Operator:Own Transport	96 844.57
Transport without Operator: Own Transport New	233 730.00
Transport without Operator: Own Transport	195 305.05
Transport without Operator: Own Transport	128 695.26
Expenditure: Operational Cost: Uniform and Protective Clothi	5 000 000.00
Ward Committe stipends	2 128 258.14
Expenditure: Operational Cost: Wet Fuel New	2 211 932.70
Fuel-new	5 100 000.00
Expenditure: Operational Cost: Workmen's Compensation Fund	1 395 726.00
Conduct Employee Assessments / Screening	120 000.00
Conduct referral services (Wellness)	378 000.00





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Develop and implement Advocacy and Awareness programmes / campaign	150 000.00
Property rental	23 720.00
Rental of Equipment and Machinery	384 900.00
Archives & Records Mangement Operations and Maintainance	500 000.00
Batho Pele Events & Programms	100 000.00
Council Meetings, Events and Inductions	200 000.00
Storm water inspection camera	100 000.00
Semi AutoTyre changer	75 000.00
Diagnostic machine	85 000.00
Contractors Rammer	80 000.00
Civil design software(traffic and stormwater modelling)	250 000.00
Publications, Standard specifications and codes of practice	15 000.00
Annul subscription fee	25 000.00
Rental of Property and Equipment: Special Programmes	113 500.00
Vouchers: Special Programmes	30 000.00
Install Stage Curtains Nancefield Multi Purpose	30 000.00
Investment Property Sales	410 000.00
Mayoral community engagement session	350 000.00
Mayoral imbizo	250 000.00

IDP public participation	100 000.00
speakers forum	30 000.00
Strategic Planning	360 000.00
Mayoral traditional council engagement	130 000.00
Road Safety Campaign	85 000.00
Survey Mapping Drawing software	70 000.00
General Valuation Roll	1 000 000.00
Spatial Planning Drawing Software	80 000.00
Survey Equipments	180 000.00
Recording Devices	35 000.00
Metal Detector	32 500.00
Human Settlement Plan	1 000 000.00
Former Transfer of former MTD mine properties to beneficiaries	2 000 000.00
Councillors Public Participation Meetings	400 000.00
ZITF Zimbabwe International Trade Fair	200 000.00
Tourism Indaba	150 000.00
Sangananai Hlanganani World Tourism Expo	250 000.00
Regional Intergartion / Twinning Agreement	400 000.00
Municipal Planning Tribunal	200 000.00
Business Expo's	200 000.00
Waste Indaba	50 000.00
	100 756 000.13





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Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		4 350	4 105	13 790	22 969	23 119	23 119	3 979	46 826	46 826	46 826
Executive and council		1 115	-	-	2 547	(0)	(0)	-	286	286	286
Finance and administration		3 235	4 105	13 790	20 423	23 119	23 119	3 979	46 540	46 540	46 540
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		4 090	989	-	1 190	1 500	1 500	-	2 900	2 400	2 400
Community and social services		4 083	-	-	-	-	-	-	800	800	800
Sport and recreation		-	-	-	500	(0)	(0)	-	-	-	-
Public safety		8	989	-	690	1 500	1 500	-	2 100	1 600	1 600
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		46 788	30 916	36 999	82 492	103 263	103 263	30 676	127 306	131 239	132 204
Planning and development		25 304	11 790	27 737	49 392	86 763	86 763	23 539	60 346	64 236	65 157
Road transport		21 483	19 126	9 262	33 100	16 500	16 500	7 137	66 960	67 003	67 047
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		4 816	21 199	25 082	25 780	35 500	35 500	8 799	49 930	50 832	51 160
Energy sources		4 816	9 873	19 724	-	28 300	28 300	5 594	38 800	39 566	39 810
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	3 995	2 565	-	-	-	-	-	-	-
Waste management		-	7 331	2 793	25 780	7 200	7 200	3 206	11 130	11 266	11 350
<b>Other</b>		-	-	-	250	250	250	-	600	600	600
<b>Total Capital Expenditure - Functional</b>	3	60 044	57 209	75 871	132 681	163 632	163 632	43 454	227 562	231 898	233 190
<b>Funded by:</b>											
National Government		47 970	32 644	34 900	35 242	35 242	35 242	11 712	44 649	49 428	50 664
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)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	47 970	32 644	34 900	35 242	35 242	35 242	11 712	44 649	49 428	50 664
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8 831	23 880	40 263	97 439	128 390	128 390	31 742	182 913	182 470	182 526
<b>Total Capital Funding</b>	7	56 801	56 524	75 163	132 681	163 632	163 632	43 454	227 562	231 898	233 190

**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 **R 227 565 Million** with MIG allocation of **R35 649 Million** and INPE **R 9 000 Million** and **R182 914** Own Capital Projects for the 2026/27. 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 2026/27				
PMU	Tshipise paving street phase1(Adjusted)	Tshipise	MIG	18 603 400.00
PMU	Nancefield storm water channel	Nancefield	MIG	12 000 000.00
PMU	PMU Admin MIG 5%	Masisi	MIG	1 845 600.00
Waste	Procurement of Waste Removal truck	Civic Centre	MIG	3 200 000.00
<b>TOTAL MIG</b>				<b>35 649 000.00</b>





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Musina Local Municipality

2026/27 Draft Budget And MTREF

<b>INEP</b>				
<b>INEP</b>	SIGONDE	HOUSEHOLD		2 350 000.00
<b>INEP</b>	TSHENZHELANI	HOUSEHOLD		2 350 000.00
<b>INEP</b>	NANCEFIELD EXT 8FEEDER LINER	8KM 22KV		4 300 000.00
				<b>9 000 000.00</b>

**Own funding Capital projects 2026/27**

Function	Projects Name	Location	Source of Fun	2026/27
Roads	Rehabilitation of 2km internal streets	Ward01 and Ward 06	OWN	7 500 000.00
Roads	Construction of portal culverts in Musunda, ward 11	Musunda, ward 11	OWN	1 500 000.00
Roads	regravelling of gwakani to tshipise access road	Ward 1	OWN	1 500 000.00
Roads	Soil Conservation Structure – Masisi Phase 1 Township (Ward 12)	Masisi Phase 1 Township (Ward 12)	OWN	750 000.00
Roads	low bed Truck	low bed Truck	OWN	3 600 000.00
Roads	Rhino ridge engineering services:design and construction	Rhino ridge	OWN	11 208 000.00
Roads	Phased -Installation of traffic signals	Musina CBD	OWN	1 000 000.00
Roads	Provision of a new borehole	Municipality civic centre	OWN	300 000.00
Roads	Development of bulk contribution policy	Development of bulk contribution policy	OWN	3 500 000.00
Roads	Procurement of (2) Light Duty Vehicle	Musina	OWN	1 300 000.00
Roads	Upgrade of magazine Street	Musina	OWN	-
Roads	300l/pm to 200 bars High pressure water jetting on a trailer	Musina	OWN	700 000.00
Roads	10 cube Tipper truck	Musina	OWN	2 500 000.00
Roads	Construction of Messina Substation of Guardhouse	Musina	OWN	1 500 000.00
Roads	Construction of Eagles Landing Road(New)	Musina	OWN	20 000 000.00
Roads	Construction of Shakadza Multipurpose Centre(New)	Musina	OWN	1 000 000.00
				<b>57 858 000.00</b>
Communications	Communication Equipment	Civic Centre	OWN	286 000.00
Communications	Council & Events Streaming	Civic Centre	OWN	-
				<b>286 000.00</b>
Council Support Service	Contractors: Electronic Document Records Management System	Civic Centre	OWN	1 400 000.00
Council Support Service	Contractors:Dermacation of Archives	Musina	OWN	1 500 000.00
Council Support Service	Shelving and Storing Capacity(New)	Musina	OWN	440 000.00
Council Support Service	Installation of complaints and suggestion boxes or system	Musina	OWN	100 000.00
				<b>3 440 000.00</b>
EDP	Township Registration , Transfer and Proclamation	Musina	OWN	700 000.00
EDP	Township Establishment	Musina Urban	OWN	-
EDP	CBD Regeneration Strategy	Musina	OWN	-
EDP	LED Strategy Implementation	Musina	OWN	800 000.00
EDP	Review of Local Integrated Transport Plan(New)	Musina	OWN	2 500 000.00
				<b>4 000 000.00</b>
Electricity	Installation of prepaid smart meters	Musina	OWN	5 000 000.00
Electricity	Construction of MV Pumpstation line.	Musina	OWN	800 000.00
Electricity	Feasibility study for electricity infrastructure in Tshipise.	Musina	OWN	500 000.00
Electricity	Nature Reserve feeder line Installation	Musina	OWN	300 000.00
Electricity	Refurbishment of Electrical Infrastructure of Messina Extension	Musina	OWN	2 000 000.00
Electricity	Installation of Supervisory Control and Data Acquisition (SCADA) sys	Musina	OWN	2 600 000.00
Electricity	Procurement of 1x18 ton crane truck(21M high)	Musina	OWN	3 000 000.00
Electricity	Purchase of a cable fault locator	Musina	OWN	1 700 000.00
Electricity	Procurement safety harness	Musina	OWN	300 000.00
Electricity	Procurement of 2x LDV	Musina	OWN	1 800 000.00
Electricity	Procurement of design software	Musina	OWN	300 000.00
Electricity	Installation of Substation capacitor banks	Musina	OWN	3 500 000.00
Electricity	Electrification of Rhino Ridge Development	Musina	OWN	8 500 000.00
				<b>30 300 000.00</b>
Information Communic	Contracted Services: Computer Hardware	Musina	OWN	2 500 000.00
Information Communic	Contracted Services: Intergrated ICT Infrastructure Systems	Musina	OWN	8 000 000.00
Information Communic	Contracted Services: Website Management System	Musina	OWN	500 000.00
Information Communic	Contracted Services: Municipal Accounts	Musina	OWN	200 000.00
Information Communic	Ms Office 365	Civic Centre	OWN	4 000 000.00
Information Communic	Uninterupted Power Supply for Server room	Civic Centre	OWN	2 000 000.00
Information Communic	Provision of bio-metric system	Civic Centre	OWN	1 600 000.00
Information Communic	Business Continuity Plan	Civic Centre	OWN	550 000.00
Information Communic	ICT Intergrated Infrastructure	Civic Centre	OWN	3 000 000.00
Information Communic	Server Room Fire Suppression Equipment(New)	Civic Centre	OWN	500 000.00
Information Communic	Provision of Municipal Service App(New)	Civic Centre	OWN	3 500 000.00
				<b>26 350 000.00</b>
Licensing	Queue management system	Musina	OWN	300 000.00
Licensing	Expansion Suvellince System	Musina	OWN	300 000.00
				<b>600 000.00</b>





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Office Facilities & Auxil	Revamp of Reception	Civic Centre	OWN	2 000 000.00
Office Facilities & Auxil	Revamp of Kitchen/Dining Hall	Civic Centre	OWN	1 500 000.00
Office Facilities & Auxil	Renovation of Council Chamber	Civic Centre	OWN	400 000.00
Office Facilities & Auxil	Renovation of Old Traffic Offices	Old Traffic Offices	OWN	7 500 000.00
Office Facilities & Auxil	Upgrade Existing Parking & Construction of New Parking	Municipal Office Facilities	OWN	-
				<b>11 400 000.00</b>
PMU	Mabvete comminty hall	Tshiangani	OWN	5 000 000.00
PMU	Shakadza multipurpose centre	Shakadza	OWN	10 000 000.00
PMU	Landfill Weigh Bridge(New)	Musina	OWN	11 000 000.00
PMU	Lesley Manyathela Stadium	Nancefield	OWN	1 500 000.00
				<b>27 500 000.00</b>
Community Services	Procure of Mini Bus	Musina	OWN	<b>800 000.00</b>
				<b>800 000.00</b>
Traffic	Procurement of Traffic Patrol Vehicle Bakkie X2	Musina	OWN	<b>1 600 000.00</b>
				<b>1 600 000.00</b>
Waste	Procure skip loader truck	Musina	OWN	2 700 000.00
Waste	Purchase compactor truck	Musina	OWN	2 400 000.00
Waste	Purchase skip bins	Musina	OWN	320 000.00
Waste	Purchase of a crusher for electronic bulbs	Musina	OWN	100 000.00
Waste	Procure tractor	Musina	OWN	650 000.00
Waste	Feasibility Study for Separation at Source project	Musina	OWN	1 000 000.00
Waste	Develop Air quality management Plan	Musina	OWN	600 000.00
Waste	Develop Open space and invasive plant management Plan	Musina	OWN	800 000.00
Waste	Street bins	Musina	OWN	260 000.00
Waste	Construction of cell2 at Musina landfill site	Musina	OWN	500 000.00
Waste	Upgrade Showground	Musina	OWN	1 000 000.00
Waste	Develop a Wetland rehabilitation plan(New)			-
				<b>10 330 000.00</b>
BTO	Bar Code Scanner	Musina	OWN	500 000.00
BTO	Asset Management Module	Musina	OWN	1 000 000.00
BTO	Fleet management Solution	Musina	OWN	1 500 000.00
BTO	Unbundling of infrastructure assets	Musina	FMG	-
BTO	Pool Vehicle	Musina	OWN	2 400 000.00
BTO	Replacement of Double cab Bakkie	Musina	OWN	3 050 000.00
BTO				-
				<b>8 450 000.00</b>
<b>TOTAL OWN FUNDING</b>				<b>182 914 000.00</b>

**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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2026/27 Draft Budget And MTREF

LIM341 Musina - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents	1	12 819	10 327	3 893	180 892	196 409	196 409	116 074	3 893	(12 442)	(28 760)
Short term investments	2	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	3	60 406	108 655	142 226	134 990	119 990	119 990	149 936	52 922	101 860	151 824
Receivables from non-exchange transactions	3	17 376	18 349	17 747	27 077	27 077	27 077	24 110	8 479	17 237	26 275
Current portion of non-current receivables	4	-	-	-	-	-	-	-	-	-	-
Inventory	5	25 504	24 528	24 381	24 528	24 528	24 528	24 135	(0)	(0)	(0)
VAT Receivable	6	11 950	13 218	21 526	58 813	58 813	58 813	39 417	-	-	-
Other current assets	7	587	2 181	2 699	2 181	2 181	2 181	2 699	-	-	-
<b>Total current assets</b>		<b>128 641</b>	<b>177 258</b>	<b>212 472</b>	<b>428 481</b>	<b>428 998</b>	<b>428 998</b>	<b>356 370</b>	<b>65 293</b>	<b>106 656</b>	<b>149 339</b>
<b>Non current assets</b>											
Investments	8	10 731	13 169	16 490	13 169	13 169	13 169	17 990	-	-	-
Investment property	9	203 449	205 010	223 304	205 010	205 010	205 010	223 304	-	-	-
Property, plant and equipment	10	439 037	490 889	526 382	556 672	579 823	579 823	567 711	189 098	381 262	573 447
Biological assets	11	381	404	1 074	1 705	9 505	9 505	1 074	-	-	-
Living resources	12	-	-	-	-	-	-	-	-	-	-
Heritage assets	13	65	65	65	65	65	65	65	-	-	-
Intangible assets	14	-	-	-	-	-	-	-	47	96	146
Trade and other receivables from exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	15	-	-	-	-	-	-	-	-	-	-
Other non-current assets	16	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>653 663</b>	<b>709 537</b>	<b>767 316</b>	<b>776 621</b>	<b>807 571</b>	<b>807 571</b>	<b>810 145</b>	<b>189 145</b>	<b>381 358</b>	<b>573 593</b>
<b>TOTAL ASSETS</b>		<b>782 304</b>	<b>886 795</b>	<b>979 787</b>	<b>1 205 102</b>	<b>1 236 570</b>	<b>1 236 570</b>	<b>1 166 515</b>	<b>254 438</b>	<b>488 014</b>	<b>722 932</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	17	483	504	334	504	504	(504)	(334)	-	-	-
Financial liabilities	18	362	0	-	-	-	-	-	-	-	-
Consumer deposits	19	5 805	6 188	7 354	6 188	6 188	(6 188)	(7 255)	-	-	-
Trade and other payables from exchange transactions	20	226 292	254 117	323 616	422 417	422 417	(422 417)	(359 017)	1 123	2 801	4 529
Trade and other payables from non-exchange transactions	21	17 162	15 442	5 997	49 635	49 635	(49 635)	(28 255)	0	0	0
Provision	22	30 071	30 836	32 805	30 612	30 612	(30 612)	(32 805)	-	-	-
VAT Payable	23	-	-	-	-	-	-	-	-	-	-
Other current liabilities	24	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>280 176</b>	<b>307 087</b>	<b>370 106</b>	<b>509 356</b>	<b>509 356</b>	<b>(509 356)</b>	<b>(427 667)</b>	<b>1 123</b>	<b>2 801</b>	<b>4 529</b>
<b>Non current liabilities</b>											
Financial liabilities	25	-	-	-	-	-	-	-	-	-	-
Provision	26	22 556	26 240	31 400	26 240	26 240	(26 240)	(31 400)	-	-	-
Long term portion of trade payables	27	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	28	19 364	14 385	16 340	14 385	14 385	(14 385)	(16 340)	-	-	-
<b>Total non current liabilities</b>		<b>41 920</b>	<b>40 625</b>	<b>47 740</b>	<b>40 625</b>	<b>40 625</b>	<b>(40 625)</b>	<b>(47 740)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>322 096</b>	<b>347 712</b>	<b>417 846</b>	<b>549 980</b>	<b>549 980</b>	<b>(549 980)</b>	<b>(475 407)</b>	<b>1 123</b>	<b>2 801</b>	<b>4 529</b>
<b>NET ASSETS</b>		<b>460 209</b>	<b>539 083</b>	<b>561 941</b>	<b>655 122</b>	<b>686 589</b>	<b>1 786 550</b>	<b>1 641 922</b>	<b>253 315</b>	<b>485 213</b>	<b>718 403</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	29	472 419	539 083	561 941	655 122	686 589	(686 589)	(606 610)	253 315	485 213	718 403
Reserves and funds	30	-	-	-	-	-	-	-	-	-	-
Other	31	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	32	<b>472 419</b>	<b>539 083</b>	<b>561 941</b>	<b>655 122</b>	<b>686 589</b>	<b>(686 589)</b>	<b>(606 610)</b>	<b>253 315</b>	<b>485 213</b>	<b>718 403</b>

The Municipality's expenditure framework for the 2026/27 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 2026/27 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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		194 767	216 341	229 123	248 520	248 520	232 660	242 264	248 105	254 233
Expanded Public Works Programme Integrated Grant		-	-	-	1 986	1 986	-	1 928	-	-
Infrastructure Skills Development Grant		-	-	-	3 184	3 184	-	4 928	-	-
Local Government Financial Management Grant		-	-	-	3 000	3 000	-	3 100	3 000	3 000
Municipal Infrastructure Grant		974	-	-	-	-	-	-	-	-
Equitable Share		193 793	216 341	229 123	240 350	240 350	232 660	232 308	245 105	251 233
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>194 767</b>	<b>216 341</b>	<b>229 123</b>	<b>248 520</b>	<b>248 520</b>	<b>232 660</b>	<b>242 264</b>	<b>248 105</b>	<b>254 233</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		3 554	-	-	35 242	50 242	-	44 649	49 428	50 664
Municipal Disaster Relief Grant		3 554	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	35 242	35 242	-	35 649	39 662	40 654
Integrated National Electrification Programme Grant		-	-	-	-	-	-	9 000	9 766	10 010
Municipal Disaster Recovery Grant		-	-	-	-	15 000	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>3 554</b>	<b>-</b>	<b>-</b>	<b>35 242</b>	<b>50 242</b>	<b>-</b>	<b>44 649</b>	<b>49 428</b>	<b>50 664</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>198 321</b>	<b>216 341</b>	<b>229 123</b>	<b>283 762</b>	<b>298 762</b>	<b>232 660</b>	<b>286 913</b>	<b>297 533</b>	<b>304 896</b>

**Capital Infrastructure Grants Allocation for 2026/276 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 2026/27 financial year, the budgeted service delivery is summarised as follows:



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LIM341 Musina - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTPD Service Outcome	IUDF	#REF!	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
R thousand												
KPA 1 To Basic Service Delivery and Infrastructure Development	KPA 1 To initiate and improve the Quantity and Quality of municipal infrastructure services				13 349	19 464	71 787	71 787	71 787	136 040 000	154 020 000	250 970 000
KPA 2 Good Governance and Public Participation	KPA 2 To Deepen Democracy and promote Accountability				36 854	53 239	51 948	51 948	51 948	3 281 120	3 671 340	2 800 000
KPA 3 Municipal Transformation and Organisational Development	KPA 3 TO increase institutional capacity efficiency and effectiveness				28 354	70 049	51 457	51 457	51 457	43 036 614	46 979 294	
KPA 4 Financial Viability and management	KPA 4 To enhance compliance with legislation and improve financial viability				169 342	184 305	167 138	167 138	167 138	3 000 000	3 250 000	3 515 000
KPA 5 Local Economic Development	KPA 5 To create a conducive environment for sustainable economic growth				57 108	55 728	60 842	60 842	60 842	7 995 000	3 350 000	3 600 000
KPA 6 Social and Justice	KPA 6 To Improve Quality of life through social development and provision of effective community				132 156	96 979	106 899	106 899	106 899	47 843 920	62 202 000	38 890 809
Allocations to other priorities												
<b>Total Expenditure</b>			1		437 163	479 764	510 071	510 071	510 071	241 196 654	273 472 634	299 775 809

**2026/27-2027/2028 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.

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

- Economy;





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- 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: -

- 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;





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- 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.
- 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



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- 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;
- 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



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### 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 2026/27 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**

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 2026/27.

- Draft cash management and Investment Policy
- Draft Leave Policy





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- Draft Integrated Customer Care Policy
- Draft Asset Management Policy
- Draft Budget and Virement Policy
- Draft Indigent and Social Assistance Policy
- Draft Supply chain management Policy
- Draft Credit control and debt collection Policy
- Draft Tariff Policy
- Draft Property Rates Policy
- Draft Subsistence and Travelling Policy
- Draft Virement Policy
- Draft Funding, Borrowing and Reserve Policy
- Draft Asset Management Strategy
- Draft BTO Standard operation Procedure (SOP)
- Draft Unclaimed Monies Policy
- Draft Cost Containment Policy
- Draft Fleet management 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.

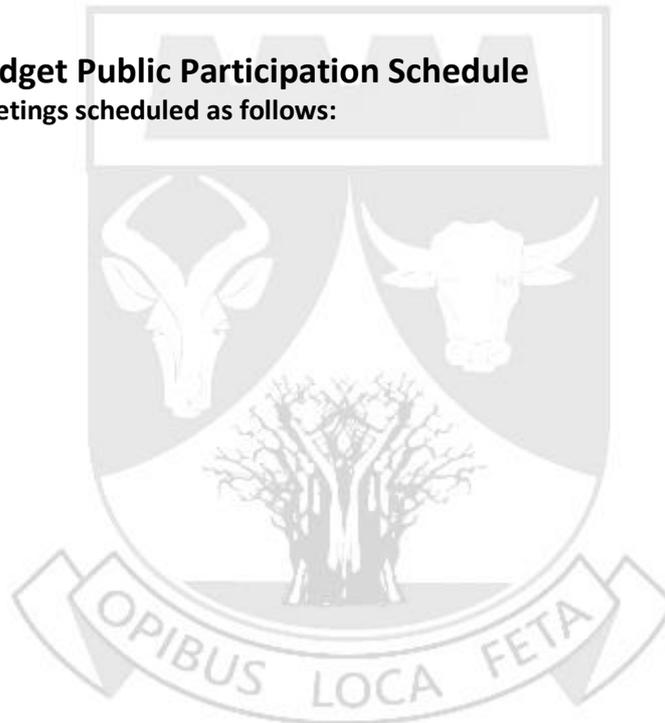
Section 152 of the Constitution (108 of 1996) provides objectives of local government. One of the objectives is to **encourage the involvement of communities and community organizations in the matters of local government.**

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

For effective and efficient public participation process, the **2025/26 IDP/Budget** Public Consultation Process was conducted as reflected on the table below:

### **2026/27 IDP /Budget Public Participation Schedule**

The dates for the meetings scheduled as follows:





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**SUMMARY BUDGET PROCESS**

<b>PLANNING ACTIVITY</b>	<b>TIME SCHEDULE</b>
Approval of Budget time schedule	29 August 2025
Income Budget Submission	30 September 2025
Departmental Budget Submission (Budget and business Plans)	17 October 2025
1st Quarter Budget And Performance Assessment and MScoa steering meeting.	31 October 2025
Departmental Budget meeting with Municipal manager	14 November 2025
Strategic planning Sessions	Between November and December 2025
Mid-year Budget And Performance Assessment and Quarterly MScoa Steering Meeting.	30 January 2026
Table Adjustments Budget and revised SDBIP in Council	27 February 2026
Budget meeting and Annual review of budget related policies.	3-6 March 2026
Tabling of first draft IDP, Budget, SDBIP (Service delivery Budget implementation plan) Strategic Risk register to Council	31 March 2026
Uploading of data strings and all budget related documents on the National treasury Go portal and submission to Provincial treasuries and other organ of state.	31 March 2026





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3rd Quarter Budget And Performance Assessment and MScoa steering meetings.	30 April 2026
Provincial Treasury session on draft budget	To be announced
Public Participation meetings. Upload draft budget documents including the draft tariff on municipal website and SMS distribution for budget reviews and public input at satellite offices and municipal offices.	1 April 2026 -30 April 2026
Provincial Treasury budget engagements	May 2026
Tabling Final Budget, Budget related policies, procurement plan, SDBIP, IDP, funding Plan and MScoa Road Map to council Finalization of Risk Register.	29 May 2026
Budget speech and Approval of Budget and SDBIP	End June 2026
Signing of Annual Performance Agreements	31 July 2026

