

CORPORATE SERVICES BUSINESS UNIT

EXTRACT FROM THE UNCONFIRMED MINUTES OF THE COUNCIL MEETING HELD IN COUNCIL CHAMBER ON WEDNESDAY, 28 MAY 2025.

2025/2026 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) (3.7.P).

Report dated 22 May incorporating the recommendations of the Executive Committee.

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It was

RESOLVED

- (a) That the Tabled Budget of the Municipality for the financial year 2025/26, multi-year and single-year capital appropriations as set out in Tables A2 – A5 of the budget report dated 19 May 2025 by the Chief Financial Officer (Acting) be APPROVED as follows: -
 - (i) Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) as contained in Table A2 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
 - (ii) Budgeted Financial Performance (Revenue and Expenditure by Municipal Vote) as contained in Table A3 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
 - (iii) Budgeted Financial Performance (Revenue by Source and Expenditure by Type) as contained in Table A4 of the report dated 19 May 2025 by the Chief Financial Officer (Acting); and
 - (iv) Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
- (b) That the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets as set out in Tables A6 - A10 of the report dated 19 May 2025 by the Chief Financial Officer (Acting) be APPROVED, as follows: -
 - (i) Budgeted Financial Position as contained in Table A6 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
 - (ii) Budgeted Cash Flows as contained in Table A7 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
 - (iii) Cash Backed Reserves and Accumulated Surplus Reconciliation as contained in Table A8 of the report dated 19 May 2025 by the Chief Financial Officer

(Acting).

- (iv) Asset Management as contained in Table A9 of the report dated 19 May 2025 by the Chief Financial Officer (Acting) and
 - (v) Basic Service Delivery Measurement as contained in Table A10 of the report dated 19 May 2025 by the Chief Financial Officer (Acting).
- (c) That the proposed property rates and taxes imposed for the budget year 2025/2026 be approved as follows:

	2024/2025	2025/2026	%
	Cents in the	Cents in the	Increase
	R	R	
(i) Vacant Land - No rebate granted	0.0291	0.0297	2%
(ii) Unauthorized Use (including surcharges)	0.0500	0.0510	2%
(iii) Residential Property	0.0161	0.0164	2%
(iv) Commercial Property	0.0282	0.0288	2%
(v) Industrial Property	0.0282	0.0288	2%
(vi) Specialised Property	0.0282	0.0288	2%
(vii) Agricultural Property	0.0039	0.0040	2%
(viii) Public Service Infrastructure	0.0039	0.0040	2%
(ix) Sectional Title Garages – Separately Registered	0.0161	0.0164	2%
(x) Mining	0.0282	0.0288	2%
(xi) Public Benefit Organisations	0.0039	0.0040	2%
(xii) Additional Rebate	100%	100%	
(xiii) Public Service Property	0.0282	0.0288	2%
(xiv) Multipurpose Property			

Applicable tariff will be charged in respect of the combination of categories above.

In terms of Section 26 and 27 of the Local Government: Municipal Property Rates Act 6 of 2004, the final date by which each monthly instalment is payable, has been fixed as follows:-

INSTALMENT	FINAL DATE
15 July 2025	15 August 2025
31 July 2025	31 August 2025
15 August 2025	15 September 2025
31 August 2025	30 September 2025
15 September 2025	15 October 2025
30 September 2025 •	31 October 2025
15 October 2025	15 November 2025
31 October 2025	30 November 2025

15 November 2025	15 December 2025
30 November 2025	31 December 2025
15 December 2025	15 January 2026
31 December 2025	31 January 2026
15 January 2026	15 February 2026
31 January 2026	28 February 2026
15 February 2026	15 March 2026
28 February 2026	31 March 2026
15 March 2026	15 April 2026
31 March 2026	30 April 2026
15 April 2026	15 May 2026
30 April 2026	31 May 2026
15 May 2026	15 June 2026
31 May 2026	30 June 2026
15 June 2026	15 July 2026
30 June 2026	31 July 2026
The above is based on the multiple billing cycle.	

- (d) That effective from 1 July 2025 the Msunduzi municipal rebate be increased from R 85 000.00 to R 115 000.00 of the market value of a property assigned in the valuation roll or supplementary valuation roll only for residential properties; or for properties used for multiple purposes, provided one or more components of the property are used for residential purposes. That with effect from 1 July 2025, the proposed tariffs of charges as contained in the tariffs of charges, be APPROVED as follows: -
- (i) The tariffs for electricity
 - (ii) The tariffs for the supply of water
 - (iii) The tariffs for sanitation services
 - (iv) The tariffs for solid waste services
 - (v) The tariffs for property rates
 - (vi) The tariffs for other revenue
- (e) That the following listed budget related policies be approved in line with the Section 17(3)(e) of Municipal Finance Management Act (MFMA):-
- (i) Chain Management Policy (Incorporating Preferential Procurement)
 - (ii) Borrowings Policy
 - (iii) Petty Cash Policy
 - (iv) Supply Credit Control and Debt Collection Policy
 - (v) Rates Policy
 - (vi) Fleet Management Policy
 - (vii) Cash Management and Investment Policy
 - (viii) Virement Policy
 - (ix) Tariff Policy.
 - (x) Unauthorised, irregular or fruitless and wasteful expenditure Policy
 - (xi) Infrastructure Procurement and delivery management procedure manual

- (xii) Contract management Policy
 - (xiii) Inventory Management Policy
 - (xiv) Debts write-off Policy
 - (xv) Impairment Policy
 - (xvi) Lease Policy
 - (xvii) Grants Policy
 - (xviii) Budget Policy
 - (xix) Accounts Dispute Resolution Policy
 - (xx) Refunds Policy
 - (xxi) Customer Care Policy
 - (xxii) Impairment Policy
 - (xxiii) Indigent Policy
 - (xxiv) Assets Management Policy
 - (xxv) Insurance Policy
 - (xxvi) Cost Containment Policy
 - (xxvii) Credit Control and Debt Collection Policy
 - (xxviii) Funding and Reserves Policy
- (f) That with effect from 1 July 2025 the proposed tariffs for other sundry services as contained in the tariffs of charges be APPROVED.
- (g) That budget for Safe City (municipal entity) be part of 2025/26 municipal consolidated schedule, allocations thereof reflected on parent schedule be accordingly APPROVED.
- (h) That authority be granted to the Municipal Manager (Acting) to submit the tabled budget data strings (ORGB) and IDP data strings (PROR) into National Treasury portal.
- (i) That authority be granted to the Municipal Manager (Acting) to publish the medium-term revenue and expenditure framework 2025/26 to 2027/28 in terms of Chapter 4 of the Municipal Systems Act of 2000 (as amended).
- (j) That authority be granted to the Municipal Manager to publish the budget related policies on municipal website and in all municipal buildings to comply with chapter 4 of Municipal Systems Act of 2000 (as amended)
- (k) That the cost of water supply study be submitted to Minister of Water & Sanitation Affairs to support the 2% additional increase for water reticulation costs be APPROVED.
- (l) That the water tariff for 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) be increased by 15% taking into account the operational costs for reticulation be APPROVED.
- (m) That in order to ensure that the electricity tariffs are in line with the community concerns raised at the community consultation meetings, the electricity tariff are revised as detailed below, it is therefore recommended that Council Approves: -

- (i) The phasing in of the 15% under recovery and the application to the National Energy Regulator of South Africa (NERSA) for the under recovery increases as detailed below: -
- 2025/26 financial Year - 2,00% of this covers the under recovery
 - 2026/27 financial Year - 3,90% of this covers the under recovery
 - 2027/28 Financial Year - 3,50% of this covers the under recovery
 - 2028/29 Financial Year - 2,81% of this covers the under recovery
 - 2029/30 Financial Year - 2,79% of this covers the under recovery
- (ii) The application to National Energy Regulator of South Africa (NERSA) for tariff increases for Msunduzi Municipality for the next three (3) years be revised as detailed below, noting that NERSA has approved ESKOM's three (3) year tariff projections: -
- 2025/26 financial Year: 11,32% (Eskom tariffs increase) + 2,00% = 13,32% of this covers the under recovery.
 - 2026/27 financial Year: 5,36% (Eskom tariffs increase) + 3,90% = 9,26% of this covers the under recovery.
 - 2027/28 Financial Year: 6,19% (Eskom tariffs increase) + 3,50% = 9,69% of this covers the under recovery.
 - Noting that for the three years above - 2025/26 financial Year to 2027/28 Financial Year the under recovery would have been reduced by 9,40% indicating that the next two years the Municipality will need to recover 5,60%.

CERTIFIED A TRUE COPY

Silindile Lee Khumalo

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For DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES

29 May 2025

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