

**Modimolle-Mookgophong
Local Municipality**



**2026/27 - 2028/29
Draft Medium Term Revenue and
Expenditure Framework (MTREF)**

**Part 1 – INTRODUCTION****The Vision statement of Modimolle-Mookgophong Local Municipality:**

Limpopo's leading local municipality in reliable service delivery and sustainable economic growth”

The Mission statement:

- Promotion of accountable, transparent and people-centred governance;
- Promotion of social and economic development;
- Provision of sustainable and affordable basic services
- Promotion of a sustainable environment for economic growth;
- Promotion of sound customer care relations.

Municipal core values:

Modimolle-Mookgophong Local Municipality is committed to the following core values:

VALUES	DESCRIPTION
Accountability	The obligation to take responsibility for one's actions.
Collaboration	The need to promote teamwork and involvement of other stakeholders including the community.
Innovation	Living this value means that MMLM representatives should translate ideas or invention into a goods or services that creates value for the municipality and the community it serves
Integrity	Living this value means that MMLM representatives will display behaviour, attitudes and actions informed by honesty, commitment to the municipality, its policies, procedures and processes.
Transparency	The obligation to act in an open and transparent manner.
Value for money	Ensuring that the community derives value out of the services provided by the municipality and that the municipality has obtained the maximum benefit from the goods and services it acquires, within the limited resources.



Municipal Budgeting

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

Operating Budget

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter – governmental transfers.

Capital Budget

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the **capital budget** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.



Part 2 - ANNUAL BUDGET

1. MAYORS' REPORT

The Mayors' report will be included in the final budget document.



2. **COUNCIL RESOLUTIONS**

1. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of section 16 and 24 of the Municipal Finance Management Act, (Act 56 of 2003) proposed:
 - 1.1. The budget of the municipality for the financial year 2026/27 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification).
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote).
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
2. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose:
 - 2.1. The tariffs for electricity – as set out in Annexure A
 - 2.2. The tariffs for the supply of water – as set out in Annexure A
 - 2.3. The tariffs for the refuse removal – as set out in Annexure A
 - 2.4. The tariffs for the sanitation – as set out in Annexure A
 - 2.5. The tariffs for the property rates – as set out in Annexure A
3. The Council of Modimolle-Mookgophong Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) propose to approve and adopts with effect from 1st July 2026 the tariffs for other services.



4. The Council of Modimolle-Mookgophong Local Municipality propose to approve and adopts with effect from 1st July 2026 the following:
 - 4.1. Interest at the rate of 12, 65% per annum on all accounts in arrears.
 - 4.2. Defaulters will be liable to legal proceedings for the recovery of arrear amounts.

5. The Council of Modimolle-Mookgophong Local Municipality propose to approve and adopts with effect from 1st July 2026 the following free basic services for Indigent consumers per 30-day period:

- 5.1. 50 kwh of electricity
- 5.2. 6kl water
- 5.3. free refuse removal
- 5.4. sewerage
- 5.5. Property rates.

Indigent consumers will be liable to pay for municipal services where they exceed the free basic services provided for by Council.

6. The Council of Modimolle-Mookgophong Local Municipality approves and adopts the following budget related policies:
 - 6.1. Tariff Policy
 - 6.2. Rates Policy
 - 6.3. Indigent Management Policy
 - 6.4. Budget Management Policy
 - 6.5. Debt Provision and write off Policy
 - 6.6. Budget Principles Policy
 - 6.7. Virement Policy
 - 6.8. Inventory Policy
 - 6.9. Credit Control and Debt Collection Policy
 - 6.10. Banking and Investment Policy
 - 6.11. Immovable Asset Management Policy
 - 6.12. Supply Chain Management Policy
 - 6.13. External Loans Policy
 - 6.14. Expenditure Management Policy
 - 6.15. Travel allowance Policy
 - 6.16. Overtime, Standby and Long Service Policy
 - 6.17. Traffic fines Recognition and Impairment Policy
 - 6.18. Movable Asset Management Policy
 - 6.19. Cost containment Policy
 - 6.20. Use of Consultants Policy



3. EXECUTIVE SUMMARY

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

The following macro-economic forecasts has been taken into consideration when preparing the 2026/27 MTREF municipal budgets:

Macroeconomic performance and projections, 2003-2029							
Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate	Forecast		
CPI Inflation	6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%

Headline inflation declined to 4.4 per cent in the fourth quarter of 2024/25, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 3.3 per cent in 2025/26 and 3.7 per cent in 2026/27.

The Consumer Price Index (CPI) presents the percentage change in prices that consumers pay for goods and services

The following table is a consolidated overview of the 2026/27 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2026/27 MTREF

Totals	Description	Approved Budget 2026	Final Adjusted Budget	Budget 2027	Budget 2028	Budget 2029
Total Oper Rev	Total Operational Revenue	- 1 000 923 684.00	- 981 773 389.37	- 983 344 904.18	- 1 015 072 603.12	- 1 047 524 928.82
Total Oper Exp	Total Operating Expenditure	979 048 560.00	966 480 845.66	949 542 604.90	978 276 210.86	1 008 562 649.61
Total Oper Surplus	Operational -(Surplus)/Deficit	- 21 875 124.00	- 15 292 543.71	- 33 802 299.28	- 36 796 392.26	- 38 962 279.21
Total Cap Grants	Total capital grants	- 183 426 552.00	- 240 043 793.00	- 117 707 700.00	- 174 332 950.00	- 181 450 850.00
Sur/ Def	Sur/ Def	- 205 301 676.00	- 255 336 336.71	- 151 509 999.28	- 211 129 342.26	- 220 413 129.21

Total operating revenue has increased from R981.7 million at adjustment budget in the current financial year to R983.3 million in the coming 2026/27 financial year. Operating revenue will increase to R1 015 billion and R1 047 billion over the MTREF period.

The increase of in operating revenue is projected at 0.2% which is mainly due to increased operational grants and the proposed increase of 10.5% in the electricity tariff pending approval by NERSA. All other tariffs are projected to increase by 3.7% in the 2026/27 financial year.

Total operating expenditure for the 2026/27 financial year has been appropriated at R949.5 million and translates into a budgeted operating surplus of R33.8 million. The operating expenditure has been decreased overall by 1.8%. Non-core expenditure have been reduced in line with budget funding plan. The municipality has implemented cost containment measures and all other operating expenditures are limited to 70% of projected revenue excluding non-cash items.



The ninety eight percent (98% - R117 million) of the capital budget for the financial year 2026/27 will be funded through the National government grants (MIG, INEP and WSIG) and only 2% (R3 million) from internally generated revenue.

4. OPERATING REVENUE FRAMEWORK

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

Description	Approved Budget	Final Adjusted			
		Budget	Budget 2027	Budget 2028	Budget 2029
Property rates	- 160 351 572.00	- 160 351 572.00	- 160 351 572.00	- 165 643 173.88	- 170 943 755.44
Service Charges	- 557 004 864.00	- 539 612 470.00	- 534 264 286.83	- 551 895 008.29	- 569 555 648.56
Interest income	- 87 529 020.00	- 87 529 020.00	- 90 767 593.74	- 93 762 924.33	- 96 763 337.91
Other own revenue	- 13 721 136.00	- 10 609 647.37	- 11 002 204.32	- 11 365 277.07	- 11 728 965.93
Fines and licences	- 12 542 172.00	- 13 895 760.00	- 11 298 903.12	- 11 671 766.92	- 12 045 263.46
Grants (Transfers and subsidies)	- 169 774 920.00	- 169 774 920.00	- 175 660 344.17	- 180 734 452.63	- 186 487 957.51
Revenue	- 1 000 923 684.00	- 981 773 389.37	- 983 344 904.18	- 1 015 072 603.12	- 1 047 524 928.82

Table 2: Summary of revenue classified by main revenue source and percentage growth.

SegmentDesc	FinalBudget	Adjusted Budget	Budget 2027	Budget 2028	Budget 2029
Property rates	- 160 351 572.00	- 160 351 572.00	- 160 351 572.00	- 165 643 173.88	- 170 943 755.44
Interest Earned on Call Investments	- 1 203 516.00	- 2 203 516.00	- 2 285 046.09	- 2 360 452.61	- 2 435 987.10
Service Charges					
Electricity	- 335 587 524.00	- 335 368 868.00	- 342 418 757.60	- 353 718 576.60	- 365 037 571.05
Water	- 131 309 652.00	- 111 309 652.00	- 101 529 146.17	- 104 879 607.99	- 108 235 755.45
Waste Water- Sanitation	- 56 876 580.00	- 57 000 000.00	- 53 048 728.91	- 54 799 336.96	- 56 552 915.75
Waste Management	- 33 231 108.00	- 35 872 950.00	- 37 200 249.15	- 38 427 857.37	- 39 657 548.81
Total Service Charges	- 557 004 864.00	- 539 551 470.00	- 534 196 881.83	- 551 825 378.93	- 569 483 791.05
Operational grants					
LGSETA Skills Grant	- 799 464.00	- 799 464.00	- 829 044.17	- 856 402.63	- 883 807.51
Expanded Public Works Grant (3111/10	- 2 031 000.00	- 2 031 000.00	- 1 899 000.00	-	-
Local Government Financial Manageme	- 2 600 004.00	- 2 600 004.00	- 2 600 000.00	- 2 700 000.00	- 2 800 000.00
M I G Operational (5 %)(3114/10006)	- 2 322 456.00	- 2 322 456.00	- 2 350 300.00	- 2 599 050.00	- 2 678 150.00
Equitable Share	- 162 021 996.00	- 162 021 996.00	- 167 982 000.00	- 174 579 000.00	- 180 126 000.00
Total operational grants	- 169 774 920.00	- 169 774 920.00	- 175 660 344.17	- 180 734 452.63	- 186 487 957.51



Other revenue						
Agency Fees	-	3 573 972.00	-	3 573 972.00	-	3 706 208.96
Interest	-	86 325 504.00	-	85 095 504.00	-	88 244 037.65
Interest On Cheque Account (1201/700		-	-	230 000.00	-	238 510.00
Sundry Income (1331/11003) Parking		-	-	3 500.00	-	3 629.50
Sundry Income (4311/011003) Salary R		-	-	1 900 000.00	-	1 970 300.00
Sundry Income (4111/011003) Commis		-	-	90 000.00	-	93 330.00
Sundry Income (1341/11003) Advance		-	-	50 000.00	-	51 850.00
Business Registration fees		-	-	20 000.00	-	20 740.00
Water Connection Fees	-	126 732.00	-	76 732.00	-	79 571.08
Sundry Income (4111/011003)	-	4 513 896.00		-		-
Unpaid Salaries returned		-		-		-
Operational Revenue:Administrative Ha		-		-		-
Reconnection Fees (4111/011009)	-	66 552.00		-		-
Sundry Income (3212/011003)	-	831 840.00	-	131 840.00	-	136 718.08
Sale of Property		-	-	20 000.00	-	20 740.00
Continuous Membership Medical (1311		-	-	300 000.00	-	311 100.00
Vehicle Sheds (1331/6006))		-	-	150 000.00	-	155 550.00
Rental Banquet Hall (2121/6002))	-	70 344.00	-	83 344.00	-	86 427.73
Rental Sport Stadium (2211/6007)	-	73 068.00	-	123 068.00	-	127 621.52
Investment Property:Ad-hoc rentals	-	87 540.00		-		-
Vehicle Sheds (1331/6006))	-	164 484.00	-	164 484.00	-	170 569.91
Rental Hostels (2121/6004)		-		-		-
Rental Hostels (2121/6004)	-	185 832.00	-	105 832.00	-	109 747.78
Sales of Goods and Rendering of Service	-	29 400.00	-	29 400.00	-	30 487.80
Advertising Boards (New)		-	-	39 612.00	-	41 077.64
Advertising Boards (New)	-	39 612.00		-		-
Building Plan Fees (3121/011007) .	-	1 037 268.00	-	1 037 268.00	-	1 075 646.92
Cemetry Fees (2131/11006)	-	543 996.00	-	493 996.00	-	512 273.85
Sales of Goods and Rendering of Service	-	616 644.00	-	516 644.00	-	535 759.83
Clearance Certificates	-	261 948.00	-	261 948.00	-	271 640.08
Library Fees:Membership .		-		-		-
Library Membership Fees (2111/11004	-	34 068.00	-	34 068.00	-	35 328.52
Sale of Goods		-		-		-
Tender Documents (1202/11014)	-	1 218 720.00	-	728 359.37	-	755 308.67
Publications:Tender Documents		-	-	490 360.00	-	508 503.32
Valuation Services	-	244 968.00	-	94 968.00	-	98 481.82
Sales of Goods and Rendering of Service	-	252.00	-	90 252.00	-	93 591.32
Fines-Late Returns (2111/8002 & 11019	-	26 412.00		-		-
Municipal		-	-	450 000.00	-	466 650.00
Traffic:Municipall	-	11 622 264.00	-	6 622 264.00	-	6 867 287.77
Penalties		-	-	80 000.00	-	82 960.00
Road and Transport:Motor Vehicle Licen	-	893 496.00	-	443 496.00	-	459 905.35
Vehicle Licenses (3221/009002).		-	-	300 000.00	-	311 100.00
Licenses & Permits (3221/011017)		-	-	6 000 000.00	-	3 111 000.00
Connection Fees (4111/011001)		-	-	65 000.00	-	67 405.00
Reconnection Fees (4111/011009)		-	-	4 000.00		-
Total other revenue	-	112 588 812.00	-	109 891 911.37	-	110 851 060.09
Total operating revenue	-	1 000 923 684.00	-	981 773 389.37	-	983 344 904.18
					-	1 015 072 603.12
						-1 047 524 928.82



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

For all these service charges; current and historical trends, anticipated higher electricity tariffs, macro and economic factors were considered to ensure a balanced revenue budget projections.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues

The municipality still need to ensure effective implementation of revenue raising measures to ensure projected collection rates are achieved to ensure sustainable service delivery. The municipality has projected a revenue collection rate of 70% in the 2026/27 financial year which is in line with current collection rate

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 72 percent of the total revenue mix. In the 2026/27 financial year, revenue from rates and services charges totaled **R694 million**.

The total operational revenue budget has been projected at **R983 million** for the coming 2026/27 financial year. Breakdown of the line items is as follows:

Revenue by Source

1. Property rates.

- The revenue budget for property tax has been projected at **R160.4 million** for the 2026/27 financial year which represent 0% increase from the adjusted budget. The property rates budget remain the same as the 2025/2026 budget due to the performance of the current financial year billing trend. However the tariff was increased by 3.7%.
- The municipality has started implementing a new valuation roll from the 1st of July 2024 which reduced a lot of discrepancies on property values and categorizations. This has had an impact in the collection rate for the property rates.
- Tariff increase has been done in line with the guidance of MFMA circulars to keep increases within projected inflation target for 2026/27.



2. Service charge-Electricity.

- The revenue has been budgeted at an amount of **R342.1 million** which equates to 2% increase compared to the adjusted budget amount.
- The increase is mainly due to anticipated increase in electricity tariff of 10.5%. The tariff increase and electricity revenue will still depend on the final NERSA tariff determination based on the cost of supply study to be submitted to NERSA by end of March 2026.
- The municipality is participating in the debt relief programme and is in the process of converting all electricity meters into prepaid in the 2026/27 financial year. The impact of electricity revenue due to the conversion of meters as well as the anticipated debt write off has not been included in the projected budget amounts due to strict uncertainty as a result of strict debt relief conditions set out by National Treasury

3. Service charges-Water.

- The municipality has budgeted an amount of **R101.5 million** increasing to **R 104.8 million** over the MTREF period.
- This is 10% decrease compared to the 2025/26 adjusted budget due to the low billing trend in the 2025/26 financial year.
- The tariff has been increased by 3.7% which is linked to CPI. The municipality acknowledges that currently most of the water billing is based on estimated consumption due to meters not functioning.
- The municipality through the WSIG budget on water meters will be installing smart prepaid meters for water in the last six months of the year. Already 1600 prepaid meters have been installed to date

4. Service charge-Sanitation.

- The revenue budget for this line item has been projected at **R53.0 million** in the 2026/27 financial year increasing to **R54.8million** over the MTREF period
- This is 7% decrease compared to the 2025/26 adjusted budget due to the low billing trend in the 2025/26 financial year.
- The tariff has been increased by 3.7% which is linked to CPI.

5. Service charge-Refuse

- Revenue from refuse removal has been estimated at **R37.2million** for the coming financial year. The revenue projection has increased by 4% as compared to the current adjusted budget.
- The proposed tariff increase for the service is also proposed to increase by 3.7%

6. Rental of Facilities

- The revenue on this item has been projected at **R650 thousand**, a bit higher lower the adjustment budget. Some of the municipal facilities are no longer in good conditions for rentals, it is therefore very important to revive them to ensure a sustainable revenue stream is kept running.

7. Interest earned on external investments

- The municipality has experienced a positive return on investment made in the current financial year due to a large amount of grant funds invested.
- With an increased allocation in the DORA provision for a higher interest is expected with a budget projected at **R2.285 million**.



8. Interest earned- outstanding debtors

- The budget for this item has been appropriated at **R88.2million** which is an increase of 4% from the budget adjustment estimate. The interest rate on outstanding debtors has been kept at 12.5% from the previous financial year.
- The increase is mainly due to poor collection rates. The higher the debt balance, the higher the interest charged on outstanding accounts.

9. Fines, penalties and forfeits

- The municipality has projected to receive revenue from traffic fines to an amount of **R11.2million** in the 2026/27 financial year.
- The performance on the revenue from fines at mid-year was not satisfactory, the municipality decided to decrease the revenue projection by 19%.
- This revenue also includes new spot fines that will be introduced on illegal trading on hawkers and businesses.

10. Licenses and Permits

- This is an agency function that the municipality performs on behalf of the Limpopo Department of Transport whereby the municipality retains 20 percent commission on vehicle licenses and other services.
- The budget has been set at **R3.4 million** which is also a decrease of 4% from the previous year budget.

11. Transfer and Subsidies (Grants)

- These are operational transfers from National government which have been allocated through the 2026 Division of Revenue Act (DORA) totaling an amount of **R175.6 million**. There has been an increase of 4% from the adjusted budget of 2026/27 financial year.
- The revenue from grants is expected to grow by 3% over the MTREF budget

12. Other Revenue

- This is the revenue to be realized from items such as sale of tender documents, advertising, clearance certificates, new and reconnections of services, valuation services and other sundries.
- The budget has been projected at **R11.0million** in the coming financial year.



5. OPERATING EXPENDITURE FRAMEWORK

Expenditure by Type

The following table is a summary of the 2026/27 MTREF (classified by type):

Description	Approved Budget	Adjusted budget	Budget 2027	Budget 2028	Budget 2029
Employee related costs	262 624 836.00	269 866 896.00	286 957 185.33	296 426 772.44	305 991 054.78
Remuneration of councillors	18 895 248.00	17 514 418.00	14 066 007.87	14 530 186.13	15 034 318.38
Bulk purchases - electricity	303 113 376.00	303 113 376.00	327 362 446.08	338 165 406.80	348 986 699.82
Inventory consumed	32 187 096.00	32 071 781.00	33 542 998.40	34 649 917.35	35 758 714.70
Debt impairment	98 000 004.00	56 715 214.00	58 813 676.92	60 754 528.26	62 698 673.16
Depreciation and amortisation	52 200 084.00	54 296 555.00	56 340 598.88	57 968 312.18	59 598 787.67
Interest	6 262 296.00	6 262 296.00	6 494 000.95	6 708 302.98	6 922 968.68
Contracted services	139 340 280.00	164 659 713.00	111 555 982.68	112 636 030.11	115 221 983.07
Operational costs	66 425 340.00	61 993 400.00	54 409 628.90	56 205 146.65	58 003 711.35
Total Expenditure	979 048 560.00	966 480 845.66	949 542 604.90	978 276 210.86	1 008 562 649.60

1. Employee Related costs

- This line item has been budgeted at **R286.9million** in the 2026/27 financial year which translates to 30 percent of the total operational expenditure. It is one of the main cost drivers of the municipality's operational expenditure.
- The 2026/27 budget for employee related costs has been increased by 6% from the budget adjustment figure.
- The above increase is mainly to anticipated cost of living increase for both employees plus the provision for new positions to be filled in the 2026/27 financial year
- The Salary and Wage Collective Agreement were signed by the parties represented in the South African Local Government Bargaining Council (SALGBC) on the 06th of September 2024 and municipalities are expected to implement the agreement with effect from 01 July 2024.
- In terms of the above agreement, all employees covered by the above agreement shall receive with effect from 01 July 2026, an increase based on the average CPI percentage plus 0.75%. The municipality has therefore proposed to increase the employee costs by **4.75%** for cost living adjustment and any linked benefits linked to the conditions of service shall also increase by the same margin with effect from the 1st July 2026
- An amount of **R6million** has also been budgeted for filling of new positions as per the approved new organizational structure
- We have also reduced the allocation of budget for overtime costs by half as the above filling of posts will reduce the need for overtime work.



2. Councillor Remunerations

- The cost to remunerate councillors is determined in accordance with the Government Gazette on Remuneration of Public Office Bearers Act: Determination of Upper limits of salaries, allowances and benefits. The budget for this item is projected at **R14.1million** in the coming financial year.
- The municipality has budgeted an increase of **4.75%** on the councillor remuneration costs due to anticipated increase on the upper limits.

3. Contributions to debt impairment (debt written off)

- The budget for this item is based on the council's debt impairment policy and write offs. The budget is projected at **R58.8million** which is a increase of **R2m** from budget adjustment figure
- The impact of the current debt write off project has been taken into account as the municipality is anticipating to write off debt to an amount of R410million.
- The contribution to debt impairment also takes into account the projected collection levels of 70% and also taking into account revenue collection strategies that have been adopted by the municipality.

4. Depreciation and asset impairment

- This is another non-cash item that often inflate operational expenditure thereby affecting the net surplus or deficit.
- The municipality is faced with a lot of aging infrastructure whereby rising depreciation value is inevitable. The budget is projected at **R56.3million**.

5. Finance charges

- The municipality has reviewed its payment plan with Eskom and Magalies in the 2026/27 financial year and it is also participating in the debt relief programme.
- In terms of the above the municipality will not be charged interest on the ring fenced capital amount when monthly commitments are met.
- The finance costs on Eskom and Magalies debt has not been linked to current trends as the municipality is participating in the debt relief programme and has also entered into payment arrangements with the bulk service providers.
- It is therefore a positive outcome on the municipal budget whereby the charges related to interest costs now relates to finance leases and interest cost on long service costs. The budget is projected at **R6.4million** in the 2026/27 financial year.

6. Bulk purchases

- In projecting the bulk purchase, the municipality has taken into account the Multi Year Pricing Schedule as determined by NERSA.
- The municipality has projected an increase of **9.01%** for electricity purchases.
- This line item is the second largest cost driver contributing about 34 percent or **R327 million** of the total expenditure.



- Take note that Water purchases is no longer budgeted under bulk purchases as per GRAP 12 on Inventory, rather it is budgeted under item "Inventory consumed".

7. Inventory consumed

These are Inventory items such as Water purchases and other items related to repairs and maintenance on an everyday basis. The budget is projected at **R33.5million** which is linked to 3.7% CPI rate

8. Contracted services

- From time to time the municipality make use of external service providers to assist on other operational matters.
- These services are either utilized on an "as and when basis" the services is needed or on a fixed term basis. These are services such as security services, legal services, consulting and professional services and other services relating to maintenance of municipal infrastructure as needed.
- The budget is projected at **R111million** which is a 32% reduction. The municipality in an endeavor to curb the contracted services cost, has developed a Use of Consultant policy to manage the costs.

9. Other expenditure

- Other general expenditure contribute about 7 percent of the total operational expenditure and is budgeted at **R54.9million** for the 2026/27 financial year.
- These are expenses relating to the day to day running of the institution such as vehicle costs, protective clothing expenditure, insurance, cost of ward committees and others.



6. MUNICIPAL TARIFFS

The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal System Act, 2000 which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. Municipalities are encouraged to utilize the tariff setting tool as outlined in MFMA circular 126 which will assist in setting tariffs that are cost-reflective and would enable the municipality to recover cost and fulfil its mandate. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the upper boundary of the South African Reserve Bank's inflation target.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

7.1 Property Rates

Property Rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process. The property rates tariffs was increased by 3.7% which is CPI linked

The implementation of Property Rates is regulated in terms of the Municipal Property Rates Act, and the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in previous budget processes and the Property Rates Policy of the Municipality has been amended accordingly.

Table A: Proposed Property Rates tariffs



PROPERTY RATES	'2025/26	2026/27
(1) Assessment rates :		
(a) Residential properties	0.0140	0.0145
(b) Industrial properties	0.0134	0.0139
(c) Business and Commercial properties	0.0266	0.0276
(d) Agricultural properties	0.0035	0.0036
(e) Mining properties	0.0270	0.0280
(f) Properties owned by an organ of state and used for public service purpose	0.0270	0.0280
(g) Public service infrastructure properties	0.0035	0.0036
(h) Properties owned by public benefit organisations and used for specified public benefit activities;	0.0134	0.0139
(i) Properties used for multiple purposes	Per use	Per use
(j) Game Farming	0.0025	0.0026
(k) Vacant Land	0.0172	0.0178
(l) Religious use	0.0134	0.0139
(m) Small Holdings (not connected to any municipal service)	0.0035	0.0036
(2) Exemptions (in terms of section 15 of the MPRA and the Property Rates Policy), other than in terms of Impermissible Rates (section 17 of the MPRA) :		
(a) Municipal Property	100%	
(b) Residential 1 Properties, additional amount to the value of the property, not being taxed	R 15 000.00	R 15 000.00
(c) Public Service Infrastructure	100%	100%
(d) Rights registered against properties	100%	100%
(e) Public Benefit Organizations (on application)	100%	100%
(3) Reductions (in terms section 15 of the MPRA and the Property Rates Policy) :		
(a) Destruction of property as a cause of disaster (on application)	80%	80%
(4) Rebates (in terms section 15 of the MPRA and the Property Rates Policy) :		
(a) Residential properties(serviced by owner) on:		100%
(i) Privately Owned Town	20%	20%
(ii) Small Holdings	20%	20%
(iii) Agricultural Properties	30%	30%
(b) Developed Properties (not transferred by a developer yet)	10%	10%
(c) Registered Indigents : The owner must be the registered owner and occupant of the applicable property, whose monthly aggregated monthly income is proved to the satisfaction of the Municipal Manager, not to exceed R5 500.00	100%	100%
(d) Retired owners & medical unfit applicants : Property owners over 60 years of age, permanent occupants and the sole owner of the property concerned, whose monthly aggregated income is proved to the satisfaction of the Municipal Manager, to be :		
equal or less than R 5 500.00	100%	100%
between R5 501.00 and R6 500.00	50%	50%
between R6 501.00 and R 9 000.00	20%	20%
(e) Commercial: Incentive on upgrade (on application)	20%	20%



1.2 Sale of water and impact of Tariff Increases

- South Africa faces similar challenges with regard to water supply as it does with electricity, since demand growth outstrips supply. Consequently, it is necessary to review the level and structure of the water tariffs to ensure:
- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the registered indigent consumers; and
- Water tariffs are designed to encourage efficient and sustainable consumption and discourage unnecessary usage of water.

A summary of the tariffs for all consumers are attached below. This structure will allow a consumer to control its own water account to limit the amount billed onto the water account. The tariff structure is designed to charge higher levels of consumption at a higher rate. The tariff for water was increased by 3.7% CPI linked

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

Table B: Proposed Water Tariffs



TABLE 5: WATER SUPPLY		'2025/26	2026/27
1. BASIC CHARGE:			
(1) Where an erf, stand, lot or other area excluding municipal property is, or in the opinion of Council, can be connected to the main supply, a basic charge per month or part thereof shall be payable by the owner or occupant, as well as where any erf; stand, lot or other area zoned as residential 1 or 2 in terms of the Modimolle-Mookgophong Town Planning Scheme is occupied by more than one (1) consumer to whom water is supplied by the Council, the said basic charge shall be payable in respect of every such consumer or occupant or owner :			
(a) Undeveloped property		180.69	187.38
(b) Bulk, Trade, Industry and other non-domestic consumers			
- Measuring up to 500m ²			
- Measuring up to 1000m ²			
- Measuring up to 2000m ²			
- Measuring above 2000m ²			
(c) Residential consumers		129.90	134.71
(c) Trade; Bulk, Industry and non-domestic		181.86	188.59
(2) (a) Schools, Tennis and Bowling clubs and public benefits organization will be levied On Municipal Basic charges			
		25.74	26.69
		173.97	180.41

2. CHARGES FOR WATER SUPPLY, PER MONTH:

(1) Purified water to all domestic consumers :			
(a) 0 - 6 kl to all indigent households :	Free	Free	
(b) Per connection per kl(1000 litres which is equivalent to 5 drums of 200 liters per drum :			
0 - 10 kl	25.18	26.11	
11 - 20 kl	29.05	30.13	
21 - 30 kl	38.80	40.23	
31 and above	50.86	52.74	
(2) Purified water to all Bulk, Trade, Industry and other non-domestic consumers :			
0 - 30 kl	55.71	57.77	
31 kl and above	63.95	66.32	
Modimolle / Phagameng	-	-	
Privately owned towns	46.40	48.11	
(3) Water delivered by truck outside urban areas :			
(a) Per kiloliter	195.45	202.68	
(b) Per kilometer, travelled from collection to delivery point	106.91	110.86	
(4) Flat rate for unbilled consumers (Without meters) -Domestic	150.00	150.00	
(5) Raw water tariff(per K/L)	1.90	1.90	

The detailed water tariffs are attached as an Annexure



1.3 Sale of Electricity and Impact of Tariff Increases

- The bulk increase of electricity from Eskom is estimated to be **9.01%** percent and the municipality is the process of submitting an application to NERSA proposing to increase electricity tariffs by **10.5%**. This will cater 9.01% proposed tariff increase by Eskom plus additional 1.5% to recover operational costs.
- The municipality is finalizing the cost of supply study to be submitted to NERSA as part of the tariff determination process.
- The attached **Table C** indicates the impact of the proposed increases in electricity tariffs on the electricity charges for all categories of consumers.
- The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the Municipality. Most of the reticulation network was designed or strengthened in the early 1970's with an expected 20-25 year life-expectancy. The upgrading of the electricity network has therefore become a strategic priority, especially the substations and transmission lines. The aim of the high tariff increase is to make provision for higher maintenance cost to address back locks in the delivering of sustainable electricity services to the consumers.
- Funding most needed upgrades and important maintenance can only be achieved through higher revenue sources, resulting from higher tariff increases.
- Registered indigents will continue to receive 50 kWh per 30-day period free of charge.

Table C: Comparison between current electricity charges and increases

**Tariff 1: Domestic Prepaid: Single Phase, Flat Rate Tariff**

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Basic Charge		R / Month	199.00	219.90	10.50%
Energy Charge	0-50 kWh	R / kWh	1.9822	2.1903	10.50%
Energy Charge	51-350 kWh	R / kWh	2.5451	2.8123	10.50%
Energy Charge	351-600 kWh	R / kWh	3.5881	3.9649	10.50%
Energy Charge	>600 kWh	R / kWh	4.2101	4.6522	10.50%

Tariff 2: Domestic Prepaid: Three Phase, Flat Rate Tariff

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Energy Charge	0 – 100 kWh	R / kWh	2.5126	2.7764	10.50%
Energy Charge	>100kWh	R / kWh	3.2308	3.5700	10.50%

Tariff 3: Domestic Prepaid: Single Phase, Time of Use Tariff – New - Optional

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Energy Charge	Peak	R / kWh	3.6491	4.0323	10.50%
Energy Charge	Standard	R / kWh	3.0080	3.3238	10.50%
Energy Charge	Off Peak	R / kWh	2.6382	2.9152	10.50%
Winter					
Energy Charge	Peak	R / kWh	7.7665	8.5820	10.50%
Energy Charge	Standard	R / kWh	3.8462	4.2501	10.50%
Energy Charge	Off Peak	R / kWh	2.7860	3.0785	10.50%

Tariff 4: Domestic Prepaid: Three Phase, Time of Use Tariff – New - Optional

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Energy Charge	Peak	R / kWh	3.6491	4.0323	10.50%
Energy Charge	Standard	R / kWh	3.0080	3.3238	10.50%
Energy Charge	Off Peak	R / kWh	2.6382	2.9152	10.50%
Winter					
Energy Charge	Peak	R / kWh	7.7665	8.5820	10.50%
Energy Charge	Standard	R / kWh	3.8462	4.2501	10.50%
Energy Charge	Off Peak	R / kWh	2.7860	3.0785	10.50%

**Tariff 5: Domestic Conventional: Flat Rate Tariff**

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Basic Charge		R / Month	274.59	303.42	10.50%
Energy Charge	0-50 kWh	R / kWh	2.0049	2.2154	10.50%
Energy Charge	51-350 kWh	R / kWh	2.5742	2.8445	10.50%
Energy Charge	351-600 kWh	R / kWh	3.6117	3.9909	10.50%
Energy Charge	>600 kWh	R / kWh	4.2464	4.6923	10.50%

Tariff 6: Domestic Conventional: Single Phase, Time of Use Tariff – New - Optional

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	211.44	233.64	10.50%
Energy Charge	Peak	R / kWh	3.4838	3.8496	10.50%
Energy Charge	Standard	R / kWh	2.8927	3.1964	10.50%
Energy Charge	Off Peak	R / kWh	2.2393	2.4744	10.50%
Winter					
Basic Charge		R / Month	183.86	203.17	10.50%
Energy Charge	Peak	R / kWh	6.7916	7.5047	10.50%
Energy Charge	Standard	R / kWh	3.1920	3.5272	10.50%
Energy Charge	Off Peak	R / kWh	2.1100	2.3316	10.50%

Tariff 7: Domestic Conventional: Three Phase, Time of Use Tariff - New

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	567.34	626.91	10.50%
Energy Charge	Peak	R / kWh	3.1095	3.4360	10.50%
Energy Charge	Standard	R / kWh	2.5870	2.8586	10.50%
Energy Charge	Off Peak	R / kWh	2.0028	2.2131	10.50%
Winter					
Basic Charge		R / Month	567.34	626.91	10.50%
Energy Charge	Peak	R / kWh	6.9852	7.7186	10.50%
Energy Charge	Standard	R / kWh	3.2830	3.6277	10.50%
Energy Charge	Off Peak	R / kWh	2.1701	2.3980	10.50%

**Tariff 8: Bulk / Estate Domestic Conventional: Three Phase, Time of Use Tariff - New**

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	1 057.26	1 168.27	10.50%
Energy Charge	Peak	R / kWh	3.4767	3.8418	10.50%
Energy Charge	Standard	R / kWh	2.8928	3.1965	10.50%
Energy Charge	Off Peak	R / kWh	2.2394	2.4745	10.50%
Winter					
Basic Charge		R / Month	1 057.26	1 168.27	10.50%
Energy Charge	Peak	R / kWh	7.8103	8.6304	10.50%
Energy Charge	Standard	R / kWh	3.6708	4.0562	10.50%
Energy Charge	Off Peak	R / kWh	2.4264	2.6812	10.50%

Tariff 9: Commercial: Prepaid, 60 Amp Tariff

All Year		2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Energy Charge	R / kWh	3.7567	4.1512	10.50%

Tariff 10: Commercial: Prepaid, Time of Use, 60 Amp Tariff

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Basic Charge			402.00	444.21	10.50%
Summer					
Energy Charge	Peak	R / kWh	3.7567	4.1512	10.50%
Energy Charge	Standard	R / kWh	4.3245	4.7786	10.50%
Energy Charge	Off Peak	R / kWh	3.5135	3.8824	10.50%
Winter					
Energy Charge	Peak	R / kWh	8.9189	9.8554	10.50%
Energy Charge	Standard	R / kWh	3.4003	3.7573	10.50%
Energy Charge	Off Peak	R / kWh	3.9431	4.3571	10.50%

TARIFF 11: SCHOOLS, TENNIS AND BOWLING CLUBS, SINGLE PHASE, FLAT RATE TARIFF

All Year		2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Municipal Charge	R / kWh	2.9933	3.3076	10.50%

Tariff 12: Schools, Tennis and Bowling Clubs, Three Phase, Flat Rate Tariff

All Year		2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Municipal Charge	R / kWh	2.9935	3.3078	10.50%

**Tariff 13: Commercial Conventional: Single Phase, Time of Use, <80 Amp Tariff**

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	644.29	711.94	10.50%
Energy Charge	Peak	R / kWh	3.5169	3.8862	10.50%
Energy Charge	Standard	R / kWh	2.9967	3.3114	10.50%
Energy Charge	Off Peak	R / kWh	2.4348	2.6905	10.50%
Winter					
Basic Charge		R / Month	644.29	711.94	10.50%
Energy Charge	Peak	R / kWh	6.6593	7.3585	10.50%
Energy Charge	Standard	R / kWh	3.4337	3.7942	10.50%
Energy Charge	Off Peak	R / kWh	2.5387	2.8053	10.50%

Tariff 14: Commercial Conventional: Three Phase, Time of Use, < 80 Amp Tariff

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	973.54	1 075.76	10.50%
Energy Charge	Peak	R / kWh	3.9948	4.4143	10.50%
Energy Charge	Standard	R / kWh	3.4038	3.7612	10.50%
Energy Charge	Off Peak	R / kWh	2.7658	3.0562	10.50%
Winter					
Basic Charge		R / Month	973.54	1 075.76	10.50%
Energy Charge	Peak	R / kWh	7.5641	8.3583	10.50%
Energy Charge	Standard	R / kWh	3.9002	4.3097	10.50%
Energy Charge	Off Peak	R / kWh	2.8837	3.1865	10.50%

Tariff 15: Large Power Users: Time of Use Tariff

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Basic Charge		R / Month	964.03	1 065.25	10.50%
Energy Charge	Peak	R / kWh	2.3978	2.6496	10.50%
Energy Charge	Standard	R / kWh	2.3978	2.6496	10.50%
Energy Charge	Off Peak	R / kWh	2.3978	2.6496	10.50%
Demand Charge		R / kVA	112.8300	124.6772	10.50%
Network Access Charge		R / kVA	77.5800	85.7259	10.50%
Winter					
Basic Charge		R / Month	964.03	1 065.25	10.50%
Energy Charge	Peak	R / kWh	8.3972	9.2789	10.50%
Energy Charge	Standard	R / kWh	2.6948	2.9778	10.50%
Energy Charge	Off Peak	R / kWh	1.5623	1.7263	10.50%
Demand Charge		R / kVA	101.4900	112.1465	10.50%
Network Access Charge		R / kVA	129.4800	143.0754	10.50%

Tariff 16: Net Metering Connections for Surplus Renewable Energy Exported - New

All Year			2025/2026 Current (Excl VAT)	2026/2027 Proposed (Excl VAT)	% Increase
Summer					
Energy Charge	Peak	R / kWh	1.8927	2.0914	10.50%
Energy Charge	Standard	R / kWh	1.3027	1.4395	10.50%
Energy Charge	Off Peak	R / kWh	0.8265	0.9133	10.50%
Winter					
Energy Charge	Peak	R / kWh	5.8021	6.4113	10.50%
Energy Charge	Standard	R / kWh	1.7580	1.9426	10.50%
Energy Charge	Off Peak	R / kWh	0.9546	1.0548	10.50%



Detailed tariff structure is attached as Annexure

1.4 Sanitation and Impact of Tariff Increases

The tariffs for sanitation has been proposed to increase by **3.7 percent**. National Treasury advices municipalities to increase tariffs in line with CPI plus inflation rate or justify increase that is above CPI.

Table D: Comparison between current sanitation charges and increases



TABLE 7: SEWERAGE		'2025/26	2026/27
1. BASIC CHARGES			1.037
(1)	A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have not been connected to Council's sewerage system but which can in the opinion of the Council be connected thereto:	139.20	144.35
(2)	A basic charge per month or part thereof shall be payable in respect of each erf, land, lot or other area within the municipality which have been connected to Council's sewerage system :	-	-
(a)	Measuring up to 500m ² in extent	90.76	94.12
(b)	Measuring up to 1000m ² in extent	121.01	125.49
(c)	Measuring up to 2000m ² in extent	152.22	157.85
(d)	Plus: For every additional 1000m ² or part thereof	63.96	66.33

2. CHARGES PAYABLE BY ALL PREMISES CONNECTED TO THE SEWER SYSTEMS:

(1)	Domestic Dwellings	209.95	217.72
(2)	Trade, Industry and other non-domestic consumers :Discontinued		
(3)	Flats / town house complexes/estates - Per unit -New	230.95	239.49
(4)	2nd dwelling (single property)-New	220.45	228.60
(5)	Church erven -New	314.93	326.58
(6)	Schools & school hostels (including nursery and day schools) - For each - Twenty five (25) persons or portion thereof -New	125.97	130.63
(7)	Clinics/Nursing & maternity homes & welfare organisations - For each - Ten (10) persons or portion thereof -New	209.95	217.72
(8)	Hospital - for each - Three (3) beds or portion continuously available -New	314.93	326.58
(9)	Correctional Service/Prison - For each - Three (3) beds or portion continuously available - New	314.93	326.58
(10)	Other Sector department -New	6 998.27	7 257.21
(11)	Abattoirs/Meat processing-New	10 941.07	11 345.89
(12)	Mortuaries and Crematorium -New	1 654.29	1 715.50
(13)	Restaurant and Eateries -New	1 264.79	1 311.58
	Other Businesses -New	-	-
	up to 60m ²	314.93	326.58
	61 to 80m ²	346.42	359.23
	81 to 120m ²	519.63	538.85
	121 to 200m ²	935.33	969.93
	201 to 500m ²	1 870.65	1 939.87
	501 to 1000m ²	3 741.31	3 879.74
	1001 to 3000m ²	7 482.62	7 759.48
	3000m ² and more	14 965.24	15 518.95
		-	-
(4)	Rendering of domestic sewer services to all registered indigents:	FREE	FREE
		-	-
(5)	Temporary services to builders and other, per month or part thereof on each site:	2 049.51	2 125.34



1.5 Waste management and Impact of Tariff Increases

The tariffs for sanitation have been kept at a **3.7 percent** increase. National Treasury advises municipalities to increase tariffs in line with CPI plus inflation rate or justify increase above CPI.

Table E: Comparison between current Waste removal fees and increases

		'2025/26	2026/27
TABLE 8: REFUSE REMOVAL			
1. DOMESTIC, COMMERCIAL AND OTHERS:			
(1)	Domestic Dwellings	189.93	196.95
(2)	Flats / town house complexes/estates - Per unit -New	208.92	216.65
(4)	2nd dwelling (single property) -New	199.42	206.80
(5)	Church erven -New	284.89	295.43
(6)	Restaurant and Eateries/Abattoirs/Meat processing/ Other Sector department/ Mortuaries and Crematorium/ Correctional Service/Prison/ Businesses/Hospital/Clinics/Nursing & maternity homes & welfare organisations/Schools & school hostels (including nursery and day schools) - 240l bin of waste per month or portion thereof per mass container (No bin provided) -New		
	One collection per week - per bin	547.61	567.88
	Two collections per week per bin	821.42	851.81
	Three collections per week per bin	1 232.13	1 277.72
(7)	Restaurant and Eateries/Abattoirs/Meat processing/ Other Sector department/ Mortuaries and Crematorium/ Correctional Service/Prison/ Businesses/Hospital/Clinics/Nursing & maternity homes & welfare organisations/Schools & school hostels (including nursery and day schools) - Mass container of 1,75m ³ of waste per month or portion thereof per mass container (No bin provided) -New		
	One collection per month - per bin	5 607.30	5 814.77
	Two collections per month per bin	8 410.95	8 722.15
	Three collections per month per bin	12 616.42	13 083.23
	Four collections per month per bin	18 924.63	19 624.84
(8)	Removal of domestic refuse once per week per dwelling for all registered indigents: (When collection is increased by more than once a week, indigent support will be removed on all services) -New	189.93	196.95
(9)	Removal of illegal dumping, rubbles, garden waste etc - Once off -New	illegal dumping Penalty fee + tariff for refuse and building rubble per load of 3,5m ³ or portion	Illegal dumping Penalty fee + tariff for refuse and building rubble per load of 3,5m ³ or portion
(10)	Rentals - Mass container of 1,75m ³ of waste per month or part of -New	2 750.58	2 852.36
(11)	Game / Guest Farms Lodges and Resorts, dumping at the dumping site, per truck :	594.80	616.81

Detailed tariff structure is attached as Annexure



8. CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure per programme.

2026/27 Medium-term capital budget

No	Project Name	Ward	Term / Year	Type	Funding Source	2026/27	2027/28	2028/29
MUNICIPAL INFRASTRUCTURE GRANT (MIG)								
1	Modimolle Establishment of Landfill Site		11 Single year	New	MIG	R 9 000 000.00	R 0.00	R 0.00
2	Construction of Internal Streets and Stormwater Control for Phagameng Ext 8 Phomolong		8 Multi year	New	MIG	R 2 885 367.98	R 0.00	R 0.00
3	Construction of Internal Streets and Stormwater Control for Mookgophong Ext 3 & 8		14 Multi year	New	MIG	R 31 346 383.89	R 0.00	R 0.00
4	Specialised Vehicles for Waste Management	All wards	Single year	New	MIG	R 3 561 606.63	R 0.00	R 0.00
5	Mabaleng (InFormal Settlement) High Mast Light x 1		2 Single year	New	MIG	R 212 641.50	R 0.00	R 0.00
	Total MIG					R 47 006 000.00	R 49 381 950.00	R 50 884 850.00
WATER SERVICES INFRASTRUCTURE GRANT (WSIG)								
1	Upgrading of the Industrial Sewer Outfall in Modimolle (Phase 1)		2 Multi year	Upgrading	WSIG	R 25 012.50	R 0.00	R 0.00
2	Installation of stand-by Generators	All wards	Multi year	Upgrading	WSIG	R 399 837.00	R 0.00	R 0.00
3	Augmentation of Water Supply in Modimolle		12 Multi year	Upgrading	WSIG	R 1 975 332.29	R 0.00	R 0.00
4	Augmentation of Water Supply in Mookgophong		5 Multi year	Upgrading	WSIG	R 2 284 135.34	R 0.00	R 0.00
5	Refurbishment of the Donkerpoort WTW		2 Multi year	Upgrading	WSIG	R 13 438 561.00	R 35 911 621.63	R 0.00
6	Replacement of Asbestos Pipes in Modimolle Town: Bulk Line from Reservoir A & B to supply Phagameng Airfield Reservoir and Secondary Distribution Lines		12 Multi year	Upgrading	WSIG	R 16 306 622.00	R 26 300 000.00	R 42 949 705.41
7	Upgrading of Internal Water and Sewer Reticulation pipelines in Vaalwater Town and Leseding Township	1 & 3	Multi year	Upgrading	WSIG	R 14 938 500.00	R 24 738 561.00	R 36 627 066.20
8	Sewer Upgrade and Refurbishment at Modimolle and Townships (Phase 1) - Construction of Sewer Outfall and Pump Stations Refurbishments	11, 12 & 6	Multi year	Upgrading	WSIG	R 18 683 999.87	R 26 503 817.37	R 38 972 228.39
	Total WSIG					R 68 052 000.00	R 113 454 000.00	R 118 549 000.00
INEP								
1	HT Transmission line		11 Single year	Upgrading	MDRG	R 5 000 000.00	R 11 497 000.00	R 12 017 000.00
	Total INEP					R 5 000 000.00	R 11 497 000.00	R 12 017 000.00
	Total Capital Projects					R 120 058 000.00	R 174 332 950.00	R 181 450 850.00
OWN REVENUE FUNDED PROJECTS								
1	Building renovations					1 500 000.00	-	-
2	Vacuum cleaners for Main office					200 000.00	-	-
3	Purchasing of Kudu Mowing machines					300 000.00	300 000.00	300 000.00
4	Brushcutters					300 000.00	300 000.00	300 000.00
5	Air Conditioners					1 000 000.00	1 000 000.00	1 000 000.00
6	Municipal Vehicles					5 000 000.00	5 000 000.00	5 000 000.00
7	Furniture and equipment					2 000 000.00	1 000 000.00	1 000 000.00
8	Computers (Laptops and desktops)					2 000 000.00	1 000 000.00	1 000 000.00
9	Construction of the main sewer pipeline at Joe Slovo and Limpopo Bridge					3 000 000.00	-	-
	Total own funded					15 300 000.00	8 600 000.00	8 600 000.00
	TOTAL					135 358 000.00	182 932 950.00	190 050 850.00

- For 2026/27 an amount of **R135.3million** has been appropriated for the purchase of capital assets
- An amount of **15.3million** will be funded from own revenue
- Grant funding is still a high dependency for the municipality as a total of 98 percent allocation of the capital budget is funded from National grants (MIG, INEP and WSIG) and only 2 percent from own funding.
- The municipality need to ensure proper planning and adherence to the project business plans to ensure completion of projects well in time to avoid applying for roll over of funds to the following financial years.



9. ANNUAL BUDGET TABLES

The information in the following Tables A1 to A5 constitutes the Municipalities draft budget for the 2026/27 financial year and indicative allocations for the 2027/28 and 2028/29 financial years in terms of section 8 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the budget tables that follow relate to the budget of the municipality only.



Table 1 MBRR Table A1 - Budget Summary

LIM368 Modimolle-Mookgophong - 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
R thousands										
Financial Performance										
Property rates	143,159	160,883	147,184	180,352	160,352	160,352	112,833	160,352	165,643	170,944
Service charges	338,801	541,304	419,261	557,005	539,612	539,612	322,714	534,264	551,895	569,556
Investment revenue	1,305	1,419	2,169	1,204	2,434	2,434	1,583	2,524	2,607	2,690
Transfer and subsidies - Operational	141,590	153,212	163,993	169,775	169,775	169,775	120,852	175,660	180,734	186,488
Other own revenue	242,022	186,630	130,159	112,589	109,601	109,601	72,722	110,545	114,193	117,847
Total Revenue (excluding capital transfers and contributions)	866,877	1,043,449	862,765	1,000,924	981,773	981,773	630,705	983,345	1,015,073	1,047,525
Employee costs	245,750	254,834	262,722	262,625	269,867	269,867	(180,268)	286,957	296,427	305,991
Remuneration of councillors	12,913	14,661	14,602	18,895	17,514	17,514	(8,957)	14,066	14,530	15,034
Depreciation, amortisation and impairment	46,910	54,173	53,240	52,200	54,297	54,297	(36,469)	56,341	57,968	59,599
Interest, Dividends and Rent on Land	86,073	50,256	72,929	6,262	6,262	6,262	(54,370)	6,494	6,708	6,923
Inventory consumed and bulk purchases	213,236	268,845	304,066	335,300	335,185	335,185	(243,165)	360,905	372,815	384,745
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-
Other expenditure	378,690	512,563	868,085	303,766	283,368	283,368	(218,161)	224,779	229,596	235,924
Total Expenditure	983,563	1,155,333	1,575,644	979,049	966,494	966,494	(741,390)	949,543	978,045	1,008,217
Surplus/(Deficit)	(116,686)	(111,884)	(712,879)	21,875	15,280	15,280	1,372,094	33,802	37,028	39,308
Transfers and subsidies - capital (monetary allocations)	95,177	171,182	154,701	183,427	240,044	240,044	68,434	117,708	174,333	181,451
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759
Capital expenditure & funds sources										
Capital expenditure	133,554	204,428	141,917	202,997	264,615	264,615	57,095	132,808	182,933	190,051
Transfers recognised - capital	52,233	165,003	112,920	183,427	240,044	240,044	55,433	117,708	174,333	181,451
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8,477	19,157	12,996	19,571	24,571	24,571	1,773	15,100	8,600	8,600
Total sources of capital funds	60,709	184,160	125,916	202,997	264,615	264,615	57,207	132,808	182,933	190,051
Financial position										
Total current assets	762,353	878,081	566,235	1,922,111	1,957,727	1,957,727	702,275	891,755	922,237	951,709
Total non current assets	1,970,323	2,744,394	2,299,939	2,895,647	2,955,167	2,955,167	2,320,358	76,467	124,965	130,452
Total current liabilities	1,451,598	1,721,021	2,082,262	753,829	798,943	(798,943)	(2,296,662)	816,713	835,841	861,402
Total non current liabilities	131,422	139,553	163,680	890,328	890,328	(890,328)	(163,680)	-	-	-
Community wealth/Equity	1,149,657	1,761,900	620,232	3,173,601	3,223,623	(3,223,623)	(614,195)	151,510	211,361	220,759
Cash flows										
Net cash from (used) operating	497,410	887,174	666,953	206,422	265,377	265,377	265,377	176,484	183,362	189,190
Net cash from (used) investing	(79,022)	(194,948)	(108,085)	(202,997)	(261,500)	(261,500)	(261,500)	-	-	-
Net cash from (used) financing	-	(30,300)	4,029	-	-	-	-	-	-	-
Cash/cash equivalents at the year end:	440,670	1,420,173	585,088	25,616	26,068	26,068	26,068	176,484	359,846	549,036
Cash backing/surplus reconciliation										
Cash and investments available	440,798	1,420,301	585,217	25,616	26,068	26,068	26,197	176,484	359,846	549,036
Application of cash and investments	997,700	1,116,285	1,588,584	(15,560)	19,644	(1,345,054)	(1,884,981)	810,533	829,457	854,814
Balance - surplus (shortfall)	(556,902)	304,016	(1,003,367)	41,176	6,425	1,371,122	1,911,178	(634,048)	(469,610)	(305,778)
Asset management										
Asset register summary (WDV)	1,759,500	2,417,538	2,009,808	2,895,647	2,955,167	2,955,167	-	76,467	124,965	130,452
Depreciation	46,910	54,173	53,240	52,200	54,297	54,297	-	56,341	57,968	59,599
Renewal and Upgrading of Existing Assets	19,023	56,973	28,195	58,492	73,709	73,709	-	47,086	87,154	75,599
Repairs and Maintenance	9,411	33,143	50,641	55,602	58,248	58,248	-	40,747	42,082	43,439
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	(39,367)	(32,326)	(48,059)	(313,055)	(40,692)	(40,692)	-	(17,879)	(40,912)	(42,282)
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is a positive over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which transfers recognised is reflected on the Financial Performance Budget.



Table 2 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by functional classification)

LIM368 Modimolle-Mookgophong - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification 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
Revenue - Functional	1									
Governance and administration		193,326	751,531	291,908	253,856	254,220	254,220	257,597	266,111	274,641
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		193,326	751,531	291,908	253,856	254,220	254,220	257,597	266,111	274,641
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		161,773	73,382	1,007	14,675	14,213	14,213	11,710	12,097	12,484
Community and social services		417	417	594	948	717	717	744	788	793
Sport and recreation		9	1	14	73	123	123	128	132	136
Public safety		161,348	72,964	399	13,653	13,372	13,372	10,839	11,197	11,555
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		190,368	313,397	274,295	345,640	391,608	391,608	286,172	341,288	353,553
Planning and development		190,361	308,844	264,828	344,808	334,859	334,859	286,035	341,147	353,407
Road transport		7	4,553	9,467	832	56,749	56,749	137	141	146
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		416,587	551,775	423,808	565,712	557,759	557,759	541,407	565,606	583,857
Energy sources		251,905	365,400	246,789	344,168	351,600	351,600	347,579	365,382	377,226
Water management		112,384	107,541	96,989	131,436	111,386	111,386	101,609	104,962	108,321
Waste water management		30,059	49,983	49,642	56,877	58,900	58,900	55,019	56,835	58,653
Waste management		22,238	28,851	30,388	33,231	35,873	35,873	37,200	38,428	39,658
Other	4	-	6,159	6,947	4,467	4,017	4,017	4,166	4,304	4,441
Total Revenue - Functional	2	962,054	1,696,245	997,965	1,184,350	1,221,817	1,221,817	1,101,053	1,189,406	1,228,976
Expenditure - Functional										
Governance and administration		356,824	572,271	877,980	317,837	312,613	312,613	290,721	300,329	310,071
Executive and council		27,419	41,043	34,263	45,464	39,136	39,136	36,973	38,193	39,533
Finance and administration		324,029	525,251	836,593	265,998	266,309	266,309	246,269	254,410	262,564
Internal audit		5,376	5,978	7,124	6,375	7,168	7,168	7,479	7,726	7,973
Community and public safety		42,526	61,877	39,749	42,898	42,838	42,838	46,988	48,539	50,092
Community and social services		11,438	33,859	14,107	10,427	14,745	14,745	15,188	15,689	16,191
Sport and recreation		17,166	12,710	11,041	12,425	11,524	11,524	12,062	12,460	12,859
Public safety		13,922	15,308	14,602	20,046	16,569	16,569	19,738	20,389	21,042
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61,658	54,690	114,241	91,385	98,117	98,117	87,301	87,566	89,336
Planning and development		23,733	23,020	27,811	30,305	33,256	33,256	35,768	34,333	34,400
Road transport		37,925	31,670	86,430	61,080	64,861	64,861	51,533	53,233	54,937
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		519,175	493,136	548,446	521,981	507,463	507,463	519,153	536,054	552,983
Energy sources		327,847	344,549	389,100	374,777	369,514	369,514	379,564	392,090	404,637
Water management		119,731	95,803	83,695	83,779	75,830	75,830	81,283	83,734	86,189
Waste water management		36,086	25,313	39,705	34,897	37,658	37,658	33,937	35,057	36,179
Waste management		35,511	27,471	35,945	28,528	24,461	24,461	24,369	25,173	25,978
Other	4	5,318	4,514	4,974	4,947	5,463	5,463	5,379	5,557	5,735
Total Expenditure - Functional	3	985,502	1,186,489	1,585,391	979,049	966,494	966,494	949,543	978,045	1,008,217
Surplus/(Deficit) for the year		(23,448)	509,756	(587,426)	205,302	255,324	255,324	151,510	211,361	220,759

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures.



- Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 3 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

LIM368 Modimolle-Mookgopong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	###	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
Rt thousand										
Revenue by Vote	1									
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		19	20	18	69	69	69	72	74	76
Vote 3 - Budget and Treasury		191,779	748,749	289,205	252,823	252,883	252,883	256,003	284,466	272,942
Vote 4 - Planning and Economic Development		137,097	147,507	158,163	163,059	165,110	165,110	170,977	175,712	181,295
Vote 5 - Technical Services		447,619	688,814	509,552	715,062	748,384	748,384	501,694	518,421	535,007
Vote 6 - Corporate Services		1,528	2,763	2,686	964	1,467	1,467	1,522	1,572	1,622
Vote 7 - Community and Social Services		184,011	108,392	38,342	52,373	54,103	54,103	53,077	54,828	56,583
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	962,054	1,696,245	997,965	1,184,350	1,221,817	1,221,817	983,345	1,015,073	1,047,525
Expenditure by Vote to be appropriated										
Vote 1 - Public Office Bearers	1	18,284	25,568	21,919	31,740	21,465	21,465	18,574	19,187	19,919
Vote 2 - Municipal Manager		24,101	29,456	32,015	31,607	38,082	38,082	40,819	42,166	43,515
Vote 3 - Budget and Treasury		239,147	406,070	696,398	163,258	125,022	125,022	121,347	125,365	129,391
Vote 4 - Planning and Economic Development		19,951	19,445	22,645	24,675	27,498	27,498	29,738	28,104	27,971
Vote 5 - Technical Services		525,317	500,910	604,098	558,311	553,621	553,621	552,347	570,343	588,370
Vote 6 - Corporate Services		75,292	111,178	127,648	91,232	128,044	128,044	109,981	113,611	117,246
Vote 7 - Community and Social Services		83,409	93,863	80,669	78,225	72,762	72,762	76,736	79,269	81,805
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	985,502	1,186,489	1,585,391	979,049	966,494	966,494	949,543	978,045	1,008,217
Surplus/(Deficit) for the year	2	(23,448)	509,756	(587,426)	205,302	255,324	255,324	33,802	37,028	39,308

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.



Table 4 MBRR Table A4 - Budgeted Financial Performance

LIM365 Modimolle-Mookgophong - Table A4 Budgeted Financial Performance (revenue and expenditure)

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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	200,607	356,519	242,385	335,588	335,430	335,430	211,541	342,486	353,788	365,109
Service charges - Water	2	85,896	107,495	96,966	131,310	111,310	111,310	64,557	101,529	104,880	108,236
Service charges - Waste Water Management	2	30,059	48,439	49,522	56,877	57,000	57,000	33,127	53,049	54,799	56,553
Service charges - Waste Management	2	22,238	28,891	30,388	33,231	35,873	35,873	23,490	37,200	38,428	39,658
Sale of Goods and Handling of Services	2	3,231	2,753	2,911	4,027	3,817	3,817	1,927	3,958	4,089	4,220
Agency services	2	-	-	-	6,947	3,574	3,574	-	3,706	3,829	3,951
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	48,882	85,715	82,622	86,328	85,096	85,096	64,165	88,244	91,156	94,073
Interest earned from Current and Non Current Assets	2	1,305	1,419	2,169	1,204	2,434	2,434	1,583	2,524	2,607	2,690
Dividends	2	91	64	76	-	-	-	-	-	-	-
Rent on Land	2	388	-	2	-	-	-	-	-	-	-
Rental from Fixed Assets	2	269	234	545	581	627	627	241	650	671	693
Licence and permits	2	-	-	-	-	-	-	-	-	-	-
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	2,308	3,691	1,824	5,539	2,592	2,592	813	2,688	2,777	2,866
Non-Exchange Revenue											
Property rates	2	143,159	160,883	147,184	160,352	160,352	160,352	112,833	160,352	165,643	170,944
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and tortois	2	153,173	71,393	310	11,849	7,152	7,152	314	7,417	7,662	7,907
Licences or permits	2	8,177	8,236	144	893	8,743	8,743	5,262	3,882	4,010	4,138
Transfer and subsidies - Operational	2	141,590	153,212	163,993	169,775	169,775	169,775	120,852	175,660	180,734	186,488
Interest	2	26,650	14,480	34,797	-	-	-	-	-	-	-
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Grants on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Grants	2	(1,125)	-	-	-	-	-	-	-	-	-
Discontinued Operations	2	-	105	(20)	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		866,877	1,043,449	862,765	1,000,924	981,773	981,773	630,795	983,345	1,015,073	1,047,525
Expenditure											
Employee related costs	2	245,750	254,834	262,722	262,625	269,867	269,867	(180,288)	286,957	296,427	305,991
Remuneration of councillors	2	12,913	14,681	14,802	18,895	17,514	17,514	(8,957)	14,066	14,530	15,034
Bulk purchases - electricity	2	191,646	237,092	273,844	303,113	303,113	303,113	(224,445)	327,362	338,165	348,987
Inventory consumed	2,8	21,591	31,753	30,222	32,187	32,072	32,072	(18,720)	33,543	34,650	35,759
Depreciation, amortisation and impairment	2,3	260,406	349,468	63,487	98,000	56,715	56,715	-	58,814	60,756	62,699
Interest, Dividends and Rent on Land	2	46,910	54,173	53,240	52,200	54,297	54,297	(36,469)	56,341	57,968	59,599
Interest, Dividends and Rent on Land	2	86,073	50,256	72,929	6,262	6,262	6,262	(54,370)	6,494	6,708	6,923
Contracted services	2	51,479	93,749	184,757	130,340	164,660	164,660	(84,705)	111,556	112,636	115,222
Transfers and subsidies	2	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off	2	-	-	552,659	-	-	-	-	-	-	-
Operational costs	2	66,795	72,722	60,340	66,425	61,993	61,993	(133,321)	54,410	56,205	58,004
Disposal of Fixed and Intangible Assets	2	-	(3,406)	314	-	-	-	-	-	-	-
Other Losses	2	-	30	6,528	-	-	-	(135)	-	-	-
Total Expenditure		983,563	1,155,333	1,575,644	978,049	966,494	966,494	(741,390)	949,543	978,045	1,008,217
Surplus/(Deficit)		(116,686)	(111,884)	(712,879)	21,875	15,280	15,280	1,372,694	33,802	37,028	39,308
Transfers and subsidies - capital (monetary allocations)	6	95,177	171,162	154,701	183,427	240,044	240,044	68,434	117,708	174,333	181,451
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Income Tax		(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759
Surplus/(Deficit) after income tax		(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759
Share of Surplus/(Deficit) attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Municipality		-	-	-	-	-	-	-	-	-	-
Share of Surplus/(Deficit) attributable to Associate intercompany/Parent subsidiary transactions		(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759
Surplus/(Deficit) for the year	1	(21,510)	59,298	(558,178)	205,302	255,324	255,324	1,440,528	151,510	211,361	220,759

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

- Total operating revenue has budgeted at **R983 million** in 2026/27 and increases to **R1 015 billion** by 2027/28 and **R1 047 billion** in 2028/29. Revenue to be generated from property rates is R160 million in the 2026/27 financial year and increases to R165 million by 2027/28 which remains a significant funding source for the municipality.
- Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R534 264 million for the 2026/27 financial year and increasing to R551 895 million by 2027/28.



3. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government

Table 5 MBRR Table A5 - Budgeted Capital Expenditure by vote

Vote Description	R#	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
Capital Expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Public Office Bearers		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
Vote 4 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Technical Services		9,003	24,988	2,311	364	2,364	2,364	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		177	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		9,180	24,988	2,311	364	2,364	2,364	-	-	-	-
Single-year expenditure to be appropriated	7										
Vote 1 - Public Office Bearers	2	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget and Treasury		-	17,674	6,197	13,950	15,850	15,850	-	10,500	7,000	7,000
Vote 4 - Planning and Economic Development		-	-	-	1,000	1,000	1,000	-	1,000	1,000	1,000
Vote 5 - Technical Services		101,776	153,031	129,052	165,304	229,263	229,263	-	108,146	124,951	130,566
Vote 6 - Corporate Services		3,504	1,861	2,866	1,500	1,500	1,500	-	-	-	-
Vote 7 - Community and Social Services		19,095	6,963	1,490	20,879	14,637	14,637	-	13,162	49,982	51,485
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		124,375	179,430	139,696	202,633	262,251	262,251	-	132,808	182,933	190,051
Total Capital Expenditure - Vote		133,554	204,428	141,917	202,997	264,615	264,615	-	132,808	182,933	190,051
Capital Expenditure - Functional											
Governance and administration											
Executive and council		3,504	19,436	9,063	15,459	17,359	17,359	1,522	16,500	7,000	7,000
Finance and administration		3,504	19,436	9,063	15,450	17,350	17,350	1,522	10,500	7,000	7,000
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety											
Community and social services		16,770	6,955	1,490	8,521	10,738	10,738	7,505	600	49,982	51,485
Sport and recreation		-	(9)	(1,116)	-	-	-	-	-	-	-
Public safety		10,770	6,956	2,606	8,521	10,738	10,738	7,505	600	49,982	51,485
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services											
Planning and development		38,204	61,775	63,207	26,268	90,227	90,227	36,809	32,861	1,000	1,000
Road transport		-	-	-	1,000	1,000	1,000	-	1,000	1,000	1,000
Environmental protection		38,204	61,775	63,207	25,268	89,227	89,227	36,809	31,861	-	-
Trading services		-	-	-	-	-	-	-	-	-	-
Energy sources		81,077	116,262	68,157	152,758	146,300	146,300	11,260	88,828	124,951	130,566
Water management		41,021	7,759	9,182	16,000	18,000	18,000	7,478	5,213	11,497	12,017
Waste water management		11,523	65,614	41,023	71,406	58,406	58,406	2,967	20,966	26,300	42,950
Waste management		19,530	42,861	17,951	52,994	65,994	65,994	815	50,086	87,154	75,599
Other		6,502	8	-	12,358	3,900	3,900	-	12,582	-	-
Total Capital Expenditure - Functional	3	133,554	204,428	141,917	202,997	264,615	264,615	57,695	132,808	182,933	190,051
Funded by:											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		52,233	165,003	112,920	183,427	240,044	240,044	55,433	117,708	174,333	181,451
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Hotels, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	52,233	165,003	112,920	183,427	240,044	240,044	55,433	117,708	174,333	181,451
Borrowing		-	-	-	-	-	-	-	-	-	-
Internally generated funds	6	8,477	19,157	12,996	19,571	24,571	24,571	1,773	15,100	8,600	8,600
Total Capital Funding	7	60,710	184,160	125,916	202,997	264,615	264,615	57,207	132,808	182,933	190,051




10. ACTING MUNICIPAL MANAGER'S QUALITY CERTIFICATION



I, Lekubu Charles Malema, the Acting Municipal Manager of Modimolle-Mookgophong Local Municipality, hereby certify that:

- The 2026/27 – 2028/29 Draft MTREF and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.
- That the draft annual budget has been captured on the municipality's financial system.
- The draft annual budget on the municipality's financial system is locked and will not be changed as it serves as a baseline against which to monitor and measure performance.
- That the draft annual budget can only be amended through a virement authorized by the municipal manager or duly delegated official in terms of a council approved virement policy or through an adjustment budget process approved by the municipal council.

Name: Lekubu Charles Malema

Signature: 

Date: 02 April 2026