



DR NKOSAZANA DLAMINI ZUMA MUNICIPALITY

PRESENTS

2025/2026 TO 2027/28

FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS

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1. PART ONE – ANNUAL BUDGET

1.1 MAYORS REPORT

Introduction

Speaker, Deputy Mayor, Members of Executive, Chief Whip, MPAC Chairperson, Chairperson for Women's Caucus, Honourable Councillors, ONdabezitha, Municipal Management and municipal officials, Greetings.

It is a pleasure, in my capacity as Mayor of Dr Nkosazana Dlamini Zuma Municipality, to present the Final Medium-Term Revenue and Expenditure Framework (MTREF) for 2025/2026 financial year and ensuing two years. In terms of section 21(2) (a)-(c) of the MFMA – 'when preparing the annual budget, the mayor of a municipality must:

- (a) Take into account the municipality's integrated development plan (IDP);
- (b) take all reasonable steps to ensure that the municipality revises the IDP in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;
- (c) take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act (DoRA) and any agreements reached in the Budget Forum'.

The intention is to bring forth the highlights contained within the final budget in its current form to facilitate a process of consultation leading to the compilation of a final budget for the 2025/2026 financial year. It is indeed our stated intention, as the Dr Nkosazana Dlamini Zuma Local Municipality, that the budget for the 2025/2026 financial year to be tabled at the end of May 2025 should be a product of rigorous review and extensive consultation such that the limited resources available are allocated towards satisfying the community's priorities and that the budget preparation process itself complies with relevant legislations.

The Council of Dr Nkosazana Dlamini Zuma Municipality, in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000), must also approve and adopt with effect from 1 July 2025, the tariffs for property rates, the tariffs for solid waste services and the tariffs for other services.

The Council should note that the municipality is currently transacting on mSCOA version 6.8. However, the municipality has reduced the challenges in the past years and during the adjustment budget 2024/2025 that were affecting the financial position and cash flow. Even though the challenges were reduced, the municipality is still addressing few challenges to be 100% mSCOA compliant, and we are optimistic that all the challenges will be resolved as time goes on.

The municipality is currently preparing the final MTREF using mSCOA version 6.9 that the municipality will be transacting on by the 1st of July 2025 and this indicates that there is lot of work that is being done and that still need to be done ensure that the municipality complies with the regulations.

The municipality has applied the sound financial management principles when compiling the final mSCOA budget to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically, and equitably to all communities. The Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items in order to adhere to the Municipal Cost Containment Regulations. It should be noted that the municipality has done tremendously well on implementing some strategies to reduce excessive spending on non-core and consultancy fees.

The Dr Nkosazana Dlamini Zuma Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring that people lead government.

The final budget presentation reflects the following summary estimates:

DESCRIPTION	2024/2025 Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
REVENUE				
PROPERTY RATES AND PENALTIES	- 50 526 196	- 54 293 639	- 56 736 852	- 58 155 276
WASTE MANAGEMENT:REFUSE REMOVAL	- 4 674 052	- 4 861 014	- 5 079 760	- 5 206 754
LICENCES AND PERMMITS	- 1 169 385	- 1 215 856	- 1 270 569	- 1 302 333
TRAFFIC:COURT FINES	- 579 546	- 602 728	- 629 851	- 645 597
GOVERNMENT GRANTS AND SUBSIDIES	- 179 345 000	- 179 187 000	- 176 410 000	- 184 394 000
INTEREST EARNED - EXTERNAL INVESTMENTS	- 16 026 507	- 16 731 673	- 17 484 599	- 17 921 714
OTHER REVENUE	- 5 009 061	- 5 624 621	- 5 877 729	- 6 024 672
TOTAL REVENUE EXCLUDING INEP	- 257 329 747	- 262 516 531	- 263 489 359	- 273 650 345

Property Rates

- Property rates is the second highest source of revenue. A new General Valuation roll was implemented with effect from 1 July 2022. Property rates tariffs have been increased 4,3% in the 2025/2026 financial year, 4,6% in the 2026/2027 and 4,4% in the 2027/2028 financial years.

WASTE MANAGEMENT: REFUSE REMOVAL

Premise based removal (Residential Frequency) -Himeville & Underberg	Once a week
Premise based removal (Residential Frequency)- Creighton	2 times a week
Premise based removal (Business Frequency)- Himeville & Underberg	4 times a week
Premise based removal (Business Frequency)- Creighton	2 times a week
Premise based removal (Business Frequency)- Bulwer	3 times a week
Premise based removal (Business Frequency)- Donnybrook	2 times a week
Bulk Removal (Frequency)-Himeville	once a week
Bulk Removal (Frequency) -Creighton	2 times a week
Removal Bags provided (Yes/No)	Yes
Garden refuse removal Included in the monthly charges (Yes/No)	No
Street Cleaning Frequency in CBD daily	Daily

How soon are public areas cleaned after events (24hours/48hours/longer) – Himeville/Underberg and Creighton/Bulwer/Donnybrook	24 hours
Clearing of illegal dumping (24hours/48hours/longer)	24 hours
Recycling or environmentally friendly practices (Yes/No)	Yes

- The demands of citizens are continuous and so are the expectations of sound service delivery. It is therefore appropriate for the municipality to introduce a cost reflective tariffs phase in approach. The rationale for setting fees and charges at adequate levels is to promote financial stability by recovering all the costs associated with the rendering of a service.
- Based on the segment's reports prepared for the year 2019/2020, 2020/2021, 2021/2022, 2022/2023, 2023/2024 and 2024/2025 The municipality has been providing the refuse removal and processing services at a deficit. The expenses relating to the refuse removal and processing such as Employee related costs, Annual charge on assets and Operational costs have increased by almost 3 million in the past 3 years, this may be due to number of contributing factors, fuel, and maintenance cost hikes and well as increase in related assets utilization charge.
- The revenue on the other has not increase with the same margin. This can be attributed number of factors, National Treasury budgetary guidelines being implemented, and affordability of the tariffs yielding unsuitable results for an increase. For trading services, we would need to consult relevant stakeholders and customers in order to consider approving a catch-up schedule where for the next 10 years, the municipality adds a 10% increase on top of the national treasury budget circular to reduce losses, given all circumstances.

Goods /Service	Dr Nkosazana Dlamini Zuma Municipality Tariffs 2024/2025	Dr Nkosazana Dlamini Zuma Municipality Tariffs 2025/2026
RAT01: RESIDENTIAL PROPERTIES	1.93	2.01
RAT02: BUSINESS, COMMERCIAL, INDUSTRIAL PROPERTIES	3.08	3.22
RAT03: AGRICULTURAL PROPERTIES	0.48	0.50
RAT04: PUBLIC SERVICE PURPOSES	1.93	2.01
RAT05: PUBLIC SERVICE INFRASTRUCTURE	0.48	0.50
RAT06: PUBLIC BENEFIT ORGANISATION	0.48	0.50
RAT12: VACANT LAND	1.93	2.01
UNAUTHORISED USE OF RESIDENTIALLY ZONED PROPERTIES	5.8	6.06
UNAUTHORISED USE - BUSINESS, COMMERCIAL, INDUSTRIAL PROPERTIES	9.24	9.65
MULTIPURPOSE*	*	*
*Multiple properties will be rated according to the multiple purposes as defined in the Act. This is defined as properties that have multiple use categories; however, all the categories will be billed on the same stand and account.		
REFUSE REMOVAL		
Government Housing	843	880
Residential Properties	5 017	5238
Residential Properties: Creighton, Bulwer and Donnybrook	1 648	1721
Tourism & Hospitality Urban properties	5 017	5238
Agriculture	5 017	5238
Bulk Refuse	118 399	123609
Goods /Service		
Business and other properties are billed for the sum of the business within each Centre/Mall/Property.		

<u>Business & Other properties</u>		
Commercial	6 566	6 855
Large	25 616	26 743
“Significant volume of waste and difficult to handle”		
Medium	12 674	13 232
Small	6 203	6 476
Garden Refuse (per load)	330	344.52
<u>Illegal Dumping</u>		
All illegal dumping will be charge R5 000 as a fine	3 000	5 000
ROAD ENDOWMENTS		
1. 90-200 sqm	2 468	2 577
2. 201 – 400 sqm	4 939	5 156
3. 401 – 800 sqm	8 641	9 021
>801 sqm	12 344	12 887
CEMETERY		
1 Indigent burial fee	361	377
2 burial fees	964	1006
3 ashes burial fee	120	125
4 cemetery fees	1 203	1256

GOVERNMENT GRANTS AND SUBSIDIES

DESCRIPTION	2024/2025 Final Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
	-	-		
National Governments:Local Government Financial Management Grant	- 1 900 000 -	2 000 000 -	2 100 000 -	2 200 000
National Revenue Fund:Equitable Share	- 170 740 000 -	170 119 000 -	169 227 000 -	176 873 000
Capacity Building and Other:Provincialisation of Libraries	- 3 076 000 -	3 214 000 -	3 358 000 -	3 515 000
Capacity Building and Other:Community Library Services Grant	- 1 797 000 -	1 719 000 -	1 725 000 -	1 806 000
National Government:Municipal Infrastructure Grant	- 31 318 000 -	38 868 000 -	35 446 000 -	36 941 000
National Governments:Expanded Public Works Programme	- 1 832 000 -	2 135 000	-	-
Intergrated National Electrification Programme	- 4 786 087	-	5 000 000 -	5 226 000
EDTEA(Green & Smart Municipality Award)	- 1 000 000	-	-	-
	-	-		
TOTAL GOVERNMENT GRANTS AND SUBSIDIES	- 216 449 087 -	218 055 000 -	216 856 000 -	226 561 000

The Municipality is 72% depended on Government grants and subsidies. The Revenue enhancement strategy is being reviewed as part of the plan to improve the municipal revenue.

OPERATING EXPENDITURE FOR 2025/26 FINANCIAL YEAR

DESCRIPTION	2024/2025 Original Budget	2024/2025 Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
OPERATING EXPENDITURE					
EMPLOYEE RELATED COST	103 596 702	102 155 414	105 792 989	110 552 963	113 316 045
COUNCILLORS REMUNERATION	13 057 458	14 498 746	14 498 746	15 151 190	15 529 969
GENERAL EXPENDITURE/CONTRACTED SERVICES	72 436 960	75 782 920	71 161 296	71 258 301	75 089 241
PROGRAMMES	28 192 479	26 001 589	25 012 682	24 035 713	24 636 606
REPAIRS AND MAINTENANCE	18 187 000	14 767 788	16 535 219	17 279 304	17 711 287
PROVISIONS	49 876 621	52 772 088	62 683 443	65 477 179	67 085 888
ELECTRIFICATION PROJECTS	4 786 087	7 147 517	2 000 000	7 090 000	7 368 250
TOTAL OPERATING EXPENDITURE	290 133 306	293 126 062	297 684 375	310 844 650	320 737 285

The overall operating expenditure increased by 1.5% or R 4.5 million when compared to the 2024/2025 adjustment due to the increase in employee related costs by CPI plus 0.75% in terms of the Salary & Wage Collective Agreement and Provisional costs such as; Depreciation & impairments and Bad Debts Written Off the 2025/2026 financial year.

EMPLOYEE RELATED COSTS

Employee related costs have an overall increase of 3.4% when compared to 2024/2025 Adjusted Budget. Employee Related Costs ratio is 40% compared to total operating costs budget. There are no new positions considered in this budget. The Job evaluation implemented in 2021 continued to put weight on the Employee Costs budget. The implementation of cost containment measures during planning and insourcing of certain operational activities yielded a reduction of operational costs, which has an undesirable impact on the employee related costs ratio over total operating expenditure.

DISASTER MANAGEMENT

A budget of **R2 270 390.00** has been set aside, in order to ensure improved and integrated Institutional Capacity and Responses to Disaster Incidents or Disasters by June 2026. The following activities will be conducted during the year.

- Conduct Firebreaks in fire high risk areas
- Conduct Disaster Management Advisory and Community Safety Forum
- Review of the Disaster Management Sector Plan
- Procurement of Disaster Relief Material
- Conduct Integrated Community Safety Awareness Campaigns
- Procurement and Installation of Lightning Conductors in high-risk areas
- Conduct Fire Safety Inspections

A Budget of **R1 500 000.00** has been set aside for procurement of Fire Service Water Tank while R 700 000 has been set for the procurement of Parkhome for Himeville/Underberg Disaster and Fire Services satellite office.

LIBRARY MANAGEMENT SERVICES

To ensure improvement of literacy levels and encourage culture of reading by 30 June 2026. The Municipality has set aside **R1 920 000;**

The following items/projects will be procured in the upcoming Financial Year

1. Addition of Computer Equipment
2. Borehole installation for Nkwezela Library
3. Installation of Creighton library circulation counter
4. Partitioning of senior librarian office – NUD
5. Procurement and Installation of Underberg Back-up Generator

TRAFFIC MANAGEMENT

To ensure improved community safety, road safety and reduce crime through integrated stakeholder coordination and awareness:

10 Multi -Stakeholder Roadblocks will be conducted during the year.

Local Roadblocks will also be conducted daily by our law enforcement officers.

YOUTH DEVELOPMENT, ARTS AND CULTURE, SPORT DEVELOPMENT, MAYORAL CUP,

To promote youth development through SMME development, Arts, Culture, Sports and Recreation by Conducting following competitions by June 2026

DESCRIPTION	2024/2025 Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
PROGRAMMES				
Senior Citizen and Women	156 500	182 500	190 713	195 480
HIV/TB	46 000	146 500	153 093	156 920
Sukhuma Sakhe	1 246 500	1 037 500	1 084 188	1 111 292
Child Programmes	120 500	124 000	129 580	132 820
Disability Programs	72 000	157 000	164 065	168 167
Gender	258 000	313 000	327 085	335 262
Youth Development	1 629 000	1 518 000	1 586 310	1 625 968
Arts and Culture projects	891 452	891 452	931 567	954 857
Bulwer Community Service Center	69 000	373 000	389 785	399 530
Mayoral Cup	1 080 000	1 680 000	1 755 600	1 799 490
Sport Development Project	425 500	436 500	456 143	467 546
Disaster Management	-	-	-	-
LED Programmes	3 391 810	3 891 067	4 066 165	4 167 819
Tourism Programmes	1 508 520	1 383 520	1 445 778	1 481 923
Communication	1 100 000	1 100 000	1 149 500	1 178 238
Community Functions	1 250 000	1 091 836	1 140 969	1 169 493
Public Participation	740 000	640 000	668 800	685 520
Ward Committees	4 210 000	4 210 000	4 399 450	4 509 436
Spluma	1 200 000	1 500 000	1 567 500	1 606 688
Employee Wellness	849 807	749 807	783 548	803 137
EPWP, Learnerships and Internships	4 332 000	2 012 000	-	-
Bursaries External Students	1 425 000	1 575 000	1 645 875	1 687 022
TOTAL PROGRAMMES	26 001 589	25 012 682	24 035 713	24 636 606

Programmes and projects earmarked as follows:

- 1xBongumusa Marathon,
- 1x Sani stagger Marathon,
- 1x Harry Gwala Summer Cup,
- 1x Sazi Langa training Marathon,
- 1x Youth Games,
- 1x School sport program,
- 1x Ward Cultural Competition
- 1x Mayoral Cup and

- 1x Willy Mtolo cross Country

Conduct 10 trainings by June 2026

- 1x Jockeys training conducted,
- 1x training on GBV and Femicide
- 1x training of sport coaches,
- 1x training of artists,
- 1x training of crafters,
- 1x training of 30 youth on driving skills
- 1x training of 30 youth on Security skills
- 1x life skills training

To coordinate and ensure sustainable partnerships through various structures.

- Forums coordinated in 2 Gender Forum (Women& Men)
- Children's Forum
- Senior Citizen's Forum
- Disability Forum
- Local Aids Forum
- Arts and Culture Forum
- Sports Federation
- Youth Council.
- OSS Local Task Team.
- LRC (CWP)

COMMUNICATION, WARD COMMITTEES, COMMUNITY FUNCTION AND PUBLIC PARTICIPATION

A budget of **R7 041 836.00** has been set aside for communication, ward committees and public participation in order to encourage participation of the local community in the affairs of the municipality by 30 June 2026.

LOCAL ECONOMIC DEVELOPMENT

A budget of **R3 891 067.00** has been set aside for LED programmers to promote and support Local Economic Development through capacity building, forming partnerships, co-operatives support with Materials and Equipment. 13 Skills Trainings Sessions will be conducted for Emerging Enterprises in the various sectors of the local economy, which include the following:

- Construction Contract Management
- Beauty and Nail Technology
- Clothing and Textile designing
- Massage Therapy
- Plant Production
- Basic Bookkeeping & Saving in the Informal Economy.
- health, Hygiene and Safety in the informal economy.
- Hospitality
- Community House Building
- Body spray/cologne manufacturing
- Business Planning & Financing
- Technical Skills
- Hair Dressing
- 30 SMMEs and Cooperatives will be supported with material/ Equipment.

TOURISM

A budget of **R1 383 520** has been set aside for the facilitation and co-ordination of market exposure of local businesses through attendance of various Trade Exhibitions.

- Aloe Festival
- 1x Royal Show
- Tourism Indaba
- Africa Travel Indaba

The municipality will also provide support to community tourism initiatives, organizations and individuals i.e.

- 1X Destination Marketing & Tourism Awards Program
- Development of Tourism Brochure
- 3x Tourism Awareness

Underberg has over the years proved itself a “laid back” tourist town forming the core in a web of adjoining tourist destinations including Lesotho, Maluti Drakensberg and other. It also accommodates various economic and commercial activities. In this regard, it proves a stable tourist-oriented property market due to its strategic location.

PLANNING AND DEVELOPMENT

A budget of **R1 478 000** has been set aside for planning and development projects.

FREE BASIC SERVICES: BASIC SOCIAL SERVICES PACKAGE FOR INDIGENT HOUSEHOLDS

A Budget of **R 700 000** has been set aside for Free Basic Electricity. Due to the high level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality will continue to offer rebates and exemption to qualifying and registered households.

REPAIRS AND MAINTENANCE

The following budget has been set aside for the R&M in order to improve access to roads infrastructure, storm water and recreational facilities. It must be stated that we are still struggling to budget for 8% of the total value of our assets. The municipality is still facing the issue of property vandalism which must be dealt with.

Project Description	2025/2026 Final Budget	Ward
Repairs and Maintenance of Community Assets		
Khethokuhle Community Hall	450 000	Ward 15
Okhetheni Community Hall	450 000	Ward 07
Seaford Community Hall	600 000	Ward 13
Bulwer Community Hall	850 000	Ward 10
Buyani Community Hall	750 000	Ward 11
Bethlehem Sportfield	750 000	Ward 12
Himeville Cottages	650 000	Ward 02
	4 500 000	
Repairs and Maintenance of Office Buildings		
Himmeville Office	200 000	
Lot 68	500 000	
	700 000	

CAPITAL BUDGET FOR 2025/2026

A total capital budget of R 67 902 371 has been set aside in order to improve access to roads infrastructure, storm water and recreational facilities.

- Municipal infrastructure grant is R38 868 000 for the 2025/2026 financial year.

DESCRIPTION	2024/2025 Original Budget	2024/2025 Final Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
MIG 2025/2026					
Bazini Sportfield	1 398 110	-	-	-	-
Sizamokuhle Creche	10 000	5 000	-	-	-
Ekupholeni Creche Ward 11	868 531	-	5 006 607	5 231 904	5 362 702
Phosane Hall Ward 12	868 078	-	7 536 733	7 875 886	8 072 783
Glan Maize Community Hall	2 695 282	-	5 487 073	5 733 991	5 877 341
Masameni/Mnywaneni Community Hall	80 000	80 000	-	-	-
Creighton Artificial Sportfield	80 000	80 000	-	-	-
Siyathuthuka Creche Ward 5	2 995 282	4 394 365	19 800	20 691	21 208
Maguzwana Sport Field	6 037 814	4 807 120	25 806	26 967	27 641
Hlane Creche Ward 6	1 654 562	-	-	-	-
Gala Creche	10 000	10 000	-	-	-
Zwelisha Creche Ward 2	2 695 282	3 984 966	19 600	20 482	20 994
Khubeni Creche Ward 3	2 501 075	3 649 575	17 344	18 124	18 578
Thonsini Community Hall	2 995 282	9 654 191	49 520	51 749	53 043
Underberg Asphalt Road Phase 2	3 500 000	3 360 722	14 300	14 943	15 317
Bulwer Asphalt Road Phase 7	2 928 702	1 187 061	1 944 782	2 032 297	2 083 105
Construction of Jackson Street Causeway ward 10	-	100 000	7 735 330	8 083 419	8 285 505
Himeville Asphalt Road phase 3 (Extention of Thomas)			300 000	313 500	321 338
Jama Concrete Road ward 14			300 000	1 412 440	2 056 601
Creighton Artificial Sportfield Ward 14			6 000 000	-	-
Magoso Concrete Road, Ward 07			220 000	229 900	235 648
Construction of Gobhogobho Pedestrian Brigde			1 397 035	1 459 902	1 496 399
Construction of Half my right Pedestrian Brigde			1 397 035	1 459 902	1 496 399
Construction of Ntwasahlobo Pedestrian Brigde			1 397 035	1 459 902	1 496 399
	31 318 000	31 313 000	38 868 000	35 446 000	36 941 000

DESCRIPTION	2024/2025 Original Budget	2024/2025 Final Adjustment Budaet	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
INTERNAL FUNDED CAPITAL PROJECTS					
RENEWAL OF GRAVEL ROADS					
Renewal of Gravel Roads	6 700 000	3 700 000	2 800 000	926 000	949 150
TOTAL FOR RENEWAL OF GRAVEL ROADS	6 700 000	3 700 000	2 800 000	926 000	949 150
ADMINISTRATIVE CAPITAL EXPENDITURE					
Procurement of Furniture and Equipment	1 610 000	2 382 593	1 691 884	1 477 018	1 513 853
Procurement of Computer Equipment	1 246 242	1 338 242	1 332 250	1 392 201	1 427 006
Procurement of Computer Software	1 107 823	1 107 823	945 000	987 525	1 012 213
Upgrading of Server	650 000	550 000	491 917	514 053	526 905
Procurement of Parkhome (Storage)	1 440 000	1 187 000	-	-	-
Municipal Offices	500 000	-	-	-	-
Procurement of Antivirus Software	120 000	120 000	160 000	167 200	171 380
Installation of Cameras	60 000	60 000	100 000	104 500	107 113
Fiber connection	650 000	650 000	450 000	470 250	482 006
Installation of bullet proof window NUD DLTC		-	400 000	418 000	428 450
Transport Assets	6 465 000	7 773 451	3 285 181	1 576 113	1 615 618
Pocurement of Car wash Equipment	1 400 000	400 000	-	-	-
Installation of creighton library circulation counter		-	400 000	418 000	428 450
Building of DLTC Offices	500 000	300 000	300 000	313 500	321 338
Partitioning of senior librarian office - NUD	-	-	200 000	209 000	214 225
Procurement of Disaster Management Gadgets	750 000	750 000	-	-	-
Underberg & Himeville Fire Satellite Parkhome		-	700 000	731 500	749 788
Fire Service Water Tanker			1 500 000	-	-
Installation of Buglar Guards	300 000	300 000	-	-	-
Extension of Bulwer CSC Parking space and construction of carpots			560 000	585 200	599 830
Fencing of Bulwer CSC			200 000	209 000	214 225
Procurement and Installation of Underberg Back-up Generator			500 000	522 500	535 563
TOTAL ADMINISTRATIVE CAPITAL PROJECTS	16 799 065	16 919 109	13 216 232	10 095 561	10 347 961

DESCRIPTION	2024/2025 Original Budget	2024/2025 Final Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
SERVICE DELIVERY CAPITAL PROJECTS					
Procurement of Plant and Equipment	1 465 000	1 825 000	2 618 164	1 317 981	1 350 932
Street lights	2 700 000	2 560 716	-	-	-
Tar's Valley Access Road Ward 7	2 000 000	2 409 785	19 649	20 533	21 046
Gobhogobho Pedestrian Bridge	500 000	400 000	-	-	-
Mobile Library	3 300 000	2 900 000	-	-	-
Construction of Animal Sheds	2 200 000	2 450 000	150 000	156 750	160 669
Traffic lights (Himeville)	800 000	500 000	500 000	522 500	535 563
Hlabeni Community Hall	50 000	-	-	-	-
Bus Shelters	300 000	270 000	560 000	585 200	599 830
Nomgidi Community Hall	2 500 000	650 000	-	-	-
Centocow Phase 2	2 000 000	1 700 000	37 176	38 849	39 820
Skip Bins	300 000	100 750	100 000	104 500	107 113
New Electrical Installations		397 208	157 208	164 282	168 389
Battery Energy Storage System	300 000	271 424	-	-	-
Construction of Storm Water	500 000	-	-	-	-
Creighton Storm Water	500 000	620 460	800 000	836 000	856 900
Building of Municipal Offices	500 000	-	-	-	-
Underberg CBD Infrastructure Upgrade	15 000	15 000	-	-	-
Creighton CBD Infrastructure Upgrade	15 000	15 000	-	-	-
Bulwer CBD Infrastructure Upgrade	3 563 758	3 558 758	50 000	52 250	53 556
Bulwer CBD Infrastructure Upgrade		100 000	4 000 000	-	-
Upgrading of Himeville Township Asphalt Roads	3 000 000	4 902 612	-	-	-
Ndlangisa Pedestrian Bridge	500 000	351 112	2 151 112	247 912	254 109
Storm Water Pipes and Culverts	400 000	-	400 000	418 000	428 450
Half My Right Pedestrian Bridge	500 000	348 594	-	-	-
Mandawe Access Road Ward 15	2 000 000	2 345 098	19 031	19 887	20 384
Mafohla Community Hall	50 000	565 358	50 000	52 250	53 556
Concrete Surfacing of Mance Road	300 000	-	-	-	-
Concrete Surfacing of Valley View	300 000	-	-	-	-
Ridge to Ntwasahlobo pedestrian bridge	500 000	348 973	-	-	-
Horizontal Bailer	400 000	400 000	-	-	-
Bulwer Solar Energy		1 000 000	-	-	-
Mqatsheni Access Road Ward 1	2 500 000	3 570 178	25 800	26 961	27 635
Construction of Jackson Street Causeway ward 10	1 000 000	-	-	-	-
Roads Concrete Signs (with street names)	-	-	100 000	104 500	107 113
Extension of fencing donnybrook cemetery	-	-	200 000	209 000	214 225
Construction of NUD cemetery toilets	-	-	200 000	209 000	214 225
Development of Bulwer Cemetery	-	-	500 000	522 500	535 563
Kilmun Floodlights	-	-	300 000	-	-
Fencing of Donnybrook public toilet	-	-	80 000	-	-
Refurbishment of Creighton main building	-	-	-	-	-
TOTAL SERVICE DELIVERY CAPITAL PROJECTS	34 958 758	34 576 023	13 018 139	5 608 855	5 749 078

There was no allocation for an Electrification Grant.

SECTOR DEPARTMENT

We will continue to engage and partner with Sector department like:

- Department of Transport -
- Department of education
- Department Health
- SAPS
- Department of Agriculture
- Eskom
- Social Development
- Department of Sport and Recreation
- Department of Arts and Culture
- Harry Gwala District Municipality
- Department of Public Works
- Department Local Economic Development
- Department of Co-operative Governance and Traditional affairs
- Department of Human Settlement

All these departments have very an important and critical role to play in changing the lives of Dr Nkosazana Dlamini Zuma people. Good relationships and working together with these departments and private partners can take our municipality forward:

Thank you

1.2 COUNCIL RESOLUTION

On the 29th May 2025 the Council of Dr Nkosazana Dlamini-Zuma Municipality met in the Council Chamber to consider the Final Budget of the municipality for the financial year 2025/26. The Council, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) to note and adopt the following:

- The Final Budget and Tariff of charges for the Municipality for the financial year 2025/26
- The Final Budget related policies for the financial year 2025/26

Consolidated budget schedules A1 to A10.

- Budget Summary as contained in Table A1
- Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
- Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
- Budgeted Financial Performance (revenue and expenditure) as contained in Table A4;
- Budget Capital Expenditure by municipal vote, functional classification and funding by contained in Table A5.
- Budgeted Financial Position as contained in Table A6;
- Budgeted Cash Flows as contained in Table A7;
- Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
- Asset management as contained in Table A9; and
- Basic service delivery measurement as contained in Table A10.

1.3 EXECUTIVE SUMMARY

Introduction

This 2025/26 – 2027/2028 Tabled Final Medium -Term Revenue and Expenditure Framework (MTREF) budget report deals with the operating budget and tariff proposals as well as the capital budget and funding sources proposal to ensure that Dr Nkosazana Dlamini Zuma Municipality renders services to their local communities in a financial and sustainable manner.

Background

The application of sound financial management principles for the compilation of Dr Nkosazana Dlamini Zuma Municipality's budget is essential and critical to ensure that the municipality remains financially sustainable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

Dr Nkosazana Dlamini-Zuma Municipality has and will continue to implement a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will continue to undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. The municipality has a Revenue Enhancement Strategy that is reviewed annually and approved by the Council.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2025 to 4.3 per cent, from 4.4 per cent at the time of the MTREF. This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2024.

The main challenges experienced during the compilation of the 2025/26 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy
- The rate of unemployment in the community that we are serving, having a negative impact on the collection over revenue, and increasing number of indigents.
- Aging and poorly maintained infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The 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.

Financial Sustainability

Financial sustainability over the long-term has to do with the maintenance of high priority expenditure programmes, both operating and capital to ensure programmes sustainability and desire quality of service to be rendered. There must also be rates and service charges stability and predictability in the overall rate burden by ensuring reasonable rates and service charges to fund programmes.

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 equitable to all communities.

The following budget principles and guidelines directly informed the compilation of the 2025/26 MTREF:

- The 2024/25 Adjustment Budget priorities and targets, as well as the base line allocations contained in the Adjustment Budget were adopted as the upper limits for the new baselines for the 2025/26 final budget;

- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality.

Table Below Presents a Consolidated overview of the 2025/2026 Budget.

DESCRIPTION	2024/2025 Original Budget	2024/2025 Adjustment Budget	2025/2026 Final Budget	2026/2027 Final Budget	2027/2028 Final Budget
TOTAL REVENUE EXCLUDING INEP	- 286 854 991	- 290 047 747	- 301 384 531	- 298 935 359	- 310 591 345
TOTAL OPERATING EXPENDITURE	290 133 306	293 126 062	297 684 375	310 844 650	320 737 285
TOTAL CAPITAL EXPENDITURE EXCLUDING INEP	90 525 823	86 633 132	67 902 371	52 076 416	53 987 189
TOTAL OPEX AND CAPEX	380 659 129	379 759 194	365 586 746	362 921 065	374 724 473

Total revenue for the municipality has increased by 3,7% or R 11,3 million when compared with THE 2024/2025 adjustment budget. In 2025/2026 the revenue is expected to increase to R301, 3 million and increase to R298,9 million in 2026/27.

Total operating expenditure for the 2025/26 financial year has increased by 1,5%, or R4,5 million when compared to the 2024/25 Adjustments Budget. Implementation of cost containment measures on various operational expenditure items contributed to the minimal increase.

- **Provision for debt impairment and Irrecoverable debts written off**

The provision of debt impairment and irrecoverable debts written off was determined based on an annual collection rate for 2025/2026. A budget of R8,6 million has been set aside in 2025/26, financial year. This item is allocated at an amount of R9 million in the 2026/27 financial year and escalates to R 9,2 million in the following year.

- **Provision for depreciation and asset impairment.**

Provision for depreciation and asset impairment has been informed by the municipality's Assets Management policy. Depreciation is widely considered a proxy for the rate assets consumption.

Budget appropriated for Depreciation is R 54, 1 million for 2025/26 financial year escalating to R 56,5 million in 2026/2027 financial year and R 57, 8 million in 2027/2028.

- **Capital Budget**

The capital budget is R 67,9 million for 2025/26 and that is R18,7 million decrease or 21,6% when compared to the 2024/25 Adjustment Budget.

1.3.1. OPERATING REVENUE FRAMEWORK

The revenue collection rate is currently expressed as a percentage (average 77%) of annual billings based on the previous year's actual collection. The performance of arrear collection will however only be considered as a source of additional cash in-flow once the performance has been prudently monitored 2025/2026. The overall tariffs have increased by approximately 4,3% when compared with the 2024/2025 tariffs.

The following stipulations regarding the property rates are highlighted:

- The first R 50 000.00 of the market value of property used for residential purposes and First R 15,000 of the Municipal Value of a multiple use property is excluded from the ratable values (Section 17 (h) of the MPRA).
- 30% rebate will be granted for developed properties
- 30% rebate will be granted to agriculture
- 100% rebate will be granted to registered indigents in terms of the indigent policy.
- For pensioners, physically and mentally disabled persons, a maximum/ total rebate 75% to owners of ratable properties if the total gross income of the applicant and his/her spouse, if any, does not exceed the amount of equal to twice the annual state pension as approved by government for a financial year.

For Dr Nkosazana Dlamini Zuma 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

must be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

Grants remain the largest revenue source and property rates is the second and third source is interest on investment and the fourth one is other revenue. Municipality have been urged to review the tariffs of the items on annual basis to ensure they are cost reflective market related.

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

The basket of goods and services utilised 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, petrol, diesel, 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. The Municipality will have to implement a refuse removal strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term.

Total Operating Revenue and Tariffs

The total rates revenue has increased by 4% for the 2025/26 financial year when compared to the 2024/25 Adjusted Budget which is above the CPI projections. For the two outer years, the total rates revenue is expected to increase by 4,6% and 4,4%. Service Charge revenue will increase by 4% when compared to the 2024/25 Adjusted Budget.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. The National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. However, excessive increases are likely to be counterproductive, resulting in higher levels of non-payment. The municipality has embarked on different strategies of revenue collection in 2024/25, and more effort on finding new strategies will be deployed in 2025/26 financial year.

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

Table A4 Summary of revenue classified by main revenue source

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue												
Exchange Revenue												
	2		-	-	-	-	-	-	-	-	-	-
	2		-	-	-	-	-	-	-	-	-	-
	2		-	-	-	-	-	-	-	-	-	-
	2		4 006	4 197	4 379	4 615	4 674	4 674	3 764	4 861	5 080	5 207
			196	554	855	5 419	5 419	5 419	5 200	647	5 676	5 919
			552	635	609	722	722	722	429	751	784	804
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			7 601	14 179	15 970	16 027	16 027	16 027	11 617	16 732	17 485	17 922
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			1 122	1 306	2 354	1 583	1 583	1 583	1 635	2 153	2 250	2 306
			445	414	461	428	428	428	640	445	465	477
			-	-	-	-	-	-	-	-	-	-
			393	238	801	793	793	793	22	825	863	884
Non-Exchange Revenue												
	2		34 690	41 074	42 392	44 116	44 589	44 589	36 826	46 096	48 170	49 374
			-	-	-	-	-	-	-	-	-	-
			1 328	978	745	919	2 579	2 579	2 242	2 602	2 720	2 788
			-	3	51	19	19	19	-	20	21	22
			149 161	161 784	177 143	179 345	179 345	179 345	178 605	179 187	176 410	184 394
			6 149	6 469	7 674	5 937	5 937	5 937	7 570	8 198	8 567	8 781
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			-	1 686	407	-	-	-	-	-	-	-
			1 348	782	10 570	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Expenditure												
	2		73 587	75 426	85 095	102 736	100 819	100 819	73 770	104 388	109 085	111 813
			11 445	11 578	12 498	13 057	14 499	14 499	10 679	14 499	15 151	15 530
	2		-	-	-	-	-	-	-	-	-	-
	8		3 591	3 697	4 475	7 479	6 318	6 318	3 418	6 627	6 921	7 092
	3		-	-	-	4 746	1 546	1 546	-	4 746	4 959	5 083
			48 220	45 220	48 555	41 231	49 526	49 526	44 315	54 038	56 469	57 881
			1 618	2 280	2 412	1 097	1 057	1 057	1 086	1 240	1 296	1 328
			52 695	54 257	55 524	68 110	65 061	65 061	45 357	59 858	64 552	68 266
			1 052	499	1 851	1 700	2 627	2 627	2 287	2 075	2 168	2 223
			5 509	1 257	24 339	3 900	1 700	1 700	249	3 900	4 075	4 177
			31 813	35 904	42 154	46 077	49 972	49 972	36 354	46 314	46 167	47 344
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Total Expenditure			229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Surplus/(Deficit)			(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
	6		50 943	43 108	32 385	31 718	32 718	32 718	28 230	38 868	35 446	36 941
	6		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax			28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)

The table above indicates the municipality's main sources of revenue generation. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table SA1

Property Rates and Penalties

Property rates and penalties revenue is the second largest source of revenue. The 2025/26 budget has increased by R3,8 million.

Sale of goods and rendering of services for 2025/2026 financial year is R 646,635.00. Detailed breakdown of all the items under this category will be provided as supporting document.

Interest on investments is the third biggest source of revenue. The budget was increased by 4% after considering projected total municipal investments and actual performance as at the end of April 2025.

Interest on outstanding debtors has increased by 3% when compared to the 2024/25 adjustment budget, due to the significant increase in the municipal debtors' book. It should be noted that the municipality has strategies that the municipality is currently implementing to collect the outstanding debt. We have also appointed Debt Collectors to assist Revenue Management with enforcement of debt collection policy. Revenue collection plans are reviewed, improved and implemented on a monthly basis.

Fines, penalties and forfeits were increased by R23 182 when compared to the 2024/25 adjustment budget. From our assessment most people are paying their fines at Magistrate Court after they have negotiated for discounts.

Pound is one of the smallest sources of revenue. These funds are accrued as a result of law enforcement. The municipality do not aim to make a profit out of it. The tariff is set with an aim of recovering costs.

Licenses and permits show an increase of R 46 471 (4%) when compared to the 2024/25 Adjustment Budget, the current year's performance was considered and a percentage (4%) of the agency services that the municipality receives for performing services for the department of transport.

Agency fees budget increased by R28 867 when compared to the 2024/25 adjustment budget after taking into consideration the actual performance for the first six months and full year projections for current year.

Operating grants transfers totals R 179, 2 million in the 2025/26 financial year and they show a decrease of R 158 000 when compared to the 2024/25 Adjustment Budget. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table SA18 Operating Transfers and Grant Receipts

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA18 Transfers and grant receipts										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		152 706	165 344	174 575	179 258	179 258	179 258	174 254	176 327	184 299
Operational Revenue: General Revenue: Equitable Share		139 476	152 466	162 271	170 740	170 740	170 740	170 119	169 227	176 873
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 323	2 476	2 112	1 832	1 832	1 832	2 135	-	-
Local Government Financial Management Grant [Schedule 5B]		1 950	1 950	1 950	1 900	1 900	1 900	2 000	2 100	2 200
Integrated National Electrification Programme Grant		8 957	8 452	8 242	4 786	4 786	4 786	-	5 000	5 226
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		3 972	5 423	6 169	4 873	4 873	4 873	4 933	5 083	5 321
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		3 972	5 423	6 169	4 873	4 873	4 873	4 933	5 083	5 321
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	156 678	170 767	180 744	184 131	184 131	184 131	179 187	181 410	189 620
Capital Transfers and Grants										
National Government:		42 508	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		42 508	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5 200	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		5 200	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	47 708	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 386	201 325	204 898	215 849	215 849	215 849	218 055	216 856	226 561

1.3.2 OPERATING EXPENDITURE FRAMEWORK

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

- The asset renewal strategy and the repairs and maintenance plan;
- 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;
- 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.

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

Table A4 Summary of operating expenditure by standard classification item.

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 006	4 197	4 379	4 615	4 674	4 674	3 764	4 861	5 080	5 207
Sale of Goods and Rendering of Services		196	554	855	5 419	5 419	5 419	5 200	647	5 676	5 919
Agency services		552	635	609	722	722	722	429	751	784	804
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		7 601	14 179	15 970	16 027	16 027	16 027	11 617	16 732	17 485	17 922
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 122	1 306	2 354	1 583	1 583	1 583	1 635	2 153	2 250	2 306
Licence and permits		445	414	461	428	428	428	640	445	465	477
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		393	238	801	793	793	793	22	825	863	884
Non-Exchange Revenue											
Property rates	2	34 690	41 074	42 392	44 116	44 589	44 589	36 826	46 096	48 170	49 374
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 328	978	745	919	2 579	2 579	2 242	2 602	2 720	2 788
Licences or permits		-	3	51	19	19	19	-	20	21	22
Transfer and subsidies - Operational		149 161	161 784	177 143	179 345	179 345	179 345	178 605	179 187	176 410	184 394
Interest		6 149	6 469	7 674	5 937	5 937	5 937	7 570	8 198	8 567	8 781
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	1 686	407	-	-	-	-	-	-	-
Other Gains		1 348	782	10 570	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Expenditure											
Employee related costs	2	73 587	75 426	85 095	102 736	100 819	100 819	73 770	104 388	109 085	111 813
Remuneration of councillors		11 445	11 578	12 498	13 057	14 499	14 499	10 679	14 499	15 151	15 530
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	3 591	3 697	4 475	7 479	6 318	6 318	3 418	6 627	6 921	7 092
Debt impairment	3	-	-	-	4 746	1 546	1 546	-	4 746	4 959	5 083
Depreciation and amortisation		48 220	45 220	48 555	41 231	49 526	49 526	44 315	54 038	56 469	57 881
Interest		1 618	2 280	2 412	1 097	1 057	1 057	1 086	1 240	1 296	1 328
Contracted services		52 695	54 257	55 524	68 110	65 061	65 061	45 357	59 858	64 552	68 266
Transfers and subsidies		1 052	499	1 851	1 700	2 627	2 627	2 287	2 075	2 168	2 223
Irrecoverable debts written off		5 509	1 257	24 339	3 900	1 700	1 700	249	3 900	4 075	4 177
Operational costs		31 813	35 904	42 154	46 077	49 972	49 972	36 354	46 314	46 167	47 344
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Surplus/(Deficit)		(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
Transfers and subsidies - capital (monetary allocations)	6	50 943	43 108	32 385	31 718	32 718	32 718	28 230	38 868	35 446	36 941
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)

Operating Expenditure Budget

The total operating expenditure has increased from R 293,1 million to R 297,6 million and that is an increase of R 4,5 million when compared to the 2024/25 Adjustment.

(1) Employee Related Costs

The budgeted allocation for employee-related costs for the 2025/26 financial year total to R 104,3 million and shows an increase of 3,4% when compared to the 2024/25 Adjustment Budget. The employee costs ratio to total operating budget is 40%, which is within the norm of 25%-40%. Management has set up a Placement Committee that will deal with various salary bill issues with the aim of containing salary and wage costs. The merger of 2016 pre-election entities will have last long effect on the salary bill of Dr Nkosazana Dlamini Zuma local municipality. Slow growth of revenue base because of the rurality of municipality is another cause. However, the municipality has developed a revenue enhancement plan with an aim to improve the revenue. Monthly progress reports on the implementation of revenue plan are tabled to Council structures as part of oversight processes. The municipality has also considered and will continue to explore the following options,

- (a.) Outsource some municipal services.
- (b.) Merge other vacant positions and not fill any new vacant positions that the organization can operate without.

The municipality will ensure that the above options are considered and implemented without any negative effects to the community/to the service delivery.

- (2) **Remuneration of councilors** there were no adjustments, when compared to the 2024/25 adjustment budget.

(3.) **Contracted services** expenditure totals to R59,8 million and has decreased by 8% when compared to the 2024/25 Adjustment Budget and that clearly demonstrates that the municipality will be using less of the contracted services even though there are still services that require outsourcing. Most of the services will be done internally. Only specialized skills will be outsourced as per Municipal Cost Containment Policy.

(4.) Operational costs comprises of various line items relating to the daily operations of the municipality. The general expenditure for 2025/26 have decrease by 8,3% when compared to the 2024/25 Adjustment Budget. General expenditure items were not increased in the final budget because a high increase was affected during the adjustment budget of which it was used as a base line to final budget.

Finance charges total to R 1,2 million and there is an increase of 14,7% in this line item when compared to the adjustment budget. Adjustment budget was used a base line to 2025/26 budget. The municipality has a new contract for printing machines.

(5.) Repairs and maintenance have increased by 11% when compared to the 2024/2025 adjustment budget, an increase results from the R 1,7 million budget that was allocated for maintenance of roads that were damaged by heavy rains experienced in the KZN province. R&M as a percentage of operating expenditure is sitting at 6% and as a percentage of PPE is sitting at 1%, which is far below the norm of 8% as recommended by MFMA Circular No.55. The budget has been aside for the R&M in order to improve access to roads infrastructure, storm water and recreational facilities. It must be stated that we are still struggling to budget for 8% of the total value of our assets. The municipality is still facing the issue of property vandalism which must be dealt with as part of community awareness programmers. Even though the R&M budget appear small, there are plans in place to utilize our existing plant and machinery and EPWP program to maintain the existing infrastructure and community facilities.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table SA34c Repairs and maintenance by asset class.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 815	7 201	9 110	7 500	7 500	7 500	7 000	7 315	7 498
Roads Infrastructure		5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Roads		-	-	-	-	-	-	-	-	-
Road Structures		5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Rail Infrastructure		-	-	-	-	-	-	500	523	536
Rail Lines		-	-	-	-	-	-	500	523	536
Community Assets		3 000	1 978	3 117	4 200	1 536	1 536	4 500	4 703	4 820
Community Facilities		3 000	1 978	3 117	4 200	1 536	1 536	4 500	4 703	4 820
Halls		2 706	1 924	3 117	3 900	1 386	1 386	4 500	4 703	4 820
Centres		-	-	-	-	-	-	-	-	-
Other assets		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Operational Buildings		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Municipal Offices		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Computer Equipment		20	25	11	66	66	66	66	69	71
Computer Equipment		20	25	11	66	66	66	66	69	71
Machinery and Equipment		124	156	188	750	606	606	644	673	690
Machinery and Equipment		124	156	188	750	606	606	644	673	690
Transport Assets		4 491	4 014	3 674	2 771	2 911	2 911	2 425	2 534	2 597
Transport Assets		4 491	4 014	3 674	2 771	2 911	2 911	2 425	2 534	2 597
Total Repairs and Maintenance Expenditure	1	14 596	16 355	17 808	17 287	14 018	14 018	16 535	17 279	17 711
R&M as a % of PPE		3,0%	3,4%	3,7%	2,9%	2,4%	2,4%	2,8%	3,0%	3,1%
R&M as % Operating Expenditure		6,4%	7,1%	6,4%	6,0%	4,8%	4,8%	7,6%	5,8%	5,7%

Cost Containment Measures

The municipality also has a policy in place dealing with the cost containment measures in order to cut costs on the following proposed items:

- Vehicles used for political office-bearers
- Vehicles used by officials
- Use of accommodation and training
- Travel & subsistence and Domestic Accommodation
- Telephone, cell phone and photocopying usage

- Sponsorships, events & catering
- Catering
- Printing and stationery
- Employee costs
- Mobilisation of resources for the municipality
- Refuse/waste transportation
- Construction of projects internally
- Application of premium on goods and services
- Communication and advertising
- Conferences, meetings & study tours
- Other related expenditure items

1.3.3 CAPITAL EXPENDITURE

The following table provides a breakdown of budgeted capital expenditure by vote:

Table A5 below indicate a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year appropriation); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

KZN436 Dr Nkosazana Dlamini Zuma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		-	-	14	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		12 020	-	-	-	-	-	-	100	105	107
Vote 3 - CORPORATE SERVICES		-	-	-	120	120	120	-	120	125	129
Vote 4 - COMMUNITY SERVICES		-	-	662	5 650	4 750	4 750	38	3 360	3 511	3 599
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		382	-	-	49 903	51 438	51 438	38 875	41 151	31 929	33 257
Vote 6 - PLANNING AND DEVELOPMNT		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total		12 402	-	675	55 673	56 308	56 308	38 913	44 731	35 670	37 091
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		158	1 876	122	185	285	285	69	231	137	141
Vote 2 - BUDGET AND TREASURY		48 622	67 286	58 928	2 591	2 531	2 531	870	1 721	442	453
Vote 3 - CORPORATE SERVICES		838	1 662	1 741	3 168	3 068	3 068	1 372	2 562	2 677	2 744
Vote 4 - COMMUNITY SERVICES		253	1 441	7 454	9 470	8 875	8 875	6 692	6 798	4 537	4 650
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		9 859	8 397	3 943	17 984	14 544	14 544	9 896	6 384	3 671	3 763
Vote 6 - PLANNING AND DEVELOPMNT		(378)	1 225	923	1 480	1 022	1 022	562	405	319	327
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		59 353	81 887	73 111	34 878	30 325	30 325	19 461	18 102	11 783	12 077
Total Capital Expenditure - Vote	3.7	71 755	81 887	73 786	90 551	86 633	86 633	58 374	62 833	47 453	49 169
Capital Expenditure - Functional											
Governance and administration		61 829	70 824	60 805	6 064	6 004	6 004	2 311	4 734	3 486	3 573
Executive and council		158	1 876	136	185	285	285	69	231	137	141
Finance and administration		61 671	68 948	60 669	5 879	5 719	5 719	2 242	4 503	3 349	3 433
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		620	1 441	8 115	15 120	13 625	13 625	6 742	10 495	8 400	8 610
Community and social services		159	1 098	1 313	7 625	6 837	6 837	2 302	4 717	4 929	5 052
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		462	342	6 802	7 495	6 788	6 788	4 440	5 778	3 471	3 557
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		8 548	9 622	4 865	68 167	64 326	64 326	48 606	42 403	34 627	36 022
Planning and development		1 557	1 751	1 609	51 767	46 261	46 261	34 235	34 363	29 308	30 571
Road transport		6 992	7 871	3 256	16 400	18 065	18 065	14 370	8 040	5 318	5 451
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		757	-	-	1 200	2 578	2 578	716	900	941	964
Energy sources		-	-	-	-	1 000	1 000	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	500	682	682	620	800	836	857
Waste management		757	-	-	700	896	896	96	100	105	107
Other		-	-	-	-	100	100	-	4 300	-	-
Total Capital Expenditure - Functional	3.7	71 755	81 887	73 786	90 551	86 633	86 633	58 374	62 833	47 453	49 169
Funded by:											
National Government		(382)	-	-	31 318	31 318	31 318	25 766	33 798	30 823	32 123
Provincial Government		375	-	736	-	1 400	1 400	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	(7)	-	736	31 318	32 718	32 718	25 766	33 798	30 823	32 123
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		12 836	17 981	14 522	59 233	53 915	53 915	32 608	29 034	16 630	17 046
Total Capital Funding	7	12 829	17 981	15 257	90 551	86 633	86 633	58 374	62 833	47 453	49 169

Capital expenditure totals to R62,8 million and shows a decrease of R 23,8 million when compared to the 2024/25 Adjustment Budget of R 86, 6million. However, it should be noted that the amount for adjustment budget was inclusive of vat while the amount for current budget is exclusive of vat.

1.4 ANNUAL BUDGET TABLES

The following pages present the main budget tables as required in terms of section 9 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2025/26 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

A1 - Budget Summary

Table A1 below is a budget summary and provides a concise overview of the Dr NDZ municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

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.

A financial management reform 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:

KZN436 Dr Nkosazana Dlamini Zuma - Table A1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands										
Financial Performance										
Property rates	34 690	41 074	42 392	44 116	44 589	44 589	36 826	46 096	48 170	49 374
Service charges	4 006	4 197	4 379	4 615	4 674	4 674	3 764	4 861	5 080	5 207
Investment revenue	7 601	14 179	15 970	16 027	16 027	16 027	11 617	16 732	17 485	17 922
Transfer and subsidies - Operational	149 161	161 784	177 143	179 345	179 345	179 345	178 605	179 187	176 410	184 394
Other own revenue	11 535	13 065	24 527	15 821	17 481	17 481	17 737	15 641	21 345	21 980
Total Revenue (excluding capital transfers and	206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Employee costs	73 587	75 426	85 095	102 736	100 819	100 819	73 770	104 388	109 085	111 813
Remuneration of councillors	11 445	11 578	12 498	13 057	14 499	14 499	10 679	14 499	15 151	15 530
Depreciation and amortisation	48 220	45 220	48 555	41 231	49 526	49 526	44 315	54 038	56 469	57 881
Interest	1 618	2 280	2 412	1 097	1 057	1 057	1 086	1 240	1 296	1 328
Inventory consumed and bulk purchases	3 591	3 697	4 475	7 479	6 318	6 318	3 418	6 627	6 921	7 092
Transfers and subsidies	1 052	499	1 851	1 700	2 627	2 627	2 287	2 075	2 168	2 223
Other expenditure	90 018	91 418	122 017	122 833	118 279	118 279	81 959	114 818	119 753	124 871
Total Expenditure	229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Surplus/(Deficit)	(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
Transfers and subsidies - capital (monetary allocations)	50 943	43 108	32 385	31 718	32 718	32 718	28 230	38 868	35 446	36 941
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers &	28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Capital expenditure & funds sources										
Capital expenditure	71 755	81 887	73 786	90 551	86 633	86 633	58 374	62 833	47 453	49 169
Transfers recognised - capital	(7)	-	736	31 318	32 718	32 718	25 766	33 798	30 823	32 123
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	12 836	17 981	14 522	59 233	53 915	53 915	32 608	29 034	16 630	17 046
Total sources of capital funds	12 829	17 981	15 257	90 551	86 633	86 633	58 374	62 833	47 453	49 169
Financial position										
Total current assets	229 861	179 061	196 181	117 460	159 320	159 320	250 223	160 934	165 985	172 795
Total non current assets	501 837	496 656	513 180	623 771	606 945	606 945	529 026	615 740	606 724	598 012
Total current liabilities	73 829	55 494	45 476	91 414	43 998	43 998	54 123	50 619	53 564	56 581
Total non current liabilities	19 712	13 591	23 347	20 509	23 347	23 347	24 398	23 347	23 347	23 347
Community wealth/Equity	638 157	677 313	697 197	629 309	698 908	698 908	759 211	702 708	695 798	690 879
Cash flows										
Net cash from (used) operating	147 774	111 476	106 422	49 297	49 411	49 411	(685 197)	56 420	47 121	50 540
Net cash from (used) investing	(10 763)	(12 527)	(1 979)	-	(102 969)	(102 969)	(2 690)	(72 258)	(54 571)	(56 544)
Net cash from (used) financing	(14)	4	0	-	-	-	(255)	-	-	-
Cash/cash equivalents at the year end	296 172	279 189	263 699	146 465	85 877	85 877	(548 702)	70 039	62 589	56 585
Cash backing/surplus reconciliation										
Cash and investments available	180 235	159 256	139 440	42 327	85 877	85 877	185 959	70 039	62 589	56 585
Application of cash and investments	15 293	45 452	(1 702)	5 332	(34 744)	(34 744)	423 536	(48 454)	(50 590)	(62 624)
Balance - surplus (shortfall)	164 942	113 804	141 143	36 995	120 621	120 621	(237 577)	118 493	113 179	119 209
Asset management										
Asset register summary (WDV)	501 837	496 656	513 180	623 771	606 945	606 945	-	615 740	606 724	598 012
Depreciation	48 220	45 220	48 555	41 231	49 526	49 526	54 038	54 038	56 469	57 881
Renewal and Upgrading of Existing Assets	46 905	63 906	58 528	17 444	15 650	15 650	19 162	19 162	13 528	14 396
Repairs and Maintenance	14 596	16 355	17 808	17 287	14 018	14 018	16 535	16 535	17 279	17 711
Free services										
Cost of Free Basic Services provided	176	176	176	185	193	193	-	202	212	221
Revenue cost of free services provided	4 023	833	18 688	22 593	23 397	23 397	-	24 882	26 001	26 652
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 below is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The 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. Total Revenue on this table includes capital revenues (Transfers and Subsidies – Capital).

KZN436 Dr Nkosazana Dlamini Zuma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional										
<i>Governance and administration</i>		194 613	220 966	252 089	241 744	243 878	243 878	248 445	251 087	260 827
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		194 613	220 966	252 089	241 744	243 878	243 878	248 445	251 087	260 827
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		13 977	13 216	7 001	6 624	6 624	6 624	6 753	6 985	7 271
Community and social services		12 420	4 423	4 169	4 882	4 882	4 882	4 942	5 093	5 331
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		1 557	8 793	2 832	1 741	1 741	1 741	1 811	1 892	1 940
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		45 340	39 028	32 127	33 472	33 472	33 472	41 325	35 783	37 286
Planning and development		483	637	225	322	322	322	322	337	345
Road transport		44 857	38 391	31 901	33 150	33 150	33 150	41 003	35 446	36 941
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		4 006	4 197	5 579	9 801	10 860	10 860	4 861	10 080	10 433
Energy sources		–	–	1 200	4 786	4 786	4 786	–	5 000	5 226
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		4 006	4 197	4 379	5 015	6 074	6 074	4 861	5 080	5 207
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	257 936	277 407	296 796	291 641	294 834	294 834	301 385	303 935	315 817
Expenditure - Functional										
<i>Governance and administration</i>		132 265	128 415	166 613	171 081	169 362	169 362	180 396	185 514	192 175
Executive and council		22 841	24 179	27 798	30 258	31 620	31 620	31 746	33 175	34 027
Finance and administration		107 284	102 278	136 059	135 945	134 083	134 083	144 732	148 245	153 951
Internal audit		2 141	1 959	2 756	4 878	3 659	3 659	3 919	4 095	4 197
<i>Community and public safety</i>		29 938	29 704	32 083	42 160	47 279	47 279	43 298	45 242	46 371
Community and social services		16 085	15 905	17 415	21 022	21 584	21 584	22 053	23 041	23 614
Sport and recreation		154	157	153	–	–	–	–	–	–
Public safety		13 252	13 217	14 057	20 099	19 363	19 363	20 237	21 147	21 676
Housing		449	425	458	1 039	6 332	6 332	1 009	1 054	1 081
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		43 288	49 957	54 955	56 260	53 831	53 831	57 993	58 371	59 830
Planning and development		12 058	13 640	12 331	24 550	20 145	20 145	24 432	25 532	26 170
Road transport		31 230	36 318	42 624	31 710	33 686	33 686	33 560	32 840	33 660
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		21 903	20 085	21 408	15 728	17 646	17 646	10 902	16 392	16 903
Energy sources		12 912	9 839	11 386	4 786	7 148	7 148	–	5 000	5 226
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		8 992	10 246	10 022	10 942	10 499	10 499	10 902	11 392	11 677
<i>Other</i>	4	2 136	1 958	1 844	4 904	5 007	5 007	5 095	5 325	5 458
Total Expenditure - Functional	3	229 531	230 119	276 902	290 133	293 126	293 126	297 684	310 845	320 737
Surplus/(Deficit) for the year		28 405	47 287	19 893	1 508	1 708	1 708	3 700	(6 909)	(4 920)

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

Table A3 below 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 organizational structure of Dr NDZ Municipality. This means it is possible to present the operating surplus or deficit of a vote.

KZN436 Dr Nkosazana Dlamini Zuma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	5	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		194 437	221 042	252 131	241 685	243 819	243 819	248 386	251 026	260 764
Vote 3 - CORPORATE SERVICES		337	74	51	59	59	59	59	61	63
Vote 4 - COMMUNITY SERVICES		9 413	17 429	11 356	11 239	11 298	11 298	11 614	12 065	12 478
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		53 266	38 234	33 032	38 336	39 336	39 336	41 003	40 446	42 167
Vote 6 - PLANNING AND DEVELOPMNT		483	627	221	322	322	322	322	337	345
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	257 936	277 407	296 796	291 641	294 834	294 834	301 385	303 935	315 817
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		24 982	26 137	30 555	35 136	35 279	35 279	35 665	37 270	38 224
Vote 2 - BUDGET AND TREASURY		78 176	72 823	101 762	84 095	86 081	86 081	94 656	98 916	101 389
Vote 3 - CORPORATE SERVICES		29 052	29 454	33 835	51 851	48 002	48 002	49 575	48 806	52 027
Vote 4 - COMMUNITY SERVICES		29 546	29 279	31 624	41 121	40 947	40 947	42 290	44 188	45 290
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		57 694	61 020	69 005	58 685	64 174	64 174	56 463	61 773	63 418
Vote 6 - PLANNING AND DEVELOPMNT		10 082	11 405	10 121	19 245	18 644	18 644	19 035	19 892	20 389
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	229 531	230 119	276 902	290 133	293 126	293 126	297 684	310 845	320 737
Surplus/(Deficit) for the year	2	28 405	47 287	19 893	1 508	1 708	1 708	3 700	(6 909)	(4 920)

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total operating revenue is R262,1 million in 2024/25 and has increased to R262,5 million in 2025/26 and increases to R 268,4 million by 2026/27. This represents an increase of 1% per cent for the 2025/26 financial year.

KZN436 Dr Nkosazana Dlamini Zuma - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	4 006	4 197	4 379	4 615	4 674	4 674	3 764	4 861	5 080	5 207
Sale of Goods and Rendering of Services		196	554	855	5 419	5 419	5 419	5 200	647	5 676	5 919
Agency services		552	635	609	722	722	722	429	751	784	804
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		7 601	14 179	15 970	16 027	16 027	16 027	11 617	16 732	17 485	17 922
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 122	1 306	2 354	1 583	1 583	1 583	1 635	2 153	2 250	2 306
Licence and permits		445	414	461	428	428	428	640	445	465	477
Special rating levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		393	238	801	793	793	793	22	825	863	884
Non-Exchange Revenue											
Property rates	2	34 690	41 074	42 392	44 116	44 589	44 589	36 826	46 096	48 170	49 374
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1 328	978	745	919	2 579	2 579	2 242	2 602	2 720	2 788
Licences or permits		-	3	51	19	19	19	-	20	21	22
Transfer and subsidies - Operational		149 161	161 784	177 143	179 345	179 345	179 345	178 605	179 187	176 410	184 394
Interest		6 149	6 469	7 674	5 937	5 937	5 937	7 570	8 198	8 567	8 781
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	1 686	407	-	-	-	-	-	-	-
Other Gains		1 348	782	10 570	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Expenditure											
Employee related costs	2	73 587	75 426	85 095	102 736	100 819	100 819	73 770	104 388	109 085	111 813
Remuneration of councillors		11 445	11 578	12 498	13 057	14 499	14 499	10 679	14 499	15 151	15 530
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	3 591	3 697	4 475	7 479	6 318	6 318	3 418	6 627	6 921	7 092
Debt impairment	3	-	-	-	4 746	1 546	1 546	-	4 746	4 959	5 083
Depreciation and amortisation		48 220	45 220	48 555	41 231	49 526	49 526	44 315	54 038	56 469	57 881
Interest		1 618	2 280	2 412	1 097	1 057	1 057	1 086	1 240	1 296	1 328
Contracted services		52 695	54 257	55 524	68 110	65 061	65 061	45 357	59 858	64 552	68 266
Transfers and subsidies		1 052	499	1 851	1 700	2 627	2 627	2 287	2 075	2 168	2 223
Irrecoverable debts written off		5 509	1 257	24 339	3 900	1 700	1 700	249	3 900	4 075	4 177
Operational costs		31 813	35 904	42 154	46 077	49 972	49 972	36 354	46 314	46 167	47 344
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Surplus/(Deficit)		(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
Transfers and subsidies - capital (monetary allocations)	6	50 943	43 108	32 385	31 718	32 718	32 718	28 230	38 868	35 446	36 941
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)

Transfers and subsidies – operational include the national government equitable share and other operating grants from national and provincial government. The grants receipts from national and provincial government decreased by 1% in 2025/2026.

The municipality is acting in an agent capacity with regards to Electrification in terms of the service level agreement (SLA) and thus the respective grant revenue cannot be recognised on table A4 and A5. The cash inflow and outflow are captured in table A7.

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

KZN436 Dr Nkosazana Dlamini Zuma - Table A7 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		26 400	29 894	48 030	33 969	33 969	33 969	(296 664)	35 494	37 091	38 018
Service charges		1 436	2 362	2 384	4 085	4 085	4 085	(2 073)	4 304	5 686	5 828
Other revenue		30 918	2 366	2 110	34 857	34 632	34 632	(1 510)	30 535	29 643	30 782
Transfers and Subsidies - Operational	1	140 166	170 868	185 540	184 131	184 131	184 131	(248 119)	179 187	181 410	189 620
Transfers and Subsidies - Capital	1	25 600	22 918	5 500	31 718	31 718	31 718	(18 440)	38 868	35 446	36 941
Interest		148	1 084	584	16 027	16 027	16 027	(370)	16 732	17 485	17 922
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(76 895)	(118 016)	(137 726)	(253 692)	(253 393)	(253 393)	(118 023)	(245 385)	(256 176)	(265 020)
Interest		-	-	-	(1 097)	(1 057)	(1 057)	-	(1 240)	(1 296)	(1 328)
Transfers and Subsidies	1	-	-	-	(700)	(700)	(700)	-	(2 075)	(2 168)	(2 223)
NET CASH FROM/(USED) OPERATING ACTIVITIES		147 774	111 476	106 422	49 297	49 411	49 411	(685 197)	56 420	47 121	50 540
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(4 293)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(10 763)	(8 234)	(1 979)	-	(102 969)	(102 969)	(2 690)	(72 258)	(54 571)	(56 544)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10 763)	(12 527)	(1 979)	-	(102 969)	(102 969)	(2 690)	(72 258)	(54 571)	(56 544)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(14)	4	0	-	-	-	(6)	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	(249)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(14)	4	0	-	-	-	(255)	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		136 996	98 954	104 443	49 297	(53 558)	(53 558)	(688 143)	(15 838)	(7 450)	(6 004)
Cash/cash equivalents at the year begin:	2	159 176	180 235	159 256	97 167	139 435	139 435	139 440	85 877	70 039	62 589
Cash/cash equivalents at the year	2	296 172	279 189	263 699	146 465	85 877	85 877	(548 702)	70 039	62 589	56 585

Table A6 - Budgeted Financial Position

Table A6 below gives an indication of the municipality's financial status consistent with international good financial management practice and gives indication of that the municipality need to improve its financial viability on an ongoing process.

KZN436 Dr Nkosazana Dlamini Zuma - Table A6 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome
ASSETS								
Current assets								
Cash and cash equivalents		180 235	159 256	139 440	42 327	85 877	85 877	185 959
Trade and other receivables from exchange transaction	1	1 622	1 977	2 978	4 728	4 283	4 283	4 553
Receivables from non-exchange transactions	1	41 270	10 284	51 335	62 858	67 225	67 225	56 656
Current portion of non-current receivables		-	-	-	-	-	-	-
Inventory	2	-	-	-	-	602	602	-
VAT		6 150	6 906	1 696	6 909	1 696	1 696	2 292
Other current assets		584	638	732	638	(363)	(363)	763
Total current assets		229 861	179 061	196 181	117 460	159 320	159 320	250 223
Non current assets								
Investments		-	-	-	-	-	-	-
Investment property		21 759	19 732	30 302	19 732	30 302	30 302	30 302
Property, plant and equipment	3	479 616	476 506	482 023	601 647	575 663	575 663	497 850
Biological assets		-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-
Intangible assets		462	418	855	2 393	980	980	873
Trade and other receivables from exchange transaction		-	-	-	-	-	-	-
Non-current receivables from non-exchange transaction		-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-
Total non current assets		501 837	496 656	513 180	623 771	606 945	606 945	529 026
TOTAL ASSETS		731 698	675 717	709 361	741 231	766 266	766 266	779 249
LIABILITIES								
Current liabilities								
Bank overdraft		-	-	-	-	-	-	-
Financial liabilities		(0)	233	264	233	264	264	46
Consumer deposits		(13)	(9)	(8)	(9)	(8)	(8)	(9)
Trade and other payables from exchange transactions	4	50 747	35 832	38 930	67 904	36 612	36 612	42 532
Trade and other payables from non-exchange transaction	5	11 024	6 355	(0)	5 824	(843)	(843)	5 024
Provision		9 207	8 964	9 075	13 113	10 620	10 620	9 075
VAT		2 864	4 012	(2 784)	4 349	(2 647)	(2 647)	(2 545)
Other current liabilities		-	107	-	-	-	-	-
Total current liabilities		73 829	55 494	45 476	91 414	43 998	43 998	54 123
Non current liabilities								
Financial liabilities	6	-	385	120	385	120	120	120
Provision	7	12 925	13 206	15 150	13 206	15 150	15 150	16 202
Long term portion of trade payables		-	-	-	-	-	-	-
Other non-current liabilities		6 787	-	8 076	6 918	8 076	8 076	8 076
Total non current liabilities		19 712	13 591	23 347	20 509	23 347	23 347	24 398
TOTAL LIABILITIES		93 541	69 085	68 823	111 923	67 345	67 345	78 521
NET ASSETS		638 157	606 632	640 538	629 309	698 921	698 921	700 728
COMMUNITY WEALTH/EQUITY								
Accumulated surplus/(deficit)	8	632 142	670 482	690 366	622 478	692 078	692 078	752 381
Reserves and funds	9	6 015	6 831	6 831	6 831	6 831	6 831	6 831
Other		-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	638 157	677 313	697 197	629 309	698 908	698 908	759 211

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

KZN436 Dr Nkosazana Dlamini Zuma - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	296 172	279 189	263 699	146 465	85 877	85 877	(548 702)	70 039	62 589	56 585
Other current investments > 90 days		(115 937)	(119 933)	(124 259)	(104 138)	—	—	734 661	—	—	—
Non current Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		180 235	159 256	139 440	42 327	85 877	85 877	185 959	70 039	62 589	56 585
Application of cash and investments											
Trade payables from Non-exchange transactions: Unspent contributions		11 024	6 355	(0)	5 824	(1 000)	(1 000)	5 024	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	3 286	2 894	4 480	2 561	4 343	4 343	4 837	4 077	3 818	3 553
Other working capital requirements	3	(8 224)	27 238	(15 257)	(16 166)	(48 706)	(48 706)	404 601	(64 571)	(67 933)	(81 225)
Other provisions		9 207	8 964	9 075	13 113	10 620	10 620	9 075	12 041	13 526	15 048
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	—	—	—	—	—	—	—
Total Application of cash and investments:		15 293	45 452	(1 702)	5 332	(34 744)	(34 744)	423 536	(48 454)	(50 590)	(62 624)
Surplus(shortfall)		164 942	113 804	141 143	36 995	120 621	120 621	(237 577)	118 493	113 179	119 209
References											
1. Must reconcile with Budgeted Cash Flows											
2. For example: VAT, taxation											
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)											
4. For example: sinking fund requirements for borrowing											
5. Council approval required for each reserve created and basis of cash backing of reserves											
Other working capital requirements											
Debtors		58 971	8 594	54 187	84 070	85 476	85 476	(362 069)	102 473	107 036	121 558
Creditors due		50 747	35 832	38 930	67 904	36 770	36 770	42 532	37 902	39 103	40 333
Total		8 224	(27 238)	15 257	16 166	48 706	48 706	(404 601)	64 571	67 933	81 225
Debtors collection assumptions											
Balance outstanding - debtors		42 892	12 261	54 313	67 586	71 508	71 508	61 209	85 087	97 589	110 403
Estimate of debtors collection rate		137,5%	70,1%	99,8%	124,4%	119,5%	119,5%	-591,5%	120,4%	109,7%	110,1%
Long term investments committed											
Balance (Insert description; eg sinking fund)		—	—	—	—	—	—	—	—	—	—
Bankers Acceptance Certificate		—	—	—	—	—	—	—	—	—	—
Deposit Taking Institutions		—	—	—	—	—	—	—	—	—	—
Bank Repurchase Agreements		—	—	—	—	—	—	—	—	—	—
Derivative Financial Assets		—	—	—	—	—	—	—	—	—	—
Guaranteed Endowment Policies (Sinking)		—	—	—	—	—	—	—	—	—	—
Listed/Unlisted Bonds and Stocks		—	—	—	—	—	—	—	—	—	—
Municipal Bonds		—	—	—	—	—	—	—	—	—	—
National Government Securities		—	—	—	—	—	—	—	—	—	—
Negotiable Certificate of Deposits: Banks		—	—	—	—	—	—	—	—	—	—
Unamortised Debt Expense		—	—	—	—	—	—	—	—	—	—
Unamortised Preference Share Expense		—	—	—	—	—	—	—	—	—	—
Interest Rate Swaps		—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments		—	—	—	—	—	—	—	—	—	—
Housing Development Fund		5 493	5 493	5 493	5 493	5 493	5 493	5 493	5 493	5 493	5 493
Capital replacement		522	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338	1 338
Self-insurance		—	—	—	—	—	—	—	—	—	—
Compensation for Occupational Injuries and Diseases		—	—	—	—	—	—	—	—	—	—
Employee Benefit		—	—	—	—	—	—	—	—	—	—
Non-current Provisions		—	—	—	—	—	—	—	—	—	—
Valuation		—	—	—	—	—	—	—	—	—	—
Investment in associate account		—	—	—	—	—	—	—	—	—	—
Capitalisation		—	—	—	—	—	—	—	—	—	—
	6	6 015	6 831	6 831	6 831	6 831	6 831	6 831	6 831	6 831	6 831

Table A9 - Asset Management

Table A9 below provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

KZN436 Dr Nkosazana Dlamini Zuma - Table A9 Asset Management

Description		Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year	Budget Year	Budget Year
CAPITAL EXPENDITURE											
Total New Assets		1	24 849	17 981	15 257	73 107	70 984	70 984	43 670	33 925	34 773
Roads Infrastructure			-	-	-	14 729	12 181	12 181	7 640	5 900	6 048
Storm water Infrastructure			-	-	-	500	-	-	-	-	-
Electrical Infrastructure			-	-	-	2 700	2 561	2 561	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	17 929	14 742	14 742	7 640	5 900	6 048
Community Facilities			12 020	-	-	22 573	25 361	25 361	21 418	17 889	18 336
Sport and Recreation Facilities			-	-	-	7 516	4 887	4 887	22	23	24
Community Assets			12 020	-	-	30 089	30 248	30 248	21 441	17 912	18 360
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			1 691	-	-	6 215	5 106	5 106	1 907	1 993	2 043
Housing			-	-	-	-	-	-	-	-	-
Other Assets			1 691	-	-	6 215	5 106	5 106	1 907	1 993	2 043
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			303	444	1 260	1 228	1 228	1 228	1 105	1 155	1 184
Intangible Assets			303	444	1 260	1 228	1 228	1 228	1 105	1 155	1 184
Computer Equipment			1 470	473	1 380	1 246	1 338	1 338	1 332	1 392	1 427
Furniture and Office Equipment			586	1 537	3 455	2 320	3 118	3 118	2 642	2 052	2 103
Machinery and Equipment			3 438	4 902	832	4 315	4 471	4 471	2 818	1 945	1 994
Transport Assets			5 342	10 625	8 331	9 765	10 733	10 733	4 785	1 576	1 616
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	6 700	3 640	3 640	2 800	926	949
Roads Infrastructure			-	-	-	6 700	3 640	3 640	2 800	926	949
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	6 700	3 640	3 640	2 800	926	949
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Mature			-	-	-	-	-	-	-	-	-
Immature			-	-	-	-	-	-	-	-	-
Living Resources			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		6	46 905	63 906	58 528	10 744	12 010	12 010	16 362	12 602	13 446
Roads Infrastructure			(382)	-	-	10 094	11 460	11 460	9 193	10 562	11 356
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			382	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	10 094	11 460	11 460	9 193	10 562	11 356
Community Facilities			-	-	-	-	-	-	700	732	750
Sport and Recreation Facilities			46 905	63 906	58 528	-	-	-	5 217	-	-
Community Assets			46 905	63 906	58 528	-	-	-	5 917	732	750
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	200	209	214
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	200	209	214

Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	650	550	550	492	514	527
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	560	585	600
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	71 755	81 887	73 786	90 551	86 633	86 633	62 833	47 453	49 169
Roads Infrastructure	(382)	-	-	31 522	27 281	27 281	19 633	17 388	18 353
Storm water Infrastructure	-	-	-	500	-	-	-	-	-
Electrical Infrastructure	-	-	-	2 700	2 561	2 561	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	382	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	34 722	29 842	29 842	19 633	17 388	18 353
Community Facilities	12 020	-	-	22 573	25 361	25 361	22 118	18 620	19 086
Sport and Recreation Facilities	46 905	63 906	58 528	7 516	4 887	4 887	5 240	23	24
Community Assets	58 925	63 906	58 528	30 089	30 248	30 248	27 358	18 643	19 110
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	1 691	-	-	6 215	5 106	5 106	2 107	2 202	2 257
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 691	-	-	6 215	5 106	5 106	2 107	2 202	2 257
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	303	444	1 260	1 228	1 228	1 228	1 105	1 155	1 184
Intangible Assets	303	444	1 228	1 228	1 228	1 228	1 105	1 155	1 184
Computer Equipment	1 470	473	1 380	1 246	1 338	1 338	1 332	1 392	1 427
Furniture and Office Equipment	586	1 537	3 455	2 970	3 668	3 668	3 134	2 566	2 630
Machinery and Equipment	3 438	4 902	832	4 315	4 471	4 471	2 818	1 945	1 994
Transport Assets	5 342	10 625	8 331	9 765	10 733	10 733	5 345	2 161	2 215
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	71 755	81 887	73 786	90 551	86 633	86 633	62 833	47 453	49 169
ASSET REGISTER SUMMARY - PPE (WDV)	501 837	496 656	513 180	623 771	606 945	606 945	615 740	606 724	598 012
Roads Infrastructure	175 379	158 134	171 495	167 399	173 777	173 777	165 115	151 944	138 444
Storm water Infrastructure	-	-	-	1 500	682	682	1 420	2 256	3 113
Electrical Infrastructure	-	-	-	6 400	2 561	2 561	2 561	2 561	2 561
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	382	382	382	382	382	382	382	382	382
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	175 761	158 516	171 877	175 681	177 402	177 402	169 478	157 143	144 499
Community Assets	215 902	220 762	240 112	258 817	259 710	259 710	272 841	277 481	282 767
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	21 759	19 732	30 302	19 732	30 302	30 302	30 302	30 302	30 302
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	50 179	52 126	20 151	97 883	79 165	79 165	83 057	87 098	91 241
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	462	418	855	2 393	980	980	961	940	919
Computer Equipment	2 929	2 269	2 804	4 053	3 580	3 580	4 029	4 456	4 979
Furniture and Office Equipment	3 636	3 797	5 763	7 769	7 060	7 060	7 827	7 945	8 066
Machinery and Equipment	8 078	9 734	9 535	13 403	11 916	11 916	11 954	10 993	10 008
Transport Assets	23 131	29 302	31 783	44 040	36 830	36 830	35 292	30 323	25 229
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	501 837	496 656	513 180	623 771	606 945	606 945	615 740	606 724	598 012
EXPENDITURE OTHER ITEMS	48 220	45 220	48 555	41 231	49 526	49 526	54 038	56 469	57 881
Depreciation	14 596	16 355	17 808	17 287	14 018	14 018	16 535	17 279	17 711
Repairs and Maintenance by Asset Class	5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	500	523	536
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	5 815	7 201	9 110	7 500	7 500	7 500	7 000	7 315	7 498
Community Facilities	3 000	1 978	3 117	4 200	1 536	1 536	4 500	4 703	4 820
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	3 000	1 978	3 117	4 200	1 536	1 536	4 500	4 703	4 820
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	20	25	11	66	66	66	66	69	71
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	124	156	188	750	606	606	644	673	690
Transport Assets	4 491	4 014	3 674	2 771	2 911	2 911	2 425	2 534	2 597
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Living Resources	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	62 816	61 575	66 363	58 518	63 544	63 544	70 573	73 749	75 592

Table A10 - Basic Service Delivery Measurement

KZN436 Dr Nkosazana Dlamini Zuma - Table A10 Basic service delivery measurement										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		176 327	176 327	176 327	184 790	192 921	192 921	202 374	211 683	221 421
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		176	176	176	185	193	193	202	212	221
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		176	176	176	185	193	193	202	212	221
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of		4 023	833	18 688	22 593	23 397	23 397	24 882	26 001	26 652
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	4 023	833	18 688	22 593	23 397	23 397	24 882	26 001	26 652

PART 2 – SUPPORTING DOCUMENTATION

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Members of Finance Committee, Executive Council, Municipal Manager and senior managers and officials of the municipality meeting under the chairpersonship of the Mayor. The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the district IDP and the budget, considering the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and, That the various spending priorities of the different municipal departments are properly evaluated and prioritized in the allocation of resources.

Budget Process Overview

In terms of section 21 of MFMA

1.) The mayor of a municipality must: -

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any

revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-

- (i) the preparation, tabling and approval of the annual budget;
- (ii) the annual review of- (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and (bb) the budget-related policies
- (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
- (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).

(2) When preparing the annual budget, the mayor of a municipality must-

(a) take into account the municipality's integrated development plan;

(b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;

(c) consider the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;

(d) consult-

(i) the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;

(ii) all local municipalities within its area, if the municipality is a district municipality;

(iii) the relevant provincial treasury, and when requested, the National Treasury; and

(vi) any national or provincial organs of state, as may be prescribed; and

(e) provide, on request, any information relating to the budget-

(i) to the National Treasury; and

(ii) subject to any limitations that may be prescribed, to-

(aa) the national departments responsible for water, sanitation, electricity and any other

- service as may be prescribed;
- (bb) any other national and provincial organ of states, as may be prescribed; and (cc) another municipality affected by the budget

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year. The Mayor tabled in Council the required IDP and budget time schedule in August 2024. Key dates applicable to the process were:

- a) October, November 2024 and April 2025 –The municipality hosted IDP roadshows as part of the public consultations as a process of the IDP review.
- b.) December 2024 – Departmental strategic planning – final budget preparation
- b.) January 2025- Council considers the 2024/25 Mid-Year Budget and Performance Assessment;
- c.) February 2025 - Council considers the 2024/25 Adjustments Budget;
- d.) March 2025 – Joint strategic planning session of the Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritization criteria for the compilation of the 2025/26 MTREF;
- e.) March 2025 - Recommendations of the extended management committee are communicated to the Budget Steering Committee, and on to the respective departments and the final 2025/26 MTREF is revised accordingly.
- f) 31 March 2025 - Tabling in Council the Draft 2025/26 IDP and Draft Budget for public consultation;
- g) April to May 2025 – Public consultation through IDP road shows will take place
- h.) May 2025 – Organizational strategic planning to consider views or comments received from Provincial Treasury, public, other stakeholders and update the final budget.
- h.) May 2025 – finalization of the 2025/26 IDP and final Budget MTREF, taking into consideration comments received from the public, comments from Provincial Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- k) 30 May 2025 - Tabling of the 2025/26 MTREF to Council for consideration and approval.

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

The 2025/26 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure. Refer to

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)											
R thousand		Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1. Good Governance and Public Participation	1.1. To review and develop a multi-year strategic plan that responds to the needs of the community by June 2026		-	-	-	-	-	-	-	-	-
2. Sound Financial and Supply Chain Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2026		210 192 175	194 436 924	229 746 044	232 000 951	232 803 110	232 803 110	248 385 968	251 025 983	260 764 459
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.		9 461	337 350	74 095	55 019	55 019	55 019	58 815	61 462	62 998
4. Local Economic Development	4.1. To promote and support Local Economic Development through capacity building, forming of partnerships, co-operatives support with Materials and Equipments by 30 June 2026		9 124 566	9 413 452	18 649 878	10 259 311	11 259 311	11 259 311	11 614 425	12 065 091	12 477 642
5. Delivering Basic Services and Infrastructure	5.1. To improve access to roads infrastructure by 30 June 2026		31 580 050	53 265 783	60 748 041	33 957 000	39 606 783	39 606 783	41 003 000	40 446 000	42 167 000
6. Spatial Development	6.1. To improve and optimise land usage by 30 June 2026		541 322	482 723	671 237	305 265	838 170	838 170	322 321	336 826	345 246
Allocations to other priorities		2									
Allocations to other priorities		2									
Total Revenue (excluding capital transfers and contributions)		1	251 448	257 936	309 889	276 578	284 562	284 562	301 385	303 935	315 817

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
R thousand			Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
1. Good Governance and Public Participation	1.1. To review and develop a multi-year strategic plan that responds to the needs of the community by June 2026			22 139	24 982	28 864	29 514	31 173	31 173	35 665	37 270	38 224	
2. Sound Fianacial and Supply Chain Management	2.1 To manage financial resources effectively and efficiently for improved service delivery by June 2026			58 972	78 176	78 072	98 487	82 287	82 287	94 656	98 916	101 389	
3. Municipal Institutional Development and Transformation	3.1 To review existing HR policies to improve effectiveness and efficiency in service delivery by June 2022.			23 463	29 052	34 547	38 686	39 796	39 796	49 575	48 806	52 027	
4. Local Economic Development	4.1. To promote and support Local Economic Development through capacity building, forming of partnerships, co-operatives support with Materials and Equipments by 30 June 2026			22 409	29 546	30 342	33 625	34 295	34 295	42 290	44 188	45 290	
5. Delivering Basic Services and Infrastructure	5.1. To improve access to roads infrastructure by 30 June 2026			30 908	57 694	77 107	48 512	75 815	75 815	56 463	61 773	63 418	
6. Spatial Development	6.1. To improve and optimise land usage by 30 June 2026			8 153	10 082	13 302	15 970	15 817	15 817	19 035	19 892	20 389	
Allocations to other priorities													
Total Expenditure				1	166 043	229 531	262 234	264 793	279 182	279 182	297 684	310 845	320 737

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)											
R thousand		Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
1. Good Governance and Public	1.1. To review and develop a multi-	A	129	158	1 940	910	910	910	231	137	141
2. Sound Financial and Supply	2.1 To manage financial resources	B									
		C	70 078	60 642	3 673	2 800	2 800	2 800	1 821	546	560
3. Municipal Institutional	3.1 To review existing HR policies	D									
		E	185	10 241	70 794	70 624	70 624	70 624	2 682	2 803	2 873
4. Local Economic Development	4.1. To promote and support Local	F									
		G	439	838	2 852	2 280	2 280	2 280	10 158	8 048	8 249
5. Delivering Basic Services and	5.1. To improve access to roads	H									
		I	4 937	253	12 572	14 450	14 450	14 450	47 535	35 601	37 020
6. Spatial Development	6.1. To improve and optimise land	J									
		K	65	(378)	1 343	170	170	170	405	319	327
		L									
		M									
		N									
		O									
Allocations to other priorities			3								
Total Capital Expenditure			1	75 833	71 755	93 174	91 234	91 234	62 833	47 453	49 169

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the NDZ has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organizational performance which in turn is directly linked to individual employee's performance.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Vote 1 - vote name										
Municipal governance and administration										
Executive and council										
Quarterly audit committee meetings to be held	Number of meetings held	324791	311700	311700	400000	400000	400000	450000	470250	482006
Radio Slot	Number of radio slots	354280	340000	260000	200000	200000	200000	1000000	1045000	1092025
Conducting of IDP roadshows	Number of IDP roadshows	332204	318813	393813	700000	700000	700000	640000	668800	685520
Training of Ward Committees	Number of trainings	227137	217982	217982	250000	250000	250000	250000	261250	267781
Vote 2 - vote name										
Sound Financial and Supply Chain										
Budget and treasury office										
Valuation roll developed	Valuation Roll	2396600	2300000	2000000	1307695	1307695	1307695	607000	634315	650173
Provision of Free basic service to Indigents	Number of people received	2154852	2067997	1636327	700000	700000	700000	700000	731500	749788
Vote 3 - vote name										
Municipal Institutional Development and										
Corporate services										
Number of OHS Training Workshops conducted	Number of Trainings and	52100	50000	50000	117469	117469	117469	300000	313500	321338
Number wellness programs conducted	Number of Wellness	1459	140000	170000	303269	303269	303269	73970	77299	79231
Employee Training	Number of Trainings and	468900	450000	650000	250000	250000	250000	500000	522500	535563
Councillor Training	Number of Trainings and	226271	217151	217151	250000	250000	250000	225837	236000	241900
Vote 4 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Training of Sport Administrators	Number of Reports	426595	409400	109400	60000	60000	60000	49000	51205	52485
Coordination of Arts and Culture events	Number of Reports	817762	784800	804800	743200	743200	743200	891452	931567	954857
Youth Development Programmes	Number of programs	1193906	1145784	1145784	1106000	1106000	1106000	1518000	1586310	1625968
Disaster management centre	Construction of Disaster	6773000	6500000	10203265	884900	884900	884900	2270390	2372558	2431871
Purchase of Furniture making Property		2813400	2700000	0	0	0	0	0	0	0
Vote 5 - vote name										
Function										
Public Works and Basic Services										
Installation of Storm-water pipes.	Number of km or road	0	3000000	3000000	0	0	0	400000	418000	428450
Construction of Asphalt/Concrete roads	Number of km or road							2779082	3773180	4712007
Maintenance of Gravel Roads	Community Facilities	15630	32023000	29828000	1000000	1000000	1000000	6500000	6792500	6962313
Construction of Community halls	Frequency of building	0	0	0	2200000	2200000	2200000	13123326	13713876	14056723
Construction of Creighton Regional Sports Centre	Number of equipment	461325	442730	1500000	1450000	1450000	1450000	6000000	0	0
Construction of Creches	Number of km or road	13546000	17531948	7280000	70494	70494	70494	5063351	5291202	5423482
Construction of pedestrains bridges:	Frequency of building	729400	700000	700000	1700000	1700000	1700000	6342217	4627616	4743307
Maintenance of Community Assets	Frequency of Road	3126000	3000000	7000000	5000000	5000000	5000000	4500000	4702500	4820063
Maintenance of Municipal Buildings	Frequency of building	2084000	2000000	3052000	3000000	3000000	3000000	700000	731500	749788
Construction of Bus shelters	Frequency of building	0	0	0	0	0	0	560000	585200	599830
Household Electrification	Number of km or road	10420000	10000000	10068657	3000000	3000000	3000000	2000000	7090000	7368250
Extended Public Works Programme (EPWP)	Number of km or road	1042000	1000000	1000000	300000	300000	300000	2135000	0	0
Renewal of Gravel Roads	Number of km or road	3126000	3000000	5030876	900000	900000	900000	2800000	926000	949150
Upgrading of municipal towns	Number of km or road	3126000	3000000	2000000	15000	15000	15000	4050000	52250	53556
Construction of Jackson street causeway	Number of km or road	3126000	3000000	600000	2800000	2800000	2800000	7735329	8083419	8285504
Revenue Enhancement - Construction of Bulwer										
Installation of Street Lights										
Vote 6 - vote name										
Function										
Function										
Spuma Projects	Number of projects	1146200	1100000	1100000	1418000	1418000	1418000	500000	522500	535563
Tourism awareness program	Number of Reports	1359643	1304840	1204840	829000	829000	829000	0	0	0
Training and Skills Empowerment of SMMEs	Number of Reports	604360	580000	580000	0	0	0	760000	794200	814055

2.4 OVERVIEW OF BUDGET RELATED POLICIES

There were no major changes on budget related policies and by-laws. There were also no major changes on other policies.

The municipality has one new budget related policy

- **Expenditure Management Policy**

the objective of the expenditure policy is to set out a framework for dr nkosazana dlamini zuma municipality in managing all expenditure related transactions.

ensure that all monies owed by the municipality are paid within 30 days of receiving the relevant invoice, unless prescribed otherwise for certain categories of expenditure. as per the municipal finance management act, 2003 (act no.53 of 2003)

- a. to ensure adherence to all laws and regulations that govern the municipality.

Minor reviews were considered on the following policies

- **Tariff Policy**

The objective of this Policy is to ensure that:

- The tariffs of the Municipality comply with the legislation prevailing at the time of implementation.
- The Municipal services are financially sustainable, affordable and equitable.
- The needs of the indigent, aged and disabled are taken into consideration.
- There is consistency in how the tariffs are applied throughout the Municipality and;
- The Policy is drawn in line with the principles as outlined in the Municipal Systems Act.

- **Property Rates Policy**

The purpose of this policy is to:

- 3.1 Comply with the provisions of the Act, specifically with section 3 thereof;
- 3.2 Give effect to the principles outlined hereunder;

- 3.3 Ensure the equitable treatment of persons liable for rates;
- 3.4 Determine the basis for valuation and to prescribe procedures for the implementation of the Act;
- 3.5 Determine criteria for different property use categories to apply differential rates;
- 3.6 Determine or provide criteria for the determination of categories of owners of properties;

- **Virement Policy**

The Municipality resolves in terms of the MFMA to implement a Virement Policy that -

- a) Enables the Council, Executive Committee, Portfolio Committees, Accounting Officer, senior managers and their staff, to manage budgets with a degree of flexibility within the overall policy framework determined by the Council;
- b) To provide clear guidance to senior managers (heads of departments) of the municipality in managing their budgets
- c) To empower senior manager with an efficient financial and budgetary system to ensure optimum service delivery within current legislative framework of the MFMA and the Municipality's system of delegations

Other Budget Related Policies consist of the following: -

- Property Rates Policy
- Asset Management and Disposal Policy
- Supply Chain Management Policy
- Credit control and debt collection
- Budget Process Policy
- Indigent Policy
- Cash, Banking and Investment Policy
- Fleet management policy
- Funding compliance policy
- Revenue enhancement strategy policy
- Property Rates-by law policy
- Assets management and disposal policy

- Borrowing policy
- Customer Care Policy
- Customer Service Chatter Policy
- Stores Management Policy
- Cost Containment Policy
- Petty Cash Policy
- Unclaimed Monies Policy

All the above budget related policies are available on the municipal website.

2.5 OVERVIEW OF BUDGET ASSUMPTION

Given the constraints on the revenue side, the Council took very tough decisions on the expenditure side. Priority was given to:

- Protecting the poor from the worst impacts of the economic downturn
- Expediting spending on capital projects that are funded by conditional grants.
- Freezing many vacant positions
- Supporting viable Small and Micro businesses
- Cutting cost from the operating expenditure

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2025/2026 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Dr NDZ residents and businesses;
- The impact of municipal cost drivers;
- The increase in the cost of remuneration
- Employee related costs were increased by 4%, which is below CPI.

2.6 OVERVIEW OF BUDGET FUNDING

Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. Dr NDZ Municipality derives most of its operational revenue from property rates, operational grants and capital grants from organs of state and other minor charges (such as building plan fees, rent and traffic fines etc.)

The future fiscal sustainability of the municipality is not very positive. The following are contributing factors for this situation:

- The continued inability of consumers to settle outstanding accounts
- Government departments not paying their rates accounts
- Poor of revenue base on high rate of Indigent people around Dr NDZ area
- The continued dependency on grant funding from the national Provincial government

The revenue strategy is a function of key components such as:

- Growth in the local and economic development;
- Revenue management and enhancement;
- To achieve at least 95 per cent annual collection rate for consumer revenue

Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below gives a brief overview of the cash flow management of the of the municipality.

Table below table indicate the actual cash that the municipality is anticipating to collect.

Table A7 - Budget cash flow statement

KZN436 Dr Nkosazana Dlamini Zuma - Table A7 Budgeted Cash Flows											
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		26 400	29 894	48 030	33 969	33 969	33 969	(296 664)	35 494	37 091	38 018
Service charges		1 436	2 362	2 384	4 085	4 085	4 085	(2 073)	4 304	5 686	5 828
Other revenue		30 918	2 366	2 110	34 857	34 632	34 632	(1 510)	30 535	29 643	30 782
Transfers and Subsidies - Operational	1	140 166	170 868	185 540	184 131	184 131	184 131	(248 119)	179 187	181 410	189 620
Transfers and Subsidies - Capital	1	25 600	22 918	5 500	31 718	31 718	31 718	(18 440)	38 868	35 446	36 941
Interest		148	1 084	584	16 027	16 027	16 027	(370)	16 732	17 485	17 922
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(76 895)	(118 016)	(137 726)	(253 692)	(253 393)	(253 393)	(118 023)	(245 385)	(256 176)	(265 020)
Interest		-	-	-	(1 097)	(1 057)	(1 057)	-	(1 240)	(1 296)	(1 328)
Transfers and Subsidies	1	-	-	-	(700)	(700)	(700)	-	(2 075)	(2 168)	(2 223)
NET CASH FROM/(USED) OPERATING ACTIVITIES		147 774	111 476	106 422	49 297	49 411	49 411	(685 197)	56 420	47 121	50 540
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	(4 293)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(10 763)	(8 234)	(1 979)	-	(102 969)	(102 969)	(2 690)	(72 258)	(54 571)	(56 544)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(10 763)	(12 527)	(1 979)	-	(102 969)	(102 969)	(2 690)	(72 258)	(54 571)	(56 544)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(14)	4	0	-	-	-	(6)	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	(249)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(14)	4	0	-	-	-	(255)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		136 996	98 954	104 443	49 297	(53 558)	(53 558)	(688 143)	(15 838)	(7 450)	(6 004)
Cash/cash equivalents at the year begin:	2	159 176	180 235	159 256	97 167	139 435	139 435	139 440	85 877	70 039	62 589
Cash/cash equivalents at the year	2	296 172	279 189	263 699	146 465	85 877	85 877	(548 702)	70 039	62 589	56 585

Table SA10 Funding Measurement

The table SA 10 indicates a brief overview of how the municipal budget is funded

KZN436 Dr Nkosazana Dlamini Zuma Supporting Table SA10 Funding measurement												
Description	MFMA section	Ref	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	296 172	279 189	263 699	146 465	85 877	85 877	(548 702)	70 039	62 589	56 585
Cash + investments at the yr end less applications - R'000	18(1)b	2	164 942	113 804	141 143	36 995	120 621	120 621	(237 577)	118 493	113 179	119 209
Cash year end/monthly employee/supplier payments	18(1)b	3	23.0	21.0	18.1	8.3	5.0	5.0	(44.2)	4.0	3.4	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	28 405	47 287	19 893	1 508	1 708	1 708	59 265	3 700	(6 909)	(4 920)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	11.0%	(2.7%)	(1.8%)	(4.9%)	(6.0%)	(23.6%)	(2.6%)	(1.5%)	(3.5%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	137.5%	70.1%	99.8%	124.4%	119.5%	119.5%	(591.5%)	120.4%	109.7%	110.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	9.7%	3.1%	3.1%	0.0%	9.3%	9.3%	9.3%
Capital payments % of capital expenditure	18(1)c:19	8	15.0%	10.1%	2.7%	0.0%	118.9%	118.9%	4.6%	115.0%	115.0%	115.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A.	(71.4%)	343.0%	24.4%	5.8%	0.0%	(14.4%)	19.0%	14.7%	13.1%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.9%	3.3%	3.5%	2.8%	2.3%	2.3%	2.7%	2.9%	3.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	7.4%	4.2%	4.2%	0.0%	4.5%	2.0%	1.9%
References												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Deduct cash and investment applications (defined) from cash balances												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billed revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Province allocations included in budget												
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection												
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection												
Supporting indicators												
% inc total service charges (incl prop rates)	18(1)a		0.0%	17.0%	3.3%	4.2%	1.1%	0.0%	(17.6%)	3.4%	4.5%	2.5%
% incr Property Tax	18(1)a		0.0%	18.4%	3.2%	4.1%	1.1%	0.0%	(17.4%)	3.4%	4.5%	2.5%
% incr Service charges - Electricity	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Water	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Water Management	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - Waste Management	18(1)a		0.0%	4.8%	4.3%	5.4%	1.3%	0.0%	(19.5%)	4.0%	4.5%	2.5%
% incr in Sale of Goods and Rendering of Services	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a		38 697	45 271	46 771	48 731	49 263	49 263	40 591	50 957	53 250	54 581
Service charges			38 697	45 271	46 771	48 731	49 263	49 263	40 591	50 957	53 250	54 581
Property rates			34 690	41 074	42 392	44 116	44 589	44 589	36 826	46 096	48 170	49 374
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			4 006	4 197	4 379	4 615	4 674	4 674	3 764	4 861	5 080	5 207
Service charges - other												
Interest			552	635	609	722	722	722	429	751	784	804
Capital expenditure excluding capital grant funding			71 761	81 887	73 050	59 233	53 915	53 915	32 608	29 034	16 630	17 046
Cash receipts from ratepayers	18(1)a		58 754	34 622	52 524	72 911	72 686	72 686	(300 246)	70 333	72 420	74 628
Ratepayer & Other revenue	18(1)a		42 734	49 399	52 646	58 615	60 807	60 807	50 758	58 400	66 028	67 779
Change in consumer debtors (current and non-current)		N/A		(30 630)	42 051	13 273	3 922	-	(10 299)	23 878	12 502	12 814
Operating and Capital Grant Revenue	18(1)a		200 104	204 892	209 528	211 063	212 063	212 063	206 835	218 055	211 856	221 335
Capital expenditure - total	20(1)(vi)		71 755	81 887	73 786	90 551	86 633	86 633	58 374	62 833	47 453	49 169
Capital expenditure - renewal	20(1)(vi)		-	-	-	6 700	3 640	3 640		2 800	926	949
Supporting benchmarks												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										174 254	171 327	179 073
Provincial operating grants										4 933	5 083	5 321
Provincial capital grants										-	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										218 055	211 856	221 335
Average annual collection rate (arrears inclusive)												

2025/26

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Total Operating Revenue			206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Total Operating Expenditure			229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Operating Performance Surplus/(Deficit)			(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
Cash and Cash Equivalents (30 June 2012)												
Revenue												
% Increase in Total Operating Revenue				13.2%	12.9%	(1.7%)	0.8%	0.0%	(5.2%)	0.2%	2.3%	3.9%
% Increase in Property Rates Revenue				18.4%	3.2%	4.1%	1.1%	0.0%	(17.4%)	25.2%	4.5%	2.5%
% Increase in Electricity Revenue				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges				17.0%	3.3%	4.2%	1.1%	0.0%	(17.6%)	3.4%	4.5%	2.5%
Expenditure												
% Increase in Total Operating Expenditure				0.3%	20.3%	4.8%	1.0%	0.0%	(25.8%)	1.6%	4.4%	3.2%
% Increase in Employee Costs				2.5%	12.8%	20.7%	(1.9%)	0.0%	(26.8%)	3.5%	4.5%	2.5%
% Increase in Electricity Bulk Purchases				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)					274500.211	1533379.746				1535118.074		
Average Cost Per Councillor (Remuneration)					0	0				0		
R&M % of PPE			2.9%	3.3%	3.5%	2.8%	2.3%	2.3%		2.7%	2.9%	3.0%
Asset Renewal and R&M as a % of PPE			12.3%	16.2%	14.9%	5.6%	4.9%	4.9%		5.8%	5.1%	5.4%
Debt Impairment % of Total Billable Revenue			0.0%	0.0%	0.0%	9.7%	3.1%	3.1%	0.0%	9.3%	9.3%	9.3%
Capital Revenue												
Internally Funded & Other (R'000)			-	-	-	-	-	-	-	-	-	-
Borrowing (R'000)			(7)	-	736	31 318	32 718	32 718	25 766	33 798	30 823	32 123
Grant Funding and Other (R'000)			-	-	-	-	-	-	-	-	-	-
Internally Generated funds % of Non Grant Funding			559.0%	455.4%	508.1%	152.9%	160.7%	160.7%	179.0%	216.4%	285.3%	288.4%
Borrowing % of Non Grant Funding			(0.1%)	0.0%	5.1%	52.9%	60.7%	60.7%	79.0%	116.4%	185.3%	188.4%
Grant Funding % of Total Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Expenditure												
Total Capital Programme (R'000)			-	-	-	-	-	-	-	-	-	-
Asset Renewal			-	-	-	-	-	-	-	-	-	-
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash												
Cash Receipts % of Rate Payer & Other			137.5%	70.1%	99.8%	124.4%	119.5%	119.5%	(591.5%)	120.4%	109.7%	110.1%
Cash Coverage Ratio			0	0	0	0	0	0	(0)	0	0	0
Borrowing												
Credit Rating (2009/10)										0		
Capital Charges to Operating			0.7%	1.0%	0.9%	0.4%	0.4%	0.4%	0.6%	0.4%	0.4%	0.4%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reserves												
Surplus/(Deficit)			164 942	113 804	141 143	36 995	120 621	120 621	(237 577)	118 493	113 179	119 209
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Revenue			206 993	234 299	264 411	259 923	262 116	262 116	248 550	262 517	268 489	278 876
Total Operating Expenditure			229 531	230 119	276 902	290 133	293 126	293 126	217 515	297 684	310 845	320 737
Surplus/(Deficit) Budgeted Operating Statement			(22 538)	4 180	(12 491)	(30 210)	(31 010)	(31 010)	31 035	(35 168)	(42 355)	(41 861)
Surplus/(Deficit) Considering Reserves and Cash Backing			164 942	113 804	141 143	36 995	120 621	120 621	(237 577)	118 493	113 179	119 209
MTREF Funded (1) / Unfunded (0)	15		1	1	1	1	1	1	0	1	1	1
MTREF Funded ✓ / Unfunded ✗	15		✓	✓	✓	✓	✓	✓	✗	✓	✓	✓

Basic Service Delivery Measurements

KZN436 Dr Nkosazana Dlamini Zuma - Table A10 Basic service delivery measurement										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		176 327	176 327	176 327	184 790	192 921	192 921	202 374	211 683	221 421
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Informal Settlements		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		176	176	176	185	193	193	202	212	221
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		176	176	176	185	193	193	202	212	221
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of		4 023	833	18 688	22 593	23 397	23 397	24 882	26 001	26 652
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		4 023	833	18 688	22 593	23 397	23 397	24 882	26 001	26 652

2.7 Expenditure on allocations and Grant Programmes

SA 18 - Capital and Operational Grant Receipts

The table gives a brief indication of the capital and operational grants gazetted to the municipality for 2025/26 financial year.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA18 Transfers and grant receipts

Annexure D1: KwaZulu-Natal - Supporting Public Grants Transfers and grant receipts										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		152 706	165 344	174 575	179 258	179 258	179 258	174 254	176 327	184 299
Operational Revenue: General Revenue: Equitable Share		139 476	152 466	162 271	170 740	170 740	170 740	170 119	169 227	176 873
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 323	2 476	2 112	1 832	1 832	1 832	2 135	-	-
Local Government Financial Management Grant [Schedule 5B]		1 950	1 950	1 950	1 900	1 900	1 900	2 000	2 100	2 200
Integrated National Electrification Programme Grant		8 957	8 452	8 242	4 786	4 786	4 786	-	5 000	5 226
Programme and Project Preparation Support Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		3 972	5 423	6 169	4 873	4 873	4 873	4 933	5 083	5 321
Capacity Building		-	-	-	-	-	-	-	-	-
Capacity Building and Other		3 972	5 423	6 169	4 873	4 873	4 873	4 933	5 083	5 321
Disaster and Emergency Services		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	156 678	170 767	180 744	184 131	184 131	184 131	179 187	181 410	189 620
Capital Transfers and Grants										
National Government:		42 508	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant [Schedule 5B]		42 508	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		5 200	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Infrastructure		5 200	-	-	-	-	-	-	-	-
Transfer from Operational Revenue		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	47 708	30 558	24 154	31 718	31 718	31 718	38 868	35 446	36 941
TOTAL RECEIPTS OF TRANSFERS & GRANTS		204 386	201 325	204 898	215 849	215 849	215 849	218 055	216 856	226 561

SA 19 - Capital and Operational Expenditure Programme

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure and 100 per cent on the capital projects for the 2025/2026 MTREF of which performance has been factored into the cash flow budget.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA19 Expenditure on transfers and grant programme

2025/26 Medium Term Revenue & Expenditure Framework										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		144 072	147 749	156 446	192 584	190 314	190 314	176 072	183 769	190 532
Operational Revenue:General Revenue:Equitable Share		139 746	143 309	149 299	184 066	181 796	181 796	171 937	176 669	183 106
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]		2 376	2 476	5 267	1 832	1 832	1 832	2 135	—	—
Local Government Financial Management Grant [Schedule 5B]		1 950	1 963	1 881	1 900	1 900	1 900	2 000	2 100	2 200
Integrated National Electrification Programme Grant		—	—	—	4 786	4 786	4 786	—	5 000	5 226
Programme and Project Preparation Support Grant		—	—	—	—	—	—	—	—	—
Provincial Government:		5 150	5 555	5 552	4 629	4 392	4 392	4 934	5 156	5 285
Capacity Building		—	—	—	—	—	—	—	—	—
Capacity Building and Other		5 150	5 555	5 552	4 629	4 392	4 392	4 934	5 156	5 285
Disaster and Emergency Services		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		149 223	153 304	161 999	197 213	194 705	194 705	181 006	188 926	195 818
Capital expenditure of Transfers and Grants										
National Government:		(382)	—	—	31 318	31 318	31 318	33 798	30 823	32 123
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant [Schedule 5B]		(382)	—	—	31 318	31 318	31 318	33 798	30 823	32 123
Provincial Government:		375	—	736	—	1 000	1 000	—	—	—
Capacity Building and Other		375	—	736	—	—	—	—	—	—
Infrastructure		—	—	—	—	1 000	1 000	—	—	—
Total capital expenditure of Transfers and Grants		(7)	—	736	31 318	32 318	32 318	33 798	30 823	32 123
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		149 216	153 304	162 734	228 531	227 023	227 023	214 804	219 748	227 940

2.8 Allocations or grants made by the municipality

The municipality does not have any allocations or grants made by the municipality.

2.9 Councillors Allowances and Employee benefits

The following table is a breakdown of councillors' Remuneration and Employee salaries and benefits for the year 2025/2026.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA22 Summary councillor and staff benefits										
Summary of Employee and Councillor remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	8 643	8 631	9 278	9 420	10 861	10 861	10 861	11 350	11 634
Pension and UIF Contributions		1 057	1 155	1 144	1 265	1 265	1 265	1 265	1 322	1 355
Medical Aid Contributions		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		550	531	743	949	949	949	949	992	1 016
Cellphone Allowance		1 195	1 262	1 332	1 424	1 424	1 424	1 424	1 488	1 525
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		11 445	11 578	12 498	13 057	14 499	14 499	14 499	15 151	15 530
% increase	4		1,2%	7,9%	4,5%	11,0%	–	–	4,5%	2,5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	4 352	4 891	6 669	5 620	5 620	5 620	5 909	6 175	6 329
Pension and UIF Contributions		180	142	238	194	194	194	204	213	218
Medical Aid Contributions		48	33	30	91	91	91	95	100	102
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		249	173	117	552	552	552	581	607	622
Motor Vehicle Allowance	3	461	459	480	587	587	587	617	645	661
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	80	20	7	–	–	–	–	–	–
Other benefits and allowances	3	75	2	43	101	101	101	106	111	114
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		5 444	5 719	7 582	7 144	7 144	7 144	7 512	7 850	8 047
% increase	4		5,1%	32,6%	(5,8%)	–	–	5,1%	4,5%	2,5%
Other Municipal Staff										
Basic Salaries and Wages		48 439	49 865	54 888	66 792	65 350	65 350	67 296	70 324	72 083
Pension and UIF Contributions		7 814	8 407	9 358	11 283	11 283	11 283	11 864	12 398	12 708
Medical Aid Contributions		3 183	2 657	3 805	4 340	4 340	4 340	4 563	4 768	4 888
Overtime		1 507	1 519	1 551	2 388	2 388	2 388	2 511	2 624	2 690
Performance Bonus		3 831	3 975	4 435	5 441	5 441	5 441	5 721	5 979	6 128
Motor Vehicle Allowance	3	–	–	–	–	–	–	–	–	–
Cellphone Allowance	3	–	–	–	–	–	–	–	–	–
Housing Allowances	3	132	150	164	494	494	494	520	543	557
Other benefits and allowances	3	1 873	2 281	2 121	2 834	2 834	2 834	2 980	3 114	3 192
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		0	223	402	421	421	421	421	440	451
Post-retirement benefit obligations	6	1 363	632	790	1 600	1 124	1 124	1 000	1 045	1 071
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		–	–	–	–	–	–	–	–	–
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		68 143	69 707	77 513	95 592	93 675	93 675	96 876	101 235	103 766
% increase	4		2,3%	11,2%	23,3%	(2,0%)	–	3,4%	4,5%	2,5%
Total Parent Municipality		85 032	87 005	97 593	115 794	115 318	115 318	118 887	124 237	127 343
			2,3%	12,2%	18,6%	(0,4%)	–	3,1%	4,5%	2,5%
TOTAL SALARY, ALLOWANCES & BENEFITS		85 032	87 005	97 593	115 794	115 318	115 318	118 887	124 237	127 343
% increase	4		2,3%	12,2%	18,6%	(0,4%)	–	3,1%	4,5%	2,5%
TOTAL MANAGERS AND STAFF	5,7	73 587	75 426	85 095	102 736	100 819	100 819	104 388	109 085	111 813

Table SA23- Salaries, allowances and benefits (Political Office Bearers/ Councilors/ Senior Managers)

Dr Nkosazana Dlamini Zuma - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Closure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	519 476	77 921	234 840	–	–	832 237
Chief Whip		–	–	–	–	–	–	–
Executive Mayor		1	613 515	96 536	287 911	–	–	997 962
Deputy Executive Mayor		1	783 145	–	49 091	–	–	832 236
Executive Committee		–	–	–	–	–	–	–
Total for all other councillors		–	8 944 958	1 090 682	1 800 671	–	–	11 836 311
Total Councillors	8	3	10 861 094	1 265 139	2 372 513			14 498 746
Senior Managers of the Municipality	5							
Municipal Manager (MM)		1	1 056 327	221 793	199 491	198 725	–	1 676 336
Chief Finance Officer		1	922 833	2 621	77 228	149 162	–	1 151 844
		1	1 092 740	67 977	146 486	–	–	1 307 203
		1	861 825	5 092	204 662	77 566	–	1 149 145
		1	948 556	150	52 575	77 566	–	1 078 847
		–	–	–	–	–	–	–
List of each official with packages >= senior manager								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		1	1 026 650	2 621	42 060	77 566	–	1 148 897
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
Total Senior Managers of the Municipality	8,10	6	5 908 931	300 254	722 502	580 585		7 512 272
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	9	16 770 025	1 565 393	3 095 015	580 585		22 011 018

2.10 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

Table SA25-Budgeted monthly revenue and expenditure

2025/26

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Table SA27-Budgeted monthly revenue and expenditure (standard classification)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)																
Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
Revenue - Functional																
Governance and administration		20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	248 445	251 087	260 827
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	20 704	248 445	251 087	260 827
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		563	563	563	563	563	563	563	563	563	563	563	563	6 753	6 985	7 271
Community and social services		412	412	412	412	412	412	412	412	412	412	412	412	4 942	5 093	5 331
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		151	151	151	151	151	151	151	151	151	151	151	151	1 811	1 892	1 940
Economic and environmental services		3 444	3 444	3 444	3 444	3 444	3 444	3 444	3 444	3 444	3 444	3 444	3 444	41 325	35 783	37 286
Planning and development		27	27	27	27	27	27	27	27	27	27	27	27	322	337	345
Road transport		3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	3 417	41 003	35 446	36 941
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		405	405	405	405	405	405	405	405	405	405	405	405	4 861	10 080	10 433
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	5 000	5 226
Waste management		405	405	405	405	405	405	405	405	405	405	405	405	4 861	5 080	5 207
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional		25 115	25 115	25 115	25 115	25 115	25 115	25 115	25 115	25 115	25 115	25 115	25 115	301 385	303 935	315 817
Expenditure - Functional																
Governance and administration		15 032	15 032	15 032	15 032	15 032	15 032	15 032	15 032	15 032	15 032	15 032	15 042	180 396	185 514	192 175
Executive and council		2 645	2 645	2 645	2 645	2 645	2 645	2 645	2 645	2 645	2 645	2 645	2 646	31 746	33 175	34 027
Finance and administration		12 060	12 060	12 060	12 060	12 060	12 060	12 060	12 060	12 060	12 060	12 060	12 070	144 732	148 245	153 951
Internal audit		327	327	327	327	327	327	327	327	327	327	327	327	3 919	4 095	4 197
Community and public safety		3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	43 298	45 242	46 371
Community and social services		1 838	1 838	1 838	1 838	1 838	1 838	1 838	1 838	1 838	1 838	1 838	1 838	22 053	23 041	23 614
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	1 686	20 237	21 147	21 676
Housing		84	84	84	84	84	84	84	84	84	84	84	84	1 009	1 054	1 081
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		4 833	4 833	4 833	4 833	4 833	4 833	4 833	4 833	4 833	4 833	4 833	4 833	57 993	58 371	59 830
Planning and development		2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	24 432	25 532	26 170
Road transport		2 797	2 797	2 797	2 797	2 797	2 797	2 797	2 797	2 797	2 797	2 797	2 797	33 560	32 840	33 660
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		908	908	908	908	908	908	908	908	908	908	908	908	10 902	16 392	16 903
Energy sources		–	–	–	–	–	–	–	–	–	–	–	–	–	5 000	5 226
Waste management		908	908	908	908	908	908	908	908	908	908	908	908	10 902	11 392	11 677
Other		425	425	425	425	425	425	425	425	425	425	425	425	5 095	5 325	5 458
Total Expenditure - Functional		24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 806	24 817	297 684	310 845	320 737
Surplus/(Deficit) before assoc.		309	309	309	309	309	309	309	309	309	309	309	299	3 700	(6 909)	(4 920)
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	309	309	309	309	309	309	309	309	309	309	309	299	3 700	(6 909)	(4 920)

Table SA28-Budgeted monthly capital expenditure (municipal vote)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vote 2 - BUDGET AND TREASURY		8	8	8	8	8	8	8	8	8	8	8	8	100	105	107
Vote 3 - CORPORATE SERVICES		10	10	10	10	10	10	10	10	10	10	10	10	120	125	129
Vote 4 - COMMUNITY SERVICES		280	280	280	280	280	280	280	280	280	280	280	280	3 360	3 511	3 599
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	3 429	41 151	31 929	33 257
Vote 6 - PLANNING AND DEVELOPMNT		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	2	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	44 731	35 670	37 091
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		19	19	19	19	19	19	19	19	19	19	19	19	231	137	141
Vote 2 - BUDGET AND TREASURY		143	143	143	143	143	143	143	143	143	143	143	143	1 721	442	453
Vote 3 - CORPORATE SERVICES		213	213	213	213	213	213	213	213	213	213	213	214	2 562	2 677	2 744
Vote 4 - COMMUNITY SERVICES		567	567	567	567	567	567	567	567	567	567	567	567	6 798	4 537	4 650
Vote 5 - PUBLIC WORKS AND BASIC SERVICES		532	532	532	532	532	532	532	532	532	532	532	532	6 384	3 671	3 763
Vote 6 - PLANNING AND DEVELOPMNT		34	34	34	34	34	34	34	34	34	34	34	34	405	319	327
Capital single-year expenditure sub-total	2	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 509	18 102	11 783	12 077
Total Capital Expenditure	2	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	62 833	47 453	49 169

Table SA29- Budgeted monthly capital expenditure (standard classification)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)																
Description	Ref	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional	1															
Governance and administration		395	395	395	395	395	395	395	395	395	395	395	395	4 734	3 486	3 573
Executive and council		19	19	19	19	19	19	19	19	19	19	19	19	231	137	141
Finance and administration		375	375	375	375	375	375	375	375	375	375	375	375	4 503	3 349	3 433
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		875	875	875	875	875	875	875	875	875	875	875	875	10 495	8 400	8 610
Community and social services		393	393	393	393	393	393	393	393	393	393	393	393	4 717	4 929	5 052
Sport and recreation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Public safety		482	482	482	482	482	482	482	482	482	482	482	482	5 778	3 471	3 557
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	3 534	42 403	34 627	36 022
Planning and development		2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	2 864	34 363	29 308	30 571
Road transport		670	670	670	670	670	670	670	670	670	670	670	670	8 040	5 318	5 451
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Trading services		75	75	75	75	75	75	75	75	75	75	75	75	900	941	964
Waste water management		67	67	67	67	67	67	67	67	67	67	67	67	800	836	857
Waste management		8	8	8	8	8	8	8	8	8	8	8	8	100	105	107
Other		358	358	358	358	358	358	358	358	358	358	358	358	4 300	—	—
Total Capital Expenditure - Functional	2	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	62 833	47 453	49 169
Funded by:																
National Government		2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	33 798	30 823	32 123
Provincial Government		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital		2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	33 798	30 823	32 123
Public contributions & donations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Internally generated funds		2 420	2 420	2 420	2 420	2 420	2 420	2 420	2 420	2 420	2 420	2 420	2 420	29 034	16 630	17 046
Total Capital Funding		5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	5 236	62 833	47 453	49 169

Table SA30- Budgeted monthly cash flow

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand													1		
Cash Receipts By Source															
Property rates	2 958	2 958	2 958	2 958	2 958	2 958	2 958	2 958	2 958	2 958	2 958	2 958	35 494	37 091	38 018
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	359	359	359	359	359	359	359	359	359	359	359	359	4 304	5 686	5 828
Rental of facilities and equipment	160	160	160	160	160	160	160	160	160	160	160	160	1 922	2 510	2 572
Interest earned - external investments	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	1 394	16 732	17 485	17 922
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	87	87	87	87	87	87	87	87	87	87	87	87	1 041	1 088	1 115
Licences and permits	101	101	101	101	101	101	101	101	101	101	101	101	1 216	1 271	1 302
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	14 932	14 932	14 932	14 932	14 932	14 932	14 932	14 932	14 932	14 932	14 932	14 932	179 187	181 410	189 620
Other revenue	2 196	2 196	2 196	2 196	2 196	2 196	2 196	2 196	2 196	2 196	2 196	2 196	26 355	24 775	25 792
Cash Receipts by Source	22 188	22 188	22 188	22 188	22 188	22 188	22 188	22 188	22 188	22 188	22 188	22 188	266 251	271 314	282 170
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations)	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	3 239	38 868	35 446	36 941
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	25 427	25 427	25 427	25 427	25 427	25 427	25 427	25 427	25 427	25 427	25 427	25 427	305 119	306 760	319 111
Cash Payments by Type															
Employee related costs	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(8 602)	(103 223)	(107 868)	(110 565)
Remuneration of councillors	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(1 208)	(14 499)	(15 151)	(15 530)
Finance charges	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1 240)	(1 296)	(1 328)
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(635)	(7 621)	(7 959)	(8 155)
Contracted services	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(5 738)	(68 860)	(74 258)	(78 531)
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(173)	(2 075)	(2 168)	(2 223)
Other expenditure	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(4 169)	(50 022)	(49 708)	(50 977)
Cash Payments by Type	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(20 628)	(247 540)	(258 409)	(267 309)
Other Cash Flows/Payments by Type															
Capital assets	-	-	-	-	-	-	-	-	-	-	-	(72 258)	(72 258)	(54 571)	(56 544)
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(97)	(1 159)	(1 231)	(1 262)
Total Cash Payments by Type	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(20 725)	(92 983)	(320 957)	(314 211)	(325 115)
NET INCREASE/(DECREASE) IN CASH HELD	4 702	4 702	4 702	4 702	4 702	4 702	4 702	4 702	4 702	4 702	4 702	(67 556)	(15 838)	(7 450)	(6 004)
Cash/cash equivalents at the month/year begin:	85 877	90 579	95 280	99 982	104 684	109 385	114 087	118 789	123 490	128 192	132 894	137 595	85 877	70 039	62 589
Cash/cash equivalents at the month/year end:	90 579	95 280	99 982	104 684	109 385	114 087	118 789	123 490	128 192	132 894	137 595	70 039	70 039	62 589	56 585

2.11 ANNUAL BUDGET AND SDBIP – INTERNAL DEPARTMENTS

Dr NDZ IDP is a principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

- Registration of community needs;
- Process Plan applicable to the fourth revision cycle including the following key IDP processes and deliverables:
 - ✓ Compilation of departmental business plans including key performance indicators and targets;
 - ✓ Financial planning and budgeting process;
 - ✓ Public participation process;
 - ✓ Compilation of the SDBIP, and
 - ✓ The review of the performance management and monitoring processes.

Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.12 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The table below gives an indication of the contracts that have future budgetary implications in the municipality.

SA – 33 Contracts Having Future Budgetary Implications(refer)

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
VODACOM PTY LTD			42	44	46	47	49							229
Contract 2														-
Contract 3														-
Total Operating Revenue Implication		-	42	44	46	47	49	-	-	-	-	-	-	229
Expenditure Obligation By Contract	2													
GENERAL VALUATION AND PREPARATION OF VALUATION ROLL FOR IMPLEMENTATION 1 JULY 2022				139	139									278
PROVISION OF INTERNET SERVICE FOR A PERIOD OF 3 YEARS .				17	-									17
SUPPLY, INSTALLATION AND CONFIGURATION OF ELECTRONIC DOCUMENTS AND RECORDS MANAGEMENT SYSTEM (EDRMS)				160	160									321
SUPPLY, INSTALLATION AND CONFIGURATION OF ELECTRONIC DOCUMENTS AND RECORDS MANAGEMENT SYSTEM (EDRMS)				176	176									353
PROVISION OF SECURITY SERVICES AND VIP PROTECTION FOR A PERIOD OF 36 MONTHS				17 292	17 292									34 584
SUPPLY, IMPLEMENT, CONFIGURE AND SUPPORT ICT SERVICES MANAGEMENT/ HELPDESK SYSYTEM				52	52									104
PROVISION OD ICT OFF-SITE BACKUP AND DISASTER RECOVERY SERVICES (BUSINESS CONTINUITY) AND SUPPORT				668	668									1 336
Contract 8				2	-									2
Contract 9														-
Total Operating Expenditure Implication		-	-	18 506	18 487	-	-	-	-	-	-	-	-	36 993

2.13 CAPITAL EXPENDITURE DETAILS

The following tables present details of the municipality's capital expenditure programme, firstly on new assets, secondly renewal of existing assets, and the third one upgrading of existing assets.

SA34A- Capital expenditure on new assets by asset class

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34a Capital expenditure on new assets by asset class

Annex D: KwaZulu-Natali Luma Supporting Table of the Capital Expenditure on New Assets by Asset Class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	17 929	14 742	14 742	7 640	5 900	6 048
Roads Infrastructure		-	-	-	14 729	12 181	12 181	7 640	5 900	6 048
Roads		-	-	-	13 929	11 681	11 681	5 925	4 108	4 211
Road Structures		-	-	-	-	-	-	1 215	1 269	1 301
Road Furniture		-	-	-	800	500	500	500	523	536
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	500	-	-	-	-	-
Drainage Collection		-	-	-	500	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	2 700	2 561	2 561	-	-	-
HV Switching Station		-	-	-	2 700	2 561	2 561	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
Community Assets		12 020	-	-	30 089	30 248	30 248	21 441	17 912	18 360
Community Facilities		12 020	-	-	22 573	25 361	25 361	21 418	17 889	18 336
Halls		9 804	-	-	9 239	10 942	10 942	11 418	11 932	12 230
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	10 735	12 049	12 049	4 403	4 601	4 716
Testing Stations		-	-	-	-	-	-	400	418	428
Libraries		-	-	-	300	300	300	-	-	-
Public Open Space		-	-	-	-	-	-	300	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	2 000	1 700	1 700	237	248	254
Markets		2 216	-	-	-	100	100	4 000	-	-
Taxi Ranks/Bus Terminals		-	-	-	300	270	270	560	585	600
Capital Spares		-	-	-	-	-	-	100	105	107
Sport and Recreation Facilities		-	-	-	7 516	4 887	4 887	22	23	24
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	7 516	4 887	4 887	22	23	24
Capital Spares		-	-	-	-	-	-	-	-	-
Other assets		1 691	-	-	6 215	5 106	5 106	1 907	1 993	2 043
Operational Buildings		1 691	-	-	6 215	5 106	5 106	1 907	1 993	2 043
Municipal Offices		1 691	-	-	5 915	4 834	4 834	1 907	1 993	2 043
Capital Spares		-	-	-	300	271	271	-	-	-
Intangible Assets		303	444	1 260	1 228	1 228	1 228	1 105	1 155	1 184
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		303	444	1 260	1 228	1 228	1 228	1 105	1 155	1 184
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		243	367	1 171	1 108	1 108	1 108	945	988	1 012
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		60	77	89	120	120	120	160	167	171
Computer Equipment		1 470	473	1 380	1 246	1 338	1 338	1 332	1 392	1 427
Computer Equipment		1 470	473	1 380	1 246	1 338	1 338	1 332	1 392	1 427
Furniture and Office Equipment		586	1 537	3 455	2 320	3 118	3 118	2 642	2 052	2 103
Furniture and Office Equipment		586	1 537	3 455	2 320	3 118	3 118	2 642	2 052	2 103
Machinery and Equipment		3 438	4 902	832	4 315	4 471	4 471	2 818	1 945	1 994
Machinery and Equipment		3 438	4 902	832	4 315	4 471	4 471	2 818	1 945	1 994
Transport Assets		5 342	10 625	8 331	9 765	10 733	10 733	4 785	1 576	1 616
Transport Assets		5 342	10 625	8 331	9 765	10 733	10 733	4 785	1 576	1 616
Total Capital Expenditure on new assets	1	24 849	17 981	15 257	73 107	70 984	70 984	43 670	33 925	34 773

SA34b table below indicates the budget allocated for renewal of existing assets by class.

The municipality has set out a budget to renew the gravel roads through hiring of plant hire. It can be noted that even though the repairs and maintenance budget is sitting at low % of the PPE

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	6 700	3 640	3 640	2 800	926	949
Roads Infrastructure		-	-	-	6 700	3 640	3 640	2 800	926	949
Roads		-	-	-	6 700	3 640	3 640	2 800	926	949
Road Structures		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	6 700	3 640	3 640	2 800	926	949

SA34e table below indicates the budget allocated for upgrading of existing assets by class.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	10 094	11 460	11 460	9 193	10 562	11 356
Roads Infrastructure		(382)	-	-	10 094	11 460	11 460	9 193	10 562	11 356
Roads		(382)	-	-	10 094	11 460	11 460	9 193	10 562	11 356
Road Structures		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		382	-	-	-	-	-	-	-	-
Landfill Sites		382	-	-	-	-	-	-	-	-
Community Assets		46 905	63 906	58 528	-	-	-	5 917	732	750
Community Facilities		-	-	-	-	-	-	700	732	750
Cemeteries/Crematoria		-	-	-	-	-	-	500	523	536
Public Open Space		-	-	-	-	-	-	200	209	214
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		46 905	63 906	58 528	-	-	-	5 217	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		46 905	63 906	58 528	-	-	-	5 217	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	200	209	214
Operational Buildings		-	-	-	-	-	-	200	209	214
Municipal Offices		-	-	-	-	-	-	200	209	214
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	650	550	550	492	514	527
Furniture and Office Equipment		-	-	-	650	550	550	492	514	527
Transport Assets		-	-	-	-	-	-	560	585	600
Transport Assets		-	-	-	-	-	-	560	585	600
Total Capital Expenditure on upgrading of existing assets	1	46 905	63 906	58 528	10 744	12 010	12 010	16 362	12 602	13 446

2.14 LEGISLATION COMPLIANCE STATUS

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

a. In year reporting

In year reporting to the National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

b. Internship Programmes

Internship programme – the municipality is participating in the Municipal Financial Management Internship programme and has employed five interns in the financial year. The five interns are undergoing training in various divisions of the Financial Services Department and internal auditing. Three of the interns have attended the MFMP and completed it, the other one intern has recently started MFMP classes and the fifth one is recently started the internship.

c. Budget and Treasury Office

Budget and Treasury Office has been established in accordance with the MFMA.

d. Audit Committee

An Audit Committee was established and is fully functional.

e.) Service Delivery and Budget implementation Plan

The detail SDBIP document is at a final stage and will be finalized within 28 days after approval of the 2025/26 MTREF.

f.) Annual Report

Annual Report Annual report is compiled in terms of the MFMA and National Treasury requirements.

g.) Policies

Policies The review of all budget related policies has taken place in terms of Regulation 7 of the MBRR.

h.) Budget Preparation

This Budget has been prepared in terms of section 21 of the MFMA No. 56 of 2003. The municipality has taken into consideration the macro-economic performance and projections when preparing the 2025/2026 MTREF Municipal Budget as stipulated in MFMA circular No. 130.

Table 1: Macroeconomic Performance and Projections, 2023 -2028					
Fiscal year	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
	Actual	Estimate	Forecast	Forecast	Forecast
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

2.15 OTHER SUPPORTING DOCUMENTS**Municipal regulation on the Standard Chart of Accounts (mSCOA)**

The municipality has a road map that is currently using to work towards implementing all MSCOA requirements.

2.15.1 Financial Modeling and Key Planning Drivers

As part of the compilation of the 2025/2026 MTREF, extensive financial modeling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2025/26 MTREF:

- Local Economic growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e., inflation, Eskom increases, household debt, migration patterns)

- Performance trends
- The approved 2024/2025 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor's payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 129,130 and PT/MF 13 of 2025/26 and prior circulars has been taken into consideration in the planning and prioritization process.

2.15.2 Planning, Budgeting and Reporting Cycle

The performance of Dr Nkosazana Dlamini Zuma Municipality relates direct to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The NDZ therefore has adopted one integrated performance management system which encompasses.

2.15.3 Disposal of Assets

The municipality is in the process of finalizing the list of properties to be disposed in 2025/2026.

- **Performance indicators and benchmarks**

a) Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework will be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

b) Creditors Management

Dr NDZ has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

This has had a favorable impact on supplier's perceptions of risk of doing business with Dr NDZ Municipality, which is expected to benefit the local community in the form of more competitive pricing of tenders, as suppliers compete for the Dr NDZ business

c) Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulties paying for the basic services and are registered as indigent households in terms of the Indigent Policy of the Dr Nkosazana Dlamini Zuma Municipality. Only registered indigents qualify for the free basic services.

e) Indigent Information

The decision was taken to refresh the register to ensure that the application, identification, recording, vetting and managing of indigents consumers is credible and avoids further audit findings.

We have performed the following activities in trying to achieve the policy and the abovementioned objectives:

- The municipality has implemented the following communication strategy in obtaining the information:
 - Ward committees
 - Advertisement on local news papers
 - Advertisement on municipal website
 - Notices on community noticeboards (Halls and libraries)
 - Social media platforms (Facebook, etc.)
 - Telephonic communication with ward councilors
 - Door to Door visits by revenue unit to Himeville, Bulwer, Donnybrook and Creighton locations.

- Application forms were made available and delivered to each councilor or council representative. Furthermore, forms were made available at all municipal places to business (offices and libraries)
- Provision of support during the application, collection and inspection of forms received to ensure completeness of documents.
- Telephone calls placed to applicant and requested to submit missing items

Capacity to execute projects internally

The municipality will procure additional Plants and Machinery. Funds have been set aside to procure those plant and Machineries. Labour intensive program will be phased in on small to medium renovation projects.

Electricity

R 2 million has been set aside for infills with internal funding.

Roads

The municipality currently have more than 277 roads on the PPE Register which varies in sizes of kilometres. As new roads are constructed, plans to maintain the existing roads must be implemented, hence cutting unnecessary costs and on building internal capacity is needed.

Community Halls

The municipality currently have more than 69 community halls. New two community hall will be constructed in the 2025/26 financial year, affordable maintenance and safeguarding of these assets is vital, while re-prioritisation and reconsideration of building community need to be explored.

Repairs and Maintenance

The municipality has budget of 3% on repairs and maintenance which is far below the norm of 8% of the net value of PPE. EPWP, Labour intensive approach and additional plants will complement the budget.

KZN436 Dr Nkosazana Dlamini Zuma - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Roads Infrastructure		5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Roads		-	-	-	-	-	-	-	-	-
Road Structures		5 815	7 201	9 110	7 500	7 500	7 500	6 500	6 793	6 962
Road Furniture		-	-	-	-	-	-	-	-	-
Community Assets		3 000	1 978	3 117	4 200	1 536	1 536	4 650	4 859	4 981
Community Facilities		3 000	1 978	3 117	4 200	1 536	1 536	4 650	4 859	4 981
Halls		2 706	1 924	3 117	3 900	1 386	1 386	4 500	4 703	4 820
Centres		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		295	53	-	300	150	150	150	157	161
Police		-	-	-	-	-	-	-	-	-
Other assets		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Operational Buildings		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Municipal Offices		1 145	2 981	1 708	2 000	1 400	1 400	1 900	1 986	2 035
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Computer Equipment		20	25	11	66	66	66	66	69	71
Computer Equipment		20	25	11	66	66	66	66	69	71
Machinery and Equipment		124	156	188	750	606	606	644	673	690
Machinery and Equipment		124	156	188	750	606	606	644	673	690
Transport Assets		4 491	4 014	3 674	2 771	2 911	2 911	2 425	2 534	2 597
Transport Assets		4 491	4 014	3 674	2 771	2 911	2 911	2 425	2 534	2 597
Total Repairs and Maintenance Expenditure	1	14 596	16 355	17 808	17 287	14 018	14 018	16 185	16 914	17 336

Waste Management and Cleanliness of our Towns

Dr Nkosazana Dlamini Zuma Municipality renders waste collection services to the residences, commercial and low income. Refuse bags are distributed and some are collected from the Municipal offices. Municipal fleet is used for kerbside collection, and waste is disposed at the Municipal dump sites, in areas around Underberg and Himeville waste is disposed at the Himeville transfer station. The collection from the Himeville Transfer Station is outsourced. The Municipality has installed drums which are used for each household where waste is collected, the reason for using drums is to ensure that our areas are kept clean and during unfavourable weather

conditions waste is remains clean which is beneficial to waste pickers. Waste collection schedule is as follows:

- Bulwer – on Monday, Thursday and Friday
- Donnybrook – on Tuesday and Friday
- Creighton – on Tuesday and Friday
- Hlanganani – on Monday and Thursday
- Centocow – on Tuesday and Thursday
- Underberg & Himeville Residential – on Monday
- Underberg & Himeville Business – Tuesday, Thursday and weekends
- Underberg & Himeville Low Income – Wednesday

The Municipality has Creighton waste disposal sites and Himeville Transfer Station. Bulwer waste disposal site has reached its capacity; therefore, the Municipality has obtained a closure licence for the Bulwer waste disposal site. The Municipality has plans to establish a new landfill in Bulwer, currently Environmental Authorisation has been issued for Bulwer Landfill the Municipality appointed Engineer is finalising designs for approval by the Department of Water and Sanitation.

(a.) Environmental compliance

To ensure compliance with environmental legislation, the Municipality will audit all waste disposal sites using a qualified service provider to ensure that the Municipality complies with license conditions. In addition to auditing of site the Municipality will play an active role in all projects which have been issued Environmental Authorisations to ensure that development does not have major damages to the environment.

(b.) Climate Change Adaptation and Mitigation

In compliance with Climate Change Act 2024, the Municipality will develop a plan detailing on how will they adjust with future effects of climate change. By Mitigation how will the Municipality prevent or reduce the emissions of greenhouse gases (GHG) into the atmosphere to make the impacts of climate change less severe

2.16 MUNICIPAL MANAGER'S QUALITY CERTIFICATE

Quality Certificate

I, N.C Vezi Municipal Manager of Dr Nkosazana Dlamini Zuma Local Municipality hereby certify that the Final Budget for the 2025/26 financial year and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the act and that the Final Budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: N.C Vezi

Municipal Manager of Dr Nkosazana Dlamini Zuma Municipality, KZN436

Signature: _____

Date: _____