


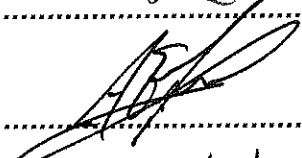


## TRAVEL SUBSISTENCE POLICY

Council Resolution No : ..... A63 .....

Date : ..... 29.05.2025 .....

Municipal Manager : .....  .....

Executive Mayor : .....  .....

Reference No : ..... 6/1/1/13 .....

Municipal Code No : ..... P-T-03.5 .....

REVIEWED 29.05.2025

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## 1. DEFINITIONS

For purpose of this Policy, the following abbreviations, words or phrases shall have the meaning assigned thereto:

***“Daily allowance”*** means the amount per day granted or advanced to a Council and/or an Official for costs related to meals and other incidental costs for each day in a period during which a Council and / or a Official is absent from his / her usual place of residence for official business. The allowance will be based on the rates as per the MFMA Circular 82 in regards to Cost Containment Measures.

***“Domestic travel”*** means travel within the borders of the Republic of South Africa;

***“Fruitless and wasteful expenditure”*** means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

***“Host”*** means the person or institution who has extended an invitation to the Overberg District Municipality to delegate a Councillor an / or official to attend an event which is regarded as official business;

***“International travel”*** means travel outside the borders of the Republic of South Africa;

***“Irregular expenditure”*** means –

- expenditure incurred by a municipality or municipal entity in contravention of/ or that is not in accordance with, a requirement of the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003) and which has not been condoned in terms of Section 170 of that Act;
- expenditure incurred by a municipality or municipal entity in contravention of/ or that is not in accordance with, a requirement of the Local Government: Municipal System Act, 2000 (Act No.32 of 2000) and which has not been condoned in terms of that Act;
- expenditure incurred by a municipality or municipal in contravention of/ or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No.20 of 1998); or
- expenditure incurred by a municipality or municipal entity in contravention of/ or that is not in accordance with, a requirement of the Supply Chain Management Policy of the municipality's, and which has not been condoned in terms of such policy but excludes expenditure by a municipality which falls within the definitions of “Unauthorized expenditure”;

***“Local travel”*** shall include within as well as outside the area of jurisdiction of Overberg District Municipality but within the borders of the Western Cape Province,

**"MFMA"** means the Local Government: Municipal Finance Management Act, 2003 (Act No.56 of 2003);

**"Municipality"** means Overberg District Municipality (ODM);

**"ODM"** means the Overberg District Municipality;

**"Official business"** for purpose of this Policy shall mean the attendance by Councillors and/ or Officials of congresses, conferences, seminars, training, meetings, workshops, etc. related to the business of Overberg District Municipality, subject thereto that such attendance has been duly authorized in terms of Overberg District Municipality's System of Delegations (as amended from time to time);

**"Out of pocket expenses"** means actual and necessary expenses incurred by a Councillor or official, which –

- (a) have been specifically authorized; or
- (b) are provided for in this policy

in connection with an official, specific or ceremonial duty which has been delegated to the Councillor or official;

**"SARS"** means the South African Revenue Services;

**"SCM Policy"** means Overberg District Municipality's Supply Chain Management Policy adopted by Council in terms of Section 111 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA).

**"SCM Regulations"** means Overberg District Municipality's Supply Chain Management Regulations promulgated in terms of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)

**"Subsistence expenses"** means expenses in respect of accommodation and/ or meals and/ or beverage (excluding alcoholic beverages), while a Councillor and/ or Official is by reason of the duties of his/ her office or employment obliged to spend at least 1 (**one**) night away from his/ her usual place of residence;

**"Transportation expenses"** shall include trips during official Overberg District Municipality business by vehicle, taxi, boat, helicopter, train, tram and aero plane and any other means, and shall include travel with personally owned vehicle;

**"Unauthorized expenditure"** means any expenditure incurred by a municipality otherwise than in accordance with Section 15 or 11(3) of the MFMA, and includes –

- (a) Overspending of the total amount appropriated in the municipality's approved budget;

- (b) Overspending of the total amount appropriated for a line item in the approved budget;
- (c) Expenditure from a line item unrelated to the department or functional area covered by the line item;
- (d) Expenditure of money appropriated for a specific purpose other than travel and subsistence under the specific vote; and
- (e) Spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation.

## **2. PURPOSE OF POLICY**

The purpose of this policy is to -

- 2.1 Regulate local, domestic and international travel with regard to official business by Councillors and/ or officials on behalf of Overberg District Municipality;
- 2.2 Clearly define travel and subsistence related expenses as set out in this Policy;
- 2.3 Set out the conditions for official business;
- 2.4 Clarify the various related processes and responsibilities.

## **3. APPLICATION**

- 3.1 This policy shall be applicable on Councillors in so far as it is not contradictory with the Remuneration of the Public Office Bearers Act, 1998 (Act No. 20 of 1998) and Regulations promulgated in terms of the said Act.
- 3.2 This Policy shall be applicable to all officials designated to attend to official business of Overberg District Municipality as well as the Officials involved in processes with regard to the execution of this Policy.

## **4. GENERAL**

- 4.1 All official business travels must contribute to Overberg District Municipality's business of developing, obtaining, or transferring of knowledge or to communicate, promote or administer Overberg District Municipality's interests.
- 4.2 The object of travelling for purpose of official business is to justify the cost and thus all official business travel and related costs must be properly motivated.
- 4.3 The object of reimbursement for official business related expenses is to cover reasonable expenses incurred as a result of attending to official business on behalf of Overberg District Municipality.

- 4.4 All official business travel must be planned thoroughly to ensure that is executed in the most efficient, effective and economic manner.
- 4.5 This Policy is positioned within the context of the South African Revenue Service (SARS) definitions, Regulations and maximum rates that can be paid with regards to travel and subsistence without incurring tax liability, as determined annually by the Minister of Finance in respect of the applicable year of assessment.

## **5. AUTHORIZATIONS AND ROLES AND RESPONSIBILITIES**

- 5.1 No Councillor and/ or official of Overberg District Municipality may go on official business without prior authorization as provided for in Overberg District Municipality's System of Delegation.
- 5.2 The authorization of appropriate officials and the roles and responsibilities of officials in respect of the processing and approval of travel and subsistence claims and advances, shall be strictly in accordance with Overberg District Municipality's System of delegations in writing by the Accounting Officer and/ or the Chief Financial Officer.
- 5.3 The procurement of goods and services required in the execution of this Policy shall be in strict compliance with the provisions of the MFMA, the SCM regulations promulgated in terms of the Act and the SCM Policy of Overberg District Municipality.
- 5.4 The municipality and travel agencies, must use the negotiated rates for flights and accommodation as communicated by National Treasury from time to time.

## **6. EXCLUDED COSTS**

The following expenses shall not be covered by Overberg District Municipality:

- 6.1 Any expenses covered by a host extending an invitation;
- 6.2 Alcohol beverages;
- 6.3 Expenses of a personal nature, such as private calls and entertainment;

## **7. INCLUDED COSTS**

### **7.1 REGISTRATION AND ATTENDANCE FEES**

Fees payable for the registration and/or attendance of official business as provided for in the definition in Clause 1 shall be covered by Overberg District Municipality.

## 7.2 ACCOMMODATION

### 7.2.1 General

- (a) No official will be entitled to overnight within the area of jurisdiction of Overberg District Municipality without the prior written authorization of the Municipal Manger or his/ her delegate.
- (b) Accommodation rates for single rooms will be applicable, unless single rooms are not available or in cases where Councillors and/or officials are accommodated in shared lodging consisting of more than 1 (one) bedroom, for which a flat rate per unit is applicable.
- (c) Accounting officers and accounting authorities must ensure that domestic accommodation expenditure do not exceed the maximum allowable rates set out in the Domestic Accommodation Rate Grid enclosed as **Annexure D** to this Treasury Instruction. The National Treasury will review the rates contained in the enclosed **Annexure D** as and when necessary.
- (d) Accounting officers and accounting authorities or delegated officials may only approve accommodation costs that exceed the amount prescribed in **Annexure D** of this Treasury Instruction –
  - during peak holiday periods; and
  - when South Africa is hosting an event in the country or in a particular geographical area that results in an abnormal increase in the number of local and/or international guests in the country or in that particular geographical area.
- (e) Accommodation will in general be arranged at the venue of the business, unless the accommodation rate is inconsistent with 7.2.2, in which case other accessible, suitable and more economical accommodation in close proximity of the venue must be arranged.
- (f) Accounting officers and accounting authorities or delegated officials must ensure that overnight accommodation for employees is limited to instances where the distance travelled by road (by the traveller) exceeds 300 kilometers to and from the destination (return journey), unless approved otherwise by the accounting officer or accounting Authority or delegated official.
- (g) Subsistence allowance for meals may not be paid to the traveller if the rate of the accommodation facility already includes dinner and/or breakfast or if the conference fee includes lunch and/or dinner.
- (h) Special dietary requirements must be considered when the most relevant accommodation option is booked. If the accommodation establishment does not have dinner facilities or does not cater for special dietary requirements, then a room excluding the meals must be booked (bed-and-breakfast or room only) and the traveller may claim subsistence for his or her meals.
- (i) The time of departure from residence or office will be used for purpose of calculating the length of absence.

- (j) Overnight approval will only be granted if the workshop/training/forum or where attendance is required starts before 9:00 the following morning. Written recommendation is required from the Head of Department for final approval from the Director or his/her delegate.
- (k) Where a Councillor and/or official stays with a relative or friend, may a subsistence allowance amount as determined in 7.3 (a) may be claimed, which will be process as a taxable allowance against the said traveller's salary.

#### **7.2.1 RATES**

Costs incurred for domestic accommodation and meals must be in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury as per the Cost Containment Measures. Travel agencies must ensure that rates for domestic accommodation are equal or lower than the rates as determined by National Treasury.

### **7.3 DAILY SUBSISTENCE ALLOWANCES FOR MEALS – DOMESTIC AND INTERNATIONAL TRAVEL**

- (a) Where a Councillor and/or an official is obliged to spend 1 (one) or more nights away from his/her usual place of residence on official business, a daily taxable subsistence allowance as amended by SARS from time to time (currently R493 per day), is payable upon return.
- (b) Instead of the taxable subsistence allowance claimed in (a), actual expenses may be claimed on return, and documentary proof shall be deemed to have been spent to defray the expenses indicated, as a reimbursement and no taxable subsistence allowance will be processed on the said traveller's salary. The maximum rates that may be claimed is determined in table I in Annexure A of MFMA Circular 97, which are follows:

Breakfast = R110  
 Lunch = R160  
 Dinner = R180

- (c) Where a councillor or an official is obliged to spend 1 (one) or more nights away from his/her usual place of residence on an international business trip, a daily subsistence taxable allowance in accordance with the amount, as determined by the South African Revenue Service, will be paid.

#### **7.3.1 ADVANCE ALLOWANCE PAYABLE**

- (a) An advance of Daily subsistence allowances may be paid to Councillors/or officials' 2 (two) working days prior to departing on official business in cases where meals are not included in the rates for accommodation, once a motivated request is submitted for approval in accordance with section 15 (2) of the Payroll Management and Administration policy



- (b) Documentary proof of actual attendance must be submitted within one (1) week after arrival to the Salary Section. If no documentary proof is received, the advance received will be deducted from his/her salary.
- (c) Once the documentation in (b) is received, the salary section will process a non-cash taxable subsistence allowance on the traveller's salary on the following payroll run

## 7.4 TRANSPORTATION EXPENSES

The cheapest mode of transport as determined with the discretion of Overberg District Municipality will be explored. The following expenses with regards to transportation will be payable by Overberg District Municipality:

### 7.4.1 AIR TRAVEL

- (a) The Accounting Officer may only approve the purchase of economy class tickets for officials regardless the flying time for a flight.
- (b) The municipality, travel agencies and/or TMC's must ensure that the discounted air fares for government employee as negotiated by National Treasury in terms of the cost containment measures are used.
- (c) The most economical airline tickets available on the date of booking will be selected and in regard, tickets will be booked as far as possible in advance in order to acquire the benefit of economical bookings – **late bookings** at a non-economical rate must be properly motivated before such ticket may be booked.
- (d) Councillors and/or officials will depart and return on flight(s) as originally booked and may only depart or return on any flight if there is no additional cost implication of any kind; provided that if special and/or urgent circumstances prevail, the Accounting Officer or his/her delegate may authorize a deviation from this condition, failing which any additional costs related to the cancellation of airline tickets and/or changing of flights, or in cases where the Councillor and/or official does not show up for his/her booked flight, will be regarded as fruitless and/or wasteful expenditure as contemplated in the MFMA and will be referred to Council and depending on the outcome, will be recovered by Overberg District Municipality from the salary of the Councillor and/or official concerned.
- (e) In case where air travel is the most appropriate means of transport and an official, prefers to travel in a privately owned vehicle he/she will be reimbursed the equivalent of the avoided airline ticket cost, being the most economical and practical means of transport; on condition that such an official may not claim for additional accommodation, meals and/or refreshments for a longer period than would have been applicable in the case of air travel.

#### **7.4.2 CAR RENTAL**

(a) Officials of the municipality must:

- i. utilize the municipal fleet, where viable, before incurring costs to hire vehicles;
- ii. make use of a shuttle service if the cost of such a service provider is lower than the cost of hiring a vehicle or the cost kilometres claimable by the employee.

(b) Class B rates car rental will be payable by Overberg District Municipality in cases where a car rental is the appropriate means of transport, unless this class is not appropriate under the circumstances, but with prior approval by the Municipal Manager.

##### **1. Privately owned vehicles**

Where privately owned vehicles are utilized by Councillors and/or official travel inside the jurisdiction area of Overberg District Municipality, Councillors and/or officials shall be reimbursed as follows –

- **Section 57 Appointees**

Section 57 Appointees of Overberg District Municipality delegated to attend Official business, may only claim reimbursement for official distances in a particular month in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles, subject thereto that a logbook per month, must be kept for purposes of determining official distances travelled per month.

- **Councillors and other officials**

Councillors and Officials, on the transport allowance scheme may submit claims on a monthly basis in respect of official business travel undertaken (actual distance travelled) in their privately owned vehicle in accordance with the applicable transport allowance scheme. All other officials will be reimbursed according to the essential scheme fixed and variable tariffs subject to prior authorization by the Municipal Manager.

##### **2. Parking and toll fees, bus and taxi fares**

Councillors and/or officials will be entitled to reimbursement of all parking and toll fees as well as bus and taxi fares upon submission of a duly completed claim together with proof of expenditure in this regard to the Accounting Officer or his/her delegate.

##### **3. Other travel- related expenses**

The Overberg District Municipality shall cover the following other travel-related expenses with regard to official business –

- **Passport and visa expenses**

Councillors and/or officials will be entitled to reimbursement of all passport and visa expenses upon submission of a duly completed claim form together with proof of expenditure in this regard to the Accounting Officer or his/her delegate.

➤ **Medical Costs**

The following shall be applicable with regards to medical costs incurred during official business:

- **International travel**

The Overberg District Municipality shall bear the costs of medical insurance required by international countries prior to travel at the country of destination but will not be liable for additional medical expense not covered by the medical insurance. The insurance cover is only for the period that a Councillor and /or Official is/are away from home on a trip relating to official business; councillor and official must inform their Medical Scheme before travelling abroad.

## **7.5 OUT OF POCKET EXPENSES**

Councillors and officials will be reimbursed for actual and necessary out of pocket expenses (except travel and laundry costs), subject thereto that detailed proof of expenditure is submitted with the claim for reimbursement – the Accounting Officer may request that the Councillor or official motivates the necessity of expenditure.

## **5. REPORTS**

A comprehensive exposition regarding –

- The nature and reasons for official business travel;
- Outcome and benefits derived; and
- Expenses incurred

Of all international official travel must be reported to the Mayoral Committee at the first meeting after the date of return.

## **9. EFFECTIVE DATE**

This policy shall come into effect on 1 July 2025 .



## EXTRACT FROM THE COUNCIL MINUTES HELD ON 29 MAY 2025

Item A63. 29.05.2025

### MTREF BUDGET: 2025-2026 TO 2027/2028 OPERATING AND CAPITAL BUDGET, IDP AND POLICY DOCUMENTS

S Stanley: Chief Financial Officer

(Ref.:6/1/1/B & 6/1/1/1)

#### PURPOSE

The purpose of the report is to submit the Final budget for 2025/2026 MTREF to Council for consideration of approval.

#### BACKGROUND

In terms of section 16 of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) Council must approve an annual budget before the start of the financial year.

#### LEGAL FRAMEWORK

The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:

##### Municipal budgets

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

##### Contents of annual budgets and supporting documentation

16. (1) An annual budget of a municipality must be a schedule in the prescribed format—

- (a) setting out realistically anticipated revenue for the budget year from each revenue source;
- (b) -appropriating expenditure for the budget year under the different votes of the municipality;
- (c) setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
- (d) setting out—
  - (i) estimated revenue and expenditure by vote for the current year; and
  - (ii) actual revenue and expenditure by vote for the financial year preceding the current year; and

- (e) a statement containing any other information required by section 215(3) of the Constitution or as may be prescribed.
- (2) An annual budget must generally be divided into a capital and an operating budget in accordance with international best practice, as may be prescribed.
- (3) When an annual budget is tabled in terms of section 16(2), it must be accompanied by the following documents:
  - (a) Draft resolutions—
    - (i) approving the budget of the municipality;
    - (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and
    - (iii) approving any other matter that may be prescribed;
  - (b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;
  - (c) a projection of cash flow for the budget year by revenue source, broken down per month;
  - (d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;
  - (e) any proposed amendments to the budget-related policies of the municipality;
  - (f) particulars of the municipality's investments;
  - (g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;
  - (h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;
  - (i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;
  - (j) particulars of any proposed allocations or grants by the municipality to—
    - (i) other municipalities;
    - (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;
    - (iii) any other organs of state;
    - (iv) any organisations or bodies referred to in section 67(1);
  - (k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of—
    - (i) each political office-bearer of the municipality;
    - (ii) councillors of the municipality; and
    - (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;
  - (l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of—
    - (i) each member of the entity's board of directors; and

- (ii) the chief executive officer and each senior manager of the entity; and
- (m) any other supporting documentation as may be prescribed.

**22. Publication of annual budgets —**

(1) Immediately after an annual budget is tabled in a municipal council, the accounting officer of the municipality must—

- (a) in accordance with Chapter 4 of the Municipal Systems Act—
  - (i) make public the annual budget and the documents referred to in section 17(3); and
  - (ii) invite the local community to submit representations in connection with the budget; and
- (b) submit the annual budget—
  - (i) in both printed and electronic formats to the National Treasury and the relevant provincial treasury; and
  - (ii) in either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget.

**23. Consultations on tabled budgets —**

- (1) When the annual budget has been tabled, the municipal council must consider any views of—
  - (a) the local community; and
  - (b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity—
  - (a) to respond to the submissions; and
  - (b) if necessary, to revise the budget and table amendments for consideration by the council.
- (3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget and to hold public hearings.
- (4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.



## COMMENTS

The draft 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) report inclusive of the budget schedules have been tabled to Council on the 31 March 2025. The budget documentation has been compiled in terms of the Municipal Budgeting and

Reporting Regulations (MBRR). After tabling of the budget, a notice has been placed in the local newspapers to invite the public/community to submit comments on the draft/taled budget. The due date for the submission of these comments was 26 April 2025.

### Input from Provincial Treasury

The Provincial Treasury as part of their legislative oversight and support function also engage the municipality on the tabled budget as part of the Public participation process. A formal engagement with the municipality was held on the 5<sup>th</sup> of May 2025 whereby the assessment report was tabled and discussed as part of this oversight functions. This engagement is classified as the SIME / LGMTECT engagement, and the Provincial departments issue a formal report to the municipality for considering as part of the final budget compilation process.

The following aspects were highlighted by the Province Treasury and herewith the issues raised as well as the respective response from ODM Management :

#### **The Municipality's budget reflects funded.**

- (a) The Municipality tabled an operating surplus budget over the 2025/26 MTREF period including the Capital grant transfers received. A surplus budget should reflect before the Capital grants are considered. As a district municipality, the Municipality has limited revenue sources, but great effort is noted in identifying additional revenue sources. Tariffs are proposed slightly above inflation and may influence the revenue growth assumptions.
- (b) The Municipality's tabled budget is funded over the 2025/26 MTREF, however sacrifices were required, suggesting that the Municipality is compliant with section 18 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA).
- (c) Over the last few financial years, the municipality has shown great resilience to remain financially stable under exceptionally uncertain economic conditions. The Municipality's continued success depends on its ability to recognise when to adapt and adjust plans during any uncertainty. The Municipality is encouraged to continue with ongoing assessments of assumptions to ensure that revenue, expenditure projections and policy decisions to be accurately informed over the MTREF. It should be noted that based on the prior year audited outcomes, the Municipality has reported deficit budgets but managed to achieve operating surpluses in prior financial years.
- (d) It is clear from the budgetary allocation to the strategic goals that the bulk of the 2025/26 MTREF allocation is focused toward SG1 'To ensure the health and safety of all in the Overberg through the provision of efficient basic services and infrastructure'. This SG incorporates many of the functional work areas, including waste

management, municipal health services (including water quality monitoring, food control, health surveillance), environmental management services (including coastal and catchment management, solid waste management, spatial planning), emergency (fire) services and roads. This SG comprises of an operating budget allocation of R215.618 million (70.28 per cent of total Operational expenditures) and a capital allocation of R13.008 million (87 per cent of total Capital expenditures) in 2025/26.

- (e) The District has allocated R22.648 million towards its municipal health function (operating budget) and as well as a capital budget allocation of R1.87 million (furniture and office equipment) in 2025/26. The municipal health operating budget allocation in the 2025/26 financial amounts to R23.806 million.
- (f) The road allocation for the 2025/26 financial year amounts to R131.694 million or a sizeable 43 per cent of the District's total operating budget.
- (g) The District has allocated a total operating budget of R46.060 million to the provision of fire-fighting services for 2025/26.
- (h) For 2025/26, the District has allocated R22.250 million of its operational expenditure budget to 'Recreational facilities'; the capital allocation for LED, tourism, resorts and EPWP for the same year totals R250 000,
- (i) Firefighting and health services remain an essential part of the Municipality's service delivery to its community, however huge deficits are incurred in the process of providing these services. The Municipality must identify efficiencies within these functions to minimise the cost and negative financial impact. The respective equitable share allocation in the community service component will be allocated proportionally to each service and combined with the revenue for own sources, it will reflect the shortfall in rendering the service.
- (j) The Municipality is reliant on own funding to contribute to capital budget and must consider the return on investment to ensure ongoing sustainability. The main fiscal challenge facing the Municipality is the limited revenue base and the identification of revenue opportunities within a cost-efficient governance model of service delivery. Balancing affordability and increasing spending demands is key to maintain a healthy funding position with active contributions to the capital replacement reserve fund.
- (k) The liquidity ratios of the Municipality indicate that the Municipality can take care of their financial commitments.
- (l) The budget data strings over the MTREF period indicates that the Municipality is not exposed to a liquidity risk.



**Comments received from the public on the proposed tariff increases at the municipal resorts (semi-permanent).**

A total of 180 objections were received on the advertised budget and tariffs on the Uilenkraalsmond resort's rental of plots.

The administration analyses and review the comments and a outcome decision was taken to reduce the proposed tariff. This was done based on the affordability of the tariffs as per input received.

Other necessary amendments based on changed assumptions and additions were made in the 2025/26 budget document, as proposed, and tabled to the Budget Steering Committee for consideration on 19 May 2025.

The 2025/26 Medium Term Revenue and Expenditure Framework (MTREF) report, inclusive of the budget schedules, which are compiled in terms of the Municipal Budgeting Reporting Regulations (MBRR), will be distributed prior to the Council meeting of 29 May 2025.

**RESOLVED:** (Proposed by Ald. A Franken and seconded by Ald. H Coetzee)

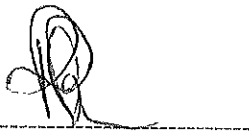
- 1) The consolidated budget of **R306 811 902**, consisting of an **Operating budget of R306 766 992** (resulting in a **surplus R 544 909** after tariff increases). Capital transfers amounts to R500 000 in addition, and a **Capital budget of R14 877 500** and budgeted cash flows, as set out in the Municipal Budget is adopted and approved by Council and that it constitutes the Budget of the Council for 2025/2026 financial year as well as the medium term (indicative) budgets for the 2026/2027 and 2027/2028 financial years.
- 2) The tariffs as per tariff list was approved per attached schedules to the budget document.
- 3) That all other matters prescribed in sections 17(1) (a-e); 17(2) and 17(3) (a-m) of the Municipal Finance Management Act 56 of 2003, are included and that accompany the budget document, is approved.
- 4) That all grant allocations in the 2025 Division of Revenue Bill published on 21 May 2025, are included in the 2025/26 MTREF budget.
- 5) That the measurable performance objectives for 2025/2026 for operating revenue by source and by vote, is approved.
- 6) Cognisance was taken that the final budget information may be reviewed and updated with the final report distributed, in the event that changes are communicated to the municipality via Provincial and National DORA allocations.

- 7) That the following budget related policies are approved as unchanged or reviewed/amended.

No	Detail	Unchanged	Reviewed
(i)	Asset Management Policy	X	
(ii)	Credit Control and Debt Collection Policy	X	
(iii)	Bad debt provision Policy	X	
(iv)	Bad debt write-off Policy	X	
(v)	Cash Management and Investment Policy	X	
(vi)	Tariff Policy	X	
(vii)	Supply Chain Management Policy		X
(viii)	Virement Policy	X	
(ix)	Borrowing Policy	X	
(x)	Funding and Reserves Policy	X	
(xi)	Budget Policy	X	
(xii)	Customer Care Policy	X	
(xiii)	Demand Management Policy	X	
(xiv)	Infrastructure investment and Capital projects Policy	X	
(xv)	Liquidity Policy	X	
(xvi)	Long term Financial Planning Policy	X	
(xvii)	Management and Admin of Immovable Assets Policy	X	
(xviii)	Payroll Management and Administration Policy	X	
(xix)	Preferential Procurement Policy	X	
(xx)	Cost containment Policy	X	
(xxi)	Travelling and Subsistence Policy	X	

That the budget summary document, as presented to Council, be included as part of the budget documentation of the items tabled to Council.

**CERTIFIED A TRUE EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON 29 MAY 2025.**



**R BOSMAN  
MUNICIPAL MANAGER**