2026/2027

IDP AND BUDGET DOCUMENTS

ANNEXURE B

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK

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Abbreviations and Acronyms

AARTO	Administrative Adjudication of Road Traffic Offences	L	Litre
AGSA	Auditor-General South Africa	CDP	Community Development Project
ARS	Application Rationalisation Strategy	M&E	Monitoring and Evaluation
		MBRR	Municipal Budget and Reporting Regulations
BSC	Budget Steering Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act
CBO	Community Based Organisation	MHDP	Municipal Housing Development Plan
CBP	Community Based Projects	MIG	Municipal Infrastructure Grant
CCA	Customer Care Areas	MMC	Member of Mayoral Committee
CCC	Customer Care Centres	MOU	Memorandum of Understanding
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
CIF	Capital Investment Framework	MSA	Municipal Systems Act
CIPC	Companies and Intellectual Property Commission	MSDF	Metropolitan Spatial Development Framework
CITP	Comprehensive Integrated Transport Plan	MTEF	Medium-term Expenditure Framework (National and Provincial Government Spheres)
CM	City Manager	MTREF	Medium-term Revenue and Expenditure Framework (Local Government Sphere)
		MVRA/ DLTC	Motor Vehicle Registering Authority / Driver's Licensing Testing Centre
COO	Chief Operating Officer	NDP	National Development Plan
CPI	Consumer Price Index	NDPG	Neighbourhood Development Programme Grant
CPIX	Consumer Price Index excluding mortgage costs	NERSA	National Energy Regulator South Africa
CRM	Customer Relations Management	NGO	Non-Governmental Organisations
CSIR	Council of Scientific and Industrial Research	NKPIs	National Key Performance Indicators
DCS	Digital City Systems	NOC	Network Operation Centre
DEMS	Disaster and Emergency Management Services	NSDP	National Spatial Development Perspective
DMTN	Domestic Medium-term Note	NT	National Treasury
DORA	Division of Revenue Act	NUSP	National Upgrading Support Programme
EDC	Ekurhuleni Development Company	OHS	Occupational Health and Safety

EHC	Ekurhuleni Housing Company	OPCA	Operation Clean Audit
EE	Employment Equity	OPM	Organisational Performance Management
EIA	Environmental Impact Assessment	PBO	Public Benefit Organisations
EM	Executive Mayor	PDI	Previously Disadvantaged Individuals
EMIS	Engineering Management Information System	PHC	Provincial Health Care
CoE	City of Ekurhuleni	PMO	Project Management Office
EMPD	Ekurhuleni Metro Police Department	PMS	Performance Management System
EPWP	Expanded Public Works Programme	PPE	Property Plant and Equipment
ERM	Environmental Resource Management	PPI	Producer Price Index
ERP	Enterprise Resource Planning	PPP	Public Private Partnership
FBE	Free basic electricity	PRASA	Passenger Rail Agency of South Africa
FBS	Free basic services	PSI	Public Services Infrastructure
GAMAP	Generally Accepted Municipal Accounting Practice	PTNG	Public Transport Network Grant
GDP	Gross domestic product	RFP	Request for Proposal
GDS	Growth and Development Strategy	RG	Restructuring Grant
GFS	Government Financial Statistics	R&M	Repair & Maintenance
GGDS	Gauteng Growth and Development Strategy	RMEP	Revenue Management
GPG	Gauteng Provincial Government	RMTC	Road Management Traffic Corporation
GRAP	General Recognised Accounting Practice	RSDF	Regional Spatial Development Framework
HR	Human Resources	SALGA	South African Local Government Association
HSDG	Human Settlement Development Grant	SAMSA	South African Maritime Safety Authority
HSDP	Human Settlement Development Plan	SAPS	South African Police Services
IBALCO	IDP Budget Asset and Liability Committee	SCOA	Standard Chart of Accounts
IBT	Inclining Block Tariff	SDBIP	Service Delivery Budget Implementation Plan
ICT	Information Communication Technology	SHRA	Social Housing Regulatory Authority
IDP	Integrated Development Strategy	SIP	Strategic Implementation Plan
IMS	Intelligent Metering Systems	SMME	Small Micro and Medium Enterprises

SRAC	Sports, Recreation, Arts and Culture	kWh	kilowatt hour
IR	Institutional Review	STS	Standard Transfer Specification
IRPTN	Integrated Rapid Public Transport Network	UCC	Unified Command Centre
IT	Information Technology	USDG	Urban Settlement Development Grant
KPA	Key Performance Area	VAT	Value Added Tax
KPI	Key Performance Indicator	WMS	Waste Management Services

Part 1 – Annual Budget

1.1 Mayors Report

We reaffirm our commitment to building ***'A Responsive City Working with Agility to Restore Service Delivery to the People'*.** Ours is an agenda that is anchored on fast-tracking service delivery with the sole aim to uplift the living conditions of all in Ekurhuleni.

We are resolute that we cannot afford to conduct business as usual while our people struggle with unreliable water supply, inadequate sanitation, and deteriorating infrastructure. The time for renewal is now!

In this regard, we have:

- **Strengthened governance structures** to ensure financial prudence and effective service delivery;
- **Enhanced public participation** by ensuring that every voice is heard in decision-making through our Mayoral Izimbizo and Mayoral Outreach programmes; and
- Tightened our consequence management processes in order to **Hold officials accountable** to eliminate inefficiency and maladministration in our administration.

We view **preserving good and ethical governance as** the foundation upon which all progress is built. If we fail in governance, we fail in service delivery. We must lead with integrity, hold ourselves accountable, and ensure that every decision we take benefits the people of Ekurhuleni.

Rebuilding a strong financial base to support the city's development, conducting essential repairs and maintenance of public facilities; and investment on critical infrastructure in partnership with the private sector, are not negotiable for us.

As an administration, we appreciate that performance is not just about targets, it is about the lived realities of our communities and the quality of services we provide every day.

We continue to strengthen our intervention to improve efficiencies and ensure that our service delivery commitments translate into tangible benefits for all residents of Ekurhuleni. While this signifies gradual progress, we acknowledge that more work remains to be done to meet and exceed the expectations of our residents.

The future of Ekurhuleni hinges on our ability to attract investment, create jobs, and modernise our infrastructure. Our administration is committed to unlocking new funding streams by partnering with the private sector.

Ekurhuleni is an economic powerhouse with vast potential. However, unemployment remains unacceptably high, particularly among the youth. Economic development must be at the centre of our policies, driving job creation and inclusive growth.

We are an administration that has embraced the opportunity to unlock economic potential, and this is being done through:

- Facilitating access to well-located land for housing, ensuring dignified living conditions for all;
- Supporting emerging farmers and entrepreneurs by allocating land for productive use, fostering economic growth;
- Revitalising township economies by ensuring that businesses and cooperatives have access to commercial land; and
- Formalising informal settlements to provide security of tenure and access to basic services.

Together we remain steadfast in our quest to build a city that works, a government that delivers, and a future that inspires. Ekurhuleni is renewing itself as **Africa's Gateway to Opportunity!**

Yours in Governance

Alderman Nkosindiphile Xhakaza
Executive Mayor

1.2 Council Resolutions

On **28th May,** the Executive Mayor tables to the City of Ekurhuleni's Council the 2026/27 MTREF in terms of section 16(2) of the MFMA. The Council will consider the following resolutions:

1. That the Council of the City of Ekurhuleni, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), APPROVES and ADOPTS the Medium-Term Revenue and Expenditure Framework for 2026/2027 to 2028/2029 as contained in **Annexure B**.

That the following tables as contained in this document, **BE APPROVED:**

1.1 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in **Table 20 on page 68;**

1.2 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in **Table 21 on page 71**;

1.3 Consolidated Budgeted Financial Performance (revenue by source and expenditure by type) as contained in **Table 23 on page 74**; and

1.4 multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in **Table 24 on page 77**.

1.5 Consolidated Budgeted Financial Position in **Table 25 on Page 81**

1.6 Consolidated Budgeted Financial Cash Flow statement as contained in **Table 26 on Page 84**

2. That **Council ADOPT** the City of Ekurhuleni's Amended IDP for 2022/23 – 2026/27 as contained in **Annexure A.**

3. That **Council APPROVE** the City of Ekurhuleni's 2026/2027 IDP Outcome Performance indicators for the Metro Trading Services Reform as contained in **Annexure A1.**

4. That **Council**, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003), **APPROVE** and **ADOPT** the **Capital Budget per ward for 2026/27 to 2028/29** as contained in **Annexure C and Annexure C1** (Metro Trading Services Reform Capital Budget (Project List) per ward).

5. That **Council APPROVE** the amended **Policies** and **By-Laws** as contained in **Annexure E** to guide the implementation of the municipality's annual budget.

6. That the Council City of Ekurhuleni, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) **APPROVES and ADOPTS** with effect from 1 July 2026 the Tariffs for all services, as set out in the various tariff schedules as contained in **Annexure F.**

7. That **Council APPROVE** the amended **Service Level Standards** as contained in **Annexure G.**

8. **That** authority **BE GRANTED** to the City Manager and the Group Chief Financial Officer to negotiate a bridging finance to a maximum amount of **R500 million** (**five hundred million rand)**, in respect of bank overdraft facilities and/or the raising of short-term loans, including loans at call from Council's bankers, for the financial year ending 30 June 2027 in order to finance temporarily (within a period of one year) –

- Expenditure on the Capital Budget; or
- Expenditure on the Operating Budget incurred in anticipation of the receipt of revenue estimated and from which the expenditure would have been defrayed.

1.3 Executive Summary

Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner, which is consistent with its IDP. This includes the compilation of the Medium-term Revenue and Expenditure Framework.

The City's GDS and IDP are its principal strategic planning instruments, which directly guide and inform its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation, which directly informs the Service Delivery and Budget Implementation Plan.

The compilation of the 2026/2027 budget started 10 months before the beginning of the financial year, when the report regarding the key deadlines was approved by Council on the 31 July 2025 item A-Corp (44-2025) as required by Section 21(b) of the MFMA.

Several factors were taken into consideration in the compilation of this MTREF, including but not limited to:

- The Division of Revenue Bill tabled by the national Minister of Finance on the 25^{th} February 2026.
- Gauteng Province 2026/27 gazetted allocations released on the 6^{th} May 2026;
- 2026.The City of Ekurhuleni Growth and Development Strategy
- The City of Ekurhuleni Long Term Funding Strategy;
- Guidelines from National Treasury contained in latest Budget Circulars; and
- Proposed tariff increases from Rand Water and ERWAT and NERSA indicative tariffs.

Furthermore, the construction of the budget acknowledged the following challenging areas:

- Financial Stability, characterised by the lack of optimal collection, revenue leakages and weak liquidity position,
- Ineffective Expenditure Management associated with inadequate expenditure control, uneconomical procurement, vulnerability to invalid expenditure and the lack of proper provision for essential expenditure,
- Overwhelming needs against limited budget resources, which if there is no clarity of prioritisation may lead to unsatisfactory delivery,
- The constraint to properly support the City's Development, impeding on investment and growth in the City's economy and,
- The current economic realities associated with affordability and the cost-of-living challenges.

Considering the above, this budget is designed to consolidate and accelerate basic services, particularly water, sanitation, waste collection, and electricity, with a strong focus on upscaling repairs and maintenance, reducing outsourcing, and protecting critical infrastructure. The implementation thereof will prioritise revenue collection, revenue protection and revenue expansion.

The budget further prioritises prudent spending on core services and ensuring value for money. Expenditure management will focus on strengthening internal capacity rather than relying on contracted services, implementing cost-containment measures, and ensuring that repairs and maintenance is in line with National Treasury's 8% target of Property, Plant and Equipment (PPE), with a moratorium on non-core goods and services. Furthermore, the draft budget emphasises investment in infrastructure to support economic growth and enhance the City's ability to attract investment.

The budget continues to give effect to the objective of ensuring a responsive city that is working with agility to improve operational efficiency and restore service delivery to the people, and this is anchored on the below six key strategic pillars as pronounced by the Executive Mayor during the 2026 State of the City Address:

1. Provision of quality and sustainable services to all residents.
2. Rebuilding of a strong financial base to support the city's development.
3. Conducting of essential repairs and maintenance of public facilities.
4. Investment into critical infrastructure in partnership with the private sector.
5. Economic development growth and job creation with a special focus on the Aerotropolis. and revitalisation of the manufacturing sector.
   Preserving Good and Ethical governance

The Growth and Development Strategy 2055 [GDS 2055] continues to be our strategic path and to which the budget construction is cognisance of, including the pursuit of flagship projects with a strong emphasis on Public Private Partnership.

The 2026/27 revenue and expenditure figures were arrived at after deliberations between Finance Department and the Senior Management Team (SMT) as well as the Budget Steering Committee (BSC) inclusive of the strategic planning of the Mayoral Committee. The two outer year figures are based on the outcome of these deliberations as well as application of tariff increases and CPI.

With the compilation of the 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF), each department/function had to review its business planning processes taking into account their individual departmental strategies. Business planning links back to priority needs and master planning, and essentially inform the detail operating budget appropriations and three-year capital programme. These deliberations culminated in this budget.

As mentioned above, the City's Long Term Funding Strategy (the Strategy) is one of the strategic documents that guided this budget. One of the elements of the Strategy is to provide limits to the funding mix of both operating and capital budgets. The funding limits are on external borrowings and internal sources. Grants from national and provincial government are excluded as they are determined outside the control of the city.

The MFMA Circulars 134 issued in March 2026,provide guidance to municipalities and their entities on the preparation of their 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). Some of the guidance provided in the Circulars is highlighted below.

- GDP growth is expected to average 1.8 per cent from 2026 to 2028. This is an increase from growth of 1.4 per cent projected in the 2025 MTBPS. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.
- Consumer price inflation is projected to average 3.2 per cent in 2025/26, increasing moderately to 3.4 per cent in 2026/27. The slight uptick in inflation reflects the anticipated impact of the value-added tax (VAT) increase, which is expected to exert upward pressure on consumer prices.
- Inflation is forecast to ease to 3.3 per cent in 2027 and 3.2 per cent in 2028, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated
- Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.
- The City's economy, which is largely logistics and manufacturing, has been hard hit by the decline in the economy;
- The increase in unemployment, the prevailing high cost of living and the challenge of the economy to create jobs, affecting households' ability to pay for services.

MFMA Circular 134 showed the CPI projections as follows:

Fiscal year	2024/25 (Actual)	2025/26 (Estimate)	2026/27 (Forecast)	2027/28 (Forecast)	2028/29 (Forecast)
CPI Inflation	4.4%	3.2%	3.4%	3.3%	3.2%

1.3.1 Key Aspects of the Budget

Assessment rates are proposed to increase by **1.5% for the 2026/2027 financial year** lower than the CPI, following the community inputs on affordability concerns. This is aligned with the City 's objective of maintaining a balance between ensuring financial sustainability and limiting the financial burden on residents and businesses.

A water tariff increase of 11% is proposed for the **2026/2027** financial year. The City is subsidising the increase in operational costs such as water reticulation and overhead costs

Sanitation - The cost of sewer purification rendered by ERWAT is proposed to increase **by 8.35%** due to increases in prices of chemicals, lab our costs, CPI and demand for the maintenance of the sanitation networks. CoE is proposing to increase sanitation **tariff with 8.35%.**

Refuse removal tariff increase is proposed at **3.4%**. This is largely based on the increase of the main cost drivers of the service. Efforts to optimise operational efficiency, improve cost management, and strengthen revenue collection will continue to be implemented to mitigate the impact of rising costs on residents.

Electricity -The city is proposing a tariff increase of **8.76%-9.01%** for electricity services subject to NERSA guidelines.

Sundry tariffs increases are in line with the CPI rate of **3.4%.**

The financial sustainability of the **2026/2027 MTREF** is largely dependent on the collection level of billed income. Provision is made for a **collection level of 90%**. To achieve this collection, the CoE is implementing more robust credit control measures, develop new strategies to bill properties that remain unbilled, reduction of Electricity Losses and water Losses; and optimise existing revenue base and continue to implement the revenue enhancement strategy. This latter project is in progress and subjected to monitoring and valuation.

Over and above the targeted collection levels, the implementation of the approved Revenue Enhancement Strategies forms part of the City's Financial Sustainability Action Plan. These strategies are expected to generate additional revenue of **R800 million**, with associated implementation costs amounting to **R210 million**, resulting in a projected **net contribution of R590 million**.

In terms of Council's social commitment to assist the poorer communities in the City, provision was also made for the **supply of free basic services and social contributions** to deserving households.

All residential owners will **continue to receive assessment rate exemption on the value of their homes. The first R150 000 is exempted for assessment rates**. Various other grants on assessment rates, such as pensioners' rebate, rebate to low-income people, properties zoned for religious purposes, will continue in the new year.

Free basic services to deemed and registered indigents households is aligned to national legislation at 6kl for water and sanitation, and electricity at 50kWh per month. **Registered indigents** household will receive **additional free 4kl** for water and sanitation.

The impact of the above tariff increases on households is estimated to vary between 10.2% and 11.5%, as set out in Table 15 MBRR Table SA14 – household bills on page 56.

The repairs and maintenance expenditure has increased to **8.4% (R4.6b**) as a percentage of Property, Plant and Equipment, the 2025/26 financial year, was **6.9% or (R3.8b).** This reflects the City's continued commitment to preserving and extending the useful life of its asset base through enhanced maintenance interventions.

Table 1 Consolidated Operating Budget Summary

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> CONSOLIDATED						
Exchange Revenue						
Service charges - Electricity	27,521,064,643	20,714,451,240	75%	29,338,710,631	31,959,050,266	34,814,830,890
Service charges - Water	7,902,782,004	7,403,882,893	94%	8,772,088,024	9,995,191,215	11,389,517,386
Service charges - Waste Water Management	5,381,631,041	4,009,531,277	75%	5,858,282,797	6,417,043,655	7,029,281,467
Service charges - Waste Management	1,778,880,938	1,354,804,420	76%	1,871,443,341	1,986,325,350	2,103,559,503
Sale of Goods and Rendering of Services	161,522,348	132,403,569	82%	960,852,372	162,932,407	164,897,909
Agency services	348,280,865	289,636,458	83%	364,301,838	364,301,838	364,301,838
Interest earned from Receivables	1,325,692,893	1,267,225,942	96%	1,327,257,513	1,328,117,094	1,328,897,112
Interest earned from Current and Non Current	128,664,582	108,133,111	84%	144,304,800	144,919,700	145,570,299
Dividends	-	(75,709)	100.00%	-	-	-
Rent on Land	-	28,517	100.00%	-	-	-
Rental from Fixed Assets	173,843,993	136,946,416	79%	182,096,393	188,573,732	195,089,585
Development Charges	145,702,235	67,145,219	46%	58,412,785	58,412,785	58,412,785
Operational Revenue	37,475,107	35,631,733	95%	31,984,442	31,991,351	31,997,613
Non-Exchange Revenue						
Property rates	10,833,546,224	8,837,741,690	82%	11,158,552,611	11,526,784,844	11,895,641,957
Fines, penalties and forfeits	418,041,378	226,196,655	54%	530,389,022	530,389,022	530,389,022
Transfers and subsidies - Operational	7,103,334,095	6,497,975,909	91%	7,290,361,879	7,681,630,191	7,820,772,099
Interest	389,778,899	383,374,440	98%	313,196,669	313,196,669	313,196,669
Fuel Levy	1,795,381,000	1,795,381,000	100%	1,791,959,000	1,798,918,000	1,788,268,000
Operational Revenue-	879,757,619	782,632,956	89%	957,925,001	989,536,525	1,021,201,694
Other Gains	-	68,299	100.00%	-	-	-
Total Revenue (excluding capital transfers and contributions)	**66,325,379,864**	**54,043,116,035**	**81%**	**70,952,119,118**	**75,477,314,644**	**80,995,825,828**
Expenditure By Type						
Employee related costs	13,105,664,986	10,203,341,159	78%	14,307,463,011	15,031,630,832	15,813,392,860
Remuneration of councillors	177,669,114	141,594,145	80%	169,480,136	175,072,981	180,675,325
Bulk purchases - electricity	22,646,142,157	19,146,934,110	85%	24,357,193,816	26,548,172,979	28,936,559,363
Inventory consumed	7,981,960,422	4,914,727,524	62%	7,305,304,636	8,142,918,243	9,100,907,083
Debt impairment	6,773,068,541	4,429,166,273	65%	6,531,431,091	7,184,255,418	7,962,015,312
Depreciation, amortisation and impairment	3,101,194,710	2,057,604,897	66%	3,107,653,981	3,228,545,359	3,327,104,877
Interest, Dividends and Rent on Land	1,591,590,805	676,007,417	42%	1,591,878,997	1,583,707,562	1,539,844,501
Contracted services	7,193,265,090	5,500,268,885	76%	7,760,027,290	8,094,790,458	8,590,009,826
Transfers and subsidies	969,604,174	619,595,801	64%	317,736,199	332,683,219	359,263,251
Irrecoverable debts written off	1,829,993	(0)	0%	1,921,493	2,017,567	2,158,796
Operational costs	1,952,973,025	1,433,483,550	73%	2,188,133,277	2,234,897,994	2,149,595,868
Other Losses	-	2,170,734	100.00%	1,839,268,407	2,004,802,564	2,091,237,075
Total Expenditure	**65,494,963,017**	**49,124,894,497**	**75%**	**69,477,492,334**	**74,563,495,176**	**80,052,764,137**
Surplus/(Deficit)	**830,416,847**	**4,918,221,538**	**592%**	**1,474,626,784**	**913,819,468**	**943,061,691**
Transfers and subsidies - capital (monetary allocations)	2,598,860,873	1,549,785,296	60%	2,593,204,917	2,773,869,604	3,015,618,697
Surplus/(Deficit) after capital transfers & contributions	**3,429,277,720**	**6,468,006,834**	**189%**	**4,067,831,701**	**3,687,689,072**	**3,958,680,388**
Income Tax	2,448,279	379,844		1,830,801	2,027,772	1,784,811
Surplus/(Deficit) after taxation	**3,426,829,441**	**6,467,626,991**	**189%**	**4,066,000,900**	**3,685,661,300**	**3,956,895,577**
Surplus/ (Deficit) for the year	**3,426,829,441**	**6,467,626,991**	**189%**	**4,066,000,900**	**3,685,661,300**	**3,956,895,577**

Table 2 Consolidated Overview of the 2026/2027 MTREF

Description	Budget Year 2025/26			2026/27 Medium Term Revenue Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	% Actuals	Final Budget - 2026/27	Final Budget - 2027/28	Final Budget - 2028/29
	R	R		R	R	R
Total Revenue (excluding capital transfers and contributions)	66,325,379,864	54,043,116,035	81%	70,952,119,118	75,477,314,644	80,995,825,828
Total Expenditure	65,494,963,017	49,124,894,497	75%	69,477,492,334	74,563,495,176	80,052,764,137
Surplus/(Deficit)	**830,416,847**	**4,918,221,538**		**1,474,626,784**	**913,819,468**	**943,061,691**

The tables above show operating surpluses of R1.474 billion, R913.8 million and R943 million in 2026/27, 2027/28 and 2028/29, respectively. A conscious decision is taken to align the total (capital and operating) budget of the City with the affordability levels for financial sustainability.

1.3.2 Metro Trading Services Reform

National Treasury and the City of Ekurhuleni are working hand in hand to build the city's leadership capability as well as to ensure that good governance underpins the delivery of the city's/metro trading services (water, sanitation, electricity and solid waste) which are a major source of the city's revenue base, contributing to the city's infrastructure delivery, investment and maintenance.

The Metro Trading Services Reform programme is according to National Treasury 2025 a national government initiative, endorsed by Cabinet and one of government's priority programmes to support economic development and improve social outcomes by turning around the long-term decline in the provision of three municipal trading services electricity, water and wastewater, and solid waste management, which undermines the constitutional rights of citizens, job creation and economic growth. The purpose of the programme is to enable effective performance of the trading services and to improve service performance and outcomes, improving the quality and reliability of services which in turn can support livelihoods, investment and job creation in the municipalities.

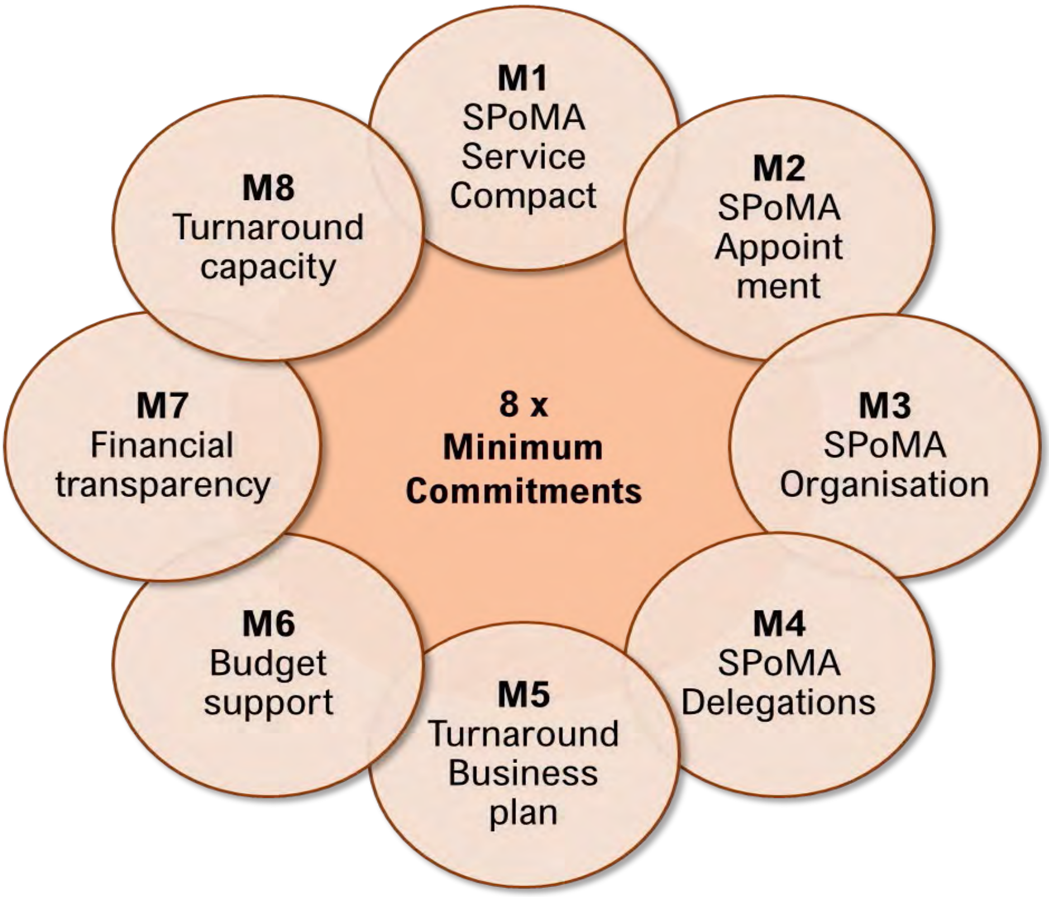
The intended benefit of the programme is an increase in investment in infrastructure and job creation and improved operations and maintenance of the three trading services resulting in the improved reliability and quality of these services therefore benefiting both households and businesses who bear the cost-of-service interruptions.

The MTSR consists of a framework for improving the accountability, and the financial and operational performance of the three trading services, including improving the implementation of the Council agreed performance targets and financial resources. The framework also entails a financial incentive to reward the metro's achievement of planned performance targets; and implementation arrangements; which include grant administration, metro oversight, and metro support. The program is designed to be implemented in two cohorts, with the first having commenced in the 2025/2026 financial year.

The City of Ekurhuleni's Metro trading services joined the programme in two cohorts, the first consisting mostly of the Water and Sanitation and Energy (Electricity) trading services, and the second, which follows one year after, consisting mainly of solid waste management trading services The minimum requirements discussed below are set to establish the legislative and operational foundation that will drive performance excellence and in the long term deliver on the city's envisioned objectives.

MTSR Minimum Requirements - The program has set out minimum requirements which business units are required to comply with in preparation for the full implementation and operation of end to end management accountability, which is aimed at improving operational performance. The figure and table below illustrate and explain the minimum requirements for the Metro Trading Services Reform:

The MTSR 8 minimum commitments (M1-M8) for the Metro Trading Services Reform



The eight (8) minimum commitments (M1-M8) for the Metro Trading Services Reform are explained in the table below.

Description of the eight (8) minimum commitments for the Metro Trading Services Reform

	M1 - M8	
M1	Service Compact	The Service Compact between Service Authority (Metro) and the trading service : Specifies Internal Business Unit / Municipal Owned Entity decision. Provides for the transfer of Metro obligations and responsibilities in terms of law (both municipal and sector legislation) to its Service Provider as agent to execute these services on its behalf and within the scope of applicable municipal legislation. The Metro discharges its responsibilities in terms of its Service Compact including that of the (previously) shared services. Defines and structure the service role that the new utility business must execute on behalf of its parent body (the metro).
M2	Appointment	The appointment of a chief executive of the trading service with an appropriate job description, reflecting all delegated powers and responsibilities, and an appropriate performance contract.
M3	Organisational Structure	An appropriate organisational structure, described in an organizational chart, is established and maintained to support the delegations and effective business functioning of the Trading Service as SPoMA.
M4	Delegations	Delegations means the delegations/ passing of the authority for the financial management, operational and management control of all shared services for the effective operation of the Trading Services (TS) as a Single Point of Accountability (SPoMA) Business.
M5	Financial Model and Business and Investment Plan	Submission of annual Trading Services business and investment plan, which has been supported and prioritised by means of a utility financial model to ensure business financial sustainability, turnaround and improvement.
M6	Budget Support of Business and Investment Plan	Metro budget supports the Financial Model and Business and Investment Plan
M7	Financial transparency	Full separate MTS AFS, published within aggregated metro AFS, per specimen template (MFMA circular July 2024) Full separate published trading services financial statements, also consolidated into Metro AFS
M8	Support for management of organisational change	Capacity to support the process of managing organisational change including staff engagements, communications, detailed design, capacity enhancement (filling critical vacancies and beyond), key documentation, service compact and other activities, to manage and facilitate planned changes Capacity to manage the increased TS capex envisaged, including engineering project and contract management capacity.

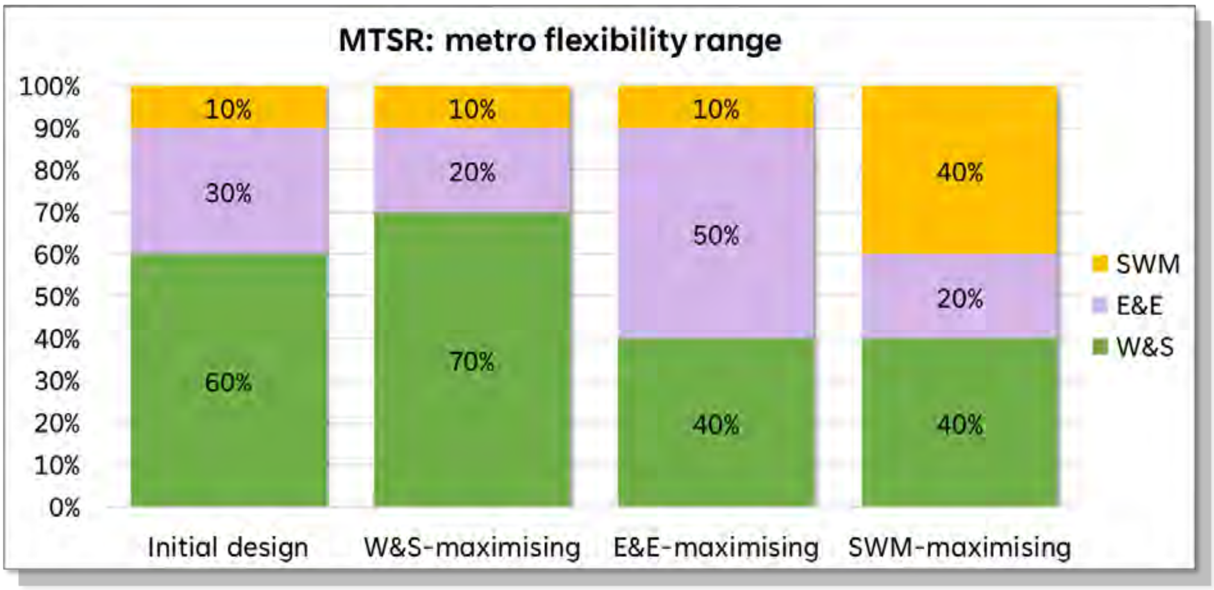
The Metro Trading Services Incentive Grant: The MTSR is a high performance based program, which seeks to reward the operational and financial growth of the trading units. This is not only achieved through the allocation of full functions for end to end accountability but also through the designed funding models. This reward based performance system comes with the introduction of the incentive grant.

National Treasury has prepared a conditional grant framework: - the **Urban Development Financing Grant (UDFG)** with an incentive component for the Metro Trading Services Reform. Funding for this allocation for the Medium-Term Expenditure Framework (MTREF) for the next three financial years is reflected in the 2026 Budget Review. Transfers to metropolitan municipalities will take place in two tranches each financial year; and the outcome of the IVA (Independent Verification Agent) will impact on the allocation for the following year.

The IVA is a process of performance assessment which will be utilized to verify the performance of the trading units, to determine the incentive which the unit will qualify for. The verification includes various performance indicators and municipality specific targets, which are aligned to the capabilities and availability of resources of the trading units.

National Treasury has established guidelines and restrictions for the utilization of the incentive grant. The grant is set to only address Metro Trading Services related expenditure, with the view to contribute to the performance of the trading units and ultimately service delivery, as well addressing backlogs. Below is a figure illustrating the flexibility ranges applicable to the allocation of the incentive grant amongst the city's three trading units.

Flexibility ranges applicable to the allocation of the incentive grant for the trading units



The above figure illustrates the minimum allocation requirements which the city must comply with during grant allocation. Within the total allocation, there is a degree of flexibility in the allocation of incentive funds which applies over the whole 6-year programme rather than annually. The above allocation must be informed by an assessment of the following, at a minimum:- Supporting better business plans, Supporting more advanced projects as well as Supporting business plans which are more likely to achieve targets

Summary of CoE UDFG Allocations for the Metro Trading Services Business Unit in the 2026/2027-2028/2029 MTREF

Introduced in 2025/26, the UDFG supports spatially targeted urban development in metropolitan municipalities. It consolidates previous urban grants to address under investment in infrastructure and technical capacity gaps, whilst boosting resilient infrastructure investment and financial sustainability.

Part of the transferring duties as stated in DoRA: *“Guidelines with allocation splits will be sent in advance before the commencement of each municipal financial year”’*

National Treasury issued a letter to the City of Ekurhuleni dated 3 March 2026, outlining the allocation split for the Urban Development Financing Grant. The table below reflects the City’s adherence to the guidelines received.

Summary of UDFG Allocations – Trading Services

Summary UDFG Allocations - Trading services									
	CoE 2026/27 Budget	NT Allocation	% CoE Allocation	CoE 2027/28 Budget	NT Allocation	% CoE Allocation	CoE 2028/29 Budget	NT Allocation	% CoE Allocation
Energy	338 655 000	338 655 000	28,15%	385 868 000		27,96%	467 665 000		27,84%
Waste Management	112 886 000	112 886 000	9,38%	123 000 000		8,91%	182 700 000		10,88%
Water & Sanitation	437 311 000	437 311 000	36,35%	473 000 000		34,28%	606 000 000		36,08%
ERWAT	240 000 000	240 000 000	19,95%	290 000 000		21,01%	310 000 000		18,45%
Total MTS Allocation	**1 128 852 000**	**1 128 852 000**	**93,82%**	**1 271 868 000**	**1 271 868 000**	**92,17%**	**1 566 365 000**	**1 566 365 000**	**93,25%**
PPPSG Component	24 324 000	24 324 000	2,02%	50 000 000	50 000 000	3,62%	55 000 000	55 000 000	3,27%
NDPG Component	50 000 000	50 000 000	4,16%	58 111 000	58 111 000	4,21%	58 410 000	58 410 000	3,48%
TOTAL UDFG	**1 203 176 000**	**1 203 176 000**	**100%**	**1 379 979 000**	**1 379 979 000**	**100%**	**1 679 775 000**	**1 679 775 000**	**100%**

Metro Trading Services Reform Performance Management:- The program has set out performance management areas which will form the basis of the IVA and inform the incentive grant allocation. The performance management indicators are divided into the following categories:- **Accountability Performance**, **Financial Performance** and **Operational performance indicators** as discussed below:

MTSR Accountability Performance Indicators

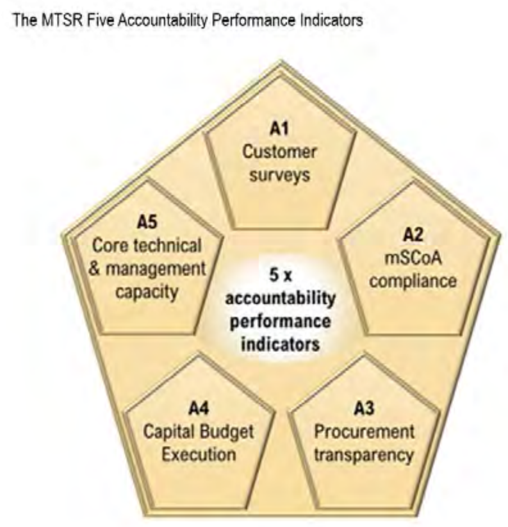
The accountability indicators are meant to:

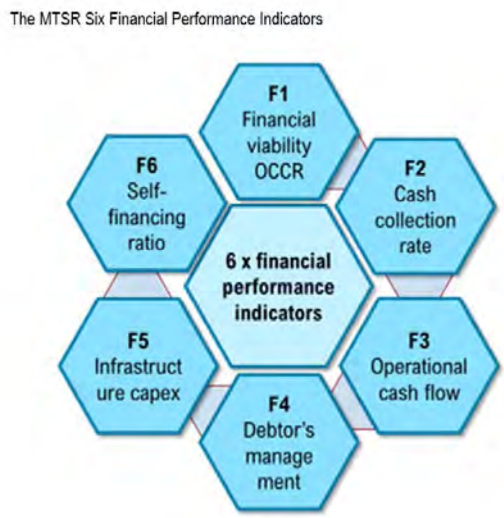
- Improve financial transparency, accountability, and management, contributing to more efficient and effective trading service performance;
- Assist in identifying areas of improvement, highlighting strengths, and guiding future decision-making processes;
- Build public confidence on good governance and evidential integrity of financial governance;
- Ensure effective procurement processes which result in actual capital spending aligning more closely with planned and budgeted capital expenditure, and
- Enhance overall performance.

MTSR Financial Performance Indicators

Financial performance indicators are designed to build confidence in the trading units' financial viability and sustainability. Achieving resource management, and risk mitigation, and producing performance comparable data for benchmarking, as well as driving service reliability and performance, and expanding to meet service delivery needs are central to the objectives of the financial performance indicators. The figure below provides a summary of the MTSR Accountability Performance and Financial Perfomance Indicators.

The MTSR six Financial Performance Indicators and five Accountability Performance Indicators



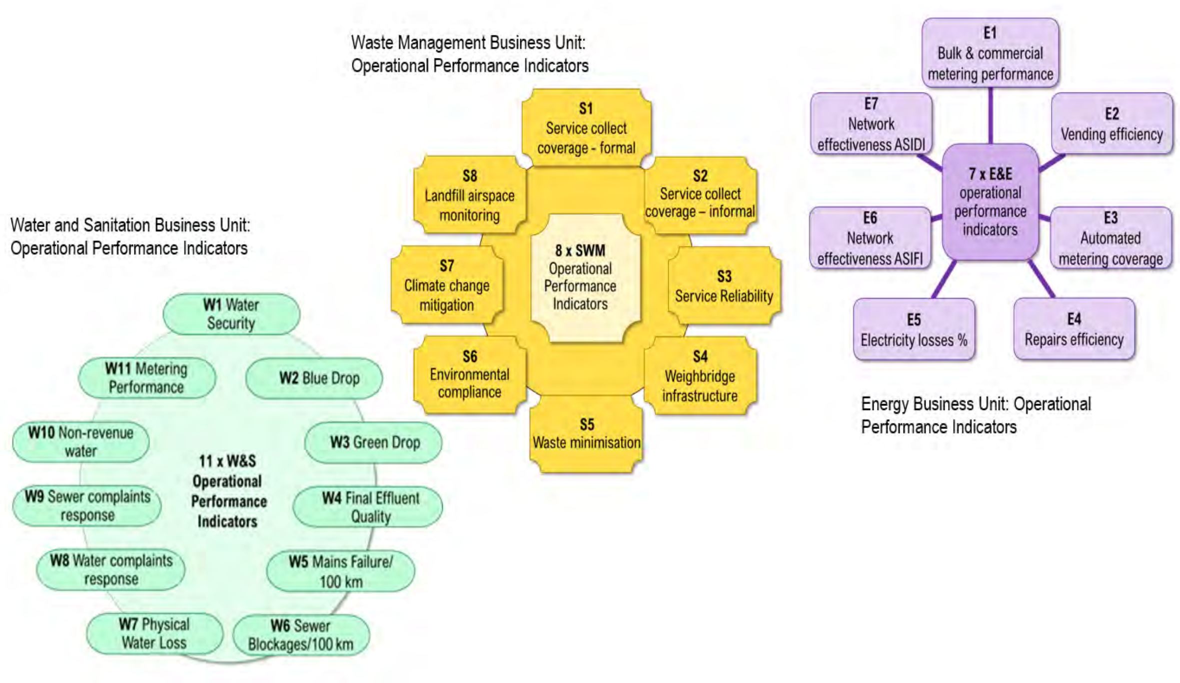


Operational Performance Indicators

The Operational Performance Indicators depicted in the figure below have been designed to be specific to the trading units, focusing on the units' ability to provide quality services in line with their municipal mandate. These have been designed specifically for the respective trading units, focusing on key elements that drive service delivery and the continuous improvement thereof.

The performance indicators have been designed to address, amongst others, the reduction of losses, improvement in revenue collection mechanisms, the provision of uninterrupted services which comply with industry set norms and legislation and the maintenance of critical service delivery infrastructure.

The MTSR Operational Performance Indicators for the Water and Sanitation, Energy and Waste Management Business Units



The city is well on track and is committed to the implementation of the program. The program is in alignment with the objectives of the city which aim to improve service delivery to its citizens. The Metro Trading Services reform for the CoE Water, Energy and Waste Management Business Units is progressing as planned to enable the achievement of a Single Point of Management Accountability by ensuring that all aspects of the trading services are managed effectively with a focus on improving service reliability and quality.

The process for the implementation of the MTSR involves the institutionalisation of the eight minimum commitments as well as the accountability, financial and operational performance indicators into the city's performance management system and processes to ensure the effective monitoring of the process and to be able to demonstrate compliance with the MTSR requirements in the coming financial years. The process includes also amongst others ensuring that there is institutional accountability, financial transparency (including cash collection, debt management and self-financing), synchronized transfer of functions for proper governance and performance management, change management to ensure organisational alignment and labour management, finalization of the organizational structure, development of financial models and the unbundling and reconfiguration of the financial system to ensure that the metro trading services are resourced**.** The metro trading services reform process intends to ensure that trading services operations are viable and efficient, and it will define clear responsibilities at leadership level to ensure accountability for improved reliable services.

1.4 Operating Revenue Framework

For the City of Ekurhuleni 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 the city is faced with development backlogs, poverty and rising unemployment.
The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy.
- Growth in the city and continued economic development.
- Efficient revenue management, which aims to ensure a 90% annual collection rate for property rates and other key service charges.
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to 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 City 's Indigent Policy and rendering of free basic services; and
- Tariff policies of the city.

The following table is a summary of the City's 2026/2027 MTREF (classified by main revenue source):

Table 3 Consolidated Summary of revenue classified by main revenue source

R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue										
Exchange Revenue										
Service charges - Electricity	18,270,852	19,872,392	22,023,989	27,521,065	27,521,065	27,521,065	22,913,427	29,338,711	31,959,050	34,814,831
Service charges - Water	5,923,740	5,475,763	5,917,337	7,535,802	7,902,782	7,902,782	8,435,193	8,772,088	9,995,191	11,389,517
Service charges - Waste Water Manageme	3,333,093	4,359,478	4,292,234	4,990,963	5,381,631	5,381,631	4,492,067	5,858,283	6,417,044	7,029,281
Service charges - Waste Management	1,722,978	1,541,799	1,588,986	1,778,881	1,778,881	1,778,881	1,546,315	1,871,443	1,986,325	2,103,560
Sale of Goods and Rendering of Services	1,769,014	504,912	539,222	161,522	161,522	161,522	149,080	960,852	162,932	164,898
Agency services	-	-	339,764	348,281	348,281	348,281	315,202	364,302	364,302	364,302
Interest earned from Receivables	1,137,977	1,086,177	1,050,927	1,093,924	1,325,693	1,325,693	1,433,353	1,327,258	1,328,117	1,328,897
Interest earned from Current and Non Cur	138,912	169,512	129,206	137,206	128,665	128,665	122,931	144,305	144,920	145,570
Dividends	112	88	69	-	-	-	76	-	-	-
Rent on Land	-	-	48	-	-	-	29	-	-	-
Rental from Fixed Assets	145,284	158,106	159,137	173,844	173,844	173,844	152,068	182,096	188,574	195,090
Development Charges	78,509	136,434	218,158	141,175	145,702	145,702	83,855	58,413	58,413	58,413
Operational Revenue	42,954	48,670	48,871	42,002	37,475	37,475	39,559	31,984	31,991	31,998
Non-Exchange Revenue										
Property rates	7,841,076	8,823,218	8,839,918	10,833,546	10,833,546	10,833,546	10,008,843	11,158,553	11,526,785	11,895,642
Fines, penalties and forfeits	654,803	681,641	216,798	819,240	418,041	418,041	236,332	530,389	530,389	530,389
Licences or permits	324,634	332,862	(3,418)	-	-	-	0	-	-	-
Transfer and subsidies - Operational	5,591,523	6,287,329	6,641,170	7,078,485	7,103,334	7,103,334	6,630,666	7,290,362	7,681,630	7,820,772
Interest	279,449	316,821	292,990	288,513	389,779	389,779	425,777	313,197	313,197	313,197
Fuel Levy	1,830,978	1,839,016	1,826,784	1,795,381	1,795,381	1,795,381	1,795,381	1,791,959	1,798,918	1,788,268
Operational Revenue	-	-	786,508	755,574	879,758	879,758	886,304	957,925	989,537	1,021,202
Other Gains	257,144	893	1,657	-	-	-	68	-	-	-
Total Revenue (excluding capital transfers and contributions)	**49,343,032**	**51,635,111**	**54,910,355**	**65,495,405**	**66,325,380**	**66,325,380**	**59,666,527**	**70,952,119**	**75,477,315**	**80,995,826**

Table 4 Percentage growth in revenue by main revenue source (this represents the revenue per source as a percentage of the total revenue)

Description (thousand)	Year 2024/25	Current year 2025/26		2026/27 Medium Term Revenue & Expenditure Framwork						Proportionate % of Total Budget		
	Audited Actual R' 000	Adjusted Budget R' 000	%	Budget Year 2026/27 R '000	%	Budget Year +1 2027/28 R '000	%	Budget Year +2 2028/29 R '000	%	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Source												
Property Rates	8,839,918	10,833,546	16%	11,158,553	15.7%	11,526,785	15.3%	11,895,642	14.7%	15.7%	15.3%	14.7%
Service Charges - Electricity Revenue	22,023,989	27,521,065	41%	29,338,711	41.4%	31,959,050	42.3%	34,814,831	43.0%	41.4%	42.3%	43.0%
Service Charges - Water Revenue	5,917,337	7,902,782	12%	8,772,088	12.4%	9,995,191	13.2%	11,389,517	14.1%	12.4%	13.2%	14.1%
Service Charges - Sanitation Revenue	4,340,667	5,381,631	8%	5,858,283	8.3%	6,417,044	8.5%	7,029,281	8.7%	8.3%	8.5%	8.7%
Service Charges - Refuse Revenue	1,588,986	1,778,881	3%	1,871,443	2.6%	1,986,325	2.6%	2,103,560	2.6%	2.6%	2.6%	2.6%
Rental of Facilities and Equipment	159,137	173,844	0%	182,096	0.3%	188,574	0.2%	195,090	0.2%	0.3%	0.2%	0.2%
Interest earned - External Investments	1,055,948	1,325,693	2%	1,327,258	1.9%	1,328,117	1.8%	1,328,897	1.6%	1.9%	1.8%	1.6%
Interest earned -Outstanding Debtors	129,206	128,665	0%	144,305	0.2%	144,920	0.2%	145,570	0.2%	0.2%	0.2%	0.2%
Fines, penalties and forfeits	213,380	418,041	1%	530,389	0.7%	530,389	0.7%	530,389	0.7%	0.7%	0.7%	0.7%
Licenses and Permits	–	–	0%	–	0.0%	–	0.0%	–	0.0%	0.0%	0.0%	0.0%
Transfers Recognised - Operational	6,641,170	7,103,334	11%	7,290,362	10.3%	7,681,630	10.2%	7,820,772	9.7%	10.3%	10.2%	9.7%
Other Revenue	3,830,598	3,757,898	6%	4,478,632	6.3%	3,719,290	4.9%	3,742,277	4.6%	6.3%	4.9%	4.6%
Gains on Disposal of PPE	–	–	0%	–	0.0%	–	0.0%	–	0.0%	0.0%	0.0%	0.0%
Total Revenue (Excluding Capital Transfers and Contributions)	**54,740,336**	**66,325,380**	**100%**	**70,952,119**	**100.0%**	**75,477,315**	**100%**	**80,995,826**	**100%**	100.0%	100.0%	100.0%
Total Revenue from Rates and Service	42,710,897	53,417,905	81%	56,999,077	80.3%	61,884,395	82.0%	67,232,831	83.0%			

Revenue generated from rates and services charges contributes 80.3% (in 2026/2027) of the total revenue basket for the city.

Details in this regard are contained in Table 23 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure) on page 74.

Electricity is the biggest source of income and represents R29.3 billion or **41.3%** of the total income budget in **2026/2027**. The year on year increase in electricity is increasing by average of **6.60%** as opposed to **9,01%** proposed tariff increase as a result of reduced consumption in energy due to alternative energy supply like solar PV.

Property rates revenue amount to **15.7% or R11.1 billion**. This includes income forgone. The year-on-year budget increase in property rates is **3%.** Provision has also been made for supplementary valuations to account for changes in the property valuation roll.

The year-on-year budget increase in sanitation revenue is slightly up by **0.51%** compared with the tariff increase of **8.35%.** The increase has factored in new structural change on business tariffs.

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 cost reflectiveness and the financial sustainability of the City.

The principles set out in the Medium-term Budget Policy and Pricing Policy Statement formed the basis of tariff settings.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate **balance between** the interests of poor households (**ability to pay**), other customers and ensuring the **financial sustainability** of the municipality. For this reason, municipalities must justify in their budget documentation all increases more than the **3.4** upper boundary of the South African Reserve Bank's inflation target in the budget narratives. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Rand Water and Eskom tariffs are beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's water and electricity tariffs is largely outside the control of the City. Discounting the impact of these price increases in lower consumer tariffs will erode the City's future financial position and viability.

The current challenge facing the City is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework, the City has undertaken the tariff setting process relating to service charges as follows:

1.4.1 Property Rates

The Municipal Property Rates Act came into effect on the 1 July 2009. In terms of section 46 of the Act, the market value of a property, if sold on the date of valuation in the open market by a willing seller to a willing buyer, is to be realised in the valuation roll.

In terms of section 8 of the Act, a municipality may in terms of the criteria set out in its rates policy levy different rates for different categories of rateable property, which may include categories determined according to the –

a. Use of the property
b. Permitted use of the property
c. Geographical area in which the property is situated.

In terms of section 15(1) of the Act, a municipality may in terms of criteria set out in its rates policy –

a. Exempt a specific category of owners of properties, or the owners of a specific category of properties, from payment of a rate levied on their property; or
b. Grant to a specific category of owners of properties, or to the owners of a specific category of properties a rebate on or a reduction in the rates payable in respect of their properties.

Categories of properties and owners in respect of which rebates are granted may in accordance with section 15(2) include the following :

(a) residential properties;
(b) industrial properties;
(c) business and commercial properties;
(d) agricultural properties;
(e) mining and quarries;
(f) public service purpose properties;
(g) public service infrastructure;
(h) public benefit organisation property;
(i) vacant land;

Other Categories

(j) municipal properties;

In terms of section 17 of the Act, the following rates, are deemed to be "impermissible":

a. the first 30% of the market value of Public Services Infrastructure;
b. on any property referred to in paragraphs *(a), (b), (e), (g)* and *(h)* of the definition of "public service infrastructure
c. on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or a national botanical garden;
d. on mineral rights within the meaning of paragraph (b) of the definition of "property" in section 1;
e. on the first R 15 000 of the market value of a property assigned in the valuation roll or supplementary valuation roll of a municipality to a category determined by the municipality –
    i. for residential purposes; or
    ii. for properties used for multiple purposes, provided one or more components of the property are used for residential purposes;

f. on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residential residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

FUNDING REQUIREMENTS

The following factors were taken into consideration in the determination of proposed rates :

i. Operational and capital funding requirements.
ii. Market values of properties as published in general valuation roll (GV 2025) compiled in terms of Municipal Property Rates act. General valuation roll GV2025 to be implemented with effect from 1 July 2025.
iii. Possible impact of property valuation objections and appeals lodged against property valuations as per new general valuation roll (GV2025) and being reviewed by Appeals Board.
iv. Possible impact of additional property valuation enquires submitted through Section 78 review process.

In order to realize required funding and based on differential rating ratio's in respect of individual categories of properties and further taking into account the increase of **1.5%** with effect from 01 July 2026, monthly supplementary valuation rolls, objections and appeal outcomes, it is proposed that residential base rate **be increased** during the 2026-27 financial year and that the rate of **0.01169c** be applied on the market value of residential property as reflected in valuation roll be levied.

Tariffs per rating category will be as follows :

Rate Code	Category	Ratio	2025-26	2026-27
1	Residential Properties	1:1.00	0.01152	0.01169
2	Industrial Properties	1:2.50	0.02881	0.02924
3	Business and Commercial Properties	1:2.00	0.02305	0.02340
4	Agricultural Properties	1:0.25	0.00288	0.00292
8	Municipal Properties	1:2.00	0.02305	0.02340
9	Public Services Infrastructure Properties (PSI)	1:0.25	0.00288	0.00292
10	Public Service Purpose Properties (PSP)	1:2.00	0.02305	0.0340
35	Public Benefit Organisation Properties	1:0.25	0.00288	0.00292
12	Mining and Quarries	1:3.00	0.03456	0.03508
13	Vacant Land	1:4.00	0.04608	0.04677

The proposed rates would yield an estimated R 11,1 billion in the 2026-27 financial year and is summarized as follows :

	Budget 2025-26	Budget 2026-27
Assessment Rates		
Property Value Billed	*12,834,495,766*	*13,219,530,639*
Less : Exclusions	*-1,283,395,229*	*-1,321,897,086*
Total Billed Assessment Rates	***11,551,100,537***	***11,897,633,553***
Less :		
Grants – Pensioner	*-179,931,203*	*-185,329,139*
Grants – Other Indigents	*-479,993,586*	*-494,393,394*
Grants – Other Discretionary rebates	*-57,629,524*	*-59,358,410*
NET Assessment Rates	**10,833,546,224**	**11,158,552,611**

EXCLUSIONS AND REBATES.

Residential property rates exclusions, rebates and Aged / Pensioners rebate, Disability grantees and medically boarded persons as per item 4 of tariff schedule, will remain unchanged.

Average monthly earnings sliding scale in respect of item 4.7 - Aged / Pensioners rebate, Disability grantees and medically boarded persons have been amended to include projected tariff increase of 1.5% as follows:

Table 5 Comparison of proposed rates to be levied for the 2026/2027 financial year.

Average Monthly earnings in respect of preceding 12 months.	
R0.00 to R 4,640 (2 x Older Persons Grant when amended - 10-*2025)*	100 % rebate on property rates
R4,640.01 to R9 292.00	85% rebate on property rates
R9 292.01 to R13 945.00	70% rebate on property rates
R13 945.01 to R18 490.00	55% rebate on property rates
R18 490.01 to R23 237.00	40% rebate on property rates

1.4.2 Sale of Water and Sanitation and Impact of Tariff Increases

The water tariff increase of 11% for sales and purchases from Rand Water is proposed, which includes a water research levy of 0.0065%. In terms of Water Research Act. 1971, Rand Water was tasked to collect the Water research levy which is not part of the Rand Water's tariff, for payment to Water Research Commission This is entirely as a result of the expected equal increase of the bulk purchases from Rand Water.

The factors considered for the proposed tariff increase include the following:

- DWS Raw water abstraction costs – this includes the pumping of untreated water from the Sterkfontein Dam (source) to the Vaal River System and the treatment of AMD (acid mine drainage)
- TCTA raw water charge – this talks to the Augmentation Scheme – Lesotho Highlands Water Project (Phase 2)
- Chemical costs – water treatment and purification to drinking water standards as per SANS 241
- Energy Costs – pumping purified water from the Rand Water Plants into the municipal reservoirs/towers
- Labour costs, Inflation and other expenses (Asset Replacement Value, Operations and Maintenance costs)
- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

The residential tariff structure is designed to charge higher levels of consumption at a higher rate, steadily increasing to a rate of R63.34 per kilolitre for consumption in excess of 30kℓ per 30-day period.

Table 6 Summary of Tariffs: Water

CATEGORY	APPROVED TARIFFS 2025/26	PROPOSED TARIFFS 2026-27
	Rand per kℓ	**Rand per kℓ**
RESIDTIAL		
0 – 6 kℓ per 30-day period	22.71	25.21
7 – 15 kℓ per 30-day period	37.43	41.55
16 – 30 kℓ per 30-day period	45.85	50.89
31 – 45 kℓ per 30-day period	57.06	63.34
46 kℓ or more per 30-day period	70.35	78.09
NON-RESIDENTIAL		
0 – 5 000 kℓ per 30-day period	49.11	54.51
5 001 – 25 000 kℓ per 30-day period	49.88	55.37
25 001 > kℓ per 30-day period	52.05	57.78

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling house:

Table 7 Impact of water increases for a single dwelling house.

Monthly consumption kℓ	Current Amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	0.00
10	149.68	166.14	16.46	11%
20	566.04	628.30	62.26	11%
30	1,024.55	1137.25	112.70	11%
40	1,595.18	1770.65	175.47	11%
50	2,232.22	2477.76	245.54	11%
80	4,342.58	4820.26	477.68	11%
100	5,749.49	6381.93	632.44	11%

The sanitation tariff increase is primarily driven by the rise in purification costs as communicated by ERWAT. For the 2026/2027 financial year, ERWAT has implemented an increase of 8.35% applicable to both domestic and industrial consumers. Consequently, the cost of sewer purification purchases has also increased by 8.35%, which has been factored into the proposed sanitation tariff increase for the City.

The tariffs proposed for the sanitation service are as follows:

Table 8 Summary of tariffs: sanitation

CATEGORY	CURRENT TARIFFS 2025/26	PROPOSED TARIFFS 2026/27
	Rand per kℓ	**Rand per kℓ**
RESIDENTIAL		
0 – 6 kℓ per 30-day period	26.86	29.10
7 – 15 kℓ per 30-day period	21.49	23.28
16 – 30 kℓ per 30-day period	9.13	9.89
31 – 45 kℓ per 30-day period	8.39	9.09
46 - or more kℓ per 30-day period	5.73	6.21
NON-RESIDENTIAL		
0- 3500kl / month	18.91	22.07
3501- 7000kl / month	18.91	20.49
7 001- 15000 kl / month	10.09	11.77
15001- 25000 kl/ month	10.09	10.93
25001 or more kl/ month	6.56	7.66
25001 or more kl/ month	6.56	7.11

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling house:

Table 9 Impact of sanitation increases on a single dwelling house

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
5	0.00	0.00	0.00	0.00
10	85.98	93.16	7.18	8.35%
20	239.10	259.06	19.96	8.35%
30	330.39	357.98	27.59	8.35%
40	414.33	448.93	34.60	8.35%
50	484.95	525.44	40.49	8.35%
80	656.88	711.73	54.85	8.35%
100	771.50	835.92	64.42	8.35%

1.4.3 Sale of Electricity

The proposed **electricity tariff** increases for the 2026/2027 financial year range between **8.76% and 9.01%** across the various tariff categories. These proposed increased is aligned with the guidelines issued by the National Energy Regulator of South Africa and are necessary to ensure the financial sustainability of electricity services while maintaining compliance with regulatory requirements.

A total of **R1,864 billion**. placed in a maintenance budget for 2026/2027 that will be used to fund critical electricity maintenance and refurbishment. Additionally, the funds will be ring-fenced and placed into an energy efficiency demand side management budget that will only be used to fund critical energy efficiency and demand side management projects. The funding is used to convert council-owned assets to become energy efficient with projects such as streetlight efficiency, building efficiency and possibly the installation of solar geysers at Council owned properties.

The following table provides a summary of the proposed tariff increase with effect from July 2026.

Table 10 Summary of tariff increases: Electricity

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
TARIFF A1: Residential Indigents:				
A0.1 Energy: Block (0 to 50 kWh)/month: R/kWh	R0.0000	R0.0000	**0.00%**	Flat rate going forward. The Inclining Block Tariff principle has been rescinded.
A1.1 Energy: Block (>50 to <= 600)/month: R/kWh	R2.5861	R2.9879	**15.54%**	
A2.1 Energy: Block (>600 to <= 700)/month: R/kWh	R4.3956	R2.9879	**-32.03%**	
A3.1 Energy: Block (>700 kWh) /month: R/kWh	R12.3839	R2.9879	**-75.87%**	
A4.1 Single rate in the case of a billing system that cannot accommodate the IBT	R2.7356	R2.9879	**9.22%**	
TARIFF A2-Residential (non-Indigents)				
A.0.2.1 Basic charge:1 ph:R/POS/Month	R0.00	R0.00	**-100.00%**	Tariff A.2. customers will be migrated to tariff B residential if the monthly consumption is higher than 750kWH for 6 consecutive months
A.0.22 Basic charge:3 ph:R/POS/Month	R0.00	R0.00	**-100.00%**	
A.2.2 Energy:Block (0 to <=600kWh)/month:R/kWh	R2.5865	R3.0635	**18.44%**	
A.3.2 Energy:Block (>600 to <=700kWh)/month:R/kWh	R4.0341	R3.0635	**-24.06%**	
A.4.2 Energy:Block (>700kWh)/month:R/kWh	R10.4287	R3.0635	**-70.62%**	
A4.1 Single rate in the case of a billing system that cannot accommodate the IBT	R2.7061	R3.0635	**13.21%**	
TARIFF B: RESIDENTIAL				
BR1.1 Basic charge:1 Ph:R/POS/month	R109.78	R119.67	**9.01%**	Increase of 9,01 %
BR1.2 Basic charge:3 Ph:R/POS/month	R203.89	R222.26	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
BR3 Energy Charge: High Demand Season: R/kWh	R3.3722	R3.6760	**9.01%**	
BR4 Energy Charge: Low Demand Season: R/kWh	R3.3722	R3.6760	**9.01%**	
BR6 Internet based consumption display (Rand/month)	R313.80	R342.07	**9.01%**	
TARIFF B: (BULK RESIDENTIAL RESELLERS)				
TARIFF B: (BULK RESIDENTIAL RESELLERS) 230/400 Volt				
RR.1 Basic charge : 230/400 V- R/month	R636.10	1352.50	**112.62%**	Removed the Demand, Network Access charge and reverted back to the flat rate as opposed to ToU rates.
RR1.1 Demand charge:High/Low Demand season:R/Kva	R35.78	0.00	**-100.00%**	
RR.2.2.Network Access Charge (NAC): R/kVA	R35.78	R0.0000	**-100.00%**	
RR.3.1.1. Energy charge: High Demand: Peak: R/kWh	R4.2772	R3.6565	**-14.51%**	
RR.3.1.3. Energy charge: High Demand: Standard: R/kWh	R3.3024	R3.6565	**10.72%**	
RR.3.1.5. Energy charge: High Demand: Off-Peak: R/kWh	R3.1941	R3.6565	**14.48%**	
RR.3.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.5169	R3.6565	**3.97%**	
RR.3.2.3. Energy charge: Low Demand: Standard: R/kWh	R3.2807	R3.6565	**11.45%**	
RR.3.2.5. Energy charge: Low Demand: Off-Peak: R/kWh	R3.1941	R3.6565	**14.48%**	
TARIFF B: (BULK RESIDENTIAL RESELLERS > 400 Volt				
RR.2 Basic charge: >400V - R/month	R6,705.87	R6,705.87	**0.00%**	Removed the Demand, Network Access charge and reverted back to the flat rate as opposed to ToU rates.

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
RR.1.3.Demand charge: High/Low Demand Season: R/kVA	R35.78	R0.00	**-100.00%**	
RR.2.3.Network Access Charge (NAC): R/kVA	R35.78	R0.00	**-100.00%**	
C	R4.1013	R3.6283	**-11.53%**	
RR.3.1.4. Energy charge: High Demand: Standard: R/kWh	R3.1265	R3.6283	**16.05%**	
RR.3.1.6. Energy charge: High Demand: Off-Peak: R/kWh	R3.0182	R3.6283	**20.21%**	
RR.3.2.2. Energy charge: Low Demand: Peak: R/kWh	R3.3409	R3.6283	**8.60%**	
RR.3.2.4. Energy charge: Low Demand: Standard: R/kWh	R3.1048	R3.6283	**16.86%**	
RR.3.2.6. Energy charge: Low Demand: Off-Peak: R/kWh	R3.0182	R3.6283	**20.21%**	
TARIFF A: BUSINESS				
BR1.1 Basic charge:1 Ph:R/POS/month	R138.22	R150.67	**9.01%**	Increase of 9,01 %
BR1.2 Basic charge:3 Ph:R/POS/month	R269.75	R294.05	**9.01%**	
BR3 Energy Charge: High Demand Season: R/kWh	R3.7705	R4.1102	**9.01%**	
BR4 Energy Charge: Low Demand Season: R/kWh	R3.7705	R4.1102	**9.01%**	
BR6 Internet based consumption display (Rand/month)	R343.79	R374.77	**9.01%**	
TARIFF B (BUSINESS MIXED BUSINESS and RESIDENTIAL COMMERCIAL or INDUSTRIAL)				
BBR.1.1Basic charge: 1 ph R/month	R58.22	R63.47	**9.01%**	Increase of 9,01 %

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
BBR.1.2 Basic charge: 3 ph R/month	R91.95	R100.23	**9.01%**	
B.BR.2. Capacity Charge (Rand/Ampere/phase)	R26.57	R28.96	**9.01%**	
B.BR.3. Energy Charge:High Demand Season: R/kWh	R3.4843	R3.7982	**9.01%**	
B.BR.4. Energy Charge: Low Demand Season: R/kWh	R2.8391	R3.0949	**9.01%**	
TARIFF C				
TARIFF C - 230/400V				
C1.1. Basic charge: 230/400V - R/month	R3,389.73	R3,695.14	**9.01%**	Increase of 9,01 %
C.2.1.1. Demand charge: High Demand Season: R/kVA	242.19	R264.01	**9.01%**	
C.2.2.1. Demand charge: Low Demand Season: R/kVA	242.19	R264.01	**9.01%**	
C.2.3.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R99.1500	R108.08	**9.01%**	
C.3.1.1 Energy Charge:High Demand Season: R/kWh	R4.6143	R5.0300	**9.01%**	
C.3.2.1. Energy Charge: Low Demand Season: R/kWh	R2.2641	R2.4681	**9.01%**	
TARIFF C - 230/400V DIRECT FROM SUBSTATION				
C1.2. Basic charge: 230/400V(DIRECT FROM SUB) - R/month	R3,389.73	R3,695.14	**9.01%**	Increase of 9,01 %
C.2.1.2. Demand charge: High Demand Season: R/kVA	R236.54	R257.85	**9.01%**	
C.2.2.2. Demand charge: Low Demand Season: R/kVA	R236.54	R257.85	**9.01%**	
C.2.3.2. Network Access Charge (NAC): R/kVA	R96.2300	R104.90	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
(highests of max / notified)				
C.3.1.2. Energy Charge:High Demand Season: R/kWh	R4.5266	R4.9344	**9.01%**	
C.3.2.2. Energy Charge: Low Demand Season: R/kWh	R2.2017	R2.4001	**9.01%**	
TARIFF C - >230/400V&<= 11KV				
C1.3. Basic charge: >230/400V&<= 11KV-R/month	R5,179.21	R5,645.86	**9.01%**	Increase of 9,01 %
C.2.1.3. Demand charge: High Demand Season: R/kVA	R227.16	R247.63	**9.01%**	
C.2.2.3. Demand charge: Low Demand Season: R/kVA	R227.16	R247.63	**9.01%**	
C.2.3.3. Network Access Charge (NAC): R/kVA (highests of max / notified)	R90.09	R98.21	**9.01%**	
C.3.1.3. Energy Charge:High Demand Season: R/kWh	R4.4522	R4.8533	**9.01%**	
C.3.2.3. Energy Charge: Low Demand Season: R/kWh	R2.1520	R2.3459	**9.01%**	
TARIFF D1 - REVERTING BACK TO TARIFF E.1				
230/400V				
D.1.1.1. Basic charge: R/month	R3,069.24	R3,345.78	**9.01%**	Increase of 9,01 %
D.1.2.3. Demand charge: High Demand Season: R/kVA	R158.13	R172.38	**9.01%**	
D.1.2.4. Demand charge: Low Demand Season: R/kVA	R158.13	R172.38	**9.01%**	
D.1.4. Network Access Charge (NAC): R/kVA (highests of max / notified)	R105.86	R115.40	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
D.1.5.2. Energy charge: High Demand: Peak: R/kWh	R10.8679	R11.8471	**9.01%**	
D.1.5.3. Energy charge: High Demand: Standard: R/kWh	R3.1774	R3.4637	**9.01%**	
D.1.5.4. Energy charge: High Demand: Off-Peak: R/kWh	R1.9636	R2.1405	**9.01%**	
D.1.6.2. Energy charge: Low Demand: Peak: R/kWh	R3.5610	R3.8818	**9.01%**	
D.1.6.3. Energy charge: Low Demand: Standard: R/kWh	R2.3426	R2.5537	**9.01%**	
D.1.6.4. Energy charge: Low Demand: Off-Peak: R/kWh	R1.7876	R1.9487	**9.01%**	
D.1.7. Reactive Energy charge: P&S (<085PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
TARIFF D2				
230/400V(DIRECT FROM SUB)				
D.1.1.1. Basic charge: R/month	R1,029.41	R1,122.16	**9.01%**	Increase of 9,01 %
D.1.2.3. Demand charge: High Demand Season: R/kVA	R168.95	R184.18	**9.01%**	
D.1.2.4. Demand charge: Low Demand Season: R/kVA	R168.95	R184.18	**9.01%**	
D.1.4. Network Access Charge (NAC): R/kVA (highests of max / notified)	R145.20	R158.29	**9.01%**	
D.2.5.1.1. Energy charge: High Demand: Peak: R/kWh	R7.1622	R7.8075	**9.01%**	
D.2.5.1.2. Energy charge: High Demand: Standard: R/kWh	R2.2882	R2.4944	**9.01%**	
D.2.5.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.7466	R1.9040	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
D.2.5.2.1 Energy charge: Low Demand: Peak: R/kWh	R3.3606	R3.6634	**9.01%**	
D.2.5.2.2. Energy charge: Low Demand: Standard: R/kWh	R2.1800	R2.3764	**9.01%**	
D.2.5.2.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.7466	R1.9040	**9.01%**	
D.2.6. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
TARIFF D3				
>230/400V&<= 11KV				
D.3.1. Basic charge:R/month	R3,302.34	R3,599.88	**9.01%**	Increase of 9,01 %
D.3.2.1.1. Demand charge: High Demand Season: R/kVA	R140.68	R153.36	**9.01%**	
D.3.2.2.1. Demand charge: Low Demand Season: R/kVA	R140.68	R153.36	**9.01%**	
D.3.3.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R120.57	R131.43	**9.01%**	
D.3.4.1.1. Energy charge: High Demand: Peak: R/kWh	R7.0829	R7.7211	**9.01%**	
D.3.4.1.2. Energy charge: High Demand: Standard: R/kWh	R2.2089	R2.4079	**9.01%**	
D.3.4.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.6674	R1.8176	**9.01%**	
D.3.4.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.2813	R3.5769	**9.01%**	
D.3.4.2.2. Energy charge: Low Demand: Standard: R/kWh	R2.1007	R2.2900	**9.01%**	
D.3.4.2.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.6674	R1.8176	**9.01%**	
D.3.5. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
TARIFF D4				
> 11KV				
D.4.1. Basic charge: R/month	R11,822.44	R12,887.64	**9.01%**	Increase of 9,01 %
D.4.2.1.1. Demand charge: High Demand Season: R/kVA	R120.82	R131.71	**9.01%**	
D.4.2.1.2. Demand charge: Low Demand Season: R/kVA	R120.82	R131.71	**9.01%**	
D.4.3.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R103.41	R112.73	**9.01%**	
D.4.4.1.1. Energy charge: High Demand: Peak: R/kWh	R7.0294	R7.6627	**9.01%**	
D.4.4.1.2. Energy charge: High Demand: Standard: R/kWh	R2.1551	R2.3493	**9.01%**	
D.4.4.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.6135	R1.7589	**9.01%**	
D.4.4.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.2275	R3.5183	**9.01%**	
D.4.4.2.2. Energy charge: Low Demand: Standard: R/kWh	R2.0468	R2.2312	**9.01%**	
D.4.4.2.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.6135	R1.7589	**9.01%**	
D.4.5. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
TARIFF E				
230/400V directly from substation: NAC of < 1 MVA.				
E1.1. Basic charge: R/month	R3,069.24	R3,345.78	**9.01%**	Increase of 9,01 %
E.2.1.2. Demand charge: High Demand Season: R/kVA	R154.09	R167.97	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
E.2.2.2. Demand charge: Low Demand Season: R/kVA	R154.09	R167.97	**9.01%**	
E.2.3.2. Network Access Charge (NAC): R/kVA (highests of max / notified)	R102.97	R112.25	**9.01%**	
E.3.1.1. Energy charge: High Demand: Peak: R/kWh	R10.6709	R11.6323	**9.01%**	
E.3.1.4. Energy charge: High Demand: Standard: R/kWh	R3.0981	R3.3772	**9.01%**	
E.3.1.7. Energy charge: High Demand: Off-Peak: R/kWh	R1.9053	R2.0770	**9.01%**	
E.3.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.4833	R3.7971	**9.01%**	
E.3.2.4. Energy charge: Low Demand: Standard: R/kWh	R2.2818	R2.4874	**9.01%**	
E.3.2.7. Energy charge: Low Demand: Off-Peak: R/kWh	R1.7348	R1.8911	**9.01%**	
E.4. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
MV: > 230/400 V:NAC of < 1 MVA.				
E1.2. Basic charge: R/month	R5,207.09	R5,676.25	**9.01%**	Increase of 9,01 %
E.2.1.3. Demand charge: High Demand Season: R/kVA	R146.09	R159.25	**9.01%**	
E.2.2.3. Demand charge: Low Demand Season: R/kVA	R146.09	R159.25	**9.01%**	
E.2.3.3. Network Access Charge (NAC): R/kVA (highests of max / notified)	R96.62	R105.33	**9.01%**	
E.3.1.2. Energy charge: High Demand: Peak: R/kWh	R10.4902	R11.4354	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
E.3.1.5. Energy charge: High Demand: Standard: R/kWh	R3.0403	R3.3142	**9.01%**	
E.3.1.8. Energy charge: High Demand: Off-Peak: R/kWh	R1.8609	R2.0286	**9.01%**	
E.3.2.2. Energy charge: Low Demand: Peak: R/kWh	R3.4150	R3.7227	**9.01%**	
E.3.2.5. Energy charge: Low Demand: Standard: R/kWh	R2.2314	R2.4324	**9.01%**	
E.3.2.8. Energy charge: Low Demand: Off-Peak: R/kWh	R1.6926	R1.8451	**9.01%**	
E.4. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
E.1.3. HV: > 11 kV: NAC of < 1 MVA.				
E1.3. Basic charge: >R/month	R6,911.12	R7,533.81	**9.01%**	Increase of 9,01 %
E.2.1.4. Demand charge: High Demand Season: R/kVA	R133.43	R145.45	**9.01%**	
E.2.2.4. Demand charge: Low Demand Season: R/kVA	R133.43	R145.45	**9.01%**	
E.2.3.4. Network Access Charge (NAC): R/kVA (highests of max / notified)	R87.79	R95.70	**9.01%**	
E.3.1.3. Energy charge: High Demand: Peak: R/kWh	R9.8066	R10.6902	**9.01%**	
E.3.1.6. Energy charge: High Demand: Standard: R/kWh	R2.8361	R3.0916	**9.01%**	
E.3.1.9. Energy charge: High Demand: Off-Peak: R/kWh	R1.7371	R1.8936	**9.01%**	
E.3.2.3. Energy charge: Low Demand: Peak: R/kWh	R3.1997	R3.4880	**9.01%**	
E.3.2.6. Energy charge: Low Demand: Standard: R/kWh	R2.0865	R2.2745	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
E.3.2.9. Energy charge: Low Demand: Off-Peak: R/kWh	R1.5814	R1.7239	**9.01%**	
E.4. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3510	**9.01%**	
TARIFF F Public lighting				Increase of 9,01 %
F.1. A fixed charge: Per luminaire /. Traffic light/month	R67.36	R73.43	**9.01%**	
F.2. Streetlight: Energy charge: High Demand Season: R/kWh	R2.9932	R3.2629	**9.01%**	
F.3. Streetlight: Energy charge: Low Demand Season: R/kWh	R2.9932	R3.2629	**9.01%**	
F.4. Traffic Light: Energy charge: High Demand Season: R/kWh	R2.9932	R3.2629	**9.01%**	
F.5. Traffic Light: Energy charge: Low Demand Season: R/kWh	R2.9932	R3.2629	**0.00%**	
TARIFF G WHEELING				
Eskom conntected generator				
G.1.1. Eskom Wheeling Basic: R/month	R7,583.65	R37,704.59	**397.18%**	Aligned with Eskom's munic flex rationalisation
G.2.1. Energy Credit: High Demand: Peak: R/kWh	R6.2733	R5.9744	**-4.76%**	
G.2.2.Energy Credit: High Demand: Standard: R/kWh	R1.9003	R1.4935	**-21.41%**	
G.2.3 Energy Credit: High Demand: Off-Peak: R/kWh	R1.0319	R0.9958	**-3.50%**	
G.2.1. Energy Credit: Low Demand: Peak: R/kWh	R2.0463	R2.4793	**21.16%**	
G.2.2. Energy Credit: Low Demand: Standard: R/kWh	R1.4084	R1.3940	**-1.02%**	
G.2.3. Energy Credit: Low Demand: Off-Peak: R/kWh	R0.8935	R0.9958	**11.45%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
TARIFF G: WHEELING: within the City's distribution networks: Off-taker ≥MV				
G.1.1. Municipal Wheeling Basic: R/month	R7,583.65	R37,704.59	**397.18%**	Aligned with Eskom's munic flex rationalisation
G.2.1. Energy Credit: High Demand: Peak: R/kWh	R6.7149	R7.5251	**12.07%**	
G.2.2.Energy Credit: High Demand: Standard: R/kWh	R2.0748	R1.8812	**-9.33%**	
G.2.3 Energy Credit: High Demand: Off-Peak: R/kWh	R1.1534	R1.2542	**8.74%**	
G.3.1. Energy Credit: Low Demand: Peak: R/kWh	R2.2168	R3.1230	**40.88%**	
G.3.2. Energy Credit: Low Demand: Standard: R/kWh	R1.5399	R1.7558	**14.02%**	
G.3.3. Energy Credit: Low Demand: Off-Peak: R/kWh	R0.9936	R1.2542	**26.23%**	
G.4.1. DUoS rates	R0.1211	R0.1317	**8.76%**	
Tariff H RESIDENTIAL TOU: LV: <=100 kVA / 150 Amp 3 phase				
Tariff H Single phase. <=80Amp.				
H1.1. Basic charge: Single phase. <=80Amp. R/month	R548.89	R598.34	**9.01%**	Increase of 9,01 %
H2.1.1. Energy charge: High Demand: Peak: R/kWh	R6.7690	R7.3789	**9.01%**	
H2.1.2.Energy charge: High Demand: Standard: R/kWh	R1.8950	R2.0657	**9.01%**	
H2.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
H3.1.1. Energy charge: Low Demand: Peak: R/kWh	R2.9674	R3.2348	**9.01%**	
H3.1.2. Energy charge: Low Demand: Standard: R/kWh	R1.7868	R1.9478	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
H3.1.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
Tariff H Single phase. Three phase, <=80Amp.				
H1.2. Basic charge: Three phase, <=80Amp. R/month	R1,019.44	R1,111.29	**9.01%**	Increase of 9,01 %
H2.1.1. Energy charge: High Demand: Peak: R/kWh	R6.7690	R7.3789	**9.01%**	
H2.1.2.Energy charge: High Demand: Standard: R/kWh	R1.8950	R2.0657	**9.01%**	
H2.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
H3.1.1. Energy charge: Low Demand: Peak: R/kWh	R2.9674	R3.2348	**9.01%**	
H3.1.2. Energy charge: Low Demand: Standard: R/kWh	R1.7868	R1.9478	**9.01%**	
H3.1.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
Tariff H Single phase. Three phase, >80Amp.				
H1.3. Basic charge: Three phase, >80Amp: R/month	R1,019.44	R1,111.29	**9.01%**	Increase of 9,01 %
H2.1.1. Energy charge: High Demand: Peak: R/kWh	R6.7690	R7.3789	**9.01%**	
H2.1.2.Energy charge: High Demand: Standard: R/kWh	R1.8950	R2.0657	**9.01%**	
H2.1.3. Energy charge: High Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
H3.1.1. Energy charge: Low Demand: Peak: R/kWh	R2.9674	R3.2348	**9.01%**	
H3.1.2. Energy charge: Low Demand: Standard: R/kWh	R1.7868	R1.9478	**9.01%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
H3.1.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.3534	R1.4753	**9.01%**	
TARIFF I				
Tariff I Cross Border between Cities: Municfelx +10%. Supply at LV: 230/400V				
ICP.1.1. Basic charge: R/month	R8,242.13	R8,964.14	**8.76%**	Increase of 8,76 %
ICP.2.2.1. Demand charge: High Demand Season: R/kVA	R30.21	R32.86	**8.76%**	
ICP.2.1.2. Demand charge: Low Demand Season: R/kVA	R30.21	R32.86	**8.76%**	
ICP.2.3.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R67.46	R73.37	**8.76%**	
ICP.3.1.1. Energy charge: High Demand: Peak: R/kWh	R8.6373	R9.3939	**8.76%**	
ICP.3.1.2.Energy charge: High Demand: Standard: R/kWh	R2.4161	R2.6278	**8.76%**	
ICP.3.1.3 Energy charge: High Demand: Off-Peak: R/kWh	R1.7250	R1.8761	**8.76%**	
ICP.3.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.7849	R4.1165	**8.76%**	
ICP.3.2.2. Energy charge: Low Demand: Standard: R/kWh	R2.2779	R2.4774	**8.76%**	
ICP.3.2.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.7250	R1.8761	**8.76%**	
Tariff I Cross Border between Cities: Megaflex +10%. Supply at MV or HV: >230/400V and <=66kV				
ICP.1.2. Basic charge: R/month	R19,528.90	R21,239.63	**8.76%**	Increase of 8,76 %

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
ICP.2.1.1. Demand charge: High Demand Season: R/kVA	R67.35	R73.25	**8.76%**	
ICP.2.2.2. Demand charge: Low Demand Season: R/kVA	R67.35	R73.25	**8.76%**	
ICP.2.3.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R53.24	R57.90	**8.76%**	
ICP.3.1.4. Energy charge: High Demand: Peak: R/kWh	R8.0193	R8.7218	**8.76%**	
ICP.3.1.5.Energy charge: High Demand: Standard: R/kWh	R2.2465	R2.4433	**8.76%**	
ICP.3.1.6 Energy charge: High Demand: Off-Peak: R/kWh	R1.6050	R1.7456	**8.76%**	
ICP.3.2.4. Energy charge: Low Demand: Peak: R/kWh	R3.5167	R3.8248	**8.76%**	
ICP.3.2.5. Energy charge: Low Demand: Standard: R/kWh	R2.1184	R2.3040	**8.76%**	
ICP.3.2.6. Energy charge: Low Demand: Off-Peak: R/kWh	R1.6050	R1.7456	**8.76%**	
TARIFF J				
TARIFF J Supplies at MV or HV close-coupled to the Eskom grid				
J.1.1. Basic charge: R/month	R11,822.44	R12,858.09	**8.76%**	Increase of 8,76 %
J.2.1.4. Demand charge: High Demand Season: R/kVA	R80.56	R87.62	**8.76%**	
J.2.1.2. Demand charge: Low Demand Season: R/kVA	R80.56	R87.62	**8.76%**	
J.2.2.1. Network Access Charge (NAC): R/kVA (highests of max / notified)	R68.10	R74.07	**8.76%**	

Tariff Name and description (Voltage and Demand)	Approved Tariffs 2025/26	2026/27 Proposed Tariffs	% increase	Notes
J.3.1.1. Energy charge: High Demand: Peak: R/kWh	R6.9967	R7.6096	**8.76%**	
J.3.1.2.Energy charge: High Demand: Standard: R/kWh	R2.1227	R2.3086	**8.76%**	
J.3.1.3 Energy charge: High Demand: Off-Peak: R/kWh	R1.5811	R1.7196	**8.76%**	
J.3.2.1. Energy charge: Low Demand: Peak: R/kWh	R3.1951	R3.4750	**8.76%**	
J.3.2.2. Energy charge: Low Demand: Standard: R/kWh	R2.0145	R2.1910	**8.76%**	
J.3.2.3. Energy charge: Low Demand: Off-Peak: R/kWh	R1.5811	R1.7196	**8.76%**	
D4.5. Reactive Energy charge: P&S (<0.85PF): R/kvarh	R0.3220	R0.3502	**8.76%**	
SSEG export credit				
SSEG for Non-TOU	R1.0538	R1.1461	**8.76%**	
SSEG for TOU High Season	R1.4054	R1.5285	**8.76%**	
SSEG for TOU Low Season	R0.9611	R1.0453	**8.76%**	Increase of 8,76 %

MITIGATION MEASURE ON TARIFF A TO PREVENT RISK TO CITY OF EKURHULENI REVENUE

Free Basic Electricity is targeted to indigent customers.

Tariff A is the City of Ekurhuleni's electricity tariff designed for low-income, low-consumption customers, including indigent households. The tariff has been restructured from an inclining block tariff (IBT) to a flat rate tariff, simplifying the pricing structure while remaining subsidised to ensure affordability. The tariff is aligned with Eskom's Home light tariff structure to ensure consistency with national pricing frameworks while supporting equitable access to electricity services to preserve the integrity of the tariff and ensure that it remains targeted at its intended customer base. Customers on Tariff A2 who exceed a consumption threshold of 750 kWh over a six-month period will be migrated to Tariff B (Residential).

The subsidised nature of Tariff A presents a potential financial risk to the City, particularly if higher-consumption customers utilise this lower-cost tariff. This may result in revenue loss and increased financial pressure on the municipality.

To mitigate this risk, the City will continue to implement targeted revenue protection and enhancement measures, including:

Revenue enhancement projects will see a continued focus on tampered prepayment meters (as well as protecting them), with a view to also assisting finance in achieving proposed payment levels. Revenue is also enhanced by the continual refinement of energy tariffs, derived from the analysis of Eskom supply tariffs, as well as those of other key players in the South African Energy market. Finally, back-office work will see more business processes implemented and these will lead to better efficiencies and a better service to energy customers

The following table shows the impact of the proposed increases in electricity tariffs on the electricity charges for a single dwelling house:

Table 11 : impact of the proposed increases in electricity tariffs on the electricity charges for a single dwelling house

consumption kWh	R payable (2025-2026)	R payable (2026-2027)	Difference R	% increase	Notes
50 (Tariff A1) IBT with FBE	R0.00	R0.00	R0.00		Flat rate going forward. The Inclining Block Tariff principle has been rescinded.
100 (Tariff A1) IBT with FBE	R148.70	R171.80	R23.10	15.54%	
150(Tariff A1) IBT with FBE	R297.40	R343.61	R46.21	15.54%	
200(Tariff A1) IBT with FBE	R446.10	R515.41	R69.31	15.54%	
250 (Tariff A1) IBT with FBE	R594.80	R687.22	R92.42	15.54%	
650 (Tariff A1) IBT with FBE	R3,032.96	R2,233.46	-R799.50	-26.36%	
750 (Tariff A1) IBT with FBE	R9,969.04	R1,405.26	-R8,563.78	-85.90%	
50 (Tariff A2) IBT non-FBE	R148.72	R176.15	R27.43	18.44%	Tariff A.2. customers will be migrated to tariff B residential if the monthly consumption is higher than 750kWH for 6 consecutive months.
100 (Tariff A2) IBT non-FBE	R297.45	R352.30	R54.85	18.44%	
150(Tariff A) IBT non-FBE	R446.17	R528.45	R82.28	18.44%	
450 (Tariff A) IBT non-FBE	R1,338.51	R1,585.36	R246.85	18.44%	
700 (Tariff A) IBT non-FBE	R3,247.45	R2,466.12	-R781.33	-24.06%	
750 (Tariff A) IBT non-FBE	R8,994.75	R2,642.27	-R6,352.48	-70.62%	
800 (Tariff B)	R3,228.67	R3,519.57	R290.90	9.01%	Increase of 9.01%
1000 (Tariff B)	R4,004.27	R4,365.06	R360.79	9.01%	
1500 (Tariff B)	R5,943.29	R6,478.78	R535.49	9.01%	
2 000 (Tariff B)	R7,882.30	R8,592.50	R710.20	9.01%	

1.4.4 Waste Removal and Impact of Tariff Increases

Refuse removal tariff increase is proposed at **3.4%.** For some time, the tariff increases of various services provided by the Department.
The following is the list of the fundamental services of the department:

- ✓ Income generating services.
  - Round collection
  - Bulk container services
  - Litter picking in commercial and industrial areas.
  - Operation and management of landfill sites
- ✓ Non income generating services.
  - Mini refuse disposal sites/transfer stations
  - Litter picking –all areas excluding commercial and industrial areas
  - Rehabilitation of old disposal sites
  - Removal of illegal dumping

The main cost drivers for Waste Management Services are as follows:

– **Increase in transport costs:**

Waste management services, except for landfills, are in essence a transport intensive operation and are therefore sensitive to the substantial and constant increases in the price of the following key transport inputs:

- Oils and lubricants
- Fuel costs
- General repairs and maintenance of the fleet

- **Labour costs**

Refuse removal is a labour- intensive operation and labour costs tend to have a ripple effect on tariffs.
The following table compares current and proposed amounts payable from 1 July 2026

Table 12 Comparison between current waste removal fees and increases

Residential Stand Size (for 240l Bins Removal)	CURRENT TARIFFS FOR 2025/26	PROPOSED TARIFFS FOR 2026/27	INCREASE	%
Property Value BELOW R300 000				
0 - 300 m^2 (Properties with value of **R300 000 and less)**	N/A			%
Property Value ABOVE R300 000				
Other Properties with Property Value **more than R300 000**	236.25	244.28	8.03	3.4%

1.4.5 Other Tariff Increases

The Finance Department has embarked on a process to compile a consolidated report of all sundry tariffs of all the departments. The tariffs were determined by departments and consolidated by the Finance Department.

Table 13 Summary of all Tariff Increases

NAME OF TARIFF AND SCHEDULE NO.	APPROVED TARIFFS INCREASES 2025-26	PROPOSED TARIFFS INCREASES 2026-27	COMMENTS
Property Rates (Schedule 1)	Valuation Roll Implementation	1.5%	lower than the CPI, following the community inputs on affordability concerns.
Electricity (Schedule 2)	11.32%-12.74%	8.76% -9.01%	As per NERSA guidelines
Water Services (Schedule 3)	15%	11%	To ensure a consistent of water supply.

NAME OF TARIFF AND SCHEDULE NO.	APPROVED TARIFFS INCREASES 2025-26	PROPOSED TARIFFS INCREASES 2026-27	COMMENTS
Sanitation Services(Schedule 4)	10%	8.35%	To ensure a consistent of sewer purification and infrastructure maintenance.
Waste management Services (Schedule 5)	6%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI).
Financial Services (Schedule 6)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Building Plans & Related Services (Schedule 7)	Ranges between 3.9% and 4.3%. (Average is 4.3%)	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Roads Related Services (Schedule 8)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
EMPD Services (Schedule 9)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI.
Transport Planning (Schedule 10)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Disaster Management Services (Schedule 11)	5%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Emergency Services (Schedule 12)	4.9%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Libraries & Information Services (schedule 13)	4.3%	0%	The libraries section proposed no increase as part of promoting education and use

NAME OF TARIFF AND SCHEDULE NO.	APPROVED TARIFFS INCREASES 2025-26	PROPOSED TARIFFS INCREASES 2026-27	COMMENTS
			of libraries within Ekurhuleni municipality.
Library Auditorium (schedule 14)	4.3%	0%	The libraries section proposed no increase as part of promoting education and use of libraries within Ekurhuleni municipality.
Arts, Culture & Heritage (schedule 15)	4.3%	0%	We are trying to promote usage and participation in art and cultural activities.
Sports & Recreation (schedule 16)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Removal of Street (schedule 17)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Cemeteries & Crematoriums (schedule 18)	4.3% for Non-Residents and 0% Residents	0% for Residents and 3.4% Non-Residents	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Advertising Signs (schedule 19)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
City Planning (schedule 20)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Economic Development (schedule 21)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.

NAME OF TARIFF AND SCHEDULE NO.	APPROVED TARIFFS INCREASES 2025-26	PROPOSED TARIFFS INCREASES 2026-27	COMMENTS
Environmental Health Services (schedule 22)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Municipal Bus Services (schedule 23)	Ranges between 3.45% and 4.30%.	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Hire of or use of Parks Facilities (schedule 24)	4.3%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.
Real Estate (schedule 25)	4.3% &10%	3.4%	Tariff increases to limited to Average Consumer Price index (CPI) and to uphold market related values.

Overall impact of tariff increases on households.

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 14 MBRR Table SA14 – household bills

EKU City of Ekurhuleni - Supporting Table SA14 Household bills

Description	2022/23	2023/24	2024/25	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'									
Rates and services charges:									
Property rates	562.50	587.25	616.03	672.00	672.00	1.5%	682.08	704.59	727.14
Electricity: Basic levy	54.74	62.95	69.89	77.80	77.80	9.01%	84.81	92.45	100.78
Electricity: Consumption	2,879.60	3,311.50	3,676.40	4,092.57	4,092.57	9.01%	4,461.31	4,863.27	5,301.45
Water: Consumption	729.84	817.44	891.00	1,024.65	1,024.65	11%	1,137.36	1,262.47	1,401.34
Sanitation	266.61	280.74	300.36	330.40	330.40	8.35%	357.98	387.88	420.26
Refuse removal	199.68	210.26	222.88	236.25	236.25	3.4%	244.29	252.59	261.18
sub-total	**4,692.97**	**5,270.14**	**5,776.56**	**6,433.67**	**6,433.67**		**6,967.83**	**7,563.25**	**8,212.16**
VAT on Services	596.25	702.43	722.47	864.25	864.25	9.10%	942.86	1,028.80	1,122.75
Total large household bill:	**5,289.22**	**5,972.57**	**6,499.03**	**7,297.92**	**7,297.92**		**7,910.69**	**8,592.05**	**9,334.91**
% increase/-decrease	**–**	**12.9%**	**8.8%**	**12.3%**	**–**		**8.4%**	**8.6%**	**8.6%**
Monthly Account for Household - 'Affordable Range'									
Rates and services charges:									
Property rates	376.44	393.00	412.26	480.00	480.00	1.5%	487.20	494.51	501.93
Electricity: Consumption	694.68	824.20	929.24	1,034.43	1,034.43	9.01%	1,127.63	1,229.23	1,339.99
Water: Consumption	566.54	634.54	691.65	795.40	795.40	11%	882.89	980.01	1,087.81
Sanitation	229.76	241.94	258.86	284.75	284.75	8.35%	308.52	334.28	362.20
Refuse removal	199.68	210.26	222.88	236.25	236.25	3.4%	244.29	252.59	261.18
sub-total	**2,067.10**	**2,303.94**	**2,514.89**	**2,830.83**	**2,830.83**		**3,050.53**	**3,290.62**	**3,553.10**
VAT on Services	223.65	286.64	294.37	352.62	352.62	9%	384.50	419.42	457.68
Total small household bill:	**2,290.75**	**2,590.58**	**2,809.26**	**3,183.45**	**3,183.45**	**9%**	**3,435.03**	**3,710.04**	**4,010.77**
% increase/-decrease	**–**	**13.1%**	**8.4%**	**13.3%**	**–**		**7.9%**	**8.0%**	**8.1%**
	-	-	-0.36	0.58	-1.00	0%	-	0.01	0.01
Monthly Account for Household - 'Indigent' Household receiving free basic services									
Rates and services charges:									
Property rates	–	–	–	–	–	1.5%	–	–	–
Electricity: Consumption	521.01	618.15	696.93	775.82	775.82	9.01%	845.72	921.92	1,004.99
Water: Consumption	305.58	342.24	373.05	429.01	429.01	11%	476.20	528.58	586.72
Sanitation	286.08	301.26	322.38	354.62	354.62	8.35%	384.23	416.31	451.07
Refuse removal	–	–	–	–	–		–	–	–
sub-total	**1,112.67**	**1,261.65**	**1,392.36**	**1,559.45**	**1,559.45**	**30%**	**1,706.15**	**1,866.82**	**2,042.79**
VAT on Services	155.77	176.63	194.93	233.92	233.92	9%	255.92	280.02	306.42
Total small household bill:	**1,268.44**	**1,438.28**	**1,587.29**	**1,793.37**	**1,793.37**	**39%**	**1,962.07**	**2,146.84**	**2,349.20**
% increase/-decrease	**–**	**13.4%**	**10.4%**	**13.0%**	**–**	**-100%**	**9.4%**	**9.4%**	**9.4%**

Cognisance must be taken of the following factors affecting the average monthly household bills as indicated in the above schedule:

- In the above example, the overall impact of tariff increases on the household bills in 2026/27 ranges between to 9.0% and 9.01%. The estimated increases in the outer years are reflected in the above table as well.
- The calculation with regard to electricity is based on the assumption that Tariff B would be applicable for middle income households. These households are not entitled to free basic electricity (FBE). Tariff A (flat rate) is applicable for the indigent households in the above example.

1.5 Operating Expenditure Framework

The City's expenditure framework for the 2026/2027 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance requirements as identified.
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing, uncommitted, cash-backed reserves to fund any deficit.
- Funding of the budget over the medium-term, as informed by Section 18 and 19 of the MFMA.
- The capital programme is aligned to the asset renewal needs and backlog eradication goals.
- The prioritisation of capital needs is based on the Capital Investment Framework.
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2026/2027 budget and MTREF (classified per main type of operating expenditure):

Table 15 Summary of the consolidated operating expenditure by standard classification item (Table A4)

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure										
Employee related costs	10,079,709	10,147,808	11,119,456	13,477,155	13,105,665	13,105,665	11,194,172	14,307,463	15,031,631	15,813,393
Remuneration of councillors	146,096	158,377	161,437	177,669	177,669	177,669	155,814	169,480	175,073	180,675
Bulk purchases - electricity	14,833,318	17,211,168	20,068,431	22,806,142	22,646,142	22,646,142	22,483,544	24,357,194	26,548,173	28,936,559
Inventory consumed	5,932,705	6,317,447	6,722,364	7,984,478	8,008,493	8,008,493	5,414,671	7,305,305	8,142,918	9,100,907
Debt impairment	7,872,366	5,789,732	5,092,870	5,927,855	6,773,069	6,773,069	4,907,359	6,531,431	7,184,255	7,962,015
Depreciation, amortisation and impairme	2,841,541	2,905,774	2,822,752	3,203,404	3,101,195	3,101,195	2,068,116	3,107,654	3,228,545	3,327,105
Interest, Dividends and Rent on Land	1,444,161	1,463,510	1,015,571	1,626,591	1,591,591	1,591,591	865,319	1,591,879	1,583,708	1,539,845
Contracted services	5,931,014	7,099,843	7,881,564	6,786,135	7,185,663	7,185,663	6,458,074	7,760,027	8,094,790	8,590,010
Transfers and subsidies	601,482	649,411	884,470	962,104	969,604	969,604	817,882	317,736	332,683	359,263
Irrecoverable debts written off	(270,838)	98,821	55,767	1,830	1,830	1,830	-	1,921	2,018	2,159
Operational costs	1,511,526	1,579,477	1,529,983	1,891,768	1,934,042	1,934,042	1,597,557	2,188,133	2,234,898	2,149,596
Disposal of Fixed and Intangible Assets	25,998	6,707	184	-	-	-	774	-	-	-
Other Losses	45,462	20,090	34,869	-	-	-	2,413	1,839,268	2,004,803	2,091,237
Total Expenditure	**50,994,539**	**53,448,164**	**57,389,718**	**64,845,129**	**65,494,963**	**65,494,963**	**55,965,696**	**69,477,492**	**74,563,495**	**80,052,764**
Surplus/(Deficit)	**(1,651,507)**	**(1,813,053)**	**(2,479,362)**	**650,275**	**830,417**	**830,417**	**3,700,831**	**1,474,627**	**913,819**	**943,062**
Transfers and subsidies - capital (monetary allocations)	2,201,701	2,366,771	2,329,367	2,487,849	2,598,861	2,598,861	1,746,992	2,593,205	2,773,870	3,015,619
Surplus/(Deficit) after capital transfers & contributions	**550,194**	**553,718**	**(149,995)**	**3,138,125**	**3,429,278**	**3,429,278**	**5,447,823**	**4,067,832**	**3,687,689**	**3,958,680**
Income Tax	(6,534)	(11,140)	(3,941)	2,448	2,448	2,448	380	1,831	2,028	1,785
Surplus/(Deficit) after income tax	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) attributable to municipality	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) for the year	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**

A detailed analysis is supplied with the discussion regarding employee related costs as set out in MBRR Tables SA22 - 24 in this document.

Employee related cost budget has increased by **9.2**% in 2026/27. The increase is relating to insourcing of services, 86% provision for filling of vacancies within trading services departments and 46% in other departments. Salary increment budget for the 2026/27 has increased in terms of SALGBC.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

The **provision of debt impairment** was determined based on an annual collection rate of 90% and the principles as set out in the Provision for Doubtful Debt and Debt Write-off Policy. For the 2026/2027 financial year this amount equates to R6.5 billion and escalates to R7,9 billion by 2028/29.

The municipality's Asset Management Policy has informed provision for depreciation and asset impairment. Depreciation is widely considered a proxy for the measurement of the asset consumption rate. Budget appropriations in this regard total approximately R3,1 billion for the 2026/27 financial year and increases to 3.3 billion by 2028/29.

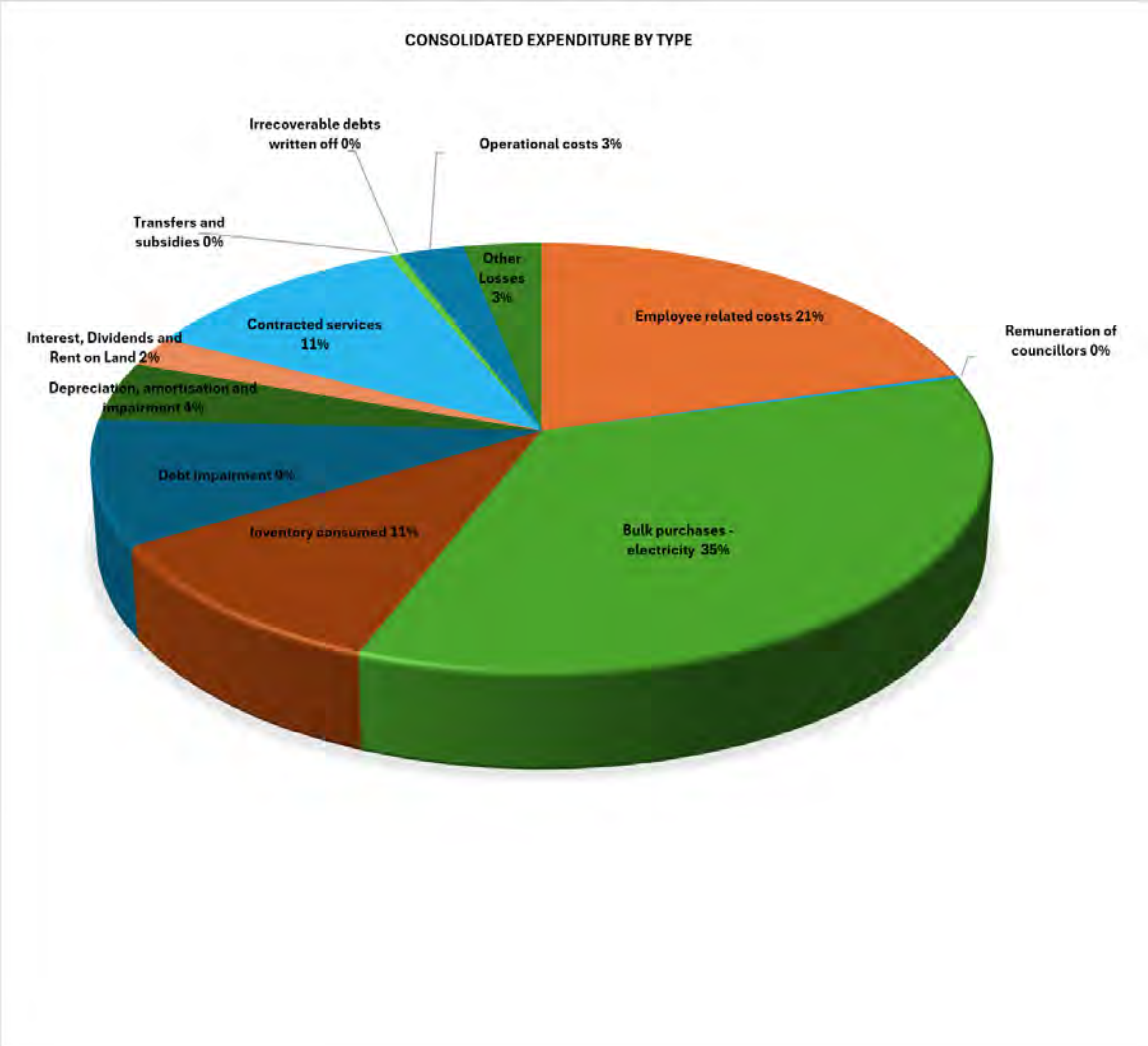
Interest on External Loans and Borrowings (excludes the annual redemption) reflects an amount R1.5 billion in the 2026/27 to service other loans from previous financial years. The interest on external loan is calculated based on the estimated rate of 10.5%.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Repairs and Maintenance comprise of, amongst others, the purchase of materials for maintenance and the appointment of external contractors to perform maintenance works. In line with the City's repairs and maintenance plan, this type of expenditure has been prioritised to ensure sustainability of the City's infrastructure. The total amount budgeted for repairs and maintenance in the 2026/27 financial year amounts to R4,6 billion.

The following graph gives a breakdown of the main expenditure categories for the 2026/2027 Budget.

Figure 1 Main operational expenditure categories for the 2026/27 financial year



1.5.1 Repairs and maintenance

Aligned to the priority given to preserving and maintaining the City's current infrastructure, the 2026/2027 budget and MTREF provide for growth in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance requirements of the City. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. The following table is extracted from MBRR Table SA1 to reflect the amount provided for repairs and maintenance in context with the amounts provided for PPE, depreciation and the renewal of assets. The repairs and maintenance expenditure has increased to **8.4% R4.6 billion** as a percentage of Property, Plant and Equipment, the 2025/26 financial year, was **6.9% or R3.8 billion** This reflects the City's continued commitment to preserving and extending the useful life of its asset base through enhanced maintenance interventions.

Table 16 Operational repairs and maintenance (SA1)

EKU City of Ekurhuleni - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and Maintenance by Expenditure Item										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Inventory Consumed (Project Maintenance)	1,346,168	1,387,184	1,447,797	1,872,326	1,908,581	1,908,581	1,441,196	2,406,093	2,608,494	2,826,631
Contracted Services	1,235,323	2,116,159	2,068,461	1,992,691	2,178,932	2,178,932	1,614,724	2,249,893	2,502,626	2,702,584
Operational Costs	-	-	-	-	-	-	-	5,000	5,000	5,000
Total Repairs and Maintenance Expenditure	**2,581,491**	**3,503,343**	**3,516,258**	**3,865,017**	**4,087,513**	**4,087,513**	**3,055,920**	**4,660,986**	**5,116,120**	**5,534,214**

The table below provides a breakdown of repairs and maintenance in relation to asset class as summarised from MBRR SA34c:

Table 17 Consolidated repairs and maintenance by asset class (SA34c)

EKU City of Ekurhuleni - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**1,904,902**	**2,192,388**	**2,675,151**	**2,788,070**	**3,200,690**	**3,200,690**	**3,974,877**	**4,375,288**	**4,734,462**
Roads Infrastructure	347,796	431,900	785,105	600,470	840,115	840,115	1,123,470	1,213,347	1,310,415
Roads	333,458	369,626	720,788	547,428	768,973	768,973	905,528	977,970	1,056,208
Road Furniture	14,338	62,274	64,317	53,042	71,142	71,142	217,942	235,377	254,207
Capital Spares									
Storm water Infrastructure	14,389	20,832	21,119	17,833	17,988	17,988	33,033	35,676	38,530
Storm water Conveyance	–	20,832	21,119	17,833	17,988	17,988	33,033	35,676	38,530
Electrical Infrastructure	1,027,104	1,190,036	1,024,485	1,172,340	1,247,340	1,247,340	1,756,352	1,896,178	2,047,175
HV Substations	58,838	130,876	108,152	162,647	162,647	162,647	182,392	196,984	212,743
HV Switching Station	–	8,545	9,481	11,637	11,637	11,637	11,637	12,568	13,574
HV Transmission Conductors	502	594	1,222	1,293	1,293	1,293	1,293	1,396	1,508
MV Substations	43,988	54,592	93,222	174,718	174,718	174,718	164,718	177,896	192,128
MV Switching Stations	–	5,812	9,270	10,344	10,344	10,344	10,344	11,172	12,066
MV Networks	716,847	655,176	627,782	632,195	702,195	702,195	1,041,899	1,124,851	1,214,439
LV Networks	205,857	333,409	174,221	176,909	181,909	181,909	178,047	192,291	207,674
Capital Spares	1,074	1,033	1,135	2,596	2,596	2,596	166,020	179,020	193,044
Water Supply Infrastructure	236,099	220,307	269,348	272,124	345,174	345,174	359,962	388,759	419,860
Reservoirs	–	554	4,127	7,700	7,700	7,700	7,700	8,316	8,981
Bulk Mains	7,639	6,454	9,778	11,153	11,153	11,153	11,512	12,433	13,428
Distribution	228,461	203,243	239,072	230,172	301,572	301,572	315,270	340,491	367,731
Distribution Points	–	10,012	16,133	22,449	24,049	24,049	24,780	26,763	28,904
PRV Stations	–	43	239	650	700	700	700	756	816
Sanitation Infrastructure	236,130	270,720	259,489	402,315	418,085	418,085	464,088	584,318	640,911
Pump Station	42,190	34,291	38,050	111,936	112,936	112,936	125,332	208,179	224,834
Reticulation	62,651	76,616	103,986	108,197	121,097	121,097	125,704	135,760	146,621
Waste Water Treatment Works	131,289	159,813	117,453	182,182	184,052	184,052	213,051	240,378	269,456
Solid Waste Infrastructure	43,383	58,593	100,421	155,564	164,564	164,564	187,973	203,010	219,251
Landfill Sites	43,383	58,593	100,421	143,724	164,524	164,524	175,425	189,459	204,615
Waste Transfer Stations	–	–	–	6,512	22	22	6,901	7,454	8,050
Waste Processing Facilities	–	–	–	2,664	9	9	2,823	3,049	3,293
Waste Drop-off Points	–	–	–	2,664	9	9	2,823	3,049	3,293
Capital Spares	–	–	215,184	167,424	167,424	167,424	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	50,000	54,000	58,320
Distribution Layers	–	–	–	–	–	–	50,000	54,000	58,320
Investment properties	**10,676**	**24,990**	**25,576**	**51,594**	**54,540**	**54,540**	**67,600**	**73,008**	**78,848**
Non-revenue Generating	10,676	24,990	25,576	51,594	54,540	54,540	67,600	73,008	78,848
Improved Property	10,676	24,990	25,576	51,594	54,540	54,540	67,600	73,008	78,848
Other assets	**158,862**	**87,776**	**242,556**	**108,615**	**126,173**	**126,173**	**94,406**	**101,880**	**109,778**
Operational Buildings	158,862	87,776	242,556	108,615	126,173	126,173	94,406	101,880	109,778
Municipal Offices	158,862	87,776	242,556	108,615	126,173	126,173	94,406	101,880	109,778
Furniture and Office Equipment	334,670	1,026,022	403,369	529,274	462,205	462,205	286,960	309,916	334,710
Furniture and Office Equipment	334,670	1,026,022	403,369	529,274	462,205	462,205	286,960	309,916	334,710
Machinery and Equipment	284	–	–	156	3,656	3,656	3,656	3,948	4,264
Machinery and Equipment	284	–	–	156	3,656	3,656	3,656	3,948	4,264
Transport Assets	172,098	172,166	169,606	387,308	240,249	240,249	233,488	252,079	272,152
Transport Assets	172,098	172,166	169,606	387,308	240,249	240,249	233,488	252,079	272,152
Total Repairs and Maintenance Expenditure	**2,581,491**	**3,503,343**	**3,516,258**	**3,865,017**	**4,087,513**	**4,087,513**	**4,660,986**	**5,116,120**	**5,534,214**

The total amount budgeted for repairs and maintenance in the 2026/27 financial year is **R4.6 billion**. Of this amount, **R3.97 billion (85.3%)** is allocated to the maintenance and repair of the City's infrastructure assets, reflecting the City's commitment to preserving and enhancing the reliability and functionality of its infrastructure network.

The infrastructure allocations are:

- Electricity 44,2 % or R1,756 billion.
- Roads 28,3 % or R1,12 billion.
- Water supply 9,1 % or R360 million.
- Sanitation 11,7 % or R464 million.
- Solid Waste 4,7 % or R188 million;
- Information and Communication Infrastructure 1 % or R50 million and
- Storm Water 0,8 % or R33 million.

Total for Other asset classes amounts to R686 million which constitutes 15 % of the R4,6 billion total budget. Other asset classes include a figure of R67,6 million for investment properties, that is 9,9% of the other asset classes' amount. An amount of R94,4 million has been set aside for R&M of other assets (municipal offices) constituting 14 % of other asset classes. A total of R287 million was budgeted for other assets relating to the repairs and maintenance of furniture and equipment and R3,7 million for machinery and equipment. R233 million has been set aside for repairs and maintenance of the city's transport assets, which constitutes 34% of the other asset classes' repairs and maintenance budget.

1.5.2 Free Basic Services: Basic Social Services Package

Council renders free basic services (FBS) to residents, and services grants based on certain conditions' simply implies that the service is rendered free to residents. In terms of the indigent policy, indigent person" are described as a poor needy person lacking the necessities of life such as insufficient water, basic sanitation and refuse removal. Further to that various grants or rebates are allocated to residents based on their specific socio-economic circumstances.

Deemed Indigent" household is defined as individuals who live together in a single residential property and qualifies for indigent relief based on the use and value of property as determined in terms of general valuation roll.

It is anticipated that these free basic services will cost the City of Ekurhuleni R6.323 billion in 2026/27, increasing to R6,785 billion by 2028/29. The cost of free basic services is based on the 813 273 households as indicated by the National Treasury Equitable Share allocation. However, it should be noted that the actual number of registered indigent households on the billing database is 239 645 and the City provide free basic services to informal settlements (not on database). Provision has been made in the 2026/2027 of additional 112 214 indigent as the City is in a campaign to encourage poor households come forward and register.

Details relating to FBS, the cost of FBS, revenue lost owing to FBS and basic service delivery measurement is contained in Table 28 MBBR A10 (Basic Service Delivery Measurement) on page 95.

The Council's Indigent Policy prescribes various concessions to registered indigents on sundry services, such as cemetery fees, use of halls and community centres, ambulance and emergency fees, etc

1.6 Capital expenditure.

The Capital Investment Framework (CIF) is a legislative requirement of the Municipal Systems Act, as per Section 2(4)(e) of the Municipal Planning and Performance Management Regulations, 2001; and fulfils the function of a Capital Expenditure Framework as required in terms of Section 21(n) of the Spatial Planning and Land Use Management Act, 2013. The CIF is a component of the MSDF and is an identified growth management tool. The function of the CIF is to influence, guide, and prioritize the allocation of the municipal capital budget in a coordinated manner across all sectors spatially and strategically.

The objectives of the CIF are implemented through institutionalization of the Capital Prioritisation Model (CPM) which is applied through the ERP ProCapMAN module that provides a platform for monitoring the capital budget spatially and retains a database of capital project details. This also assists in promoting coordinated and aligned departmental planning and budgeting in support of spatial priorities.

The budget evaluation process is informed by the strategic priorities emanating from the IDP process, Mayoral Lekgotla and manifesto as documented by the Strategy & Corporate Planning Department.

The process was also informed by the Ekurhuleni Growth and Development Strategy 2055 imperatives as follows:

- Re-industrialize in order to achieve job creating economic growth;
- Re-urbanise in order to achieve sustainable urban integration;
- Re-generate in order to achieve environmental well-being;
- Re-mobilise in order to achieve social empowerment;
- Re-govern in order to achieve effective cooperative governance

The Capital Budget will be funded as follows:

- **USDG grant** - in compliance with the USDG framework;
- **ISUPG** - To provide funding to facilitate a programmatic and inclusive approach to upgrading informal settlements;
- **UDFG -** New grant introduced in 2025/26 DoRA**.** Its purpose is to promote spatially transformed cities with financially sustainable trading services that are able to meet their service delivery mandates;
- **PTNG -** provide funding for accelerated construction and improvement of public and non-motorised transport infrastructure that forms part of a municipal integrated public transport network;
- **Other grants** - SRAC Provincial grant funding to be used to fund social projects that will not necessarily generate revenue;
- **Cash** generated from revenue will be used to fund movable assets;

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

Table 18 Consolidated Medium-term Capital Budget per vote–

Vote Description	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	%	Budget Year 2027/28	%	Budget Year 2028/29	%
Capital Expenditure - Standard										
Communications, Marketing and Tourism	750,000	0.02%	712,500	712,500	2,000,000	0.06%	1,500,000	0.04%	-	0.00%
Community Safety	91,600,000	2.73%	87,020,000	87,020,000	88,200,000	2.60%	105,000,000	3.03%	95,000,000	2.47%
Community Services	95,250,000	2.84%	90,487,500	90,487,500	97,700,000	2.88%	102,689,500	2.97%	117,323,440	3.05%
Energy	638,252,152	19.02%	606,339,544	606,339,544	591,482,000	17.45%	615,868,000	17.79%	692,365,000	18.01%
Enterprise Project Management Office	-	0.00%	-	-	92,000,000	2.71%	105,000,000	3.03%	110,000,000	2.86%
Executive Office	1,000,000	0.03%	950,000	950,000	1,000,000	0.03%	1,000,000	0.03%	1,000,000	0.03%
Human Settlement	489,274,501	14.58%	464,810,776	464,810,776	486,732,665	14.36%	523,910,590	15.14%	575,540,495	14.97%
Information and Communication Technology	215,000,000	6.41%	204,250,000	204,250,000	150,000,000	4.43%	130,000,000	3.76%	133,100,000	3.46%
Legislature	-	0.00%	-	-	2,000,000	0.06%	-	0.00%	-	0.00%
Real Estate & Development Planning	30,736,220	0.92%	29,199,409	29,199,409	32,500,000	0.96%	40,500,000	1.17%	24,000,000	0.62%
Roads & Transport Management	570,850,000	17.01%	542,307,500	542,307,500	504,967,252	14.90%	474,260,014	13.70%	474,398,762	12.34%
Service Delivery Coordination	57,000,000	1.70%	-	-	-	0.00%	-	0.00%	-	0.00%
Waste Business Unit	197,800,000	5.90%	187,910,000	187,910,000	250,786,000	7.40%	279,500,000	8.07%	284,000,000	7.39%
Water and Sanitation	667,159,000	19.88%	633,801,050	633,801,050	712,330,000	21.02%	673,700,000	19.46%	821,000,000	21.36%
Ekurhuleni Housing Company (EHC)	5,709,267	0.17%	5,423,804	5,423,804	40,582,730	1.20%	5,534,097	0.16%	12,068,097	0.31%
ERWAT	294,995,612	8.79%	280,245,831	280,245,831	336,667,542	9.93%	403,024,437	11.64%	504,000,000	13.11%
Total Capital Budget	3,355,376,752	100.00%	3,133,457,914	3,133,457,914	3,388,948,189	100.00%	3,461,486,638	100.00%	3,843,795,794	100.00%

For 2026/27 an amount of R3.013 billion has been appropriated for the development of infrastructure which represents 89.43% of the total Capital Budget. In the outer years, this amount totals R3.100 billion, 89.56% and R3.844 billion, 90.65% respectively for each of the financial years. Infrastructure development relates to roads and stormwater, electricity, water and wastewater management, and waste management. According to National Treasury, Housing has now been classified as Investment Properties and Transport as Transport Assets and not Infrastructure.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 27 MBRR A9 (Asset Management) of Annexure B. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The following graph provides a breakdown of the Capital Budget to be spent on infrastructure-related projects over the MTREF.

Figure 2 Capital Infrastructure Programme

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Infrastructure - Human Settlements&Other	582,000,000	500,091,000	597,711,321	847,033,348	887,518,665	933,410,590	992,640,495
Infrastructure - Sanitation	91,558,800	127,646,091	95,000,000	294,995,612	336,667,542	403,024,437	504,000,000
Infrastructure - Water	690,250,000	587,000,000	590,000,000	757,159,000	712,330,000	673,700,000	821,000,000
Infrastructure - Electricity	558,033,106	555,439,499	552,214,824	513,081,652	591,482,000	615,868,000	692,365,000
Infrastructure - Road transport	587,287,921	543,596,954	630,967,855	570,850,000	504,967,252	474,260,014	474,398,762

1.7 Annual Budget Tables – Consolidated

The following page in this section presents the 10 main budget tables as required in terms of Section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2026/27 budget and MTREF to be tabled to Council. Explanatory notes accompany each table.

Table 19 MBRR Table A1 - Consolidated Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates	7,841,076	8,823,218	8,839,918	10,833,546	10,833,546	10,833,546	10,008,843	11,158,553	11,526,785	11,895,642
Service charges	29,250,663	31,249,432	33,822,546	41,826,711	42,584,359	42,584,359	37,387,002	45,840,525	50,357,610	55,337,189
Investment revenue	138,912	169,512	129,206	137,206	128,665	128,665	122,931	144,305	144,920	145,570
Transfer and subsidies - Operational	5,591,523	6,287,329	6,641,170	7,078,485	7,103,334	7,103,334	6,630,666	7,290,362	7,681,630	7,820,772
Other own revenue	6,520,859	5,105,620	5,477,516	5,619,457	5,675,476	5,675,476	5,517,085	6,518,375	5,766,369	5,796,652
Total Revenue (excluding capital transfers and contributions)	49,343,032	51,635,111	54,910,355	65,495,405	66,325,380	66,325,380	59,666,527	70,952,119	75,477,315	80,995,826
Employee costs	10,079,709	10,147,808	11,119,456	13,477,155	13,105,665	13,105,665	11,194,172	14,307,463	15,031,631	15,813,393
Remuneration of councillors	146,096	158,377	161,437	177,669	177,669	177,669	155,814	169,480	175,073	180,675
Depreciation, amortisation and impairment	2,841,541	2,905,774	2,822,752	3,203,404	3,101,195	3,101,195	2,068,116	3,107,654	3,228,545	3,327,105
Interest, Dividends and Rent on Land	1,444,161	1,463,510	1,015,571	1,626,591	1,591,591	1,591,591	865,319	1,591,879	1,583,708	1,539,845
Inventory consumed and bulk purchases	20,766,023	23,528,615	26,790,795	30,790,620	30,654,635	30,654,635	27,898,215	31,662,498	34,691,091	38,037,466
Transfers and subsidies	601,482	649,411	884,470	962,104	969,604	969,604	817,882	317,736	332,683	359,263
Other expenditure	15,115,528	14,594,670	14,595,237	14,607,587	15,894,604	15,894,604	12,966,177	18,320,782	19,520,764	20,795,017
Total Expenditure	50,994,539	53,448,164	57,389,718	64,845,129	65,494,963	65,494,963	55,965,696	69,477,492	74,563,495	80,052,764
Surplus/(Deficit)	(1,651,507)	(1,813,053)	(2,479,362)	650,275	830,417	830,417	3,700,831	1,474,627	913,819	943,062
Transfers and subsidies - capital (monetary allocations)	2,201,701	2,366,771	2,329,367	2,487,849	2,598,861	2,598,861	1,746,992	2,593,205	2,773,870	3,015,619
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	550,194	553,718	(149,995)	3,138,125	3,429,278	3,429,278	5,447,823	4,067,832	3,687,689	3,958,680
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	550,194	553,718	(149,995)	3,138,125	3,429,278	3,429,278	5,447,823	4,067,832	3,687,689	3,958,680
Capital expenditure & funds sources										
Capital expenditure	3,086,734	2,753,209	2,773,414	3,197,115	3,355,377	3,355,377	1,581,354	3,388,948	3,461,487	3,843,796
Transfers recognised - capital	2,142,916	2,236,343	2,242,275	2,287,349	2,398,361	2,398,361	1,030,647	2,313,652	2,479,413	2,694,628
Borrowing	704,411	–	–	–	–	–	–	–	–	–
Internally generated funds	239,408	516,866	531,139	909,766	957,016	957,016	550,708	1,075,296	982,074	1,149,168
Total sources of capital funds	3,086,734	2,753,209	2,773,414	3,197,115	3,355,377	3,355,377	1,581,354	3,388,948	3,461,487	3,843,796

Explanatory notes to MBRR Table A1 – Consolidated Budget Summary

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

2. The table provides an overview of the amounts approved by Council from operating performance and resources deployed to capital expenditure, financial position, cash and funding compliance, and the City of Ekurhuleni's commitment to eliminating basic service delivery backlogs.

3. Financial management reforms emphasise the importance of funding for the municipal budget. This requires the simultaneous assessment of the financial performance, financial position and cash flow budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

    a. The operating surplus/deficit (after total expenditure) is positive over the MTREF.

    b. Capital expenditure is balanced by capital funding sources, of which:

        i. Transfers recognised are reflected on the Financial Performance Budget.

        ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of FBS shows that the amount spent on FBS and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 20 MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by function classification)

EKU City of Ekurhuleni - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional									
Governance and administration	**11,804,095**	**12,749,037**	**11,599,055**	**13,415,387**	**13,350,466**	**13,350,466**	**14,078,600**	**13,939,554**	**14,300,367**
Executive and council	25,313	22,500	31,580	37,000	37,000	37,000	–	–	–
Finance and administration	11,778,783	12,726,537	11,567,475	13,378,387	13,313,466	13,313,466	14,078,600	13,939,554	14,300,367
Community and public safety	**1,708,556**	**1,589,056**	**1,253,361**	**1,865,651**	**1,461,076**	**1,461,076**	**1,638,044**	**1,628,836**	**1,701,629**
Community and social services	67,294	62,555	71,076	40,921	41,037	41,037	39,369	40,960	41,135
Sport and recreation	48,163	31,594	35,033	34,110	34,110	34,110	17,510	18,522	19,011
Public safety	671,056	652,135	213,095	856,807	443,042	443,042	558,100	564,100	554,100
Housing	723,827	632,875	717,852	707,769	716,843	716,843	787,954	770,143	842,007
Health	198,215	209,896	216,306	226,044	226,044	226,044	235,111	235,111	245,376
Economic and environmental services	**1,152,431**	**1,357,979**	**1,359,450**	**1,184,697**	**1,170,511**	**1,170,511**	**940,402**	**864,936**	**770,645**
Planning and development	181,793	380,505	304,301	187,611	206,994	206,994	178,402	136,419	131,429
Road transport	970,638	977,474	1,055,149	997,085	963,517	963,517	762,000	728,517	639,216
Trading services	**36,520,208**	**37,933,796**	**42,651,496**	**51,130,612**	**52,559,730**	**52,559,730**	**56,494,235**	**61,423,795**	**66,844,720**
Energy sources	19,460,987	21,415,194	23,598,084	29,165,217	29,547,161	29,547,161	31,571,489	34,182,524	37,130,418
Water management	9,567,302	13,450,726	14,595,330	17,517,515	18,571,773	18,571,773	20,496,984	22,562,118	24,781,277
Waste water management	4,811,838	570,444	1,706,782	1,355,991	1,309,816	1,309,816	1,109,846	1,170,176	1,231,874
Waste management	2,680,080	2,497,432	2,751,300	3,091,889	3,130,980	3,130,980	3,315,917	3,508,977	3,701,151
Other	**359,442**	**372,014**	**376,360**	**386,907**	**382,457**	**382,457**	**394,043**	**394,064**	**394,084**
Total Revenue - Functional	**51,544,733**	**54,001,882**	**57,239,723**	**67,983,254**	**68,924,241**	**68,924,241**	**73,545,324**	**78,251,184**	**84,011,445**

EKU City of Ekurhuleni - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure - Functional									
Governance and administration	**4,842,791**	**4,869,995**	**6,040,850**	**4,852,255**	**3,166,430**	**3,166,430**	**5,480,123**	**5,772,779**	**6,100,435**
Executive and council	448,559	416,779	440,127	530,659	537,095	537,095	539,206	562,083	585,893
Finance and administration	4,323,582	4,383,089	5,523,674	4,225,276	2,591,493	2,591,493	4,897,010	5,162,017	5,460,890
Internal audit	70,651	70,127	77,049	96,320	37,842	37,842	43,906	48,679	53,652
Community and public safety	**8,594,785**	**9,685,327**	**9,458,205**	**10,167,583**	**9,570,572**	**9,570,572**	**9,498,856**	**9,888,169**	**10,347,326**
Community and social services	1,090,651	1,131,393	1,206,034	1,651,831	1,569,657	1,569,657	1,564,802	1,642,695	1,723,139
Sport and recreation	1,040,035	1,083,134	1,135,305	1,574,439	1,526,521	1,526,521	1,544,132	1,612,429	1,687,544
Public safety	2,947,241	3,538,931	3,306,279	3,945,272	3,661,213	3,661,213	3,658,284	3,847,377	4,043,354
Housing	1,749,009	2,049,366	1,970,646	718,436	735,665	735,665	778,007	770,674	801,986
Health	1,767,848	1,882,502	1,839,942	2,277,606	2,077,515	2,077,515	1,953,631	2,014,994	2,091,303
Economic and environmental services	**3,073,992**	**3,197,227**	**3,745,796**	**4,080,821**	**3,949,900**	**3,949,900**	**3,963,039**	**4,123,569**	**4,321,805**
Planning and development	566,962	734,957	755,211	837,428	789,518	789,518	687,652	715,395	752,145
Road transport	2,455,430	2,384,511	2,812,117	3,157,668	3,093,743	3,093,743	3,205,145	3,334,351	3,492,064
Environmental protection	51,600	77,759	178,468	85,725	66,639	66,639	70,242	73,823	77,596
Trading services	**34,137,697**	**35,358,821**	**37,803,495**	**45,311,412**	**48,348,559**	**48,348,559**	**50,037,751**	**54,258,269**	**58,737,807**
Energy sources	17,682,146	21,446,703	23,823,042	28,104,170	29,320,119	29,320,119	30,542,468	32,962,755	35,654,303
Water management	12,987,314	10,386,759	10,305,031	12,649,108	14,147,083	14,147,083	14,482,927	15,980,692	17,446,383
Waste water management	1,279,045	1,456,557	1,349,090	1,787,081	1,743,023	1,743,023	1,883,916	2,037,687	2,203,940
Waste management	2,189,191	2,068,803	2,326,333	2,771,053	3,138,335	3,138,335	3,128,440	3,277,135	3,433,180
Other	**338,740**	**325,653**	**337,431**	**435,508**	**461,950**	**461,950**	**499,554**	**522,736**	**547,176**
Total Expenditure - Functional	**50,988,005**	**53,437,024**	**57,385,777**	**64,847,578**	**65,497,411**	**65,497,411**	**69,479,323**	**74,565,523**	**80,054,549**
Surplus/(Deficit) for the year	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**4,066,001**	**3,685,661**	**3,956,896**

Explanatory notes to MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

1. Table A2 is a view of the consolidated budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms if each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note that the Total Revenue in this table includes capital revenues (transfers recognised – capital) and so does not balance with the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for Trading Services should exceed expenditures. The table highlights that this is the case for electricity, water and wastewater and the solid waste management (refuse removal) functions.

4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Corporate Services.

Table 21 MBRR Table A3 Consolidated – Budgeted Financial Performance (revenue and expenditure by municipal vote)

EKU City of Ekurhuleni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote									
Vote 01 - Executive & Council	–	–	–	–	–	–	–	–	–
Vote 02 - Office Of The City Manager	–	–	–	–	–	–	–	–	–
Vote 03 - Energy	19,460,987	21,415,194	23,598,084	29,165,217	29,547,161	29,547,161	31,571,489	34,182,524	37,130,418
Vote 04 - Water And Sanitation	14,379,141	14,021,170	16,302,112	18,873,506	19,881,590	19,881,590	21,606,830	23,732,294	26,013,151
Vote 05 - Waste Management	2,680,080	2,497,432	2,751,300	3,091,889	3,130,980	3,130,980	3,315,917	3,508,977	3,701,151
Vote 06 - Human Settlements	721,406	630,855	717,852	707,769	716,843	716,843	787,954	770,143	842,007
Vote 07 - Finance And Strategy	11,717,948	12,558,702	11,421,871	13,286,899	13,221,722	13,221,722	13,984,230	13,859,721	14,218,128
Vote 08 - Development Planning And Real Estate	202,120	361,843	308,759	224,853	237,627	237,627	197,860	134,025	135,461
Vote 09 - Community Safety	1,030,273	1,013,838	585,737	1,212,240	798,475	798,475	930,554	935,554	925,554
Vote 10 - Community Services	279,185	275,273	286,184	293,923	294,039	294,039	283,838	287,441	298,370
Vote 11 - Corporate And Shared Services	102,954	250,100	212,675	129,872	132,288	132,288	104,653	111,989	107,989
Vote 12 - Roads & Transport Managemen	970,638	977,474	1,055,149	997,085	963,517	963,517	762,000	728,517	639,216
Total Revenue by Vote	**51,544,733**	**54,001,882**	**57,239,723**	**67,983,254**	**68,924,241**	**68,924,241**	**73,545,324**	**78,251,184**	**84,011,445**

EKU City of Ekurhuleni - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure by Vote to be appropriated									
Vote 01 - Executive & Council	378,510	388,399	406,293	482,047	494,272	494,272	488,307	508,562	529,606
Vote 02 - Office Of The City Manager	13,029	12,240	20,240	6,545	8,095	8,095	7,582	7,850	8,144
Vote 03 - Energy	17,059,840	20,800,088	23,487,261	27,001,543	27,016,044	27,016,044	29,173,718	31,594,006	34,285,554
Vote 04 - Water And Sanitation	14,558,649	12,369,408	12,328,735	14,307,106	15,213,904	15,213,904	16,082,226	17,733,740	19,365,662
Vote 05 - Waste Management	2,102,194	2,058,621	2,448,917	2,549,672	2,624,802	2,624,802	2,865,679	3,014,397	3,170,461
Vote 06 - Human Settlements	397,920	502,988	492,157	485,402	505,572	505,572	562,346	554,806	585,902
Vote 07 - Finance And Strategy	2,817,720	2,789,697	3,100,185	3,244,369	3,465,791	3,465,791	4,050,455	4,217,390	4,512,464
Vote 08 - Development Planning And Rea	1,230,490	954,400	1,450,602	1,444,933	1,409,124	1,409,124	1,341,103	1,366,841	1,422,976
Vote 09 - Community Safety	4,111,642	4,683,688	4,333,025	5,310,873	4,950,750	4,950,750	5,329,212	5,601,397	5,885,844
Vote 10 - Community Services	2,461,281	2,495,841	2,563,701	3,340,786	3,096,341	3,096,341	3,353,842	3,503,821	3,674,118
Vote 11 - Corporate And Shared Services	2,939,209	3,416,344	3,275,927	3,090,428	3,343,231	3,343,231	2,584,824	2,684,550	2,660,656
Vote 12 - Roads & Transport Managemen	2,917,522	2,965,309	3,478,732	3,583,875	3,369,485	3,369,485	3,640,028	3,778,162	3,953,162
Total Expenditure by Vote	**50,988,005**	**53,437,024**	**57,385,777**	**64,847,578**	**65,497,411**	**65,497,411**	**69,479,323**	**74,565,523**	**80,054,549**
Surplus/(Deficit) for the year	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**4,066,001**	**3,685,661**	**3,956,896**

Explanatory notes to MBRR Table A3 – Consolidated Budgeted Financial Performance

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the city. This means it is possible to present the vote's operating surplus or deficit. The following table is an analysis of the surplus or deficit for refuse removal, electricity and water (including sanitation) trading services.

Table 22 Surplus/Deficit calculations for trading services as per MBRR Table A3

Table 24 Surplus/(Deficit) calculations for the trading services

Description	2223	2324	2425	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget 2026/27	Budget 2027/28	Budget 2028/29
Electricity								
Total Revenue (incl. capital grants and transfers)	19,460,987	21,415,194	23,598,084	29,165,217	29,547,161	31,571,489	34,182,524	37,130,418
Operating Expenditure	17,059,840	20,800,088	23,487,261	27,001,543	27,016,044	29,176,218	31,594,006	34,285,554
Surplus/ (Deficit) for the year	2,401,147	615,106	110,823	2,163,674	2,531,117	2,395,271	2,588,518	2,844,864
Percentage Surplus	12.34%	2.87%	0.47%	7.42%	8.57%	7.59%	7.57%	7.66%
Water & Sanitation								
Total Revenue (incl capital grants and transfers)	13,473,764	14,523,252	14,461,215	16,954,963	18,009,221	19,558,780	21,485,129	23,584,657
Operating Expenditure	13,329,870	10,970,204	11,044,638	12,595,084	13,548,057	14,280,462	15,784,164	17,256,253
Surplus/ (Deficit) for the year	143,894	3,553,048	3,416,577	4,359,879	4,461,164	5,278,318	5,700,965	6,328,404
Percentage Surplus	1.07%	24.46%	23.63%	25.71%	24.77%	26.99%	27%	27%
Waste Management Business Hub								
Total Revenue (incl capital grants an	2,678,040	2,495,181	2,748,877	3,089,062	3,128,153	3,312,948	3,505,871	3,697,921
Operating Expenditure	2,101,973	2,058,621	2,448,917	2,549,672	2,624,802	2,865,679	3,014,397	3,170,461
Surplus/ (Deficit) for the year	576,067	436,560	299,960	539,390	503,351	447,269	491,474	527,460
Percentage Surplus	22%	17%	11%	17%	16%	14%	14%	14%
Total for Trading Services								
Total Revenue (incl capital grants an	35,612,791	38,433,627	40,808,176	49,209,242	50,684,535	54,443,217	59,173,524	64,412,996
Operating Expenditure	32,491,683	33,828,913	36,980,816	42,146,299	43,188,903	46,322,359	50,392,567	54,712,268
Surplus/ (Deficit) for the year	3,121,108	4,604,714	3,827,360	7,062,943	7,495,632	8,120,858	8,780,957	9,700,728
Percentage Surplus	9%	12%	9%	14%	15%	15%	15%	15%

The electricity trading surplus is increasing from R2.1 billion in 2026/27 budget to R2.8 billion by in 2028/29 MTREF. his growth is mainly driven by approved tariff increases, improved revenue collection, and ongoing efforts to enhance operational efficiency and reduce losses

Due to improved efficiencies in the water and sanitation account the surplus is increasing from R5.2 billion in 2026/27 budget to R6.32 billion in 2028/29 MTREF, driven by improved operational efficiencies.

Waste Management reflects a surplus of R447 million in 2026/27. In the outer years, the surplus is R491 million and R527 million respectively, indicating steady financial performance.

Table 23 MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure)

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue										
Exchange Revenue										
Service charges - Electricity	18,270,852	19,872,392	22,023,989	27,521,065	27,521,065	27,521,065	22,913,427	29,338,711	31,959,050	34,814,831
Service charges - Water	5,923,740	5,475,763	5,917,337	7,535,802	7,902,782	7,902,782	8,435,193	8,772,088	9,995,191	11,389,517
Service charges - Waste Water Manageme	3,333,093	4,359,478	4,292,234	4,990,963	5,381,631	5,381,631	4,492,067	5,858,283	6,417,044	7,029,281
Service charges - Waste Management	1,722,978	1,541,799	1,588,986	1,778,881	1,778,881	1,778,881	1,546,315	1,871,443	1,986,325	2,103,560
Sale of Goods and Rendering of Services	1,769,014	504,912	539,222	161,522	161,522	161,522	149,080	960,852	162,932	164,898
Agency services	-	-	339,764	348,281	348,281	348,281	315,202	364,302	364,302	364,302
Interest earned from Receivables	1,137,977	1,086,177	1,050,927	1,093,924	1,325,693	1,325,693	1,433,353	1,327,258	1,328,117	1,328,897
Interest earned from Current and Non Cur	138,912	169,512	129,206	137,206	128,665	128,665	122,931	144,305	144,920	145,570
Dividends	112	88	69	-	-	-	76	-	-	-
Rent on Land	-	-	48	-	-	-	29	-	-	-
Rental from Fixed Assets	145,284	158,106	159,137	173,844	173,844	173,844	152,068	182,096	188,574	195,090
Development Charges	78,509	136,434	218,158	141,175	145,702	145,702	83,855	58,413	58,413	58,413
Operational Revenue	42,954	48,670	48,871	42,002	37,475	37,475	39,559	31,984	31,991	31,998
Non-Exchange Revenue										
Property rates	7,841,076	8,823,218	8,839,918	10,833,546	10,833,546	10,833,546	10,008,843	11,158,553	11,526,785	11,895,642
Fines, penalties and forfeits	654,803	681,641	216,798	819,240	418,041	418,041	236,332	530,389	530,389	530,389
Licences or permits	324,634	332,862	(3,418)	-	-	-	0	-	-	-
Transfer and subsidies - Operational	5,591,523	6,287,329	6,641,170	7,078,485	7,103,334	7,103,334	6,630,666	7,290,362	7,681,630	7,820,772
Interest	279,449	316,821	292,990	288,513	389,779	389,779	425,777	313,197	313,197	313,197
Fuel Levy	1,830,978	1,839,016	1,826,784	1,795,381	1,795,381	1,795,381	1,795,381	1,791,959	1,798,918	1,788,268
Operational Revenue	-	-	786,508	755,574	879,758	879,758	886,304	957,925	989,537	1,021,202
Other Gains	257,144	893	1,657	-	-	-	68	-	-	-
Total Revenue (excluding capital transfers and contributions)	**49,343,032**	**51,635,111**	**54,910,355**	**65,495,405**	**66,325,380**	**66,325,380**	**59,666,527**	**70,952,119**	**75,477,315**	**80,995,826**

EKU City of Ekurhuleni - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure										
Employee related costs	10,079,709	10,147,808	11,119,456	13,477,155	13,105,665	13,105,665	11,194,172	14,307,463	15,031,631	15,813,393
Remuneration of councillors	146,096	158,377	161,437	177,669	177,669	177,669	155,814	169,480	175,073	180,675
Bulk purchases - electricity	14,833,318	17,211,168	20,068,431	22,806,142	22,646,142	22,646,142	22,483,544	24,357,194	26,548,173	28,936,559
Inventory consumed	5,932,705	6,317,447	6,722,364	7,984,478	8,008,493	8,008,493	5,414,671	7,305,305	8,142,918	9,100,907
Debt impairment	7,872,366	5,789,732	5,092,870	5,927,855	6,773,069	6,773,069	4,907,359	6,531,431	7,184,255	7,962,015
Depreciation, amortisation and impairme	2,841,541	2,905,774	2,822,752	3,203,404	3,101,195	3,101,195	2,068,116	3,107,654	3,228,545	3,327,105
Interest, Dividends and Rent on Land	1,444,161	1,463,510	1,015,571	1,626,591	1,591,591	1,591,591	865,319	1,591,879	1,583,708	1,539,845
Contracted services	5,931,014	7,099,843	7,881,564	6,786,135	7,185,663	7,185,663	6,458,074	7,760,027	8,094,790	8,590,010
Transfers and subsidies	601,482	649,411	884,470	962,104	969,604	969,604	817,882	317,736	332,683	359,263
Irrecoverable debts written off	(270,838)	98,821	55,767	1,830	1,830	1,830	-	1,921	2,018	2,159
Operational costs	1,511,526	1,579,477	1,529,983	1,891,768	1,934,042	1,934,042	1,597,557	2,188,133	2,234,898	2,149,596
Disposal of Fixed and Intangible Assets	25,998	6,707	184	-	-	-	774	-	-	-
Other Losses	45,462	20,090	34,869	-	-	-	2,413	1,839,268	2,004,803	2,091,237
Total Expenditure	**50,994,539**	**53,448,164**	**57,389,718**	**64,845,129**	**65,494,963**	**65,494,963**	**55,965,696**	**69,477,492**	**74,563,495**	**80,052,764**
Surplus/(Deficit)	**(1,651,507)**	**(1,813,053)**	**(2,479,362)**	**650,275**	**830,417**	**830,417**	**3,700,831**	**1,474,627**	**913,819**	**943,062**
Transfers and subsidies - capital (monetary allocations)	2,201,701	2,366,771	2,329,367	2,487,849	2,598,861	2,598,861	1,746,992	2,593,205	2,773,870	3,015,619
Surplus/(Deficit) after capital transfers & contributions	**550,194**	**553,718**	**(149,995)**	**3,138,125**	**3,429,278**	**3,429,278**	**5,447,823**	**4,067,832**	**3,687,689**	**3,958,680**
Income Tax	(6,534)	(11,140)	(3,941)	2,448	2,448	2,448	380	1,831	2,028	1,785
Surplus/(Deficit) after income tax	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) attributable to municipality	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) for the year	**556,728**	**564,858**	**(146,054)**	**3,135,676**	**3,426,829**	**3,426,829**	**5,447,443**	**4,066,001**	**3,685,661**	**3,956,896**

Explanatory notes to MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure)

Revenue generated from **rates and service charges** forms a significant percentage of the revenue basket for the city. Rates and service charge revenues comprise around 80.3% of the total revenue mix. In the 2026/2027 financial year, revenue from rates and service charges totalled R56.9 billion in the income budget. It increases to R61.9 billion and R67.2 billion in the respective outer years.

Transfers and subsidies recognised amount to R7.2 billion or 10.4% of total income budget in the 2026/2027 financial year and increases to R7.8 billion by 2028/29.

Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

The following graph illustrates the major expenditure items per type.

Figure 3 Expenditure by major type

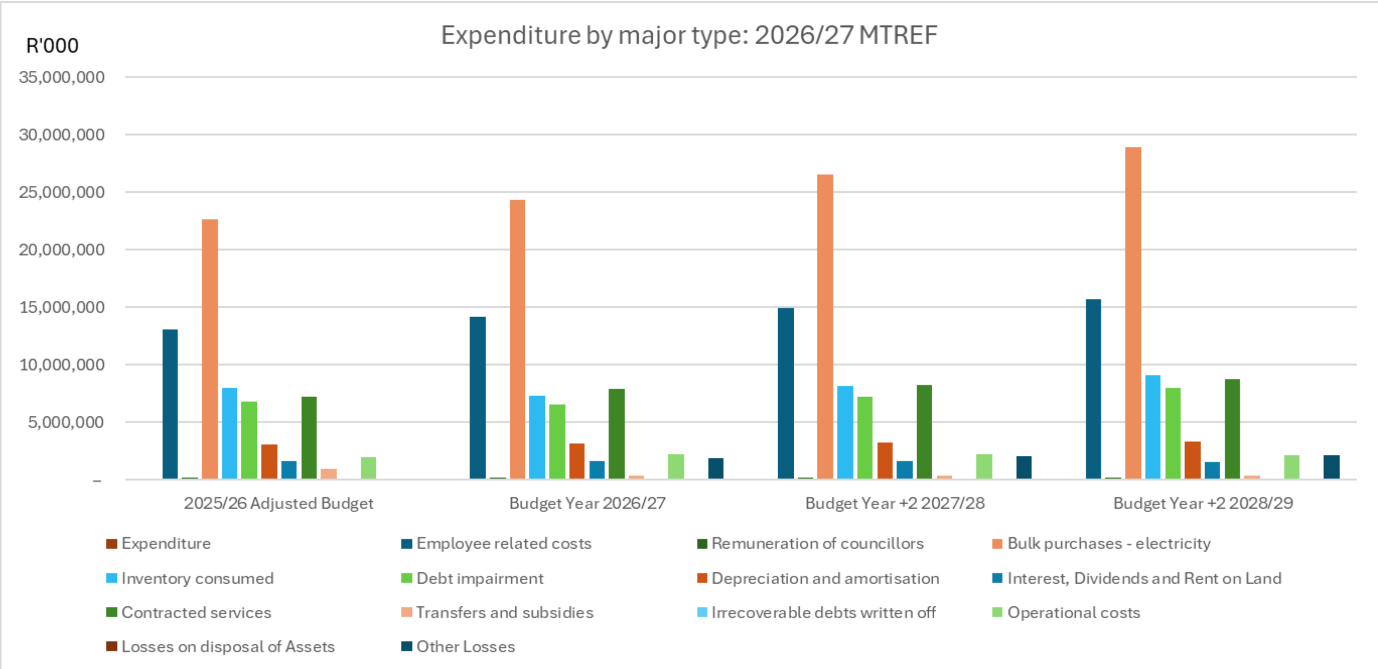


Table 24 MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 01 - Executive & Council	30	–	–	1,000	1,000	1,000	216	3,000	1,000	1,000
Vote 03 - Energy	602,318	632,628	528,928	513,082	638,252	638,252	462,282	591,482	615,868	692,365
Vote 04 - Water And Sanitation	702,800	709,887	679,333	1,052,155	962,155	962,155	428,324	1,048,998	1,076,724	1,325,000
Vote 05 - Waste Management	89,942	59,938	84,220	198,300	197,800	197,800	84,387	250,786	279,500	284,000
Vote 06 - Human Settlements	554,583	396,779	474,136	497,143	494,984	494,984	172,385	527,315	529,445	587,609
Vote 07 - Finance And Strategy	–	–	–	–	–	–	–	–	–	–
Vote 08 - Development Planning And Real Estate	109,689	57,788	84,259	30,736	30,736	30,736	4,344	32,500	40,500	24,000
Vote 09 - Community Safety	64,904	54,425	70,211	91,600	91,600	91,600	42,286	88,200	105,000	95,000
Vote 10 - Community Services	80,734	46,913	48,021	90,250	95,250	95,250	6,604	97,700	102,690	117,323
Vote 11 - Corporate And Shared Services	388,214	250,279	255,438	152,000	272,750	272,750	94,033	244,000	236,500	243,100
Vote 12 - Roads & Transport Management	493,521	544,571	548,869	570,850	570,850	570,850	286,493	504,967	474,260	474,399
Capital multi-year expenditure sub-total	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**1,581,354**	**3,388,948**	**3,461,487**	**3,843,796**
Total Capital Expenditure - Vote	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**1,581,354**	**3,388,948**	**3,461,487**	**3,843,796**

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional										
Governance and administration	**483,021**	**284,045**	**304,247**	**163,000**	**283,750**	**283,750**	**94,249**	**155,000**	**132,500**	**134,100**
Executive and council	28,714	24,990	37,000	43,000	43,000	43,000	9,556	3,000	1,000	1,000
Finance and administration	454,308	259,055	267,247	120,000	240,750	240,750	84,693	152,000	131,500	133,100
Internal audit	–	–	–	–	–	–	–	–	–	–
Community and public safety	**676,324**	**484,791**	**585,144**	**650,293**	**652,634**	**652,634**	**217,178**	**658,615**	**694,834**	**735,432**
Community and social services	29,434	31,169	30,223	11,600	11,600	11,600	–	14,700	28,500	34,500
Sport and recreation	56,838	30,152	39,797	59,300	66,050	66,050	2,507	43,100	60,390	52,823
Public safety	35,469	23,256	39,988	80,000	80,000	80,000	42,286	73,500	76,500	60,500
Housing	554,583	396,779	474,136	497,143	494,984	494,984	172,385	527,315	529,445	587,609
Health	–	3,434	1,000	2,250	–	–	–	–	–	–
Economic and environmental services	**532,329**	**581,920**	**591,542**	**620,286**	**620,786**	**620,786**	**294,934**	**684,067**	**662,060**	**672,899**
Planning and development	24,912	24,022	35,449	20,736	20,736	20,736	4,344	124,500	145,500	134,000
Road transport	483,521	544,571	548,869	570,850	570,850	570,850	286,493	504,967	474,260	474,399
Environmental protection	23,896	13,327	7,225	28,700	29,200	29,200	4,097	54,600	42,300	64,500
Trading services	**1,395,060**	**1,402,453**	**1,292,481**	**1,763,536**	**1,798,207**	**1,798,207**	**974,993**	**1,891,266**	**1,972,092**	**2,301,365**
Energy sources	602,318	632,628	528,928	513,082	638,252	638,252	462,282	591,482	615,868	692,365
Water management	607,366	576,861	581,000	757,159	667,159	667,159	205,025	712,330	673,700	821,000
Waste water management	95,434	133,026	98,333	294,996	294,996	294,996	223,300	336,668	403,024	504,000
Waste management	89,942	59,938	84,220	198,300	197,800	197,800	84,387	250,786	279,500	284,000
Other										
Total Capital Expenditure - Functional	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**1,581,354**	**3,388,948**	**3,461,487**	**3,843,796**

EKU City of Ekurhuleni - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funded by:										
National Government	2,127,916	2,223,537	2,229,551	2,275,149	2,386,161	2,386,161	1,030,647	2,300,552	2,466,439	2,681,304
Provincial Government	15,000	12,806	12,724	12,200	12,200	12,200	–	13,100	12,974	13,323
District Municipality										
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions,										
Transfers recognised - capital	**2,142,916**	**2,236,343**	**2,242,275**	**2,287,349**	**2,398,361**	**2,398,361**	**1,030,647**	**2,313,652**	**2,479,413**	**2,694,628**
Borrowing	704,411	–	–	–	–	–	–	–	–	–
Internally generated funds	239,408	516,866	531,139	909,766	957,016	957,016	550,708	1,075,296	982,074	1,149,168
Total Capital Funding	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**1,581,354**	**3,388,948**	**3,461,487**	**3,843,796**

Explanatory notes to MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; 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.

2. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the city.

3. Circular 132, further explains the Metro Trading Services Reform (MTSR) as transitioning from early implementation in 2025/26 into its first full operational year in 2026/27. The reform introduces a performance-based financing incentive through the Metro Trading Services component of the Urban Development Financing Grant (UDFG-MTS), designed to improve accountability, financial management, and operational performance in **water and sanitation, electricity and energy, and solid waste management**.
   - During the February 2026 mid-year performance review, National Treasury recommended to the city to continue not borrowing over the 2026/27 MTREF.
   - The need for the City to invest on Trading services more, hence the reduction on some departments.

4. The capital programme is funded from national and provincial grants and internally generated funds from current year surpluses. For 2026/27, capital grants and transfers totals R2.593 billion (76.97%) and increases to R2.774 billion by 2027/28 (80.14%) and R3.016 billion (78.45%) in 2028/29. The balance will be funded from internally generated funding totalling R776 million in 2026/27, R688 million in 2027/28 and R828 million in the 2028/29 financial years. These funding sources are further discussed in detail in 2.6 (overview of budget funding).

Table 25 MBRR Table A6 - Table A6 Consolidated Budgeted Financial Position

EKU City of Ekurhuleni - Table A6 Consolidated Budgeted Financial Position

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS										
Current assets										
Cash and cash equivalents	1,114,201	879,043	1,676,660	2,481,909	2,716,307	2,716,307	(3,154,460)	3,000,089	3,611,654	4,286,874
Short term Investments	–	–	–	–	–	–	–	181,417	190,217	199,457
Trade and other receivables from exchange transactions	6,406,534	8,618,339	9,717,248	12,180,226	12,364,030	12,364,030	5,151,861	11,637,197	12,814,343	14,035,643
Receivables from non-exchange transactions	2,226,107	1,771,449	2,338,845	2,720,662	2,730,788	2,730,788	687,658	2,840,647	2,997,287	3,162,676
Current portion of non-current receivables	261,347	310,853	359,500	–	–	–	–			
Inventory	1,925,987	1,720,821	1,682,311	1,819,154	1,809,274	1,809,274	(3,462,290)	1,949,967	2,091,990	2,241,114
VAT Receivable	386,068	620,556	410,316	350,729	304,626	304,626	4,771,332	2,147,541	2,318,918	2,498,864
Other current assets	652,338	1,256,243	1,944,176	1,362,929	1,447,216	1,447,216	194,842	1,303,864	1,285,560	1,247,660
Total current assets	**12,972,582**	**15,177,304**	**18,129,057**	**20,915,608**	**21,372,241**	**21,372,241**	**4,188,944**	**23,060,721**	**25,309,969**	**27,672,288**
Non current assets										
Investments	908,063	118,680	120,337	314,922	228,199	228,199	–	242,380	343,304	449,273
Investment property	456,223	441,836	475,319	432,225	461,906	461,906	(4,155)	476,925	475,978	481,348
Property, plant and equipment	63,416,350	63,116,029	63,432,523	59,692,284	59,000,408	59,000,408	(613,758)	59,340,140	59,028,968	59,068,408
Biological assets	–	–	–	–	–	–	–	–	–	–
Living resources	–	–	–	–	–	–	–	–	–	–
Heritage assets	82,007	82,007	82,007	82,007	82,007	82,007	–	82,007	82,007	82,007
Intangible assets	1,296,065	1,335,563	1,267,079	1,382,867	1,291,926	1,291,926	20,105	1,401,749	1,420,461	1,449,209
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	2,196	2,226	2,290	3,707	2,627	2,627	49	4,077	4,448	4,837
Other non-current assets	4,000	4,000	4,000	4,000	4,000	4,000	3,746	7,746	7,746	7,746
Total non current assets	**66,164,904**	**65,100,341**	**65,383,556**	**61,912,012**	**61,071,074**	**61,071,074**	**(594,013)**	**61,555,025**	**61,362,911**	**61,542,830**
TOTAL ASSETS	**79,137,486**	**80,277,645**	**83,512,613**	**82,827,620**	**82,443,315**	**82,443,315**	**3,594,931**	**84,615,746**	**86,672,880**	**89,215,117**

EKU City of Ekurhuleni - Table A6 Consolidated Budgeted Financial Position

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
LIABILITIES										
Current liabilities										
Financial liabilities	3,431,066	2,673,826	2,527,306	864,915	875,435	875,435	(562,888)	880,047	845,965	844,028
Consumer deposits	1,126,856	1,200,319	1,329,216	1,362,367	1,411,354	1,411,354	110,027	1,446,115	1,531,619	1,621,399
Trade and other payables from exchange transactions	11,558,747	14,165,065	17,573,913	13,270,116	12,639,737	12,639,737	(9,282,928)	8,586,660	7,913,791	7,353,588
Trade and other payables from non-exchange transactions	179,899	10,189	2,753	10,189	2,753	2,753	1,792,304	10,189	10,189	10,189
Provision	1,904,934	1,996,360	2,121,653	840,291	830,975	830,975	375,955	910,029	857,392	802,124
VAT Payable	6,102	(5,386)	7,751	(726,932)	(869,338)	(869,338)	5,188,898	2,427,699	2,566,813	2,712,883
Other current liabilities	2,148,807	2,087,762	2,417,262	122,481	122,481	122,481	1,484	3,315	5,343	7,127
Total current liabilities	**20,356,413**	**22,128,135**	**25,979,853**	**15,743,427**	**15,013,396**	**15,013,396**	**(2,377,149)**	**14,264,054**	**13,731,112**	**13,351,339**
Non current liabilities										
Financial liabilities	6,739,854	5,750,451	4,923,633	5,688,131	5,742,475	5,742,475	(20,175)	5,228,975	4,331,543	3,503,852
Provision	31,743	71,668	97,991	613,771	613,771	613,771	–	588,246	452,228	309,409
Long term portion of trade payables	–	–	(0)	3,941	–	–	–	(0)	(0)	(0)
Other non-current liabilities	16,188	3,941	–	2,532,631	2,896,950	2,896,950	–	2,377,588	2,333,039	2,286,262
Total non current liabilities	**6,787,785**	**5,826,060**	**5,021,624**	**8,838,475**	**9,253,195**	**9,253,195**	**(20,175)**	**8,194,809**	**7,116,810**	**6,099,523**
TOTAL LIABILITIES	**27,144,198**	**27,954,194**	**31,001,477**	**24,581,902**	**24,266,592**	**24,266,592**	**(2,397,324)**	**22,458,863**	**20,847,922**	**19,450,862**
NET ASSETS	**51,993,288**	**52,323,450**	**52,511,136**	**58,245,719**	**58,176,723**	**58,176,723**	**5,992,255**	**62,156,883**	**65,824,958**	**69,764,256**
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	51,423,655	51,801,796	51,988,153	58,223,425	58,153,493	58,153,493	6,462,504	62,134,589	65,802,664	69,741,962
Reserves and funds	521,701	521,654	522,590	22,294	23,229	23,229	(1,774)	22,294	22,294	22,294
Other	–	0	0	0	0	0	–	0	0	0
TOTAL COMMUNITY WEALTH/EQUITY	**51,945,355**	**52,323,450**	**52,510,743**	**58,245,719**	**58,176,723**	**58,176,723**	**6,460,730**	**62,156,883**	**65,824,958**	**69,764,256**

Explanatory notes to MBRR Table A6 - Budgeted Financial Position

1. Table MBRR A6 is consistent with international standards of good financial management practice and improves councilors' and management's understanding of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents assets less liabilities as "accounting" community wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is community wealth/equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the budgeted financial performance or the Capital Budget will inevitably impact on the budgeted financial position. For example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year-end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 26 MBRR Table A7 - Table A7 Consolidated Budgeted Cash flow.

EKU City of Ekurhuleni - Table A7 Consolidated Budgeted Cash Flows

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	7,442,002	7,267,126	8,013,368	9,752,502	9,752,502	9,752,502	7,040,622	10,042,697	10,374,106	10,706,078
Service charges	27,835,326	26,944,114	31,232,726	37,781,176	37,038,737	37,038,737	29,018,803	41,695,011	45,562,208	50,112,377
Other revenue	7,228,085	9,425,370	1,571,089	1,532,915	1,194,105	1,194,105	(2,186,043)	2,385,391	3,488,796	2,628,873
Transfers and Subsidies - Operational	3,033,033	5,565,928	5,888,108	6,381,353	6,394,043	6,394,043	6,554,406	7,018,394	7,359,662	7,478,804
Transfers and Subsidies - Capital	2,664,837	2,760,286	2,844,088	2,958,935	3,072,106	3,072,106	3,129,528	2,553,652	2,769,413	3,004,628
Interest	124,353	138,910	(4,920,129)	1,121,738	1,635,579	1,635,579	(2,984,782)	1,622,064	1,623,499	1,624,893
Payments										
Suppliers and employees	(50,720,771)	(57,057,575)	(59,629,030)	(51,878,948)	(51,684,086)	(51,684,086)	(57,861,011)	(58,989,087)	(64,632,473)	(68,524,172)
Finance charges	–	–	–	(776,567)	(748,644)	(748,644)	–	(772,417)	(768,098)	(757,817)
Transfers and Subsidies	(69,727)	–	–	(961,030)	(969,030)	(969,030)	–	(317,122)	(332,026)	(358,560)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**(2,462,862)**	**(4,955,753)**	**(14,999,710)**	**5,912,074**	**5,685,312**	**5,685,312**	**(17,288,553)**	**5,238,585**	**5,445,087**	**5,915,104**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Decrease (increase) in non-current receivables	(48)	(30)	(65)	(337)	(337)	(337)	(49)	(371)	(371)	(389)
Decrease (increase) in non-current investments	(64,658)	854,042	(791,041)	(106,204)	–	–	–	(100,075)	(100,924)	(105,970)
Payments										
Capital assets	(3,086,734)	(2,753,209)	(2,773,414)	(3,676,682)	(3,834,944)	(3,834,944)	(1,964,375)	(3,897,290)	(3,980,710)	(4,420,365)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(3,151,441)**	**(1,899,197)**	**(3,564,520)**	**(3,783,224)**	**(3,835,281)**	**(3,835,281)**	**(1,964,424)**	**(3,997,736)**	**(4,082,004)**	**(4,526,724)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	933,972	785,629	–	–	–	–			
Borrowing long term/refinancing	1,691,211	11,031	(1,619)	–	–	–	(1,504)	23,241	520	520
Increase (decrease) in consumer deposits	–	–	124,291	81,451	81,451	81,451	100,080	85,504	85,504	89,780
Payments										
Repayment of borrowing	(305)	(1,691,229)	(933,972)	(785,631)	(785,631)	(785,631)	(562,888)	(822,407)	(837,542)	(803,459)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**1,690,906**	**(746,226)**	**(25,671)**	**(704,180)**	**(704,180)**	**(704,180)**	**(464,312)**	**(713,661)**	**(751,518)**	**(713,160)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(3,923,397)**	**(7,601,176)**	**(18,589,901)**	**1,424,671**	**1,145,851**	**1,145,851**	**(19,717,289)**	**527,187**	**611,566**	**675,220**
Cash/cash equivalents at the year begin:	**1,074,499**	**1,114,201**	**879,043**	**1,058,896**	**1,676,660**	**1,676,660**	**–**	**2,472,902**	**3,000,089**	**3,611,654**
Cash/cash equivalents at the year end:	**(2,848,898)**	**(6,486,975)**	**(17,710,858)**	**2,483,566**	**2,822,511**	**2,822,511**	**(19,717,289)**	**3,000,089**	**3,611,654**	**4,286,874**

Explanatory notes to MBRR Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget.

3. It can be seen that the City of Ekurhuleni's cash levels are increasing steadily.

4. The cash and cash equivalents increase because of healthy increases in operational activities due to implementations of various interventions, i.e. extensive debt collection drive.

5. The 2026/2027 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

6. Cash and cash equivalents are expected to improve steadily to R 3.0 billion in 2026/2027. This increase is in line with the city's aim to achieve a three-month operating expenses coverage with its available cash and cash equivalents balances in the near future. As can be seen from the table, the city has a healthy net cash inflow from its operating activities. This result steadily increases over the MTREF period. This indicates that the cash inflows (inflows from ratepayers, etc.) generated from operating activities substantially exceeds the cash outflows (outflows to suppliers, employees etc.) of the operating activities. The significant net cash outflows from investing activities indicates inter alia that the metro is spending vast amounts of capital assets (property, plant and equipment etc.). This is made possible largely due to the healthy net cash inflows from operating activities mentioned above. The net cash outflows from financing activities is largely due to repayments of existing bonds. The City is not taking up new loans in the MTREF to finance capital projects.

Table 27 MBRR Table A8 – Consolidated Cash-backed Reserves/Accumulated Surplus Reconciliation

EKU City of Ekurhuleni - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash and investments available										
Cash/cash equivalents at the year end	(2,848,898)	(6,486,975)	(17,710,858)	2,483,566	2,822,511	2,822,511	(19,717,289)	3,000,089	3,611,654	4,286,874
Other current investments > 90 days	–	–	–	–	–	–	–	181,417	190,217	199,457
Non current Investments	908,063	118,680	120,337	314,922	228,199	228,199	–	242,380	343,304	449,273
Cash and investments available:	**(1,940,835)**	**(6,368,295)**	**(17,590,521)**	**2,798,488**	**3,050,710**	**3,050,710**	**(19,717,289)**	**3,423,886**	**4,145,175**	**4,935,605**
Application of cash and investments										
Unspent conditional transfers	179,899	10,189	2,753	10,189	2,753	2,753	1,792,304	10,189	10,189	10,189
Unspent borrowing	–	–	7,355,514	–	6,470,401	6,470,401	–			
Statutory requirements	4,191	71,875	3,840	8,704	6,794	6,794	5,594	5,780	7,808	9,593
Other working capital requirements	7,067,846	9,036,889	12,183,680	7,021,604	6,400,185	6,400,185	(11,328,719)	(4,493,313)	(6,767,238)	(8,373,232)
Other provisions	1,373,494	1,426,190	1,494,710	840,291	830,975	830,975	1,357,164	787,548	734,912	679,643
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Total Application of cash and investments:	**8,625,430**	**10,545,143**	**21,040,496**	**7,880,788**	**13,711,108**	**13,711,108**	**(8,173,657)**	**(3,689,795)**	**(6,014,329)**	**(7,673,806)**
Surplus(shortfall) - Excluding Non-Current Cred	**(10,566,265)**	**(16,913,439)**	**(38,631,017)**	**(5,082,300)**	**(10,660,398)**	**(10,660,398)**	**(11,543,633)**	**7,113,681**	**10,159,504**	**12,609,411**
Creditors transferred to Debt Relief - Non-Curr	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Credi	**(10,566,265)**	**(16,913,439)**	**(38,631,017)**	**(5,082,300)**	**(10,660,398)**	**(10,660,398)**	**(11,543,633)**	**7,113,681**	**10,159,504**	**12,609,411**

Explanatory notes to MBRR Table A8 – Consolidated Cash-backed Reserves/Accumulated Surplus Reconciliation

1. The cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. It is also in line with Council's Funding and Reserves Policy.

2. In essence, the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

5. As part of the budgeting and planning guidelines that informed the compilation of the 2026/2027 MTREF and considering the requirements of Section 18 of the MFMA, it can be concluded that the 2026/2027 MTREF is funded.

Table 28 MBRR Table A9 – Consolidated Asset Management

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE									
Total New Assets	**215,182**	**219,630**	**244,486**	**568,105**	**554,515**	**554,515**	**793,569**	**703,274**	**836,268**
Sanitation Infrastructure	83,499	118,162	92,898	265,604	192,050	192,050	240,000	290,000	300,000
Infrastructure	***83,499***	***118,162***	***92,898***	***265,604***	***192,050***	***192,050***	***240,000***	***290,000***	***300,000***
Community Facilities	56,788	45,990	66,474	39,600	39,600	39,600	53,000	85,500	47,300
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	***56,788***	***45,990***	***66,474***	***39,600***	***39,600***	***39,600***	***53,000***	***85,500***	***47,300***
Heritage Assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Operational Buildings	15,154	2,426	12,912	55,400	38,200	38,200	41,019	18,400	32,300
Housing	–	–	–	–	–	–	39,553	4,457	10,991
Other Assets	***15,154***	***2,426***	***12,912***	***55,400***	***38,200***	***38,200***	***80,572***	***22,857***	***43,291***
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	**29**	**254**	**409**	**4,500**	**4,500**	**430**	**449**	**449**
Furniture and Office Equipment	**990**	**13,278**	**5,390**	**52,401**	**47,919**	**47,919**	**127,468**	**131,940**	**237,900**
Machinery and Equipment	**11,053**	**2,620**	**1,824**	**23,290**	**36,630**	**36,630**	**5,600**	**6,628**	**4,628**
Transport Assets	**47,697**	**37,126**	**64,733**	**131,400**	**195,616**	**195,616**	**286,500**	**165,900**	**202,700**
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE									
Total Renewal of Existing Assets	**2,577,344**	**2,377,871**	**2,223,649**	**2,373,490**	**2,478,878**	**2,478,878**	**2,336,466**	**2,482,413**	**2,716,228**
Roads Infrastructure	469,662	539,521	511,970	478,050	525,583	525,583	443,367	415,945	388,299
Storm water Infrastructure	10,822	5,050	–	–	–	–	–	–	–
Electrical Infrastructure	555,466	608,051	416,465	347,861	461,120	461,120	458,655	489,868	589,665
Water Supply Infrastructure	487,452	497,888	475,806	587,293	507,293	507,293	455,311	531,500	667,000
Sanitation Infrastructure	112,715	78,873	103,795	146,250	135,750	135,750	113,000	112,000	114,000
Solid Waste Infrastructure	52,010	34,902	39,747	118,000	112,250	112,250	102,500	138,000	135,600
Information and Communication Infrastructure	236,574	190,146	148,577	52,000	109,500	109,500	125,000	95,000	95,100
Infrastructure	***1,924,702***	***1,954,432***	***1,696,360***	***1,729,454***	***1,851,496***	***1,851,496***	***1,697,833***	***1,782,313***	***1,989,664***
Community Facilities	58,743	38,581	24,689	82,300	78,967	78,967	75,600	97,716	90,700
Sport and Recreation Facilities	33,169	20,651	20,778	21,700	21,700	21,700	27,400	30,774	23,423
Community Assets	***91,912***	***59,232***	***45,467***	***104,000***	***100,667***	***100,667***	***103,000***	***128,490***	***114,123***
Heritage Assets	–	–	–	–	–	–	–	–	–
Revenue Generating	542,912	362,749	467,625	510,049	507,891	507,891	499,733	541,911	593,540
Non-revenue Generating	14,200	–	–	–	–	–	–	–	–
Investment properties	***557,112***	***362,749***	***467,625***	***510,049***	***507,891***	***507,891***	***499,733***	***541,911***	***593,540***
Furniture and Office Equipment	–	–	–	–	–	–	–	–	–
Machinery and Equipment	**3,618**	**1,458**	**14,197**	**29,986**	**18,824**	**18,824**	**35,900**	**29,700**	**18,900**
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE									
Total Upgrading of Existing Assets	**294,208**	**155,708**	**305,279**	**255,521**	**321,984**	**321,984**	**258,913**	**275,800**	**291,300**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	2,496	–	–	7,000	6,000	6,000	3,000	3,000	500
Electrical Infrastructure	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	–	–	4,727	5,300	6,050	6,050	53,886	47,500	68,500
Infrastructure	***2,496***	***–***	***4,727***	***12,300***	***12,050***	***12,050***	***56,886***	***50,500***	***69,000***
Community Facilities	162,110	64,975	227,304	218,221	287,272	287,272	159,027	182,300	174,300
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Community Assets	***162,110***	***64,975***	***227,304***	***218,221***	***287,272***	***287,272***	***159,027***	***182,300***	***174,300***
Heritage Assets	***–***	***–***	***–***	***–***	***–***	***–***	***–***	***–***	***–***
Revenue Generating	4,500	9,900	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Investment properties	***4,500***	***9,900***	***–***	***–***	***–***	***–***	***–***	***–***	***–***
Operational Buildings	119,632	56,766	71,462	25,000	22,662	22,662	43,000	43,000	48,000
Housing	5,471	24,067	1,785	–	–	–	–	–	–
Other Assets	***125,102***	***80,833***	***73,247***	***25,000***	***22,662***	***22,662***	***43,000***	***43,000***	***48,000***
Zoo's, Marine and Non-biological Animals	***–***	***–***	***–***	***–***	***–***	***–***	***–***	***–***	***–***

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Capital Expenditure	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**3,388,948**	**3,461,487**	**3,843,796**
Roads Infrastructure	469,662	539,521	511,970	478,050	525,583	525,583	443,367	415,945	388,299
Storm water Infrastructure	13,318	5,050	–	7,000	6,000	6,000	3,000	3,000	500
Electrical Infrastructure	555,466	608,051	416,465	347,861	461,120	461,120	458,655	489,868	589,665
Water Supply Infrastructure	487,452	497,888	475,806	587,293	507,293	507,293	455,311	531,500	667,000
Sanitation Infrastructure	196,214	197,035	196,693	411,854	327,800	327,800	353,000	402,000	414,000
Solid Waste Infrastructure	52,010	34,902	44,474	123,300	118,300	118,300	156,386	185,500	204,100
Information and Communication Infrastructure	236,574	190,146	148,577	52,000	109,500	109,500	125,000	95,000	95,100
Infrastructure	***2,010,697***	***2,072,594***	***1,793,986***	***2,007,358***	***2,055,596***	***2,055,596***	***1,994,719***	***2,122,813***	***2,358,664***
Community Facilities	277,641	149,546	318,467	340,121	405,839	405,839	287,627	365,516	312,300
Sport and Recreation Facilities	33,169	20,651	20,778	21,700	21,700	21,700	27,400	30,774	23,423
Community Assets	***310,810***	***170,197***	***339,246***	***361,821***	***427,539***	***427,539***	***315,027***	***396,290***	***335,723***
Revenue Generating	547,412	372,649	467,625	510,049	507,891	507,891	499,733	541,911	593,540
Investment properties	***561,612***	***372,649***	***467,625***	***510,049***	***507,891***	***507,891***	***499,733***	***541,911***	***593,540***
Operational Buildings	134,786	59,192	84,374	80,400	60,862	60,862	84,019	61,400	80,300
Housing	5,471	24,067	1,785	–	–	–	39,553	4,457	10,991
Other Assets	***140,256***	***83,259***	***86,159***	***80,400***	***60,862***	***60,862***	***123,572***	***65,857***	***91,291***
Computer Equipment	**–**	**29**	**254**	**409**	**4,500**	**4,500**	**430**	**449**	**449**
Furniture and Office Equipment	**990**	**13,278**	**5,390**	**52,401**	**47,919**	**47,919**	**127,468**	**131,940**	**237,900**
Machinery and Equipment	**14,672**	**4,078**	**16,021**	**53,277**	**55,454**	**55,454**	**41,500**	**36,328**	**23,528**
Transport Assets	**47,697**	**37,126**	**64,733**	**131,400**	**195,616**	**195,616**	**286,500**	**165,900**	**202,700**
TOTAL CAPITAL EXPENDITURE - Asset class	**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**3,388,948**	**3,461,487**	**3,843,796**

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSET REGISTER SUMMARY - PPE (WDV)	57,467,247	60,644,160	62,523,106	57,231,248	58,038,479	58,038,479	56,993,155	56,699,748	56,773,307
Roads Infrastructure	18,523,570	16,714,352	16,840,977	17,175,795	17,144,144	17,144,144	13,974,426	10,769,661	7,361,586
Storm water Infrastructure									
Electrical Infrastructure	14,308,750	15,862,807	16,388,125	7,477,399	8,989,572	8,989,572	7,294,750	6,656,776	6,224,203
Water Supply Infrastructure	2,953,415	10,227,771	10,626,112	11,301,064	11,148,405	11,148,405	11,764,875	12,307,875	12,986,375
Sanitation Infrastructure	5,232,778	6,812,300	6,921,285	7,192,400	7,131,521	7,131,521	7,335,197	7,670,547	8,023,311
Solid Waste Infrastructure	295,491	1,841,511	1,947,655	2,004,311	2,065,955	2,065,955	2,160,697	2,346,197	2,550,297
Information and Communication Infrastructure	235,046	403,814	547,704	597,909	699,204	699,204	712,909	802,909	887,409
Infrastructure	***41,549,050***	***51,862,556***	***53,271,858***	***45,748,878***	***47,178,801***	***47,178,801***	***43,242,856***	***40,553,967***	***38,033,183***
Community Assets	9,758,065	2,707,966	3,106,681	4,348,214	3,904,577	3,904,577	5,079,225	5,853,784	6,672,989
Heritage Assets	**82,007**	**82,007**	**82,007**	**82,007**	**82,007**	**82,007**	**82,007**	**82,007**	**82,007**
Investment properties	**456,223**	**441,836**	**475,319**	**432,225**	**461,906**	**461,906**	**476,925**	**475,978**	**481,348**
Intangible Assets	1,296,065	1,335,563	1,267,079	1,382,867	1,291,926	1,291,926	1,401,749	1,420,461	1,449,209
Computer Equipment	**(375,119)**	**(198,901)**	**(255,124)**	**193,468**	**111,488**	**111,488**	**1,015,195**	**2,173,889**	**3,400,248**
Furniture and Office Equipment	**311,601**	**386,166**	**503,801**	**415,035**	**538,828**	**538,828**	**539,431**	**572,157**	**673,925**
Machinery and Equipment	**539,087**	**272,762**	**170,065**	**347,471**	**229,780**	**229,780**	**430,080**	**506,346**	**562,422**
Transport Assets	**1,444,908**	**1,228,293**	**1,296,008**	**1,483,329**	**1,519,275**	**1,519,275**	**1,800,555**	**1,987,129**	**2,208,286**
Land	**2,405,360**	**2,525,911**	**2,605,412**	**2,797,754**	**2,719,891**	**2,719,891**	**2,925,132**	**3,074,029**	**3,209,689**
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**57,467,247**	**60,644,160**	**62,523,106**	**57,231,248**	**58,038,479**	**58,038,479**	**56,993,155**	**56,699,748**	**56,773,307**

EKU City of Ekurhuleni - Table A9 Consolidated Asset Management

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE OTHER ITEMS	**5,423,033**	**6,409,116**	**6,339,010**	**7,068,421**	**7,188,708**	**7,188,708**	**7,768,640**	**8,344,665**	**8,861,319**
Depreciation	2,841,541	2,905,774	2,822,752	3,203,404	3,101,195	3,101,195	3,107,654	3,228,545	3,327,105
Repairs and Maintenance by Asset Class	**2,581,491**	**3,503,343**	**3,516,258**	**3,865,017**	**4,087,513**	**4,087,513**	**4,660,986**	**5,116,120**	**5,534,214**
Roads Infrastructure	347,796	431,900	785,105	600,470	840,115	840,115	1,123,470	1,213,347	1,310,415
Storm water Infrastructure	14,389	20,832	21,119	17,833	17,988	17,988	33,033	35,676	38,530
Electrical Infrastructure	1,027,104	1,190,036	1,024,485	1,172,340	1,247,340	1,247,340	1,756,352	1,896,178	2,047,175
Water Supply Infrastructure	236,099	220,307	269,348	272,124	344,174	344,174	359,962	388,759	419,860
Sanitation Infrastructure	236,130	270,720	259,489	402,315	418,085	418,085	464,088	584,318	640,911
Solid Waste Infrastructure	43,383	58,593	100,421	155,564	164,564	164,564	187,973	203,010	219,251
Rail Infrastructure	–	–	–	–	–	–	–	–	–
Coastal Infrastructure	–	–	215,184	167,424	167,424	167,424	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	50,000	54,000	58,320
Infrastructure	***1,904,902***	***2,192,388***	***2,675,151***	***2,788,070***	***3,199,690***	***3,199,690***	***3,974,877***	***4,375,288***	***4,734,462***
Non-revenue Generating	10,676	24,990	25,576	51,594	54,540	54,540	67,600	73,008	78,848
Investment properties	***10,676***	***24,990***	***25,576***	***51,594***	***54,540***	***54,540***	***67,600***	***73,008***	***78,848***
Operational Buildings	158,862	87,776	242,556	108,615	126,173	126,173	94,406	101,880	109,778
Other Assets	***158,862***	***87,776***	***242,556***	***108,615***	***126,173***	***126,173***	***94,406***	***101,880***	***109,778***
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	**334,670**	**1,026,022**	**403,369**	**529,274**	**462,205**	**462,205**	**286,960**	**309,916**	**334,710**
Machinery and Equipment	**284**	–	–	**156**	**3,656**	**3,656**	**3,656**	**3,948**	**4,264**
Transport Assets	**172,098**	**172,166**	**169,606**	**387,308**	**241,249**	**241,249**	**233,488**	**252,079**	**272,152**
TOTAL EXPENDITURE OTHER ITEMS	**5,423,033**	**6,409,116**	**6,339,010**	**7,068,421**	**7,188,708**	**7,188,708**	**7,768,640**	**8,344,665**	**8,861,319**

Explanatory notes to MBRR Table A9 – Consolidated Asset Management

1. Table A9 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.

2. National Treasury has recommended that municipalities should allocate at least 40% of their Capital Budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8% of PPE. The City meets the 40% renewal requirement.

3. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the city's strategy to address the maintenance backlog.

Table 29 MBRR Table A10 – Consolidated Basic Service Delivery Measurement

EKU City of Ekurhuleni - Table A10 Consolidated basic service delivery measurement									
Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets									
Water:									
Piped water inside dwelling	615,285	668,856	669,525	670,194	670,194	670,194	690,300	711,009	732,339
Piped water inside yard (but not in dwelling)	441,273	479,737	480,217	480,697	480,697	480,697	495,118	509,118	525,271
Using public tap (at least min.service level)	136,780	122,136	122,258	122,380	122,380	122,380	126,051	129,833	133,728
Other water supply (at least min.service level)	138,148	127,083	127,210	127,337	127,337	127,337	131,157	135,092	139,145
Minimum Service Level and Above sub-total	1,331,486	1,397,812	1,399,210	1,400,608	1,400,608	1,400,608	1,442,626	1,485,052	1,530,483
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	11,331	10,302	10,312	10,323	10,323	10,323	10,633	10,952	11,280
Below Minimum Service Level sub-total	11,331	10,302	10,312	10,323	10,323	10,323	10,633	10,952	11,280
Total number of households	**1,342,817**	**1,408,114**	**1,409,522**	**1,410,931**	**1,410,931**	**1,410,931**	**1,453,259**	**1,496,004**	**1,541,763**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	957	651,304	655,173	657,003	657,003	657,003	676,713	697,014	717,925
Flush toilet (with septic tank)	4,042	4,351	4,355	4,360	4,360	4,360	4,491	4,626	4,764
Chemical toilet	237,245	216,083	216,299	216,515	216,515	216,515	223,010	229,701	236,592
Pit toilet (ventilated)	80,613	73,422	73,495	63,569	63,569	63,569	65,476	67,440	69,464
Other toilet provisions (> min.service level)	179,284	163,292	163,455	163,619	163,619	163,619	168,528	173,583	178,791
Minimum Service Level and Above sub-total	502,141	1,108,452	1,112,777	1,105,066	1,105,066	1,105,066	1,138,218	1,172,364	1,207,536
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	23,294	21,216	21,216	21,216	21,216	21,216	21,852	22,508	23,183
No toilet provisions	11,806	12,043	10,000	10,000	10,000	10,000	10,300	10,609	10,927
Below Minimum Service Level sub-total	35,100	33,259	31,216	31,216	31,216	31,216	32,152	33,117	34,110
Total number of households	**537,241**	**1,141,711**	**1,143,993**	**1,136,282**	**1,136,282**	**1,136,282**	**1,170,370**	**1,205,481**	**1,241,646**

EKU City of Ekurhuleni - Table A10 Consolidated basic service delivery measurement									
Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets									
Energy:									
Electricity (at least min.service level)	58,448	58,448	58,082	58,082	58,082	58,082	59,824	61,619	63,468
Electricity - prepaid (min.service level)	536,239	541,600	934,799	956,697	956,697	956,697	985,398	1,014,960	1,045,409
Minimum Service Level and Above sub-total	594,687	600,048	992,881	1,014,779	1,014,779	1,014,779	1,045,222	1,076,579	1,108,877
Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	10,000	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	10,000	–	–	–	–	–	–	–
Total number of households	**594,687**	**610,048**	**992,881**	**1,014,779**	**1,014,779**	**1,014,779**	**1,045,222**	**1,076,579**	**1,108,877**
Refuse:									
Removed at least once a week	736,247	743,609	745,096	746,586	746,586	746,586	768,984	792,053	815,815
Minimum Service Level and Above sub-total	736,247	743,609	745,096	746,586	746,586	746,586	768,984	792,053	815,815
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	231,765	231,765	247,785	268,193	268,193	268,193	276,239	284,526	293,062
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	231,765	231,765	247,785	268,193	268,193	268,193	276,239	284,526	293,062
Total number of households	**968,012**	**975,374**	**992,881**	**1,014,779**	**1,014,779**	**1,014,779**	**1,045,223**	**1,076,579**	**1,108,877**

EKU City of Ekurhuleni - Table A10 Consolidated basic service delivery measurement

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	2,088,830	3,264,102	4,086,060	3,061,973	2,694,994	2,694,994	2,452,870	2,597,414	2,537,581
Sanitation (free sanitation service to indigent households)	916,855	1,060,151	789,339	1,102,600	668,691	668,691	1,044,185	1,182,822	1,302,248
Electricity/other energy (50kwh per indigent household per month)	837,765	739,345	920,693	1,056,657	1,056,657	1,056,657	1,229,038	1,307,175	1,327,144
Refuse (removed once a week for indigent households)	725,868	696,813	741,770	803,675	803,675	803,675	825,357	831,779	846,199
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	–	–	–	726,228	726,228	726,228	772,120	740,040	740,040
Total cost of FBS provided	**4,569,318**	**5,760,410**	**6,537,861**	**6,751,133**	**5,950,244**	**5,950,244**	**6,323,571**	**6,659,230**	**6,753,212**
Highest level of free service provided per household									
Property rates (R value threshold)	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Water (kilolitres per household per month)	9	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	–	–	99	99	99	99	99	99	99
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissable values per section 17 of MPRA)									
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)	1,362,678	1,730,083	1,875,431	2,000,950	2,000,950	2,000,950	2,070,983	2,139,325	2,207,784
Water (in excess of 6 kilolitres per indigent household per month)	211,945	241,009	521,836	694,846	694,846	694,846	694,846	757,382	825,547
Sanitation (in excess of free sanitation service to indigent households)	272,697	306,665	319,089	664,214	664,214	664,214	664,214	721,042	789,363
Electricity/other energy (in excess of 50 kwh per indigent household per m	41,675	45,318	852,432	480,621	480,621	480,621	480,621	–	–
Refuse (in excess of one removal a week for indigent households)	160,884	276,264	540,754	210,911	210,911	210,911	218,715	231,838	245,748
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of subsidised services provided	**2,049,879**	**2,599,339**	**4,109,542**	**4,051,543**	**4,051,543**	**4,051,543**	**4,129,380**	**3,849,587**	**4,068,441**

Explanatory note to MBRR Table A10 – Consolidated Basic Service Delivery Measurement

1. It is anticipated that these free basic services will cost the City of Ekurhuleni R6.323 billion in 2026/27, increasing to R6,785 billion by 2028/29. The cost of free basic services is based on the 813 273 households as indicated by the National Treasury Equitable Share allocation. However, it should be noted that the actual number of registered indigent households on the billing database is 239,645 and the City provide free basic services to informal settlements (not on database). Provision has been made in the 2026/2027 of additional 112,214 indigent as the City is in a campaign to encourage poor households come forward and register.

2. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

3. The metro continues to make good progress with the eradication of backlogs:

4. The budget provides for over 359 185 households to be deemed and registered as indigent in 2026/27 and therefore entitled to receiving FBS. The level of FBS will have to be reviewed to cover the cost of additional indigents given the rapid rate of immigration to the metro, especially by poor people seeking economic opportunities.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the city's mayor 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 metro's mayor 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.

Budget Steering Committee

The Executive Mayor in terms of Section 4 of the Municipal Budget and Reporting Regulations set up the Budget Steering Committee, chaired by MMC Finance.

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 metro's IDP and the budget, taking into account 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.
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

The time schedule of key deadlines for the compilation of the 2026/2027 to 2028/2029 MTREF was submitted to Council for approval on the 31July 2025 item A-Corp (44-2025) as required by Section 21(b) of the MFMA.

Below is the summary of the 2026/2027 budget process as was tabled to Council.

PROCESS	ACTIVITY	TIMELINE
Planning	Prepare and table the schedule of key deadlines for the review, preparation tabling and approval of the integrated development plan and the annual budget	July - August 2025
Strategising	Stakeholder/Community Consultation. Analysis of previous performance and current trends. Review of the Integrated Development Plan and budget preparation process. Consider national and provincial priorities and planning guidelines. Consider Political and Administrative Imperatives	October 2025
Preparing	Preparation of the draft Integrated Development Plan, draft Annual budget and Budget Related Policies	October 2025 – February 2026
Tabling	Tabling of the Annual Report for the previous financial year at council Tabling of the mid-year assessment report for the current financial year at council Tabling of the adjustment budget and adjusted SDBIP for the current financial year at council Tabling of the draft IDP, draft annual budget and budget related policies for the next financial year at council Consultation with stakeholders and the community for comments and inputs on the draft IDP, draft annual budget and budget related policies for the next financial year. Consider stakeholder and community inputs on the tabled draft IDP and draft annual budget during the finalization of the IDP and Budget.	January - April 2026
Approving	Tabling of the Amended IDP, Annual Budget and budget related policies for the next financial year at council for consideration and approval.	May 2026
Finalising	Finalisation and tabling of the Service Delivery and Budget Implementation Plan (SDBIP) for the next financial year to the Mayor for approval Finalisation and signing of annual performance agreements	June- July 2026

The MFMA Circular 134 issued on 16th March 2026, provide guidance to municipalities and their entities on the preparation of their 2026/2027 Medium Term Revenue and Expenditure Framework (MTREF).

2.1.2 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/2027 MTREF, financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2026/2027 MTREF:

- City 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 2025/2026 adjustments budget and performance against the SDBIP.
- Cash Flow Management Strategy.
- Debtor 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 have been taken into consideration in the planning and prioritisation process.

2.1.3 Community Consultation

This chapter outlines the process followed in involving/engaging the Ekurhuleni community in the review of the CoE 2022/2023-2026/2027 integrated development plan and the preparation of the budget, as prescribed by legislation. "Citizen engagement refers to the active participation of citizens in the decision-making processes that affect their lives", (SA Cities Network, 2017, p1). Involving communities in the city's decision-making processes is according to the SA Cities Network, 2017 central to the successful governance of the city and to addressing inequality, poverty and service delivery challenges. The city is committed to ensuring that the Ekurhuleni community has access to information regarding the decisions that shape their lives.

As indicated in the city's Public Participation Policy, 2023; the public participation and engagement practice is increasingly becoming a part of mainstreaming the municipal business practices and central to public policy decision-making and delivery. The purpose of the CoE Public Participation Policy is to improve communication with the community, obtain and enhance wider community support or buy in on municipal by-laws, policies, and projects, gather useful data and ideas, enhance the reputation of the CoE, and provide for more sustainable and inclusive decision-making.

The City of Ekurhuleni's Public Participation Policy is based on the International Association for Public Participation (IAP2) model which, similar to Batho Pele Principles is based on the following foundation-. Value based, Decision orientated, Goal driven, Consultation, Setting service standards, Increasing access, Ensuring courtesy, Providing information, Openness and transparency and Redress.

The model provides a consistent approach to community engagement which facilitates a mutual understanding and approach between the CoE and the community. The Public Participation Policy is also premised on the following principles and levels of decision-making in the engagement with the community (Public Participation Spectrum)-

Inclusivity – embracing all views and opinions in the process of community participation.

Diversity – in a community participation process it is important to understand the differences associated with race, gender, religion, ethnicity, language, age, economic status, and sexual orientation. These differences should be allowed to emerge and where appropriate, ways sought to develop a consensus. Planning processes must build on this diversity.

Building community participation – capacity-building is the active empowerment of role players so that they clearly and fully understand the objective of community participation and may in turn take such actions or conduct themselves in ways that are calculated to achieve or lead to the delivery of the objectives

Transparency – promoting openness, sincerity, and honesty among all the role players in a participation process.

Flexibility – the ability to make room for change for the benefit of the participatory process. Flexibility is often required in respect of timing and methodology. If built into the participatory processes upfront, this principle allows for adequate public involvement, realistic management of costs and better ability to manage the quality of the output.

Accessibility – at both mental and physical levels - collectively aimed at ensuring that participants in a community participation process fully and clearly understand the aim, objectives, issues, and methodologies of the process, and are empowered to participate effectively. Accessibility ensures not only that the role players can relate to the process and the issues at hand, but also that they are, at the practical level, able to attend events and provide input into the process.

Accountability – the assumption by all the participants in a participatory process of full responsibility for their individual actions and conduct as well as a willingness and commitment to implement, abide by and communicate as necessary all measures and decisions in the course of the process.

Trust, Commitment and Respect – Above all, trust is required in a public participatory process. Invariably, however, trust is used to refer to faith and confidence in the integrity, sincerity, honesty, and ability of the process and those facilitating the process. Going about participation in a rush without adequate resource allocations will undoubtedly be seen as a public relations exercise likely to diminish the trust and respect of community in whoever is conducting the process in the long term, to the detriment of any community participation processes.

Integration – that community participation processes are integrated into mainstream policies and services, such as the IDP process, service planning.

The Constitution of the Republic of South Africa,108, 1996, the Local Government Municipal Structures Act 117 of 1998 and amendments, the Local Government Municipal Systems Act 32 of 2000 (MSA) and amendments and the Local Government Municipal Finance Management Act,56 of 2003 (MFMA) are amongst the legislation that provide guidance on processes to be followed by municipalities in the development of the IDP and the Budget.

The Constitution in Section 153 describes the developmental duties of municipalities and indicates that a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community , and to promote the social and economic development of the community and participate in national and provincial development programmes. To this effect municipalities must be responsive to community needs and encourage participation by communities and community organisations in local government processes.

The Local Government Municipal Systems Act, 32 of 2000 takes its cue from the principles contained in the Constitution on participatory democracy and requires that the municipality create an enabling environment for the community to engage with the city’s planning process as outlined in Section 16 (1) which states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose;

(a) encourage, and create conditions for, the local community to participate in the affairs of the municipality, including in:

(i) the preparation, implementation and review of its integrated development plan in terms of Chapter 5.

(ii) the establishment, implementation and review of its performance management system in terms of Chapter 6,

(iii) the monitoring and review of its performance, including the outcomes and impact of such performance,

(iv) the preparation of its budget, and

(v) strategic decisions relating to the provision of municipal services in terms of Chapter 8.

(b) contribute to building the capacity of;

(i) the local community to enable it to participate in the affairs of the municipality, and

(ii) councillors and staff, to foster community participation, and

(c) use its resources, and annually allocate funds in its budget, as may be appropriate for the purpose of implementing paragraphs (a) and (b).

Section 16 (2) states that subsection (1) must not be interpreted as permitting interference with a municipal councils right to govern and to exercise the executive and legislative authority of the municipality.

The Municipal Systems Act in Section 17 (2) requires a municipality to establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality and for this purpose provide for: the receipt, processing and consideration of petitions and complaints lodged by members of the local community, notifications and public comment procedures when appropriate, public meetings and hearings by the municipal council and other political structures and political office bearers of the municipality, when appropriate, and report back to the local community. When establishing these mechanisms, processes and procedures the municipality must take into account the special needs of; people who cannot read or write; people with disabilities; women, and other disadvantaged groups, (MSA, Section 17 (3)).

The process followed by a municipality to draft its integrated development plan, including its consideration and adoption of the draft, must in terms of Section 29 (1) of the MSA through appropriate mechanisms, processes and procedures established in terms of Chapter 4 of the Local Government Municipal Systems Act, 32 of 2000 allow for the local community to be consulted on its development needs and priorities, and participate in the drafting of the integrated development plan; and for organs of state, including traditional authorities and other role players to be identified and consulted on the drafting of the integrated development plan.

Further to that, Sections (c) and (d) require that provision be made for the identification of all plans and planning requirements binding on the municipality in terms of national and provincial legislation and be consistent with any other matters that may be prescribed by regulation.

The Local Government Municipal Finance Management Act, 56 of 2003, Section 21 (2) requires the mayor when preparing the annual budget to (d) consult the relevant provincial treasury, and when requested, the National Treasury; and any national or provincial organs of state, as may be prescribed, (e) provide, on request, any information relating to the budget to the National Treasury, and subject to any limitations that may be prescribed to the national departments responsible for water, sanitation, electricity and any other service as may be prescribed, as well as to any other national and provincial organ of state, as may be prescribed, and another municipality affected by the budget.

The City of Ekurhuleni's Communication and Digital Strategy outlines the key internal and external stakeholders to be consulted as well as the objectives for stakeholder consultation in line with the requirements of the Municipal Systems Act and other legislation as discussed above.

City of Ekurhuleni Communication and Digital Strategy

To give effect to the Constitution and other legislation, The City of Ekurhuleni's Communication and Digital Strategy, 2019 was formulated to assist the municipality to communicate internally and externally with its audience. The target audience within the Ekurhuleni community identified in the COE Communication and Digital Strategy to be reached with the COE communication processes include the following: internal COE departments, Residents and Communities, Local and international investors, Local business and regional business, Media (Local, regional, national and international), Local Government organisations, Provincial and National Government, Elected Public representatives (Ward Councillors), the

Labour and Union organisations, NPOs and NGOs and Strategic Partners. (COE Communication and Digital Strategy, 2019). Communication is conducted both internally and externally.

The objectives of internal communication in terms of the strategy are listed below:

- Raise awareness, promote and provide feedback regarding initiatives and/or current projects within the Municipality.
- Ensure informative, professional and regular communication is directed and sustained within employees.
- Transparency at local government level.
- Ensure the best standards of Service Delivery.
- Promote the Vision, Mission and Batho Pele principles.
- Ensure employees are informed to provide best levels of Service to the public.
- Create an environment where staff are informed at all times.
- Raise the profile of staff accomplishments for motivational purposes.
- Share the Municipality good and bad news to manage expectations to alleviate fears and concerns, (COE Communication and Digital Strategy, 2019, p20).

The city's communication to external stakeholders is conducted based on the following objectives:

- Keep the public informed on matters that affect them directly.
- Inform the public on how local government operates and/or functions.
- Inform the public on how to correctly and efficiently access local government services and offerings.
- Ensure transparency at local government level at all times.
- Inform the public on how municipal budgets are spent.
- Raise awareness of public participation platforms.
- Encourage maximum constructive public participation.
- Ensure a united single message is communicated from the CoE Municipality.

- Report on outcomes of all activities, projects and developments by the CoE Municipality.

- Raise awareness, promote and provide feedback regarding infrastructure and energy efficient initiatives and/or projects of the Municipality.

- Ensure proactive media relations.

- Communicate ward committee system activities to key role players.

- Utilise awareness campaigns to ensure communities are aware of what municipality services are available and have access to as citizens.

- Promote and communicate effective complaints handling system and customer friendly services that are available to the citizens.

- Ensure feedback mechanisms for all stakeholders.

- Support and enhance investment promotion and tourism activities within the CoE Municipality area.
- Ensure informative, professional and regular communication is directed and sustained with civic structures and organisations.

- Promote communication activities aimed at investors and local business in the area.

- Raise awareness and provide feedback of the CoE initiatives and projects.

- Promote and create awareness of municipality initiatives, such as health programmes specific to vulnerable groups.

- Promote and create awareness of municipality employment programmes in the area.

- Promote and create awareness of beautification of the towns and/or wards and preservation thereof.

- Promote the Vision, Mission and Batho Pele principles.

- Support revenue enhancement initiatives of the municipality, manage public perception of revenue collection.

- Promote revenue collection within the CoE Municipality areas, (COE Communications and Digital Strategy, 2019.

Engagements held with the National/Gauteng Provincial Government Departments

The city attends the quarterly IDP managers forum meetings arranged by GCOGTA to engage on issues that may impact on the IDP review process and to continuously provide feedback on the city's progress during the IDP review process. Meetings were attended with COGTA, and the National Strategic Hub to discuss the piloting of the Living Municipal IDP in Ekurhuleni. Ekurhuleni is one of the pilot municipalities for the Living Municipal IDP with COGTA and the National Strategic Hub.

The city also attended numerous Insight Exchange Sessions arranged by the National Strategic Hub to share information on pertinent development issues affecting Integrated Development Planning within municipalities.

A workshop was convened on 23 September 2025 with the Gauteng Provincial Government (GPG) departments. The purpose of the workshop was for the GPG departments to present the status of projects that are implemented in the city including those that respond to community/ward priorities as well as the national and provincial planning requirements that may impact on the 2026/2027 IDP and budget process.

The City of Ekurhuleni's second Bi-annual IDP intergovernmental broad intersectoral engagement was held on 23 February 2026 where the GPG departments presented a progress update on the 2024/2025 and 2025/2026 projects and programmes implemented in the municipal space, planned programmes and projects for 2026/2027 and response to the 2025/2026 collected community/ward priorities.

The CoE government departments and entities were consulted on 9 September 2025 to discuss progress on the implementation of projects including those that respond to community/ward priorities. The feedback presented in September 2025 on the status of GPG and CoE projects provided input into the ward committee meetings that were held during October 2025 to gather community development priorities.

The Senior Management Team (SMT) and Mayoral Strategic Planning sessions were held during the week of 16 to 19 March 2026 to engage on and finalise inputs into the 2026/2027 Amended IDP and the 2026/2027-2028/2029 MTREF.

Ward Committee Consultation Meetings for the 2026/2027 IDP review and Budget process

The City of Ekurhuleni has adopted the Ward Participatory System which is designed to assist Ward Councillors with the facilitation and co-ordination of engagements between the city and its communities. Ward Committees for the 112 wards of the City of Ekurhuleni were established by Council after the election of the municipal council in terms of Section 73 (1) of the Local Government Municipal Structures Act 117 of 1998 and amendments, which states that if a metro or local council decides to have ward committees, it must establish a ward committee for each ward in the municipality, and a ward committee in terms of Section 73 (2) consists of (a) the councillor representing that ward in the council, who must also be the chairperson of the committee; and (b) not more than 10 other persons.

The functions and powers of ward committees as outlined in Section 74 of the Municipal Structures Act state that a ward committee (a) may make recommendations on any matter affecting its ward (i) to the ward councillor; or (ii) through the ward councillor, to the metro or local council, the executive committee, the executive mayor or the relevant metropolitan subcouncil; and (b) has such duties and powers as the metro or local council may delegate to it in terms of section 59 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

Consultation meetings were held in the 19 Ekurhuleni Customer Care Areas (CCA's) from 7 to 16 October 2025 with the CoE ward committees in line with the Council approved schedule of key deadlines for the 2026/2027 IDP review and Budget process. The schedule of meetings was communicated with all ward councillors and their respective ward committees. The CoE departments were invited to participate in the meetings during the engagements to provide inputs and discussion on service delivery matters. The meetings with the CoE ward committees were convened to serve the following purpose:

- To provide feedback on the implementation of projects that respond to ward needs/priorities for the current financial year (2025/2026).

- To provide feedback on service delivery performance including the implementation of projects in the wards; and

- To review, reprioritise and confirm the ward needs/priorities for the 2026/2027 IDP review and budget process by ward committees.

Participation during the Ward Committee Consultation Meetings for the 2026/2027 IDP review and Budget process

Three (3) meetings were held daily across the 19 Customer Care Areas (CCAs) and all the meetings took place as planned. A total of 994 individuals attended the 19 ward committee consultation meetings, the majority of personnel who attended the sessions were the CoE officials and ward committee members. 74 out of the expected 112 Ward Councillors attended the IDP review consultation meetings.

IDP and Budget Community consultation meetings per City of Ekurhuleni Customer Care Area (CCA)

A total of 20 public participation meetings were held in the City of Ekurhuleni between 07 and 17 April 2026 at the various CoE Customer Care Areas to solicit comments from the community and stakeholders on the Council tabled draft 2026/2027 IDP and 2026/2027-2028/2029 MTREF as outlined in the table below.

Date	CCA	Time	Venue	Ward Number
Tuesday 07 April 2026	Tsakane	18:00	Faranani Indoor Centre	81,82,83,84,85,99,112
Tuesday 07 April 2026	Thokoza	18:00	Sam Ntuli Indoor Sports Centre	52,53,54,56 ;57 & 58
Wednesday 08 April 2025	Katlehong 2	18:00	Palm Ridge Hall	59,60,61,62,63,101,103,108
Wednesday 08 April 2025	Etwatwa	18:00	Stompie Skhosana Hall	26,65,66,67, 109
Wednesday 08 April 2025	Kwathema	18:00	Kwathema Civic Hall	74,77,78,79,80,81
Thursday 09 April 2026	Civic Organisations	10:00	Germiston Banquet Hall	
Thursday 09 April 2026	Germiston	18:00	Dinwiddie Hall	21, 35,36,37, 39, 40,41, 42 92, 93
Thursday 09 April 2026	Benoni,	18:00	Actonville Community Hall	24,27,28,29,30,73 ,110
Thursday 09 April 2026	Tembisa 1	18:00	Rabasotho Hall	4,5,6,8,9,12,14 ,90
Monday 13 April 2026	Alberton	18:00	Alberton Civic Hall	37,38,94,106
Monday 13 April 2026	Kempton Park	18:00	Kempton Park Civic Hall	13,15,16,17,23,25,91,104
Monday 13 April 2026	Springs	18:00	Springs Supper Hall	72,74,75,76
Tuesday 14 April 2026	Business Forum	08:30	Edenvale Community Centre	
Tuesday 14 April 2026	Duduza	18:00	Duduza Monty Motloung Hall	86, 87 ,98
Tuesday 14 April 2026	Boksburg	18:00	Boksburg Town Hall	22, 23, 32, 33, 34, 43
Tuesday 14 April 2026	Katlehong 1	18:00	D H Williams Hall	48,49, 50, 51, 52,55, 107
Wednesday 15 April 2026	Vosloorus	18:00	Vosloorus Civic Hall	44; 45; 46; 47; 64; 95, 99,107
Wednesday 15 April 2026	Daveyton	18:00	Victor Ndlazilwana Hall	25,68, 69, 70, 71, 96
Wednesday 15 April 2026	Tembisa 2	18:00	Olifantsfontein community Hall	1,2,3,7,89,100,102
Thursday 16 April 2026	Edenvale	18:00	Sam Hlalele Hall	10,11,12,18,19,20
Thursday 16 April 2026	Brakpan	18:00	Brakpan Indoor Sports Centre	31, 97, 105
Thursday 16 April 2026	Nigel	18:00	Mackenzie Hall	88,111
Friday 17 April 2026	Youth Formations	10:00	Germiston Banquet Hall	

2.1.4 Overview of alignment of annual budget with IDP

Municipalities in South Africa are required, in terms of applicable legislation, to prepare five-year strategic plans in the form of Integrated Development Plans (IDPs), which are reviewed on an annual basis. The IDP serves as the principal strategic planning instrument that guides and informs all planning, budgeting, management, and decision-making processes within the Municipality. It ensures that available resources and institutional capacity are aligned to the Municipality's developmental priorities and objectives.

The alignment between the 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) and the IDP has been achieved through the formulation of strategic objectives that directly inform budget allocations. These objectives are designed to respond to key service delivery priorities, including the provision of basic services, infrastructure development, economic growth, and the promotion of good governance and financial sustainability.

Furthermore, the City 's strategic objectives are aligned with the long-term vision as articulated in the Growth and Development Strategy (GDS 2055). The GDS 2055 provides a forward-looking framework that informs sustainable development and guides long-term planning initiatives.

In addition, the GDS 2055 is aligned with relevant Provincial and National policy frameworks, including the Medium-Term Strategic Framework (MTSF), the Integrated Urban Development Framework (IUDF), and other sectoral policies. This alignment ensures that the Municipality's planning and budgeting processes contribute to broader government priorities and outcomes.

Through this integrated approach, the City ensures that its annual budget is not only responsive to immediate service delivery needs but also supports long-term developmental goals and sustainable growth.

The IDP Strategic Objectives as follows:

GDS 2055	IDP Strategic Objectives
Re-urbanize: To achieve urban integration.	Strategic Objective 1 To promote integrated human settlements through massive infrastructure and services roll out.
Re-govern:	Strategic Objective 2: To build a clean, capable and modernised local state.

To achieve effective cooperative governance.	
Re Mobilize: To achieve social empowerment.	Strategic Objective 3: To promote safer, healthy and socially empowered communities.
Re-Generate: To achieve environmental well-being.	Strategic Objective 4: To protect the natural environment and promote resource sustainability.
Re-Industrialize: To achieve job creating economic growth.	Strategic Objective 5: To create an enabling environment for inclusive growth and job creation.

Indicators (Outcome) together with targets for the IDP aligned to the 5 Strategic Objectives have been developed, including the outcome indicators as regulated by MFMA Circular 88.Output indicators as well as targets that will address the outcome indicators in the IDP have been developed in the 2026/2027 SDBIP; including output indicator as regulated by MFMA circular 88. An attempt has been made in the 2025/2026 SDBIP to align all the indicators to the budget and/projects that are funded in the 2026/2027 MTREF; to ensure that the budget funds the priorities in the IDP. The funding of the ward priorities through the budget is also an indication of the alignment of the budget to community development priorities

2.1.5 Measurable performance 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 City 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 organisational performance that in turn is directly linked to individual employee’s performance.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 30 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

EKU City of Ekurhuleni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	Governance	2,080	1,018	72	134	134	134	134	134	134
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	Governance	13,170	13,943	14,556	16,722	16,838	16,838	14,170	16,893	17,201
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Inclusion and Access	(886,752)	(973,076)	(1,282,524)	(1,014,587)	(1,014,587)	(1,014,587)	(1,044,073)	(1,063,617)	(1,091,947)
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Inclusion and Access	–	(87,880)	(237)	–	–	–	–	–	–
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Governance	3,532,660	3,585,992	4,026,639	4,002,625	4,059,412	4,059,412	4,286,722	4,431,384	4,595,108
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Inclusion and Access	(1,362,678)	(1,730,083)	(1,875,431)	(2,000,950)	(2,000,950)	(2,000,950)	(2,070,983)	(2,139,325)	(2,207,784)
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Governance	13,180,531	14,456,283	13,440,883	15,408,213	15,345,451	15,345,451	16,149,983	16,118,496	16,551,767
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Governance	–	–	–	–	–	–	–	–	–
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	Governance	1,518,788	1,701,469	1,861,107	1,825,007	1,773,174	1,773,174	1,951,374	2,074,905	2,246,252
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	Governance	–	–	–	–	5,658	5,658	–	–	–
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	Governance	29,424	38,197	53,716	25,984	25,512	25,512	26,379	27,962	29,639
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Inclusion and Access	(2,601,907)	(2,462,646)	(7,059,056)	(6,502,221)	(5,701,332)	(5,701,332)	(5,631,590)	(5,493,013)	(5,589,635)

EKU City of Ekurhuleni - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)										
Strategic Objective	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Inclusion and Access	–	(34,292)	0	–	–	–	–	–	–
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Governance	32,133,165	39,205,422	45,226,316	53,062,144	53,561,951	53,561,951	57,345,437	61,748,358	66,797,661
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Governance	–	–	–	–	–	–	–	–	–
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	Governance	15,752	16,459	17,357	32,084	32,084	32,084	32,084	16,144	17,144
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	Inclusion and Access	(578,307)	(2,133,793)	–	–	–	–	–	–	–
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	Governance	127,082	219,388	180,794	138,460	134,010	134,010	50,329	35,238	35,474
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	Inclusion and Access	(1,189,552)	(1,060,151)	(430,393)	(558,691)	(558,691)	(558,691)	(934,185)	(1,072,822)	(1,192,248)
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	Governance	5,212,200	670,215	521,975	835,332	421,567	421,567	542,121	542,362	542,578
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	Governance	197,377	208,647	214,581	225,149	225,149	225,149	234,216	234,216	244,481
Total Revenue (excluding capital transfers a		**49,343,032**	**51,635,111**	**54,910,355**	**65,495,405**	**66,325,380**	**66,325,380**	**70,952,119**	**75,477,315**	**80,995,826**

Table 31 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP		Governance	160,817	157,158	160,335	163,139	25,004	25,004	28,771	31,073	33,559
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP		Spatial Integration	8	20	6,892	20	20	20	20	22	24
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	A skilled and capable workforce to support an inclusive growth path	Governance	–	–	–	20	20	20	20	21	22
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	An efficient; effective and development-oriented public service	Governance	24	24	22	2,357	2,357	2,357	2,457	2,654	2,866
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	Responsive; accountable; effective and efficient local government	Inclusion and Access	–	–	–	1	1	1	1	2	2
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	Sustainable human settlements and improved quality of household life	Governance	409,465	579,673	701,490	706,340	694,589	694,589	782,438	795,160	816,373
NATIONAL OUCTOME 12 - AN EFFICIENT, EFFECTIVE AND DEVELOPMENT-ORIENTED PUBLIC SERVICE AND AN EMPOWERED, FAIR AND INCLUSIVE CITIZENSHIP	Sustainable human settlements and improved quality of household life	Inclusion and Access	–	–	–	17	17	17	17	18	19
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD		Governance	–	–	–	–	2,065	2,065	1,425	1,539	1,662
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD		Spatial Integration	99	876	167	2,227	2,027	2,027	2,227	2,405	2,598
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	2,806	3,174	5,686	10,522	11,188	11,188	9,370	11,891	11,989

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	A long and healthy life for all South Africans	Inclusion and Access	–	–	–	–	–	–	–	–	–
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	A skilled and capable workforce to support an inclusive growth path	Governance	2	560	800	1,917	1,367	1,367	217	224	232
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	An efficient; effective and development-oriented public service	Governance	7,702	14,791	6,643	14,293	13,993	13,993	14,293	15,437	16,672
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	An efficient; effective and development-oriented public service	Inclusion and Access	1,059	717	755	1,393	1,393	1,393	1,393	1,439	1,486
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	Quality basic education	Inclusion and Access	–	–	–	–	–	–	–	–	–
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	Responsive; accountable; effective and efficient local government	Inclusion and Access	–	–	–	2	2	2	2	2	2
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	Sustainable human settlements and improved quality of household life	Governance	623,918	623,349	653,274	810,356	759,054	759,054	827,829	862,995	903,199
NATIONAL OUTCOME 11 - CREATE A BETTER SOUTH AFRICA AND CONTRIBUTE TO A BETTER AND SAFER AFRICA AND WORLD	Sustainable human settlements and improved quality of household life	Inclusion and Access	11	50	–	109	109	109	109	113	117
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED		Governance	–	–	–	–	24,495	24,495	24,395	26,346	28,454
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED		Spatial Integration	9,848	20,544	17,361	23,722	25,937	25,937	39,722	42,900	46,332
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	A skilled and capable workforce to support an inclusive growth path	Governance	–	10	3	155	295	295	295	305	315
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	33,887	34,791	51,790	54,963	54,963	54,963	54,963	59,360	64,108
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; effective and development-oriented public service	Governance	5,995	20,963	142,146	19,364	44,614	44,614	44,364	47,913	51,746
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; effective and development-oriented public service	Inclusion and Access	–	–	113,875	109,025	109,025	109,025	194,918	194,920	194,922

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Protect and enhance our environmental assets and natural resources	Inclusion and Access	26,224	14,802	14,974	15,000	15,000	15,000	15,000	15,495	15,991
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Sustainable human settlements and improved quality of household life	Governance	2,227,927	2,183,773	2,270,950	2,783,087	2,712,245	2,712,245	2,892,711	3,058,501	3,232,576
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Sustainable human settlements and improved quality of household life	Inclusion and Access	–	19	–	116	116	116	116	120	123
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM		Governance	–	–	–	–	1,929	1,929	2,932	3,166	3,420
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM		Spatial Integration	239	279	137	425	425	425	431	466	503
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	A comprehensive; responsive and sustainable social protection system	Governance	144,485	64,692	(240)	9,375	–	–	–	–	–
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	930	2,086	2,021	2,595	3,215	3,215	3,215	3,321	3,428
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	A skilled and capable workforce to support an inclusive growth path	Governance	5,160	4,431	5,550	18,478	19,136	19,136	19,208	19,898	20,768
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; competitive and responsive economic infrastructure network	Governance	–	–	–	–	–	–	50,000	54,000	58,320
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; effective and development-oriented public service	Governance	452,583	1,002,669	378,760	343,384	338,391	338,391	90,772	98,034	105,876
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; effective and development-oriented public service	Inclusion and Access	3,883	4,445	5,430	6,728	13,522	13,522	16,742	17,576	18,450
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Responsive; accountable; effective and efficient local government	Inclusion and Access	557	618	646	700	642	642	770	1,000	950
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Sustainable human settlements and improved quality of household life	Governance	5,839,246	5,658,245	6,832,395	6,568,659	7,045,652	7,045,652	6,981,033	7,275,378	7,559,505

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	Sustainable human settlements and improved quality of household life	Inclusion and Access	1,648	(104,549)	2,361	5,458	8,908	8,908	5,541	5,724	5,907
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE		Governance	449	56	125	1,741	4,645	4,645	4,379	4,734	5,119
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	65,907	147,767	79,704	56,218	54,475	54,475	53,758	61,664	63,583
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	131,790	159,813	117,453	182,182	184,052	184,052	213,051	240,378	269,456
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	An efficient; effective and development-oriented public service	Governance	14,763	7,078	11,890	21,656	16,715	16,715	16,758	18,099	19,547
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	Sustainable human settlements and improved quality of household life	Governance	1,327,356	1,496,575	1,409,168	1,823,957	1,785,956	1,785,956	1,902,239	2,037,329	2,184,297
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	Sustainable human settlements and improved quality of household life	Growth	–	–	–	–	–	–	39,553	4,457	10,991
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL		Governance	789	–	–	–	34,376	34,376	45,978	49,657	53,629
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL		Spatial Integration	14	753	729	760	3,260	3,260	760	820	886
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	A skilled and capable workforce to support an inclusive growth path	Governance	–	–	–	94	94	94	94	97	100
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	43,383	58,593	100,421	155,564	164,564	164,564	187,973	203,010	219,251
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; effective and development-oriented public service	Governance	5,136	5,227	–	38,943	38,943	38,943	38,943	42,058	45,423
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; effective and development-oriented public service	Inclusion and Access	–	–	–	98	98	98	98	101	104
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	Protect and enhance our environmental assets and natural resources	Inclusion and Access	883	654	699	1,078	376	376	1,078	1,114	1,150
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	Sustainable human settlements and improved quality of household life	Governance	654,750	659,344	766,293	637,135	666,768	666,768	701,438	719,264	737,208
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK		Governance	10,327	14,952	9,145	222,584	125,819	125,819	117,986	127,332	137,419

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK		Spatial Integration	125	2,518	290	21,864	21,320	21,320	21,864	23,613	25,502
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	–	5	4	71	71	71	1,274	1,317	1,360
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	A skilled and capable workforce to support an inclusive growth path	Governance	49	100	478	781	951	951	6,891	7,120	7,350
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; competitive and responsive economic infrastructure network	Growth	73,053	80,000	172,625	200,500	200,500	200,500	240,000	290,000	310,000
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	1,697,733	1,941,395	2,406,299	2,398,715	2,799,465	2,799,465	3,472,244	3,822,004	4,126,901
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; effective and development-oriented public service	Governance	3,968	61,674	85,575	150,101	107,344	107,344	121,307	130,933	141,155
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; effective and development-oriented public service	Inclusion and Access	475,767	929,901	1,183,800	1,057,156	1,052,427	1,052,427	886,637	893,266	894,200
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Responsive; accountable; effective and efficient local government	Governance	11,711	14,973	710	–	–	–	1,839,268	2,004,803	2,091,237
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Responsive; accountable; effective and efficient local government	Spatial Integration	5,817	5,855	6,072	7,033	13,033	13,033	10,033	10,364	10,696
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Sustainable human settlements and improved quality of household life	Governance	30,947,143	31,472,512	33,899,805	39,043,615	39,718,512	39,718,512	40,514,214	43,999,068	47,912,669
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	Sustainable human settlements and improved quality of household life	Inclusion and Access	7,894	7,841	6,653	6,650	6,650	6,650	–	–	–
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH		Governance	–	–	–	–	81	81	86	93	101
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	A skilled and capable workforce to support an inclusive growth path	Governance	6,233	10,541	13,231	32,041	32,587	32,587	32,041	16,104	17,107
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	An efficient; effective and development-oriented public service	Governance	–	–	–	1,082	82	82	1,146	1,238	1,337

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	An efficient; effective and development-oriented public service	Inclusion and Access	90	–	–	141	79	79	141	145	150
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	Responsive; accountable; effective and efficient local government	Governance	2,711	1,492	337	518	618	618	518	535	552
NATIONAL OUTCOME 5 - A SKILLED AND CAPABLE WORKFORCE TO SUPPORT AN INCLUSIVE GROWTH PATH	Sustainable human settlements and improved quality of household life	Governance	185,167	174,299	180,589	223,997	208,918	208,918	233,208	244,195	255,745
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	9,582	18,122	25,630	28,308	21,903	21,903	16,000	16,528	17,057
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	A skilled and capable workforce to support an inclusive growth path	Governance	1,551	22,660	6,256	613	251	251	313	7	7
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	An efficient; effective and development-oriented public service	Governance	3,016	930	20,119	12,317	12,317	12,317	12,317	13,303	14,367
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	An efficient; effective and development-oriented public service	Inclusion and Access	1,746	2,697	1,334	2,684	4,323	4,323	4,473	4,621	4,769
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	Sustainable human settlements and improved quality of household life	Governance	302,693	274,234	258,545	263,170	282,272	282,272	230,071	210,622	216,794
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE		Governance	0	–	–	–	22,669	22,669	7,669	8,283	8,945
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE		Spatial Integration	–	–	–	1,025	–	–	1,025	1,107	1,196
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	A comprehensive; responsive and sustainable social protection system	Governance	118	89	80	117	–	–	117	120	124
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	A long and healthy life for all South Africans	Inclusion and Access	–	30	–	77	32	32	77	80	82
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	A skilled and capable workforce to support an inclusive growth path	Governance	–	–	1,446	1,259	9	9	1,259	1,301	1,343
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	An efficient; effective and development-oriented public service	Governance	321	151	645	28,889	8,149	8,149	33,535	36,218	39,115
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	An efficient; effective and development-oriented public service	Inclusion and Access	287	–	117	487	125	125	487	503	519
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	Sustainable human settlements and improved quality of household life	Governance	3,872,343	4,420,545	4,059,143	4,943,681	4,565,169	4,565,169	4,889,313	5,139,500	5,400,653

EKU City of Ekurhuleni - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS		Governance	–	–	–	–	3,773	3,773	3,473	3,751	4,051
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS		Spatial Integration	343	–	–	1,550	1,550	1,550	1,550	1,674	1,808
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	A comprehensive; responsive and sustainable social protection system	Inclusion and Access	300	417	496	490	400	400	490	493	596
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	A long and healthy life for all South Africans	Inclusion and Access	7,338	9,037	7,961	12,956	12,471	12,471	13,839	14,371	14,909
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	A skilled and capable workforce to support an inclusive growth path	Governance	107	47	100	324	324	324	324	334	345
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	An efficient; effective and development-oriented public service	Governance	24	293	124	5,502	5,472	5,472	5,472	5,910	6,383
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	An efficient; effective and development-oriented public service	Inclusion and Access	157	4,082	4,324	5,303	5,490	5,490	5,599	5,635	5,874
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	Protect and enhance our environmental assets and natural resources	Inclusion and Access	1,879	1,258	1,592	1,453	1,453	1,453	1,453	1,501	1,549
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	Responsive; accountable; effective and efficient local government	Inclusion and Access	4,285	5,792	6,236	8,635	8,635	8,635	8,493	8,836	9,185
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	Sustainable human settlements and improved quality of household life	Governance	942,932	938,973	947,718	1,354,040	1,152,107	1,152,107	1,204,913	1,262,071	1,323,711
NATIONAL OUTCOME 2 - A LONG AND HEALTHY LIFE FOR ALL SOUTH AFRICANS	Sustainable human settlements and improved quality of household life	Inclusion and Access	186,378	194,080	202,230	213,688	213,688	213,688	223,556	223,568	233,542
Total Expenditure			**50,988,005**	**53,437,024**	**57,385,777**	**64,847,578**	**65,497,411**	**65,497,411**	**69,479,323**	**74,565,523**	**80,054,549**

Table 32 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

EKU City of Ekurhuleni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED		Growth	–	–	–	–	–	–	16,000	14,000	14,000
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	A comprehensive; responsive and sustainable social protection system	Growth	–	–	–	2,600	2,600	2,600	8,000	12,000	6,500
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	A long and healthy life for all South Africans	Inclusion and Access	–	–	–	500	500	500	–	–	800
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	–	–	–	–	500	500	–	2,000	11,400
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; effective and development-oriented public service	Growth	15,058	2,426	12,912	25,900	25,900	25,900	15,000	9,500	18,100
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	An efficient; effective and development-oriented public service	Inclusion and Access	944	–	1,886	10,300	10,300	10,300	1,600	12,000	25,700
NATIONAL OUTCOME 10 - ENVIRONMENTAL ASSETS AND NATURAL RESOURCES THAT ARE WELL PROTECTED AND CONTINUALLY ENHANCED	Protect and enhance our environmental assets and natural resources	Inclusion and Access	22,952	13,327	4,992	18,000	18,000	18,000	22,000	15,000	13,000
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM		Governance	1,669	–	–	2,000	750	750	–	–	–
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM		Growth	–	1,921	–	–	8,360	8,360	6,000	2,000	2,000
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	A long and healthy life for all South Africans	Inclusion and Access	33,169	20,651	20,778	21,200	21,200	21,200	27,400	30,774	22,623
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; competitive and responsive economic infrastructure network	Governance	236,574	190,146	148,577	52,000	109,500	109,500	125,000	95,000	95,100

EKU City of Ekurhuleni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; effective and development-oriented public service	Governance	84,777	33,766	48,810	10,000	10,000	10,000	28,000	33,000	38,000
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; effective and development-oriented public service	Growth	28,714	24,990	37,444	44,500	44,890	44,890	52,700	48,200	38,200
NATIONAL OUTCOME 9 - A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT LOCAL GOVERNMENT SYSTEM	An efficient; effective and development-oriented public service	Inclusion and Access	119,878	40,298	75,869	64,000	126,500	126,500	43,000	63,000	76,000
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE		Growth	11,053	2,599	1,245	17,990	35,830	35,830	5,000	6,000	4,000
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE		Spatial Integration	549,112	372,649	466,626	491,433	489,275	489,275	484,733	523,911	575,540
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	An efficient; competitive and responsive economic infrastructure network	Growth	83,499	118,162	92,898	265,604	192,050	192,050	240,000	290,000	300,000
NATIONAL OUTCOME 8 - SUSTAINABLE HUMAN SETTLLEMENTS AND IMPROVED QUALITY OF HOUSEHOLD LIFE	An efficient; effective and development-oriented public service	Growth	882	12,266	4,190	11,401	32,120	32,120	86,668	102,024	194,500
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL		Governance	–	–	–	–	–	–	500	1,000	2,000
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL		Growth	37,932	25,036	39,746	80,000	80,000	80,000	92,000	92,000	84,000
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	52,010	34,902	44,474	118,300	117,800	117,800	156,386	183,500	192,700
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; effective and development-oriented public service	Growth	–	–	–	–	–	–	1,000	2,000	3,000
NATIONAL OUTCOME 7 - VIBRANT, EQUITABLE AND SUSTAINANBLE RURAL COMMUNITIES WITH FOOD SECURITY FOR AL	An efficient; effective and development-oriented public service	Inclusion and Access	–	–	–	–	–	–	900	1,000	2,300
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK		Governance	95	–	400	5,000	–	–	15,200	8,200	12,200
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK		Growth	9,765	21	579	26,700	78,056	78,056	139,600	39,028	48,828
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK		Spatial Integration	2,500	–	999	18,616	18,616	18,616	15,000	18,000	18,000

EKU City of Ekurhuleni - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; competitive and responsive economic infrastructure network	Inclusion and Access	1,638,614	1,729,383	1,508,037	1,571,454	1,635,746	1,635,746	1,473,333	1,552,313	1,759,464
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; effective and development-oriented public service	Growth	–	42	261	60,809	23,109	23,109	46,849	22,065	45,849
NATIONAL OUTCOME 6 - AN EFFICIENT, COMPETITIVE AND RESPONSIVE ECONOMIC INFRASTRUCTURE NETWORK	An efficient; effective and development-oriented public service	Inclusion and Access	42,232	24,677	149,361	164,221	161,439	161,439	122,827	128,300	106,000
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH		Governance	–	1,022	12,797	5,736	8,074	8,074	4,000	4,000	2,000
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	An efficient; effective and development-oriented public service	Governance	24,854	23,000	22,652	15,000	12,662	12,662	15,000	10,000	10,000
NATIONAL OUTCOME 4 - DECENT EMPLOYMENT THROUGH INCLUSIVE ECONOMIC GROWTH	An efficient; effective and development-oriented public service	Growth	–	–	–	–	–	–	10,000	23,000	10,000
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE		Governance	1,854	–	–	16,000	10,000	10,000	16,200	16,500	2,700
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE		Growth	–	10,169	24,988	30,000	30,000	30,000	30,000	16,000	52,500
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	A comprehensive; responsive and sustainable social protection system	Growth	28,104	21,000	29,474	–	–	–	–	13,500	800
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	All people in South Africa are and feel safe	Inclusion and Access	34,819	17,045	–	14,000	20,000	20,000	6,000	15,000	8,000
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	An efficient; effective and development-oriented public service	Growth	126	–	749	1,600	1,600	1,600	1,700	4,000	1,000
NATIONAL OUTCOME 3 - ALL PEOPLE IN SOUTH AFRICA ARE AND FEEL SAFE	An efficient; effective and development-oriented public service	Inclusion and Access	–	6,211	15,000	30,000	30,000	30,000	34,300	40,000	30,000
Allocations to other priorities											
Total Capital Expenditure			**3,086,734**	**2,753,209**	**2,773,414**	**3,197,115**	**3,355,377**	**3,355,377**	**3,388,948**	**3,461,487**	**3,843,796**

2.3 Overview of budget-related policies and By-Laws

The city's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The entire set of budget-related policies can be viewed on the City of Ekurhuleni website: http://www.ekurhuleni.gov.za

LIST OF BUDGET RELATED POLICIES AND BY-LAWS

POLICIES

Annexure E1 Medium - term Budget Statement Policy (Reviewed)
Annexure E2 Pricing Policy Statement (Reviewed)
Annexure E3 Property Rates Policy (Reviewed)
Annexure E4.1 Provision of Free Basic Electricity Policy (Reviewed)
Annexure E4.2 Provision of free Basic Water supply services (Reviewed)
Annexure E5 Waste Management Tariff Policy (Reviewed)
Annexure E6 Consumer Deposit Policy (Reviewed)
Annexure E7 Indigent Support Policy (Reviewed)
Annexure E8 Credit Control & Debt Collection Policy (Reviewed)
Annexure E9 Provision for Doubtful Debt and Debt Write-Off Policy) (Reviewed)
Annexure E10 Budget Implementation and Monitoring Policy (Reviewed)
Annexure E11 Municipal Entity Financial Support Policy (Reviewed)
Annexure E12 Accounting Policy (Reviewed)
Annexure E13 Electricity Metering for Residential and business Customers (Reviewed)
Annexure E14 Policy for the vending of pre-paid electricity (Reviewed)
Annexure E15 Policy for the Estimation and Correction of Energy or Demand Meter Reading and Billing Data (Reviewed)
Annexure E16 Electricity Tariff Policy (Reviewed)
Annexure E17 Virements Policy (Reviewed)
Annexure E18 Consumer Agreement (Reviewed)
Annexure E19 Supply Chain Management Policy (Reviewed)
Annexure E20 Treasury Policy (Reviewed)
Annexure E21 Expanded Public Works Programme Policy (Reviewed)
Annexure E22 Asset Management Policy (Reviewed.)
Annexure E23 Cost Containment Policy (Reviewed)
Annexure E24 Policy for the wheeling of Electricity (Reviewed)
Annexure E25 Policy for Embedded generation Ekurhuleni (Reviewed)
Annexure E26 Ekurhuleni Community Enterprise Development Fund Policy (Reviewed)
Annexure E27 Long Term Financial Strategy 2020/21-2029/30 (Reviewed)
Annexure E28 Ekurhuleni Public Employment Programme & Implementation Framework Policy (Reviewed)
Annexure E29 CoE Inventory Management Policy (Reviewed)
Annexure E30 Unauthorised, Irregular and Fruitless and Wasteful Expenditure Policy (Reviewed)
Annexure E31 Investment Support Package for Developers (Reviewed)

BY-LAWS

Annexure E01 Credit Control and Debt Collection (Reviewed)
Annexure E02 Property Rates (Reviewed

It is required by legislation that amendments to all budget related policies must form part of the tabled budget. Some of the key policy review and consideration includes amongst others, but not limited to the following:

- **Debt Relief and Rehabilitation Incentive**: increasing the write off from 75% to 100% on all the accounts that are 12 months and above for Households. A 10% debt write off on business over above the 100% write off on interest and extending the tempering waiver for a period for Residents only. Extending of the debt relief to the City's rental stock.
- **Credit Control**: exercising of credit control on overconsumption by indigents and the consideration of opening of criminal cases for constant deliberate tempering. Clearing of the deceased accounts in an instance of impractical claim against a deceased estate, a process that will be subjected to application and verification.
- **Indigent Support**: abolishing of a criteria that declines indigent application on the basis of two accounts with the approval for a single benefit. Improving the ease of application by re-affirming the admissibility of the affidavits in the absence of the letter of authority as well as the end to end management of indigent application.
- **Water losses**: fixing of water leakages by the City inside household's properties as and when reported and detected.
- **Stolen service connection cable**: removal of the liability by the account holders for cable theft outside properties.
- **Investment Support**: introduction of a minimum investment support package to attract private sector investment and collaboration.
- **Energy Pricing and Tariff policy:** The City will move from Inclining Block Tariffs to a Flat Rate Tariff, aligned to the approach used by Eskom.
  - 0 – 50 kWh = Free Basic Electricity
  - Above 50 kWh = Flat tariff with cross-subsidization

2.4 Overview of budget assumptions

2.4.1 General inflation outlook and its impact on the municipal activities

There are key factors that have been taken into consideration in the compilation of the 2026/27 MTREF:

- National Government macro-economic targets.
- The general inflationary outlook and the impact on the city's residents and businesses.
- The impact of municipal cost drivers.
- The increase in prices for bulk electricity and water.
- The increase in the cost of remuneration.

2.4.2 Credit rating outlook

Table 33 Credit rating outlook

Rating Class	Currency	Rating	Annual rating 2025/26 GCR	Previous rating 2024/25 GCR
National Scale Rating -Long Term Issuer	Rand	Global Credit Rating Company (GCR)	**BBB.za**	**BBB.za**
National Scale Rating - Short Term Issuer	Rand	Global Credit Rating Company (GCR)	**A3.za**	**A3.za**
Outlook	Rand	Global Credit Rating Company (GCR)	**Negative**	**Stable**

- Defined as upper medium grade. "BBB.ZA" rated upper medium investment grade subject moderate to low levels of liquidity to repay long-term obligations.
- Senior unsecured debt (rating attached to municipal bond programme): BBB.za Adequate levels of obligor/obligation creditworthiness.
- Defined as high grade: "A" rated upper medium grade are judged to be of high quality and subject to very low risk for long-term debt and the best ability to repay short-term debt.

Defined as high grade: "B" rated are judged to be of Lower medium grade and subject to medium risk for long-term debt and the best ability to repay short-term

2.4.3 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (90%) of annual billings. Cash flow is assumed 90% of billings. No provision has been made for increased collection of arrear debt and any revenue yielded from this will be used to strengthen the liquidity position of the City.

2.4.4 Growth or decline in tax base of the municipality

- Growth projections – growth projections refer to the increase in the number of units consumed for the service. It does not refer to the increase in the tariff, nor does it reflect the total increase in income. It is expressed as a percentage, which represents the percentage increase in units consumed. Growth projections are determined per service that is driven by service specific trends. Slight growth was factored in Water & Sanitation and Energy services due to anticipated reduction in consumption because of negative economic down turn affecting industrials.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition, the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of FBS.

2.4.5 Salary increases.

Employee related cost budget has increased by 9.2% in 2026/27. The increase is relating to insourcing of services, 86% provision for filling of vacancies within trading services departments and 46% in other departments. Salary increment budget for the 2026/27 has increased in terms of SALGBC.

2.4.6 Impact of national relates to and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and, in this regard, various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- National Development Plan addressing inter alia economic growth and job creation.
- Enhancing education and skills development.
- Improving health services.
- Rural development and agriculture.
- Fighting crime and corruption.

2.4.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 95% is achieved on operating expenditure and 90% on the capital programme for the 2026/27 MTREF of which performance has been factored into the cash flow budget.

2.5 Overview of budget funding

2.5.1 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. The City derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses etc.).

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

- Growth in the city and economic development.
- Revenue management and enhancement.
- Achievement of a 90% annual collection rate for consumer revenue.
- National Treasury guidelines.
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval.
- Achievement of full cost recovery of specific user charges.
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA).
- The ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers, aligned to the economic forecasts.

The tariff increases for the 2026/2027 MTREF on the different revenue categories are:

Table 34 Tariff increases over the MTREF

Service category	2025/26 Approved tariff increase	2026/27 Proposed tariff increase	2027/28 Proposed tariff increase	2028/29 Proposed Tariff Increase
Electricity	Ranges between 11.32% and 12.74%	Ranges between 8.76% and 9.01%	Ranges between 8.76% and 9.01%	Ranges between 8.76% and 9.01%
Property rates	0% (new valuation roll)	1.5%	3.3%	3.2%
Refuse removal	6%	3.4%	6%	6%
Sanitation	10%	8.35%	10%	10%
Water	15%	11%	14%	14%

2.5.2 Medium-term outlook: Capital revenue

The following table is a breakdown of the funding composition of the 2026/2027 medium-term capital programme:

Table 35 Sources of capital revenue over the MTREF –

2026/27 - 2028/29 MULTI YEAR CAPITAL BUDGET - PER SOURCES OF FINANCE								
Source Of Finance	**Adjusted Budget**	**%**	**Budget Year 2026/27**	**%**	**Final Budget Year 2027/28**	**%**	**Final Budget Year 2028/29**	**%**
Informal Settlement Upgrading Partnership Grant (ISUPG)	769,706,000	22.94%	720,285,665	21.25%	832,256,590	24.04%	858,121,495	22.32%
SRAC Provincial Grant	12,200,000	0.36%	13,100,000	0.39%	12,974,000	0.37%	13,323,440	0.35%
Public Transport Network Grant (PTNG)	224,000,000	6.68%	178,249,252	5.26%	150,836,014	4.36%	150,956,762	3.93%
Revenue	756,515,879	22.55%	795,743,272	23.48%	687,617,034	19.86%	828,177,097	21.55%
Urban Development Financing Grant (UDFG)	154,906,720	4.62%	1,178,852,000	34.79%	1,329,979,000	38.42%	1,624,775,000	42.27%
Urban Settlement Development Grant (USDG)	1,438,048,153	42.86%	502,718,000	14.83%	447,824,000	12.94%	368,442,000	9.59%
Total	**3,355,376,752**	**100%**	**3,388,948,189**	**100%**	**3,461,486,638**	**100%**	**3,843,795,794**	**100%**

2.6 Councillor and employee benefits
Table 36 MBRR SA22 - Summary of councillor and staff benefits

EKU City of Ekurhuleni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers	-	-	-	-	-	-	-	-	-
Allowances and Service Related Benefits									
Basic Salary	95,801	104,510	111,499	132,339	132,339	132,339	123,255	127,323	131,397
Cell phone Allowance	9,125	10,187	9,698	10,450	10,450	10,450	10,158	10,493	10,829
Housing Allowance	30,620	31,721	26,970	21,385	21,385	21,385	22,132	22,863	23,594
Motor Vehicle Allowance	4,395	5,600	6,594	6,744	6,744	6,744	6,772	6,995	7,219
Travelling Allowance	1,009	924	851	889	889	889	855	883	911
Use of Personal Facilities	–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits	140,949	152,941	155,611	171,808	171,808	171,808	163,173	168,557	173,951
Social Contributions									
Pension Fund Contributions	5,147	5,435	5,826	5,862	5,862	5,862	6,307	6,516	6,724
Total Social Contributions	5,147	5,435	5,826	5,862	5,862	5,862	6,307	6,516	6,724
Total Councillors	146,096	158,377	161,437	177,669	177,669	177,669	169,480	175,073	180,675
Senior Managers of the Municipality	-	-	-	-	-	-	-	-	-
Salaries and Allowances									
Basic Salary	45,109	45,060	34,296	60,221	59,712	59,712	51,511	54,113	56,845
Bonuses	–	19,963	–	–	–	–	–	–	–
Allowance									
Cellular and Telephone	768	811	577	795	878	878	939	987	1,037
Housing Benefits	104	–	–	189	189	189	197	207	218
Travel or Motor Vehicle	2,784	2,842	2,728	4,095	4,295	4,295	4,121	4,329	4,548
Total Allowance	3,656	3,653	3,306	5,079	5,362	5,362	5,258	5,523	5,802
Service Related Benefits									
Leave Pay	373	1,568	2,103	2,320	2,320	2,320	2,046	2,150	2,258
Total Service Related Benefits	373	1,568	2,103	2,320	2,320	2,320	2,046	2,150	2,258
Total Salaries and Allowances	49,138	70,244	39,704	67,619	67,394	67,394	58,815	61,786	64,906
Social Contributions									
Pension	68,242	110,881	902	3,235	3,236	3,236	2,961	3,111	3,268
Unemployment Insurance	41	39	28	55	55	55	51	54	57
Total Social Contributions	68,286	110,923	932	3,293	3,294	3,294	3,016	3,169	3,329
Sub Total - Senior Managers of Municipality	117,424	181,167	40,636	70,913	70,688	70,688	61,832	64,954	68,234

EKU City of Ekurhuleni - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Other Municipal Staff	-	-	(0)	-	-	-	-	-	-
Salaries and Allowances									
Basic Salary	5,881,076	6,145,536	6,390,642	8,320,283	7,371,128	7,371,128	8,719,240	9,128,064	9,584,049
Allowance									
Accommodation, Travel and In	1,189	1,055	727	840	1,162	1,162	1,010	1,061	1,115
Cellular and Telephone	18,700	18,089	17,279	18,463	18,608	18,608	18,718	19,663	20,656
Housing Benefits	64,619	65,729	78,322	84,177	84,177	84,177	72,934	76,617	80,486
Non-pensionable	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	222,735	214,736	209,893	250,633	251,219	251,219	245,668	258,050	271,058
Voluntary Work	–	–	–	–	–	–	–	–	–
Total Allowance	**307,242**	**299,609**	**306,221**	**354,112**	**355,165**	**355,165**	**338,330**	**355,391**	**373,315**
Service Related Benefits									
Acting	62,220	23,703	38,632	36,018	49,828	49,828	45,003	47,276	49,664
Bonus	473,777	488,950	546,735	616,301	647,303	647,303	664,829	698,403	733,673
Leave Pay	209,196	181,444	125,658	379,423	379,423	379,423	408,352	428,969	450,627
Lifeguard/Duty Squads	24,494	25,017	28,674	31,087	31,087	31,087	31,790	33,396	35,082
Long Service Award	40,222	8,117	9,445	6,884	10,547	10,547	9,067	9,525	10,006
Overtime	755,451	909,580	833,597	702,445	983,101	983,101	707,643	743,379	780,919
Standby Allowance	71,471	74,215	85,446	88,789	95,029	95,029	93,513	98,235	103,196
Total Service Related Benefits	**1,636,832**	**1,711,026**	**1,668,187**	**1,860,946**	**2,196,319**	**2,196,319**	**1,960,197**	**2,059,182**	**2,163,166**
Total Salaries and Allowances	**7,825,150**	**8,156,171**	**8,365,051**	**10,535,341**	**9,922,612**	**9,922,612**	**11,017,767**	**11,542,637**	**12,120,530**
Social Contributions									
Bargaining Council	2,136	2,181	2,249	2,383	2,397	2,397	2,402	2,523	2,651
Group Life Insurance	2	1	1	1	1	1	1	1	1
Medical	469,263	491,334	518,988	604,438	605,967	605,967	653,417	686,414	721,078
Pension	1,237,363	732,080	1,284,030	1,500,809	1,499,320	1,499,320	1,598,454	1,679,176	1,763,975
Unemployment Insurance	35,762	35,707	35,146	43,468	43,474	43,474	43,604	45,622	47,915
Total Social Contributions	**1,744,526**	**1,261,303**	**1,840,415**	**2,151,099**	**2,151,159**	**2,151,159**	**2,297,878**	**2,413,737**	**2,535,620**
Post-retirement Benefit									
Medical	(0)	115,674	385,580	202,969	452,969	452,969	332,272	349,052	366,679
Total Post-retirement Benefit	**(0)**	**115,674**	**385,580**	**202,969**	**452,969**	**452,969**	**332,272**	**349,052**	**366,679**
Costs Capitalised to PPE	(39,870)	(29,733)	(15,835)	(110,539)	(110,539)	(110,539)	(110,539)	(116,122)	(121,986)
Sub Total - Other Municipal Staff	**9,529,806**	**9,503,414**	**10,575,210**	**12,778,869**	**12,416,200**	**12,416,200**	**13,537,378**	**14,189,305**	**14,900,843**
% increase		**(0.3%)**	**11.3%**	**20.8%**	**(2.8%)**	**–**	**9.0%**	**4.8%**	**5.0%**
Total Parent Municipality	**9,793,326**	**9,842,957**	**10,777,283**	**13,027,451**	**12,664,557**	**12,664,557**	**13,768,690**	**14,429,332**	**15,149,752**

EKU City of Ekurhuleni - Supporting Table SA22 Summary councillor and staff benefits									
Summary of Employee and Councillor remuneration	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Board Members of Entities	-	-	-	-	-	-	-	-	-
Salaries and Allowances									
Basic Salary	2,393	3,620	3,145	5,716	3,875	3,875	4,095	4,318	4,536
Allowance									
Cellular and Telephone	96	69	54	77	77	77	77	77	77
Total Allowance	**105**	**75**	**54**	**77**	**77**	**77**	**77**	**77**	**77**
Total Salaries and Allowances	**2,498**	**3,695**	**3,200**	**5,793**	**3,952**	**3,952**	**4,172**	**4,395**	**4,613**
Sub Total - Board Members of Entit	**2,498**	**3,695**	**3,200**	**5,793**	**3,952**	**3,952**	**4,172**	**4,395**	**4,613**
% increase		**47.9%**	**(13.4%)**	**81.1%**	**(31.8%)**	**–**	**5.6%**	**5.3%**	**5.0%**
Senior Managers of Entities	-	-	-	-	-	-	-	-	-
Salaries and Allowances									
Basic Salary	19,616	21,275	26,226	33,575	28,437	28,437	38,135	40,295	42,602
Bonuses	(2,246)	568	599	1,155	1,477	1,477	2,549	2,687	2,833
Allowance									
Cellular and Telephone	306	432	456	777	558	558	1,079	1,105	1,135
Travel or Motor Vehicle	423	627	666	1,019	817	817	921	925	943
Total Allowance	**728**	**1,059**	**1,122**	**1,796**	**1,375**	**1,375**	**2,000**	**2,030**	**2,078**
Service Related Benefits									
Leave Pay	223	152	518	936	936	936	796	846	871
Total Service Related Benefits	**223**	**152**	**518**	**952**	**936**	**936**	**805**	**846**	**871**
Total Salaries and Allowances	**18,321**	**23,053**	**28,464**	**37,477**	**32,226**	**32,226**	**43,489**	**45,857**	**48,385**
Social Contributions									
Medical	1,080	943	1,048	2,195	1,918	1,918	1,291	1,561	1,674
Pension	2,367	2,643	3,122	5,518	4,114	4,114	3,087	3,300	3,531
Unemployment Insurance	18	13	16	21	21	21	–	–	–
Total Social Contributions	**3,465**	**3,599**	**4,186**	**7,734**	**6,053**	**6,053**	**4,378**	**4,861**	**5,205**
Post-retirement Benefit									
Sub Total - Senior Managers of Entities	**21,785**	**26,652**	**32,650**	**45,211**	**38,278**	**38,278**	**47,867**	**50,718**	**53,590**
Other Staff of Entities	-	-	-	-	-	-	-	-	-
Salaries and Allowances									
Basic Salary	231,063	248,927	267,779	324,697	313,890	313,890	367,851	404,601	432,620
Bonuses	–	–	–	–	27,500	27,500	19,565	21,275	33,806
Allowance									
Accommodation, Travel and In	5,612	4,933	4,800	7,480	5,916	5,916	5,679	5,904	6,318
Cellular and Telephone	4,764	4,797	4,980	6,112	5,562	5,562	5,730	5,814	6,007
Housing Benefits	3,896	4,261	4,595	4,618	4,890	4,890	5,121	5,138	5,312
Travel or Motor Vehicle	5,297	5,474	5,238	6,898	6,391	6,391	6,881	6,987	7,193
Voluntary Work	–	–	–	–	–	–	–	–	–
Total Allowance	**19,570**	**19,465**	**19,613**	**25,108**	**22,759**	**22,759**	**23,411**	**23,844**	**24,830**
Service Related Benefits									
Bonus	19,289	18,934	20,084	28,027	24,252	24,252	28,727	31,513	33,656
Leave Pay	16,144	11,746	15,799	21,283	19,679	19,679	18,567	20,962	22,422
Long Service Award	743	1,443	975	1,692	771	771	1,350	695	1,310
Overtime	39,889	42,419	44,730	50,454	48,088	48,088	53,887	64,219	68,715
Tools Allowance	366	403	419	406	386	386	432	490	501
Total Service Related Benefits	**76,430**	**74,946**	**82,008**	**101,862**	**93,176**	**93,176**	**102,963**	**117,881**	**126,605**
Total Salaries and Allowances	**327,064**	**343,337**	**369,400**	**451,667**	**457,325**	**457,325**	**513,790**	**567,601**	**617,861**
Social Contributions									
Group Life Insurance	73,015	78,024	85,964	106,390	105,479	105,479	125,722	137,399	150,397
Medical	729	715	667	2,510	2,440	2,440	3,442	3,636	3,848
Pension	752	752	749	1,228	1,228	1,228	2,934	3,051	3,173
Unemployment Insurance	43	40	38	91	91	91	118	123	128
Total Social Contributions	**74,538**	**79,531**	**87,418**	**110,219**	**109,238**	**109,238**	**132,216**	**144,209**	**157,546**
Post-retirement Benefit									
Medical	5,327	8,042	8,874	11,270	6,770	6,770	6,770	6,770	6,770
Pension	1,266	1,970	2,068	3,213	3,213	3,213	3,438	3,679	3,936
Total Post-retirement Benefit	**6,593**	**10,012**	**10,942**	**14,483**	**9,983**	**9,983**	**10,208**	**10,449**	**10,706**
Costs Capitalised to PPE	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities	**408,195**	**432,880**	**467,760**	**576,368**	**576,546**	**576,546**	**656,214**	**722,259**	**786,113**
% increase		**6.0%**	**8.1%**	**23.2%**	**0.0%**	**–**	**13.8%**	**10.1%**	**8.8%**
Total Municipal Entities	**432,479**	**463,228**	**503,610**	**627,373**	**618,777**	**618,777**	**708,254**	**777,372**	**844,316**
TOTAL SALARY, ALLOWANCES & BENEFITS	**10,225,805**	**10,306,185**	**11,280,893**	**13,654,824**	**13,283,334**	**13,283,334**	**14,476,943**	**15,206,704**	**15,994,068**
% increase		**0.8%**	**9.5%**	**21.0%**	**(2.7%)**	**–**	**9.0%**	**5.0%**	**5.2%**
TOTAL MANAGERS AND STAFF	**10,079,709**	**10,147,808**	**11,119,456**	**13,477,155**	**13,105,665**	**13,105,665**	**14,307,463**	**15,031,631**	**15,813,393**

Table 37 MBRR SA23 – Salaries, allowances & benefits

EKU City of Ekurhuleni - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure 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		902,623	60,342	619,393			1,582,358
Chief Whip			757,884	113,683	436,816			1,308,383
Executive Mayor			996,223	149,434	559,938			1,705,595
Deputy Executive Mayor								–
Executive Committee			9,471,504	625,257	3,102,592			13,199,353
Total for all other councillors			111,127,081	5,358,776	35,198,590			151,684,447
Total Councillors	8	–	123,255,315	6,307,492	39,917,329			169,480,136
Senior Managers of the Municipality	5							
Municipal Manager (MM)			3,426,952	2,227	480,728	–		3,909,907
Chief Finance Officer			2,458,593	351,959	343,706	–		3,154,258
SM					–			–
SM D01			4,424,391	354,186	640,515	–		5,419,092
SM D02			2,217,198	2,227	156,269	–		2,375,694
SM D03			–	–	–	–		–
SM D04			4,512,897	456,458	1,104,072	–		6,073,427
SM D05			2,458,593	351,959	343,706	–		3,154,258
SM D06			12,295,648	360,102	1,419,433	–		14,075,183
SM D07			2,458,593	351,194	343,706	–		3,153,493
SM D08			6,233,502	4,454	581,368	–		6,819,324
SM D09			2,324,719	2,227	161,644	–		2,488,590
SM D10			4,382,238	604,491	608,864	–		5,595,593
SM D11			–	–	–	–		–
SM D12			4,318,019	170,848	1,123,951	–		5,612,818
Total Senior Managers of the Municipality	8,10	–	51,511,343	3,012,332	7,307,962	–		61,831,637
A Heading for Each Entity	6,7							
Ekurhuleni Water Care Company								–
BM D01			1,420,436		77,040	–		1,497,476
Ekurhuleni Housing Company								–
BM D01			2,674,961					2,674,961
Total for municipal entities	8,10	–	4,095,397	–	77,040	–		4,172,437
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	178,862,055	9,319,824	47,302,331	–		235,484,210

Table 38 MBRR SA24 – Summary of personnel numbers

EKU City of Ekurhuleni - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Budget Year 2024/25			Budget Year 2025/26			Budget Year 2026/27		
Number	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**	**Positions**	**Permanent employees**	**Contract employees**
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other (	223	–	223	223	–	223	224	–	224
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	148	–	96	151	–	78	126	–	84
Other Managers	758	444	23	761	440	20	767	454	24
Professionals	*1,182*	*858*	*2*	*1,166*	*806*	*1*	*1,222*	*832*	*14*
Finance	106	52	2	107	48	1	110	50	–
Spatial/town planning	66	40	–	66	41	–	76	42	
Information Technology	5	2	–	5	2	–	7	4	–
Roads	25	16	–	25	16	–	29	21	1
Electricity	18	16	–	18	17	–	18	17	–
Water	47	39	–	47	38	–	52	47	–
Sanitation									
Refuse	73	53	–	66	50	–	68	48	1
Other	842	640	–	832	594	–	862	603	12
Technicians	*1,921*	*1,275*	–	*1,892*	*1,233*	–	*1,783*	*1,146*	*6*
Finance	242	136	–	243	129	–	217	132	–
Spatial/town planning	114	84	–	109	77	–	155	82	
Information Technology	89	56	–	88	54	–	88	55	
Roads	73	26	–	74	26	–	107	39	
Electricity	205	156	–	207	150	–	210	161	–
Water	167	115	–	168	118	–	163	118	–
Sanitation	–	–	–	–	–	–			
Refuse	65	29	–	49	19	–	48	18	
Other	966	673	–	954	660	–	795	541	6
Clerks (Clerical and administrative)	4,311	3,151	36	4,282	3,117	45	4,295	3,119	48
Service and sales workers	5,141	4,428	13	5,149	4,328	31	5,206	4,273	18
Skilled agricultural and fishery workers	242	168	–	235	155	–	227	142	2
Craft and related trades	1,532	1,038	–	1,537	1,031	–	1,529	967	9
Plant and Machine Operators	2,149	1,571	–	2,109	1,576	–	2,205	1,417	8
Elementary Occupations	4,086	2,965	–	3,998	3,226	–	4,048	3,218	8
TOTAL PERSONNEL NUMBERS	**21,693**	**15,898**	**393**	**21,503**	**15,912**	**398**	**21,408**	**15,568**	**400**
% increase	1.8%	(5.9%)	(16.2%)	(0.9%)	0.1%	1.3%			
Total municipal employees headcount	**23,241**	**16,928**	**393**	**23,045**	**16,964**	**404**	**22,898**	**16,629**	**409**
Finance personnel headcount	**1,295**	**860**	**–**	**1,294**	**892**	**1**	**1,240**	**902**	**3**
Human Resources personnel headcount	**253**	**170**	**–**	**248**	**160**	**5**	**250**	**159**	**6**

2.7 Monthly targets for revenue, expenditure and cash flow

Table 39 MBRR SA25 – Consolidated Budgeted monthly revenue and expenditure

EKU City of Ekurhuleni - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue															
Exchange Revenue															
Service charges - Electricity	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	2,444,893	29,338,711	31,959,050	34,814,831
Service charges - Water	731,007	731,007	731,007	731,007	731,007	731,007	731,007	731,007	731,007	731,007	731,007	731,007	8,772,088	9,995,191	11,389,517
Service charges - Waste Water Managemen	488,190	488,190	488,190	488,190	488,190	488,190	488,190	488,190	488,190	488,190	488,190	488,190	5,858,283	6,417,044	7,029,281
Service charges - Waste Management	155,954	155,954	155,954	155,954	155,954	155,954	155,954	155,954	155,954	155,954	155,954	155,954	1,871,443	1,986,325	2,103,560
Sale of Goods and Rendering of Services	80,071	80,071	80,071	80,071	80,071	80,071	80,071	80,071	80,071	80,071	80,071	80,072	960,852	162,932	164,898
Agency services	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,359	364,302	364,302	364,302
Interest															
Interest earned from Receivables	110,605	110,605	110,605	110,605	110,605	110,605	110,605	110,605	110,605	110,605	110,605	110,605	1,327,258	1,328,117	1,328,897
Interest earned from Current and Non Curre	12,025	12,025	12,025	12,025	12,025	12,025	12,025	12,025	12,025	12,025	12,025	12,025	144,305	144,920	145,570
Rental from Fixed Assets	15,175	15,175	15,175	15,175	15,175	15,175	15,175	15,175	15,175	15,175	15,175	15,175	182,096	188,574	195,090
Development Charges	4,868	4,868	4,868	4,868	4,868	4,868	4,868	4,868	4,868	4,868	4,868	4,868	58,413	58,413	58,413
Operational Revenue	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,666	31,984	31,991	31,998
Non-Exchange Revenue															
Property rates	929,879	929,879	929,879	929,879	929,879	929,879	929,879	929,879	929,879	929,879	929,879	929,880	11,158,553	11,526,785	11,895,642
Fines, penalties and forfeits	44,199	44,199	44,199	44,199	44,199	44,199	44,199	44,199	44,199	44,199	44,199	44,199	530,389	530,389	530,389
Transfer and subsidies - Operational	607,530	607,530	607,530	607,530	607,530	607,530	607,530	607,530	607,530	607,530	607,530	607,530	7,290,362	7,681,630	7,820,772
Interest	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	26,100	313,197	313,197	313,197
Fuel Levy	149,330	149,330	149,330	149,330	149,330	149,330	149,330	149,330	149,330	149,330	149,330	149,330	1,791,959	1,798,918	1,788,268
Operational Revenue	79,827	79,827	79,827	79,827	79,827	79,827	79,827	79,827	79,827	79,827	79,827	79,827	957,925	989,537	1,021,202
Total Revenue (excluding capital transfers and contributions)	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,676**	**5,912,682**	**70,952,119**	**75,477,315**	**80,995,826**

EKU City of Ekurhuleni - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure															
Employee related costs	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,290	1,192,275	14,307,463	15,031,631	15,813,393
Remuneration of councillors	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	169,480	175,073	180,675
Bulk purchases - electricity	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	24,357,194	26,548,173	28,936,559
Inventory consumed	608,776	608,776	608,776	608,776	608,776	608,776	608,776	608,776	608,776	608,776	608,776	608,765	7,305,305	8,142,918	9,100,907
Debt impairment	544,286	544,286	544,286	544,286	544,286	544,286	544,286	544,286	544,286	544,286	544,286	544,286	6,531,431	7,184,255	7,962,015
Depreciation, amortisation and impairment	258,971	258,971	258,971	258,971	258,971	258,971	258,971	258,971	258,971	258,971	258,971	258,970	3,107,654	3,228,545	3,327,105
Interest, Dividends and Rent on Land	132,657	132,657	132,657	132,657	132,657	132,657	132,657	132,657	132,657	132,657	132,657	132,657	1,591,879	1,583,708	1,539,845
Contracted services	646,669	646,669	646,669	646,669	646,669	646,669	646,669	646,669	646,669	646,669	646,669	646,666	7,760,027	8,094,790	8,590,010
Transfers and subsidies	26,478	26,478	26,478	26,478	26,478	26,478	26,478	26,478	26,478	26,478	26,478	26,478	317,736	332,683	359,263
Irrecoverable debts written off	160	160	160	160	160	160	160	160	160	160	160	160	1,921	2,018	2,159
Operational costs	182,345	182,345	182,345	182,345	182,345	182,345	182,345	182,345	182,345	182,345	182,345	182,339	2,188,133	2,234,898	2,149,596
Other Losses	153,272	153,272	153,272	153,272	153,272	153,272	153,272	153,272	153,272	153,272	153,272	153,272	1,839,268	2,004,803	2,091,237
Total Expenditure	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,757**	**69,477,492**	**74,563,495**	**80,052,764**
Surplus/(Deficit)	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,882**	**122,925**	**1,474,627**	**913,819**	**943,062**
Transfers and subsidies - capital (monetary allocations)	216,100	216,100	216,100	216,100	216,100	216,100	216,100	216,100	216,100	216,100	216,100	216,100	2,593,205	2,773,870	3,015,619
Surplus/(Deficit) after capital transfers & contributions	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**339,025**	**4,067,832**	**3,687,689**	**3,958,680**
Income Tax	153	153	153	153	153	153	153	153	153	153	153	153	1,831	2,028	1,785
Surplus/(Deficit) after income tax	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,872**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) attributable to municipality	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,872**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit) for the year	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,830**	**338,872**	**4,066,001**	**3,685,661**	**3,956,896**

Table 40 MBRR SA26 – Consolidated Budgeted monthly revenue and expenditure (municipal vote)

EKU City of Ekurhuleni - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote															
Vote 03 - Energy	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,958	31,571,489	34,182,524	37,130,418
Vote 04 - Water And Sanitation	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	1,800,569	21,606,830	23,732,294	26,013,151
Vote 05 - Waste Management	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,327	3,315,917	3,508,977	3,701,151
Vote 06 - Human Settlements	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	787,954	770,143	842,007
Vote 07 - Finance And Strategy	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,352	1,165,354	13,984,230	13,859,721	14,218,128
Vote 08 - Development Planning And Real Estate	16,488	16,488	16,488	16,488	16,488	16,488	16,488	16,488	16,488	16,488	16,488	16,489	197,860	134,025	135,461
Vote 09 - Community Safety	77,546	77,546	77,546	77,546	77,546	77,546	77,546	77,546	77,546	77,546	77,546	77,548	930,554	935,554	925,554
Vote 10 - Community Services	23,653	23,653	23,653	23,653	23,653	23,653	23,653	23,653	23,653	23,653	23,653	23,654	283,838	287,441	298,370
Vote 11 - Corporate And Shared Services	8,721	8,721	8,721	8,721	8,721	8,721	8,721	8,721	8,721	8,721	8,721	8,721	104,653	111,989	107,989
Vote 12 - Roads & Transport Management	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	762,000	728,517	639,216
Total Revenue by Vote	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,782**	**73,545,324**	**78,251,184**	**84,011,445**
Expenditure by Vote to be appropriated															
Vote 01 - Executive & Council	40,692	40,692	40,692	40,692	40,692	40,692	40,692	40,692	40,692	40,692	40,692	40,691	488,307	508,562	529,606
Vote 02 - Office Of The City Manager	632	632	632	632	632	632	632	632	632	632	632	632	7,582	7,850	8,144
Vote 03 - Energy	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,144	2,431,139	29,173,718	31,594,006	34,285,554
Vote 04 - Water And Sanitation	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,186	1,340,177	16,082,226	17,733,740	19,365,662
Vote 05 - Waste Management	238,807	238,807	238,807	238,807	238,807	238,807	238,807	238,807	238,807	238,807	238,807	238,804	2,865,679	3,014,397	3,170,461
Vote 06 - Human Settlements	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,710	46,708	560,515	552,778	584,117
Vote 07 - Finance And Strategy	337,538	337,538	337,538	337,538	337,538	337,538	337,538	337,538	337,538	337,538	337,538	337,536	4,050,455	4,217,390	4,512,464
Vote 08 - Development Planning And Real Es	111,759	111,759	111,759	111,759	111,759	111,759	111,759	111,759	111,759	111,759	111,759	111,757	1,341,103	1,366,841	1,422,976
Vote 09 - Community Safety	444,101	444,101	444,101	444,101	444,101	444,101	444,101	444,101	444,101	444,101	444,101	444,099	5,329,212	5,601,397	5,885,844
Vote 10 - Community Services	279,487	279,487	279,487	279,487	279,487	279,487	279,487	279,487	279,487	279,487	279,487	279,483	3,353,842	3,503,821	3,674,118
Vote 11 - Corporate And Shared Services	215,402	215,402	215,402	215,402	215,402	215,402	215,402	215,402	215,402	215,402	215,402	215,398	2,584,824	2,684,550	2,660,656
Vote 12 - Roads & Transport Management	303,336	303,336	303,336	303,336	303,336	303,336	303,336	303,336	303,336	303,336	303,336	303,333	3,640,028	3,778,162	3,953,162
Total Expenditure by Vote	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,794**	**5,789,757**	**69,477,492**	**74,563,495**	**80,052,764**
Surplus/(Deficit) before assoc.	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**338,982**	**339,025**	**4,067,832**	**3,687,689**	**3,958,680**
Income Tax	153	153	153	153	153	153	153	153	153	153	153	153	1,831	2,028	1,785
Surplus/(Deficit)	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,135**	**339,178**	**4,069,663**	**3,689,717**	**3,960,465**

Table 41 MBRR SA27 – Consolidated Budgeted monthly revenue and expenditure (standard classification)

EKU City of Ekurhuleni - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional															
Governance and administration	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,217**	**1,173,218**	**14,078,600**	**13,939,554**	**14,300,367**
Finance and administration	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,217	1,173,218	14,078,600	13,939,554	14,300,367
Community and public safety	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,504**	**136,505**	**1,638,044**	**1,628,836**	**1,701,629**
Community and social services	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,281	3,281	39,369	40,960	41,135
Sport and recreation	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	1,459	17,510	18,522	19,011
Public safety	46,508	46,508	46,508	46,508	46,508	46,508	46,508	46,508	46,508	46,508	46,508	46,508	558,100	564,100	554,100
Housing	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	65,663	787,954	770,143	842,007
Health	19,593	19,593	19,593	19,593	19,593	19,593	19,593	19,593	19,593	19,593	19,593	19,593	235,111	235,111	245,376
Economic and environmental se	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**78,367**	**940,402**	**864,936**	**770,645**
Planning and development	14,867	14,867	14,867	14,867	14,867	14,867	14,867	14,867	14,867	14,867	14,867	14,867	178,402	136,419	131,429
Road transport	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	63,500	762,000	728,517	639,216
Trading services	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,853**	**4,707,854**	**56,494,235**	**61,423,795**	**66,844,720**
Energy sources	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,957	2,630,958	31,571,489	34,182,524	37,130,418
Water management	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	1,708,082	20,496,984	22,562,118	24,781,277
Waste water management	92,487	92,487	92,487	92,487	92,487	92,487	92,487	92,487	92,487	92,487	92,487	92,487	1,109,846	1,170,176	1,231,874
Waste management	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,326	276,327	3,315,917	3,508,977	3,701,151
Other	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,837**	**32,839**	**394,043**	**394,064**	**394,084**
Total Revenue - Functional	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,777**	**6,128,782**	**73,545,324**	**78,251,184**	**84,011,445**

EKU City of Ekurhuleni - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure - Functional															
Governance and administration	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,678**	**456,669**	**5,480,123**	**5,772,779**	**6,100,435**
Executive and council	44,934	44,934	44,934	44,934	44,934	44,934	44,934	44,934	44,934	44,934	44,934	44,932	539,206	562,083	585,893
Finance and administration	408,085	408,085	408,085	408,085	408,085	408,085	408,085	408,085	408,085	408,085	408,085	408,078	4,897,010	5,162,017	5,460,890
Internal audit	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	3,659	43,906	48,679	53,652
Community and public safety	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,572**	**791,562**	**9,498,856**	**9,888,169**	**10,347,326**
Community and social services	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,400	130,399	1,564,802	1,642,695	1,723,139
Sport and recreation	128,678	128,678	128,678	128,678	128,678	128,678	128,678	128,678	128,678	128,678	128,678	128,676	1,544,132	1,612,429	1,687,544
Public safety	304,857	304,857	304,857	304,857	304,857	304,857	304,857	304,857	304,857	304,857	304,857	304,856	3,658,284	3,847,377	4,043,354
Housing	64,834	64,834	64,834	64,834	64,834	64,834	64,834	64,834	64,834	64,834	64,834	64,832	778,007	770,674	801,986
Health	162,803	162,803	162,803	162,803	162,803	162,803	162,803	162,803	162,803	162,803	162,803	162,799	1,953,631	2,014,994	2,091,303
Economic and environmental services	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,254**	**330,249**	**3,963,039**	**4,123,569**	**4,321,805**
Planning and development	57,304	57,304	57,304	57,304	57,304	57,304	57,304	57,304	57,304	57,304	57,304	57,303	687,652	715,395	752,145
Road transport	267,096	267,096	267,096	267,096	267,096	267,096	267,096	267,096	267,096	267,096	267,096	267,093	3,205,145	3,334,351	3,492,064
Environmental protection	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,853	70,242	73,823	77,596
Trading services	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,814**	**4,169,796**	**50,037,751**	**54,258,269**	**58,737,807**
Energy sources	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,206	2,545,201	30,542,468	32,962,755	35,654,303
Water management	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,911	1,206,907	14,482,927	15,980,692	17,446,383
Waste water management	156,993	156,993	156,993	156,993	156,993	156,993	156,993	156,993	156,993	156,993	156,993	156,987	1,883,916	2,037,687	2,203,940
Waste management	260,704	260,704	260,704	260,704	260,704	260,704	260,704	260,704	260,704	260,704	260,704	260,701	3,128,440	3,277,135	3,433,180
Other	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,630**	**41,629**	**499,554**	**522,736**	**547,176**
Total Expenditure - Functional	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,947**	**5,789,904**	**69,479,323**	**74,565,523**	**80,054,549**
Surplus/(Deficit) before assoc.	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,878**	**4,066,001**	**3,685,661**	**3,956,896**
Surplus/(Deficit)	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,829**	**338,878**	**4,066,001**	**3,685,661**	**3,956,896**

Table 42 MBRR SA28 – Consolidated budgeted monthly capital expenditure (municipal vote)

EKU City of Ekurhuleni - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure to be appropriated															
Vote 01 - Executive & Council	250	250	250	250	250	250	250	250	250	250	250	250	3,000	1,000	1,000
Vote 02 - Office Of The City Manager	–	–	–	–	–	–	–	–	–	–	–				
Vote 03 - Energy	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	591,482	615,868	692,365
Vote 04 - Water And Sanitation	87,416	87,416	87,416	87,416	87,416	87,416	87,416	87,416	87,416	87,416	87,416	87,416	1,048,998	1,076,724	1,325,000
Vote 05 - Waste Management	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	250,786	279,500	284,000
Vote 06 - Human Settlements	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	527,315	529,445	587,609
Vote 07 - Finance And Strategy	–	–	–	–	–	–	–	–	–	–	–				
Vote 08 - Development Planning And Real Estate	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	2,708	32,500	40,500	24,000
Vote 09 - Community Safety	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	88,200	105,000	95,000
Vote 10 - Community Services	8,142	8,142	8,142	8,142	8,142	8,142	8,142	8,142	8,142	8,142	8,142	8,142	97,700	102,690	117,323
Vote 11 - Corporate And Shared Services	20,333	20,333	20,333	20,333	20,333	20,333	20,333	20,333	20,333	20,333	20,333	20,333	244,000	236,500	243,100
Vote 12 - Roads & Transport Management	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,080	504,967	474,260	474,399
Capital multi-year expenditure sub-total	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,411**	**3,388,948**	**3,461,487**	**3,843,796**
Total Capital Expenditure	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,411**	**3,388,948**	**3,461,487**	**3,843,796**

Table 43 MBRR SA29 – Consolidated Budgeted monthly capital expenditure (standard classification)

EKU City of Ekurhuleni - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional															
Governance and administration	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**12,917**	**155,000**	**132,500**	**134,100**
Executive and council	250	250	250	250	250	250	250	250	250	250	250	250	3,000	1,000	1,000
Finance and administration	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	12,667	152,000	131,500	133,100
Community and public safety	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,885**	**54,884**	**658,615**	**694,834**	**735,432**
Community and social services	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	14,700	28,500	34,500
Sport and recreation	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	3,592	43,100	60,390	52,823
Public safety	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	6,125	73,500	76,500	60,500
Housing	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	43,943	527,315	529,445	587,609
Economic and environmental services	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,006**	**57,005**	**684,067**	**662,060**	**672,899**
Planning and development	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	10,375	124,500	145,500	134,000
Road transport	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,081	42,080	504,967	474,260	474,399
Environmental protection	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	54,600	42,300	64,500
Trading services	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,606**	**157,605**	**1,891,266**	**1,972,092**	**2,301,365**
Energy sources	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	49,290	591,482	615,868	692,365
Water management	59,361	59,361	59,361	59,361	59,361	59,361	59,361	59,361	59,361	59,361	59,361	59,361	712,330	673,700	821,000
Waste water management	28,056	28,056	28,056	28,056	28,056	28,056	28,056	28,056	28,056	28,056	28,056	28,056	336,668	403,024	504,000
Waste management	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	20,899	250,786	279,500	284,000
Total Capital Expenditure - Functional	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,411**	**3,388,948**	**3,461,487**	**3,843,796**

EKU City of Ekurhuleni - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funded by:															
National Government	191,713	191,713	191,713	191,713	191,713	191,713	191,713	191,713	191,713	191,713	191,713	191,712	2,300,552	2,466,439	2,681,304
Provincial Government	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	13,100	12,974	13,323
District Municipality															
Transfers recognised - capital	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,804**	**192,803**	**2,313,652**	**2,479,413**	**2,694,628**
Borrowing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	89,608	89,608	89,608	89,608	89,608	89,608	89,608	89,608	89,608	89,608	89,608	89,608	1,075,296	982,074	1,149,168
Total Capital Funding	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	**282,412**	282,412	282,411	3,388,948	3,461,487	3,843,796

Table 44 MBRR SA30 – Table SA30 Budgeted monthly cash flow

EKU City of Ekurhuleni - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	836,891	836,891	836,891	836,891	836,891	836,891	836,891	836,891	836,891	836,891	836,891	836,891	10,042,697	10,374,106	10,706,078
Service charges - electricity revenue	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	2,207,881	26,494,567	28,700,358	31,267,821
Service charges - water revenue	683,653	683,653	683,653	683,653	683,653	683,653	683,653	683,653	683,653	683,653	683,653	683,653	8,203,830	9,233,871	10,526,608
Service charges - sanitation revenue	444,712	444,712	444,712	444,712	444,712	444,712	444,712	444,712	444,712	444,712	444,712	444,712	5,336,549	5,868,222	6,452,625
Service charges - refuse revenue	138,339	138,339	138,339	138,339	138,339	138,339	138,339	138,339	138,339	138,339	138,339	138,339	1,660,065	1,759,757	1,865,324
Rental of facilities and equipment	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	12,295	147,536	159,198	181,146
Interest earned - external investments	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	12,108	145,300	145,961	146,653
Interest earned - outstanding debtors	123,064	123,064	123,064	123,064	123,064	123,064	123,064	123,064	123,064	123,064	123,064	123,064	1,476,764	1,477,538	1,478,240
Fines, penalties and forfeits	14,735	14,735	14,735	14,735	14,735	14,735	14,735	14,735	14,735	14,735	14,735	14,735	176,816	176,816	185,008
Agency services	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	30,358	364,302	364,302	364,302
Transfers and Subsidies - Operational	584,866	584,866	584,866	584,866	584,866	584,866	584,866	584,866	584,866	584,866	584,866	584,866	7,018,394	7,359,662	7,478,804
Other revenue	141,395	141,395	141,395	141,395	141,395	141,395	141,395	141,395	141,395	141,395	141,395	141,395	1,696,738	2,788,480	1,898,417
Cash Receipts by Source	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**5,230,297**	**62,763,558**	**68,408,272**	**72,551,025**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	212,804	212,804	212,804	212,804	212,804	212,804	212,804	212,804	212,804	212,804	212,804	212,804	2,553,652	2,769,413	3,004,628
Proceeds on Disposal of Fixed and Intangible Assets													–	–	–
Borrowing long term/refinancing	1,937	1,937	1,937	1,937	1,937	1,937	1,937	1,937	1,937	1,937	1,937	1,937	23,241	520	520
Increase (decrease) in consumer deposits	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	7,125	85,504	85,504	89,780
Decrease (increase) in non-current receivables	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(31)	(371)	(371)	(389)
Decrease (increase) in non-current investments	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(8,340)	(100,075)	(100,924)	(105,970)
Total Cash Receipts by Source	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**5,443,792**	**65,325,510**	**71,162,414**	**75,539,593**

EKU City of Ekurhuleni - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Payments by Type															
Employee related costs	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	1,103,074	13,236,884	13,875,435	14,573,117
Remuneration of councillors	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	14,123	169,480	175,073	180,675
Finance charges	64,368	64,368	64,368	64,368	64,368	64,368	64,368	64,368	64,368	64,368	64,368	64,368	772,417	768,098	757,817
Bulk purchases - Electricity	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	2,029,766	24,357,194	26,548,173	28,936,559
Acquisition inventory - water and other	746,688	746,688	746,688	746,688	746,688	746,688	746,688	746,688	746,688	746,688	746,688	746,688	8,960,261	10,084,002	10,588,202
Contracted services	662,711	662,711	662,711	662,711	662,711	662,711	662,711	662,711	662,711	662,711	662,711	662,711	7,952,527	8,294,453	8,796,968
Transfers and subsidies - other municipalities	23,296	23,296	23,296	23,296	23,296	23,296	23,296	23,296	23,296	23,296	23,296	23,296	279,553	294,457	320,991
Transfers and subsidies - other	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131	3,131	37,569	37,569	37,569
Other expenditure	359,395	359,395	359,395	359,395	359,395	359,395	359,395	359,395	359,395	359,395	359,395	359,395	4,312,740	5,655,338	5,448,651
Cash Payments by Type	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**5,006,552**	**60,078,626**	**65,732,597**	**69,640,549**
Other Cash Flows/Payments by Type															
Capital assets	324,774	324,774	324,774	324,774	324,774	324,774	324,774	324,774	324,774	324,774	324,774	324,774	3,897,290	3,980,710	4,420,365
Repayment of borrowing	68,534	68,534	68,534	68,534	68,534	68,534	68,534	68,534	68,534	68,534	68,534	68,534	822,407	837,542	803,459
Total Cash Payments by Type	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**5,399,860**	**64,798,323**	**70,550,848**	**74,864,373**
NET INCREASE/(DECREASE) IN CASH HELD	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**43,932**	**527,187**	**611,566**	**675,220**
Cash/cash equivalents at the month/year begin:	2,472,902	2,516,834	2,560,766	2,604,698	2,648,631	2,692,563	2,736,495	2,780,427	2,824,360	2,868,292	2,912,224	2,956,156	2,472,902	3,000,089	3,611,654
Cash/cash equivalents at the month/year end:	2,516,834	2,560,766	2,604,698	2,648,631	2,692,563	2,736,495	2,780,427	2,824,360	2,868,292	2,912,224	2,956,156	3,000,089	3,000,089	3,611,654	4,286,874

2.8 Annual budgets and SDBIPs – internal departments

The detail Capital Budget of Departments is reflected in **"Annexure C"**

2.8.1 CITY MANAGER

Operating Budget of the City Manager

The main cost drivers of relevant departments are salaries and office overhead costs.

Table 45 Operating Budget of the City Manager

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> OFFICE OF THE CITY MANAGER						
Expenditure By Type						
Employee related costs	5,353,585	2,250,217	42%	4,862,517	5,108,073	5,366,031
Inventory consumed	192,514	59,562	31%	192,514	201,217	210,248
Depreciation, amortisation and impairment	449,524	290,083	65%	449,524	449,524	462,156
Contracted services	326,627	45,230	14%	326,627	337,405	348,202
Operational costs	1,772,530	973,388	55%	1,750,413	1,753,710	1,757,056
Total Expenditure	**8,094,780**	**3,618,480**	**45%**	**7,581,595**	**7,849,929**	**8,143,693**
Surplus/(Deficit)	**(8,094,780)**	**(3,618,480)**	**45%**	**(7,581,595)**	**(7,849,929)**	**(8,143,693)**
Surplus/ (Deficit) for the year	**(8,094,780)**	**(3,618,480)**	**45%**	**(7,581,595)**	**(7,849,929)**	**(8,143,693)**

2.8.2 COMMUNICATIONS, MARKETING AND TOURISM DEPARTMENT

Key Strategic Projects of the Communications, Marketing And Tourism

Key strategic projects of the Communications, Marketing And Tourism Department:

Strategic objective 1: A clear single brand identity

PROJECT NAME	PROJECT DESCRIPTION
A clear single brand identity	The objective is about tracking the brand promotion interventions implemented during the reporting period in pursuit of a clear single brand identity. The unit of analysis is the "brand promotion interventions", and the unit of measure is the "number of brand visibility interventions implemented".

Corporate Identity

This refers to CoE logo application on various platforms e.g., permanent signage of facilities, Templates, uniforms, or branding of facilities. The purpose of corporate identity is to promote or convey the image of the municipality.

Strategic Campaigns

This refers to campaigns carried out by the department and in supporting other departments, e.g. It includes SoCA, Budget, Chris Hani, OR Tambo, Infrastructure cluster support campaigns, Social cluster support campaigns, Corporate and Governance cluster support campaigns, Investment Promotion Destination Marketing.

Destination Marketing

Looks at profiling of the City as a destination for tourism and investment. This is achieved through partnerships and events that will profile the City such as the investment conference, and other avenues as Tourism/Investment campaign in media (digital print, media broadcast)

Digital Communications

This refers to the digital platforms the department uses to communicate with the public and include digital publications, calendar of events, SMS, electronic bulletins, social media and website.

The four categories are used as the three targets per quarter and within each there are a number of items that relate to that category per quarter. A clear single brand identity refers to the application of the city of Ekurhuleni, and ensuring consistency in its application, as well as frequently of activation. One brand identity will ensure recognition of the City brand.

Table 46 Operating Budget of the Communications, Marketing and Tourism

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> COMMUNICATIONS, MARKETING AND TOURISM						
Expenditure By Type						
Employee related costs	65,866,712	43,838,285	67%	72,381,023	76,036,268	79,876,101
Inventory consumed	11,179,271	5,406,071	48%	11,179,271	11,550,537	11,922,747
Depreciation, amortisation and impairment	733,044	473,042	65%	733,044	733,044	753,643
Operational costs	5,592,052	2,092,334	37%	5,723,085	5,764,805	5,807,144
Total Expenditure	**83,371,079**	**51,809,732**	**62%**	**90,016,423**	**94,084,654**	**98,359,635**
ISM						
Surplus/(Deficit)	**(83,371,079)**	**(51,809,732)**	**62%**	**(90,016,423)**	**(94,084,654)**	**(98,359,635)**
Surplus/ (Deficit) for the year	**(83,371,079)**	**(51,809,732)**	**62%**	**(90,016,423)**	**(94,084,654)**	**(98,359,635)**

2.8.3 COMMUNITY SAFETY DEPARTMENT

2.8.3.1 Disaster and Emergency Management Services

Disaster and Emergency Management Services Department provides the following services to the community of Ekurhuleni:

- Fire Suppression.
- Fire Prevention and Fire Safety.
- Rescue Services.
- Fire Safety Training and Awareness.
- Risk Assessment Plan.
- Management and handling of hazardous material incidents.
- Emergency Communications Centres.
- Disaster Management and
- Metro-wide Radio Technical Services

Operating Budget of the Disaster and Emergency Management Services Department

Most of the department's costs are subsidised by assessment rates.

The main cost drivers are salaries and cost of provision of Disaster and Emergency Services. Both the Emergency Services and Emergency Communication Centres section operates on a 24/7 basis increasing the salary cost.

The provision of funds for disasters and emergency management is done within this cost centre. Disasters are dealt with in terms of the Disaster Management Act of 2002 as amended in 2015 and the Municipal Finance Management Act (MFMA) of 2003. Section 12 of the MFMA outlines the process of setting up relief funds to deal with disasters. A disaster management funding model for the city will ensure that both proactive and reactive activities of disaster management are sufficiently catered for.

2.8.3.2 City of Ekurhuleni Metro Police Department

The result statements of the department are contained in the IDP in Annexure A
Key / Core functions of the Ekurhuleni Metro Police Department

- Traffic law enforcement
- Crime prevention
- By law enforcement
- Licensing- These functions are a Provincial one but delegated to municipalities on agency basis.
  Rendering the following services—
  Motor Vehicle Registration and Licensing
  Drivers and Learners Licenses Test
  Vehicles Roadworthy Tests
  Motor Dealers Bulk Services and Regional Help Desk.
- Security: EMPD provide the complete turn-key protection and ensure access control of council facilities, buildings, and premises.

Key projects of the Ekurhuleni Metro Police Department

- Improve organisational effectiveness in policing services (crime prevention, by-law enforcement, security, traffic law enforcement and licensing services).
- Improve organisational governance vs. creating a better/improved enabling environment in EMPD.
- Build a new 'officer core' and improve discipline among the ranks.
- Grow community engagement (through social crime prevention programmes and Community Policing Forums).
- Expand and deliver access to policing to all communities.

Operating Budget of the City of Ekurhuleni Metro Police Department

The EMPD Operating Expenditure Budget comprises mainly of remuneration-related (salaries etc.) followed by the contracted services, which includes the security services and back-office contract, this comprises of about 90% of the total budget. The balance of the budget is for the other general expenses including the operational costs, inventory and operating leases.

One of the single greatest cost components of the EMPD (excluding salaries) is that of the outsourced contracted services (which includes the security services contract) which is about 15% of the total OPEX budget.

EMPD is a Municipal Police service and provide access to the community for any police related function. Resources like the Equestrian and dog Units are also controlled by the legislation like the Prevention of animal cruelty and oversight by the SPCA is conducted on a regular basis.

The police precincts and buildings must therefore be maintained as well as it has for many years been neglected and not been budgeted for. The centralisation of the vote numbers has exasperated the situation further.

The existing fleet is very old and in need of replacement and additional vehicles are required for the additional staff employed during the past few financial years. Vehicle fleet required by EMPD should be fit for purpose in the specific units they will be utilized at e.g.,(Freeway patrol and high performance vehicles).Informal settlements vehicles for example: LDV/Bakkies.

Table 47 Operating Budget for Community Safety

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> COMMUNITY SAFETY						
Exchange Revenue						
Sale of Goods and Rendering of Services	11,989,332	12,800,673	107%	12,087,486	12,087,486	12,087,486
Agency services	348,280,865	289,636,458	83%	364,301,838	364,301,838	364,301,838
Rental from Fixed Assets	-	2,513	100.00%	-	-	-
Operational Revenue	659,259	642,404	97%	689,501	689,501	689,501
Non-Exchange Revenue						
Fines, penalties and forfeits	398,545,519	197,052,144	49%	518,474,693	518,474,693	518,474,693
Total Revenue (excluding capital transfers and contributions)	**759,474,975**	**500,134,193**	**66%**	**895,553,518**	**895,553,518**	**895,553,518**
Expenditure By Type						
Employee related costs	3,918,316,341	3,125,654,803	80%	4,208,186,623	4,420,700,046	4,643,945,397
Inventory consumed	49,984,932	45,349,294	91%	84,231,380	89,189,551	94,446,498
Debt impairment	362,671,360	179,489,518	49%	362,671,360	398,938,496	434,842,961
Depreciation, amortisation and impairment	46,509,687	31,021,444	67%	46,509,687	46,509,687	47,816,609
Contracted services	456,354,562	455,803,608	100%	435,596,509	451,652,901	467,960,684
Operational costs	116,913,294	84,040,373	72%	192,016,863	194,406,660	196,831,849
Total Expenditure	**4,950,750,176**	**3,921,359,040**	**79%**	**5,329,212,422**	**5,601,397,341**	**5,885,843,998**
Surplus/(Deficit)	**(4,191,275,201)**	**(3,421,224,847)**	**82%**	**(4,433,658,904)**	**(4,705,843,823)**	**(4,990,290,480)**
Transfers and subsidies - capital (monetary allocations)	39,000,000	8,015,314	21%	35,000,000	40,000,000	30,000,000
Surplus/(Deficit) after capital transfers & contributions	**(4,152,275,201)**	**(3,413,209,533)**	**82%**	**(4,398,658,904)**	**(4,665,843,823)**	**(4,960,290,480)**
Surplus/ (Deficit) for the year	**(4,152,275,201)**	**(3,413,209,533)**	**82%**	**(4,398,658,904)**	**(4,665,843,823)**	**(4,960,290,480)**

2.8.4 COMMUNITY SERVICES DEPARTMENT
2.8.4.1 Health and Social Development

Introduction

According to Statistic South Africa (StatsSA), Mid-year Population Estimate (2022), the City of Ekurhuleni has a population of Four Million Three Hundred and Thirty Three Thousand Six Hundred and Forty three. The total number of informal settlements within the City is one hundred and thirty-one .

There are ninety-three clinics within the CoE, of which seventy-seven belongs to the city and sixteen are provincial facilities. In addition, both Primary Health Care and Environmental Health Services are provided at Informal Settlements through Mobile Clinics and by conducting baiting services as part of the CoE Rodent Control Strategy.

Section 27 of the Constitution provides that everyone has the right to have access to health care services, including reproductive health care services.

The provision of primary care services is the concurrent mandate of both the national and provincial governments. However, Chapter 4 in section 32 of the National Health Act (Act 61 of 2003) mandates all Municipalities to ensure that Municipal Health Services are effectively and equitably provided in their respective areas. These services are mainly environmental health services as defined in the National Health Act, 2003 (Act 61 of 2003) as amended.

The City of Ekurhuleni therefore does not have a mandate to fund and operate primary health care services, build Clinics and/ or to procure new mobile clinics on behalf of the Gauteng Department of Health. The current operational and funding arrangements in the provision of Primary Health Care services are governed by a

Memorandum of Agreement between the City of Ekurhuleni and Gauteng Department of Health.

Key Strategic Priorities in the provision of Health and Social Development Services

The key priorities of the Health and Social Development Department are linked to the fourteen (14) National Outcomes designed to collectively address the main strategic priorities of government to achieve improvements in the life of South Africans. Given the concurrent function nature of the services provided by the department, the key departmental priorities also contribute to the provincial mandates. Mandated by National Health Act 61 of 2003 the Department implements programmes that are aimed at improving the health status of the population of Ekurhuleni and thereby contributing to government's vision and a national outcome of "A Long and Healthy Life for All South Africans". To achieve this, services are focussed at increasing life expectancy, improving maternal and child health, combating HIV and AIDS and TB, and strengthening health system effectiveness.
In addition, the departmental priorities are mandated by other legislative imperatives such as the Children's Act 38 of 2005, also contribute to the following national outcomes; -

- Outcome1: *"Improve Quality of Basic Education"*
- Outcome3: *"All people in South Africa are and feel safe"*
- Outcome4: *"Decent employment through inclusive economic growth"*
- Outcome5: *"A skilled and capable workforce to support an inclusive growth path"*
- Outcome13: *"An inclusive and responsive social protection system"*

SERVICE DELIVERY DIVISIONS

Primary Health Care Division

The Primary Health Care division is further subdivided into three (3) health sub-districts as per the District Health Information Systems, namely the East, North and South sub-districts. The three (3) Health Sub-districts were further aligned with the twenty (20) Customer Care Areas (CCA's) into which the Ekurhuleni Metropolitan Municipality is demarcated. The proposal to further subdivide into another three sub districts is underway with District Health Information Systems (DHIS) already reporting as per the new six sub-districts, namely: - East 1, East 2, North 1, North 2, South 1 and South 2. Ekurhuleni Health District has ninety-three (93) PHC facilities, Sixteen (16) Mobile Clinics, and one (1) Outreach Health Screening Mobile Clinic. Thirty-one (31) of these PHC Facilities provide extended service hours, nine (9) render 24-Hours, four (4) render 12-Hours and eighteen (18) render Saturday Extended Service Hours.

In contributing to the GDS 2055 programmes of social care supply chains management and responsive and active citizenry, the overarching Primary Health Care (PHC) priorities for the planning cycle are based on the prevailing health and social needs as key drivers in CoE to reduce child and maternal mortality, to combat HIV and AIDS, decrease burden of disease in Tuberculosis, prevent non-communicable diseases thus increasing life expectancy of all community as well as to improve PHC system effectiveness. The division provides various services in collaboration with other stakeholders and partners such as the Gauteng Provincial Department of Health, Non-Governmental and Non-Profit Organisations and International Development Partners. The services which are driven by the identified prevailing health and social needs as key drivers include: -

- Child Health Services: Expanded Programme on Immunisation, Developmental Growth Monitoring and Integrated Management of Childhood Illnesses Services;
- Maternal Health: Antenatal and Postnatal Care, Counselling on Choice of Termination of pregnancy;
- Women’s health: Reproductive Health and Cervical Cancer Screening;
- Nutrition Programme;
- AYFS
- Men’s health: Healthy lifestyle and Prostate cancer screening.
- Management of Acute, Curative and Chronic Diseases.
- HIV and AIDS: HIV Counselling, screening and testing, Antiretroviral Therapy; Elimination of Mother-to-Child Transmission of HIV, and
- Tuberculosis and Sexually Transmitted Infection Control.

The right to have access to healthcare is a basic human right guaranteed by the Constitution. Section 27 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) provides that everyone has the right to access healthcare services. The Constitution of the Republic, in Schedule 4 Part B further outlines the municipalities health services as being the responsibility of local government to the extent set out in Section155 (6) (a) and (7). The National health Act (Act 61 of 2003) advocates for a single health system for South Africa.

However, Chapter 4 in section 32 of the National Health Act (Act 61 of 2003) mandates all Municipalities to ensure that Municipal Health Services are effectively and equitably provided in their respective areas. These services are mainly environmental health services as defined in the National Health Act,2003 (Act 61 of 2003), as amended.

In regard, the City of Ekurhuleni therefore does not have a mandate to fund the day-to-day operations of the Primary Health Care function, the building of new Clinics or upgrading of existing facilities and the procurement of new mobile clinics on behalf of Gauteng Department of Health.

Social Development Division

The key drivers for Social Development interventions include challenges encountered by fragmented families and households including child-headed households and the realities that are faced by young people who find themselves displaced and unengaged with society and exposed to substance abuse, teenage pregnancy, hunger and malnutrition. It is within this context that priorities for Social

Development are to advance socio-economic development efforts, to encourage the participation of the disadvantaged in developmental endeavours, to improve the quality of life of individuals, target oriented groups and communities. These priorities contribute to the programmes of Capabilities development, Social care supply chains management and Responsive and active citizenry outlined in the GDS 2055. The Social Development services provided include, indigent support programme, indigent burials, support for orphans and vulnerable children as a result of HIV and AIDS, programmes aimed at people living with disabilities and the aged, psychological support and counselling, behaviour change and prevention programmes aimed at increasing awareness and intervention on teenage pregnancy and substance abuse, promotion and improvement of quality Early Childhood Development (ECD) programmes and implementation of skills development programmes. These services are implemented in collaboration with other stakeholders and partners such as the Gauteng Provincial Departments of Social Development Education and Police, Non-Governmental Organisations.

Environmental Health Division

The key priorities of the Environmental Health Services are aimed at prevention and reduction of health risks associated with the environmental hazards which are the direct causes of the spread of disease and conditions related to environmental health in order to ensure the right to an environment that is not harmful to the health and wellbeing of community. These priorities contribute to the Responsive and active citizenry programme of the GDS 2055. The Environmental Health division provides municipal health services as defined by section 1 of the National Health Act, 2003(Act 61 of 2003) and include ensuring that all occurrences of communicable diseases that are notified are investigated and controlled, ensuring food safety for human consumption, ensuring that Ekurhuleni water is free from bacteriological and chemical contamination, ensuring reduced air and noise pollution and reducing illegal dumping and health care waste mismanagement which might be detrimental to human health. The division also implements the vector control programme which seeks to manage rodent infestation in the metro thereby reducing environmental health risks that can be caused by rodent infestation as well as vector borne diseases.

These services are rendered within the confines of the scope of the profession of environmental health in collaboration with other stakeholders and partners such as the Gauteng Provincial Departments of Health, the Gauteng Department of Agriculture and Rural Development, the National department of Health, the Department of Environment, Forestry and Fishery and the South African Local Government Association.

2.8.4.2 Sport, Recreation, Arts and Culture (SRAC)

The mandate of the Sport, Recreation, Arts and Culture department addresses three national policy areas, namely;

- Provision of Sport and Recreation,
- Provision of Arts, Culture and Heritage,
- Provision of Library and Information services.

This mandate is drawn directly from Schedule 4 and 5 of the Constitution of the Republic of South Africa, 1996 which describes the functional areas of the respective spheres of government.
NB: Library and Information Services is an exclusive Provincial and National competency (unfunded mandate); however, the City has voluntarily invested its financial / human resources to deliver on one of its strategic objectives of building sustainable communities.
The departmental priorities are to ensure access, increased participation of sport, recreation arts and culture sectors, to promote nation building and social cohesion amongst the citizens of Ekurhuleni.
The strategic objective for the new term of office as guided by the Mayoral Lekgotla resolution.

1. Adopt a holistic approach to keeping communities in good health by ensuring that all departments work together to minimise the risks which lead to poor health, to respond effectively to health emergencies, and to achieve overall positive health outcomes.
2. Promote multilingualism and protect and enhance the heritage landscape; and render services in the languages of the said municipality (in accordance with Section 6(3)b of the South African Constitution).
3. Reclaim public spaces currently taken over by lawlessness, litter, and neglect so that they may be places for all residents to enjoy once again

Projects Division

The Projects division is responsible for the development of various facilities required to enable access to sport, recreation, arts culture and heritage facilities as well libraries.To achieve that, the division plans, budgets, procures the required resources (i.e. consultants and contractors), manages the customer interfaces as well as the overall project management which includes the execution of specialised tasks for project managers necessary during project delivery.

Typical facilities provided are, Multipurpose Community centres, stadia, swimming pools, multi surface sport courts, libraries, art centres, and museums among others. To ensure that projects are successfully delivered, the typical key functions listed below are followed with every project done and those are:

INITIATION: This is the first phase of the project process. During this phase the brief is outlined and the project objective properly defined. It is also in this stage that the project’s goals are defined, and the specifications and parameters of the project set.

PLANNING: The second phase is planning. During this phase, the baseline plan is written out. This baseline plan will include things like: schedules, resource lists, tasks and activities, team members, risk analyses and reporting etc. The plan then needs to be evaluated and approved by project stakeholders starting with the Client division including other stakeholders outlined in the City's planning value chain such as the planning review committees, building control as well external bodies at times.

EXECUTION: Execution means the implementation of the project plan. The execution phase can take the longest of all the processes, depending on the particular project: it can be the construction of a new big facility funded over multiple years, or it can be a small upgrade project. The performance of the project team is crucial during this part of the process.

MONITORING AND CONTROLLING: Monitoring and controlling consists of keeping to your schedule, reporting to stakeholders and interested parties, monitoring the budget, and making sure that the execution of the project matches up to the initial plan.The project process also goes back and forth between planning, executing, and monitoring during this phase. Each time there is a discrepancy during the monitoring phase, the plan needs to be altered and re-implemented.

CLOSURE: As the project nears completion, there is a need to close out all contracts, meet the final project goals, and compile all the final reports and documentation. It is important to document everything before closing the project. Evaluating the project results and handover to the client division for utilisation of the project. The Projects Division manages all planned and funded projects which in large is capital of nature.

2.4.8.3 Parks and Cemeteries Division

Mandate

The Parks and Cemeteries Division is a service delivery division within the Community Services Department of the City of Ekurhuleni. The division is responsible for the management, maintenance, and development of municipal parks, open spaces, cemeteries, and designated conservation areas across the metropolitan area.

Strategic Alignment

The division contributes to the objectives of the Integrated Development Plan and the Growth and Development Strategy 2055 by supporting community wellbeing, social cohesion, environmental sustainability, and equitable access to public facilities. The management of parks, cemeteries, and conservation areas supports the creation of safe, functional, and dignified public spaces for residents.

Core Functions

The core functions of the Parks and Cemeteries Division include:

- Maintenance and management of public parks, landscaped areas, and open spaces
- Management and upkeep of municipal cemeteries and burial facilities

- Management of conservation areas, including the protection of biodiversity, flora, and fauna
- Provision of horticultural and arboriculture services, including grass cutting, vegetation control, and tree maintenance
- Development and implementation of policies, standards, and procedures related to parks, cemeteries, and conservation management.

Service Delivery Context

The division delivers essential, community-facing services that directly affect the quality, safety, and accessibility of public spaces, burial facilities, and conservation areas. Service delivery is influenced by increasing maintenance demands, aging infrastructure, and the need to ensure equitable service provision across all wards of the City.

2.4.8.4 Parks and Cemeteries Division

Environmental Protection, Resilience and Project Management Division

The division is responsible for Capital Programmes Delivery, from conceptual design, detail design, construction and project management of new infrastructure. It provides a framework for best practices on projects and contract management by developing instruments to monitor and reporting throughout the project life cycle. It is further responsible for creating legal framework for oversight in terms of monitoring compliance with laws, regulations, and policies for protecting and enhancing the natural environment in Ekurhuleni. It also performs a risk assessment and determine the level of risk for the department. Another key aspect of the work of this division is managing catchments in an integrated manner and protecting and managing biodiversity in the City.

Legal And Constitutional Mandate

The Departmental functions and activities are guided by series of environmental legislation. The premise of all these legislations is grounded in Section 24 of the Constitution which makes provisions that everyone has the right to:

(a) an environment that is not harmful to their health or well-being;

(b) have the environment protected, for the benefit of present and future generations

In pursuit of this constitutional obligation, the division has developed several policies, programmes and plans to achieve environmental management framework, which outlines a coherent goal of “Sustainable Natural Resource Management”. The importance of attaining this goal is evident from consistently high priority given to local programmes such as Mayoral Outreach programmes, implementation of Provincial environmental Programmes, working for wetlands, etc. Sustainable management of the environment is a major challenge being faced by municipal authorities across the country, especially in the metropolitan areas due to high population density. Urban domestic solid waste and spillage of sewer remains a serious problem that causes contamination of the land and water bodies. This has far-reaching implications on human health and the environment at large.

2025-2026 SDBIP (SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN) PERFORMANCE INDICATORS. (SECOND YEAR OF THE 5 YEAR) INTEGRATED DEVELOPMENT PLAN

Metro Wide SDBIP Performance Outcomes

- Reduction of vertical transmission of HIV from Mother to Child
- Increase in registrations of new indigents
- Improvement of air quality
- Increased participation of learners in SRAC school activities
- Biodiversity conserved and enhanced

Departmental SDBIP Performance Outcomes

- Improvement of compliance to the National Core Standards Rating for better quality of Primary Health Care services
- Increased access to primary health care services
- Increased capacity in Early Childhood Development service delivery.
- Improved behaviour change among youth contributing to the prevention of social ills and risky behaviour.
- Reduced gender based violence
- Improved mainstreaming of People with Disabilities in community/society for self-reliance and exposure to economic opportunities
- Improved nutritious food access for indigent households in COE
- Improved Tuberculosis Treatment Outcomes
- Increased access to Antiretroviral Therapy initiations
- Increased immunization coverage of children under one (1) year
- Increased compliance of food premises with health standards.
- Reduced rate of rodent infestation to prevent vector related preventable diseases.
- Increased capacitation of youth and adults across the development continuum

- Capacitated communities through provisioning of fundamental development programmes
- Increased impact of SRAC development programmes using collaborators and partners
- Increased preservation and promotion of heritage sites, buildings and objects of cultural historical significance
- Increased preservation and promotion of heritage sites, buildings and objects of cultural historical significance
- To ensure dignified, respectful and well-maintained resting places that meet the community's needs and comply with environmental and health regulations.
- Improved Water catchment management
- Increased compliance with environmental legislation
- Decreased vulnerability to the effects of climate change
- Sustained inclusion of environmental protection principles in infrastructure development projects
- Biodiversity is conserved and enhanced
- Uniform Customer Service throughout the City
- Improved expenditure on the Capital Budget
- Job Creation
- Enhanced municipal budgeting and budget implementation
- Improved expenditure management
- Improved supply chain management

Table 48 Operating Budget of the Community Services

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> COMMUNITY SERVICES						
Exchange Revenue						
Sale of Goods and Rendering of Services	28,407,268	21,519,661	76%	28,407,268	28,407,268	28,407,268
Rental from Fixed Assets	5,460,135	5,566,711	102%	5,460,135	5,640,317	5,820,810
Development Charges	852,740	438,666	51%	852,740	852,740	852,740
Operational Revenue	1,399,326	465,898	33%	399,326	399,326	399,326
Non-Exchange Revenue						
Fines, penalties and forfeits	6,598	591	9%	6,598	6,598	6,598
Transfers and subsidies - Operational	229,213,010	103,680,246	45%	236,612,000	239,161,000	249,559,560
Total Revenue (excluding capital transfers and contributions)	**265,339,077**	**131,671,772**	**50%**	**271,738,067**	**274,467,249**	**285,046,302**
Expenditure By Type						
Employee related costs	2,580,925,516	1,933,923,240	75%	2,829,505,367	2,961,283,761	3,108,963,153
Inventory consumed	91,834,757	31,378,851	34%	88,848,056	96,586,982	102,585,629
Depreciation, amortisation and impairment	174,494,041	116,385,582	67%	174,494,041	174,494,041	179,397,324
Contracted services	151,993,496	32,479,020	21%	153,079,230	161,904,570	171,609,693
Operational costs	97,093,590	58,616,938	60%	107,915,015	109,551,694	111,562,667
Total Expenditure	**3,096,341,400**	**2,172,783,631**	**70%**	**3,353,841,709**	**3,503,821,048**	**3,674,118,466**
Surplus/(Deficit)	**(2,831,002,323)**	**(2,041,111,859)**	**72%**	**(3,082,103,642)**	**(3,229,353,799)**	**(3,389,072,164)**
Transfers and subsidies - capital (monetary	28,700,000	-	0%	12,100,000	12,974,000	13,323,440
Surplus/(Deficit) after capital transfers &	**(2,802,302,323)**	**(2,041,111,859)**	**73%**	**(3,070,003,642)**	**(3,216,379,799)**	**(3,375,748,724)**
Surplus/ (Deficit) for the year	**(2,802,302,323)**	**(2,041,111,859)**	**73%**	**(3,070,003,642)**	**(3,216,379,799)**	**(3,375,748,724)**

2.8.5 ENERGY

The City of Ekurhuleni Metropolitan Municipality (CoE) is, in terms of Part B of Schedule 4 of the Constitution, responsible for the electricity reticulation function for the whole of its jurisdictional area. This means that the municipality bears the responsibility to ensure that electricity reticulation services are provided to all consumers within its area of jurisdiction.

The CoE’s main priority with respect to electricity distribution is to bring stability to the entire network by either replacing, upgrading or refurbishing the high, medium and low voltage electrical distribution equipment. The interventions include refurbishment of substations to support the overhauled network over the same period.

The city has challenges related to ageing infrastructure, vandalism of existing infrastructure and over loading of the current network, mostly due to illegal connections. The City seeks to continue to either upgrade, refurbish or replace the ageing network, depending on its condition and is subject to available budget. This is work in progress and is continuing in current and in subsequent years, contributing to provision of a stable electricity distribution network that will instil confidence in the City. The firm provision of electricity is threatened by interruptions in electricity supply due to load shedding implemented by ESKOM. Although load shedding has been temporarily suspended, the after effects is still being felt by the city in reduced revenue and equipment failure.

The roll out of Supervisory Control and Data Acquisition (SCADA) has been held in abeyance until the city can stabilise its network and improve its finances. SCADA systems are extremely cost intensive, a conservative estimation for automation of load control platform will be more than two (2) billion Rands. SCADA technology will be rolled out between substations to monitor load conditions and to automatically reduce load when required, in a safer manner that will protect equipment and operators from dangerous conditions. Benefits of SCADA about loadshedding is that the city can monitor and control load in real time.

Smart metering systems are currently focusing on load control on residential and small commercial installations. The future roll out of smart metering will assist customers understand load control better, and that load reduction can be applied by smart systems reducing non-essential loads automatically.

There is constant vandalism of the network through the theft of electricity underground and overhead cables and illegal connections to the electricity network. The city has appointed service providers to protect parts of the electricity network identified as “hot spots”. The service providers make use of guards as well as technology to safeguard primary substations, conducting identified “hot spot” patrols and do forensic investigation into incidents of theft on the electrical infrastructure.

Illegal connections are proving to be a major setback to the city in its efforts to stabilise the electricity network. Illegal connections cause the network to become unstable due to over loading. The city is looking at smart ways to curb/minimise this activity. Illegal connections are on the increase with perpetrators having very little regard for the inherent dangers of illegal connections and law enforcement. There are areas where, members of community prevent staff from carrying out disconnection/removal of illegal connections. Staff are allowed to work only if electricity is being installed or restored. This is placing a considerable strain on the City's ability to meet its other service delivery obligations. To minimise the negative effects of the illegal connections, the city identifies "hot spot" areas through its internal processes and conducts restitution of the network by replacing vandalised meter boxes with metal type protective structures, which serve as a deterrent. However, these are also proving to be less of a deterrent as the structures are vandalised with "cutting torches" and access is gained to the protective structure. This is a recurring problem and is costing the city large amounts of money.

The city is aware that the backlog in provision of electricity to households is confined to the informal settlements. There are currently 163 informal settlements within the area of jurisdiction of the city comprising approximately 164 000 households. This number is a moving target given ongoing in-migration of people into the city.

This places a doubt on the City's ability to reduce the backlog due to the nature of the settlements and the numbers being a moving target. Pre-payment meters are installed to meter the usage of electricity as is in other households.

The intervention involves planning and implementation of the maintenance of the network in regions containing informal settlements. The network is vulnerable in these areas and needs constant monitoring.

There is an inter-department dependency for the project to succeed. The Energy department is wholly dependent on the City's Human Settlements Department. The Energy department can only electrify an informal settlement after a re-block is completed and the go-ahead given by the Human Settlements Department to electrify.

The Energy department works closely with CoE Human Settlements department regarding the electrification of Informal Settlements. To electrify informal settlements, a re-block must be done, a beneficiary audit must be completed, "permission to occupy" must be obtained for informal settlements established on privately owned land and guidance to handle beneficiaries with no identity documents.

OPERATING EXPENDITURE BUDGET OF THE ENERGY DEPARTMENT

The Operating Budget of the Energy Department consists mainly of the repairs and maintenance in terms of operating expenses.

Refurbishment

Work with regard to the refurbishment budget is prioritised based on the department's approved asset management refurbishment programme and will be amended as and when required in order to address newly identified priorities. Forced interruption statistics, local knowledge, asset age, and inspection results are used to identify refurbishment projects. The network is ageing and therefore the refurbishment needs are high, Unfortunately the budget restrictions only allow the department to refurbish circuits or infrastructure identified as the highest impact to be refurbished. The infrastructure backlog is therefore growing.

Repairs and Maintenance

Repairs and maintenance forms part of the department's daily asset management activities. Repairs are carried out as and when required. Corrective maintenance is carried out where required on the network.

Planned Maintenance

Planned Maintenance is done in accordance with the department's approved maintenance plan. Various infrastructure asset types are inspected at predetermined timeframes throughout the financial year. The main aim of planned maintenance is to keep infrastructure in the desired working condition to ensure stable electricity supply. Planned maintenance is therefore preventative maintenance done to reduce premature breakdown of distribution equipment.

Security Services:

The department faces daily challenges on the network related to theft and vandalism. These criminal activities on the network contribute to the bulk of network interruptions. In an effort to curb the occurrence of theft on our primary networks, the department opted to use contracted security service providers for the installation, monitoring of technology such as alarms or cable sensors and to allow for response to triggered alarms, placement of guards and the patrol of hot-spot routes not yet fitted with technologies..

Public Lighting:

Streetlights and High Mast lights are maintained by dedicated public lighting sections within each Energy depot. The teams are responding to service requests logged by our residents but are also doing systematic maintenance to replace globes. The department is currently busy to retrofit conventional streetlights with LED lights that will ensure greater energy efficiency, and over time, a reduction in the overall maintenance cost for public lighting.

Table 49 Operating Budget of the Energy

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> ENERGY						
Exchange Revenue						
Service charges - Electricity	27,521,064,643	20,533,066,436	75%	29,338,710,631	31,959,050,266	34,814,830,890
Sale of Goods and Rendering of Services	3,627,033	65,455	2%	153,627,033	3,627,033	3,627,033
Interest earned from Receivables	161,107,184	160,291,324	99%	161,107,184	161,107,184	161,107,184
Rental from Fixed Assets	7,490,406	7,106,723	95%	10,490,406	10,836,589	11,183,360
Development Charges	43,561,020	19,976,419	46%	12,222,148	12,222,148	12,222,148
Non-Exchange Revenue						
Fines, penalties and forfeits	851,436	-	0%	51,436	51,436	51,436
Transfers and subsidies - Operational	1,240,817,964	1,225,144,844	99%	1,351,624,813	1,429,761,556	1,449,730,739
Total Revenue (excluding capital transfers and contributions)	**28,978,519,686**	**21,945,651,200**	**76%**	**31,027,833,651**	**33,576,656,212**	**36,452,752,790**
Expenditure By Type						
Employee related costs	682,400,323	615,448,673	90%	795,604,539	833,203,821	872,473,495
Bulk purchases - electricity	22,646,142,157	19,146,934,110	85%	24,357,193,816	26,548,172,979	28,936,559,363
Inventory consumed	845,670,932	712,242,801	84%	1,172,233,568	1,264,263,951	1,363,560,667
Debt impairment	765,149,007	597,209,671	78%	650,000,000	715,000,000	779,350,000
Depreciation, amortisation and impairment	562,204,529	374,984,161	67%	562,204,529	562,204,529	578,002,476
Interest, Dividends and Rent on Land	110,704,906	54,455,981	49%	110,704,906	110,704,906	110,704,906
Contracted services	1,310,073,973	797,346,217	61%	1,474,515,186	1,508,689,506	1,592,624,724
Transfers and subsidies	54,586,916	-	0%	-	-	-
Operational costs	39,111,070	17,623,717	45%	51,261,955	51,766,385	52,278,284
Other Losses	-	1,015,202	100.00%	-	-	-
Total Expenditure	**27,016,043,813**	**22,317,260,533**	**83%**	**29,173,718,499**	**31,594,006,077**	**34,285,553,915**
Surplus/(Deficit)	**1,962,475,873**	**(371,609,333)**	**-19%**	**1,854,115,152**	**1,982,650,135**	**2,167,198,875**
Transfers and subsidies - capital (monetary	568,641,152	275,295,578	48%	543,655,000	605,868,000	677,665,000
Surplus/(Deficit) after capital transfers &	**2,531,117,025**	**(96,313,755)**	**-4%**	**2,397,770,152**	**2,588,518,135**	**2,844,863,875**
Surplus/ (Deficit) for the year	**2,531,117,025**	**(96,313,755)**	**-4%**	**2,397,770,152**	**2,588,518,135**	**2,844,863,875**

2.8.6 ENTERPRISE PROGRAMME MANAGEMENT OFFICE

1. PURPOSE OF DEPARTMENT

1.1 Rationale

The EPMO Enterprise Programme Management Office (EPMO) was established to promote standardized planning and implementation of projects across the City of Ekurhuleni (CoE) thereby ensuring sound, sustainable, effective, transparent, and accountable management of financial resources resulting in the enhancement of service delivery.

1.2 Vision

To create an environment that enables successful implementation of projects and programmes to ensure that the CoE's vision of being a smart, creative and developmental City is attained.

1.3 Mission

To provide a solid foundation and leadership for the CoE enterprise-wide projects and programmes by creating an environment of project management proficiency whereby projects are implemented effectively and efficiently, stakeholders gain the benefit of carefully planned investments on infrastructure, and all stakeholders win through improved service delivery.

2. SERVICES OFFERINGS

In the quest to realize the above stated ideals, the resourcing of EPMO with the requisite human capital is structured in such a manner that it makes provision of 5 divisions in addition to the Office of the Head of EPMO which are Capital Projects, Property Development, Facilities Management, Finance and Grants Management and Support Services Divisions.

Collectively, these divisions, ably led by the Office of the Head of EPMO, are responsible for offering the following key services to its CoE stakeholders, i.e. service offerings that are of critical interest to the City's political and administrative leadership in ensuring the delivery of the City's constitutional mandate:

- Facilitate the setting up and maintenance of a standard project management methodology comprising of processes, procedures and systems to be used across the City of Ekurhuleni (CoE) in its implementation of projects.
- Establish or formalize and ensure continuous effective functionality of departmental project management offices (PMOs) across the CoE.
- Manage new CoE build construction and refurbishment projects, including provision and refurbishment of existing office space across all metro facilities.
- Ensure that all new municipal building projects and major refurbishments align with the City's long-term growth strategy, service delivery priorities, and spatial development framework.
- Establish and maintain structured engagements with public and private sector stakeholders to attract investment, facilitate partnerships, and drive property development initiatives in support of the City's strategic imperatives.
- Integrate environmentally sustainable design principles into all new municipal developments and refurbishments, ensuring compliance with green building standards and energy efficiency regulations.
- Maintain the City's buildings such as clinics, halls, office complexes, council chambers and other related facilities and equipment.
- Oversee the planning and optimization of office space and municipal facilities to improve efficiency, accessibility, and alignment with service delivery needs.
- Implement structured maintenance strategies to ensure the functionality, safety, and sustainability of municipal infrastructure.
- Develop and implement energy-efficient and sustainable building management practices to reduce operational costs, minimize environmental impact, and support the City's transition towards carbon neutrality.
- Strengthen asset management practices to ensure regulatory compliance, operational efficiency, and the longevity of municipal buildings and equipment.
- Plan and oversee the implementation of grants according to the operational needs of the City and agreements entered into with the funders
- Conduct research and identify funding opportunities suitable for CoE business
- Analyse budget trends and make recommendations for cost control and efficient spending for various grants.
- Provide detailed reports to the relevant government entities and CoE Council governance structures with respect to grants implementation.

- Provide ongoing mentoring and coaching of staff assigned to departmental PMOs on project management best practice models and technological developments and trends.
- Facilitate the coordination of work and initiatives and promote collaboration amongst PMOs.
- Source and provide on an ad hoc basis critical human resource capacity and expertise where requested or deemed necessary.
- Establish and manage panels of service providers for usage by infrastructure development departments on an as and when required basis.
- Ensure alignment between planned projects and CoE strategy and service delivery imperatives.
- Conduct monitoring and evaluation on the implementation of projects to optimize their delivery within set quality standards, budget and time.
- Provide real-time and fit-for-purpose performance reports on CoE projects delivery for use by various stakeholders including the CoE political and administrative Leadership.

Table 50 Operating Budget of EPMO

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> ENTERPRISE PROGRAMME MANAGEMENT OFFICE						
Exchange Revenue						
Sale of Goods and Rendering of Services	100	247	247%	100	100	100
Rental from Fixed Assets	1,210	670	55%	1,210	1,250	1,290
Development Charges	708,822	764,706	108%	708,822	708,822	708,822
Non-Exchange Revenue						
Transfers and subsidies - Operational	62,358,847	35,475,393	57%	31,724,000	55,000,000	60,000,000
Total Revenue (excluding capital transfers and contributions)	**63,068,979**	**36,241,017**	**57%**	**32,434,132**	**55,710,172**	**60,710,212**
Expenditure By Type						
Employee related costs	223,451,150	148,162,327	66%	262,667,193	273,179,920	286,725,531
Inventory consumed	237,105	32,069	14%	237,053	244,873	252,709
Contracted services	55,200,000	29,343,109	53%	29,324,000	55,165,000	60,330,280
Operational costs	15,999,566	2,622,153	16%	15,964,536	16,096,107	16,248,184
Total Expenditure	**294,887,821**	**180,159,658**	**61%**	**308,192,782**	**344,685,900**	**363,556,704**
Surplus/(Deficit)	**(231,818,842)**	**(143,918,640)**	**62%**	**(275,758,650)**	**(288,975,728)**	**(302,846,492)**
Transfers and subsidies - capital (monetary	-	-	0%	40,000,000	40,000,000	30,000,000
Surplus/(Deficit) after capital transfers &	**(231,818,842)**	**(143,918,640)**	**62%**	**(235,758,650)**	**(248,975,728)**	**(272,846,492)**
Surplus/ (Deficit) for the year	**(231,818,842)**	**(143,918,640)**	**62%**	**(235,758,650)**	**(248,975,728)**	**(272,846,492)**

2.8.7 EXECUTIVE MAYOR

The Executive Office cost centre is the cost centre of the executive arm of the political office being the Office of the Executive Mayor and the Members of Mayoral Committee.

Operating Budget of the Executive Office Department

The budget consists mainly of salaries, councillor remuneration and operational expenditure-related to the administration of the function.

Table 51 Operating Budget of Executive Office

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> OFFICE OF THE EXECUTIVE MAYOR						
Expenditure By Type						
Employee related costs	75,310,376	51,927,140	69%	68,567,375	72,030,028	75,667,542
Remuneration of councillors	14,842,416	12,400,025	84%	14,904,948	15,396,811	15,889,515
Inventory consumed	7,414,397	3,048,511	41%	7,414,397	7,659,077	7,904,166
Depreciation, amortisation and impairment	2,705,453	1,745,860	65%	2,705,453	2,705,453	2,781,476
Contracted services	813,622	95,509	12%	813,622	840,472	867,369
Operational costs	18,290,566	2,879,970	16%	18,029,838	18,083,820	18,138,596
Total Expenditure	**119,376,830**	**72,097,016**	**60%**	**112,435,633**	**116,715,661**	**121,248,664**
Surplus/(Deficit)	**(119,376,830)**	**(72,097,016)**	**60%**	**(112,435,633)**	**(116,715,661)**	**(121,248,664)**
Surplus/ (Deficit) for the year	**(119,376,830)**	**(72,097,016)**	**60%**	**(112,435,633)**	**(116,715,661)**	**(121,248,664)**

2.8.8 FINANCE DEPARTMENT

The Finance Department renders a financial service to the municipality and Council. It therefore has to secure sound and sustainable management of the fiscal and financial affairs of the municipality; and ensure transparent, accountable and appropriate lines of responsibility in the fiscal and financial affairs of the municipality and its entities.

The department manages the borrowing, investments, supply chain management, revenue, expenditure, assets and liabilities of the municipality and therefore has to draw up the budgets and ensure that financial planning processes are followed and complied with in terms of legislation and other regulations and to coordinate these not only within the municipality but also with other organs of state in the different spheres of government. The Operating Budget will enable the department to perform the above functions and duties and many other functions that it would be expected to be perform.

Budget and Management Accounting

The Budget & Management Accounting is responsible for the costing, drafting and compiling of the City's Annual Budget, Adjustment Budgets and In-year reporting in terms of the mSCOA reporting framework. The budget consists of the Operational & Capital budget, which are used for the allocation of financial resources for the rendering of municipal services. The Budget and Management Accounting Division's key deliverable with the budget include compliance with the latest Municipal Standard Chart of Accounts (MSCOA) and facilitate the approval of 2026/27 MTREF by May 2026.

Expenditure and cost management

Through expenditure the payments are processed for goods and services procured on behalf of the City departments. The 2025/26 performance indicator target of sixty percent (60%) payment of creditors within 30 days as per MFMA will remain at sixty percent (60%) in 2026/27. The target of 60% is a reasonable target as it takes into account the current economic status and expected revenue collection.

Supply Chain Management

The Supply Chain Management (SCM) provides a SCM platform that ensures efficient and effective procurement of requisite goods and services for City.
Its key objectives are to ensures optimisation of the financial delivery value chain, through strategic planning and alignment of SCM practices and processes, ensuring delivery of and compliance with protocols and Acts through:

- Demand Management
- Acquisition Management
- Logistics Management
- Inventory Management
- Disposal Management
- Performance Management
- Contract Management Legal Compliance

The performance of the City in terms of service delivery is largely affected by the effectiveness of the Supply Chain Management (SCM) processes. The SCM Division's key deliverables with the 2025/26 budget is to execute the SCM operations and improve capacity to process tenders within targeted turnaround times (adjudicate within 120 days after bids' closing date) with the performance indicator for 2026/27 at 50%. Also, execution of KPIs that are aligned to SCM legislations including submission of SCM implementation report to council. This will ensure continuous improvement of the SCM processes that will benefit the City's departments, the community and businesses to ensure that the service delivery is not compromised. The division through ICT has developed an online supplier registration platform which is integrated with National Treasury's Central Suppliers Database (CSD). This is to ensure that the suppliers database streamlines with the payment portal.

Revenue Management

The Revenue Division is responsible for the financial management of the City's revenue generating business that encompasses customer billing, credit control and debt collection and revenue collection activities in respect of trading services and property rates levied in accordance with published valuation roll. This function is being performed through the implementation of appropriate policies, financial systems, tariff proclamations, processes and internal controls.

The division is responsible for the compilation and maintenance of Councils Property Valuation register in accordance with the provisions of Municipal Property Rates Act and consist of more than 720 000 properties.

Billing of customers in respect of consumed services, water and electricity, performed through monthly physical and on-line metering depending on meter installation.

Through the implementation of system related enhancements and developments, the Division acts as enabler of council approved rebates and incentive schemes in respect of consumers.

Consumer education and information communication enhanced through Customer Care open day promotions within targeted areas. The aim of these promotions are as follows:

- Promote payment for services and encourage customers to pay for services.

- o Promote Siyakhokha platform registration, access to customer statement information and online payment
- o Assist with indigent registration in respect of qualifying customers.
- o Creating an exciting and positive outlook towards campaign.
- o Receive account billing queries from customers.
- o Update customer details on City of Ekurhuleni billing system.
- o Assist with credit control and debt collection processes.

Siyakhokha online platform has been developed which enables registered customers to view and pay their accounts online without having to stand in queues.

Financial Reporting, MIS and Treasury Services

Financial Reporting is responsible for the preparation and presentation of the Group Annual Financial Statements and Asset Management function for the City, to ensure compliance with accounting standards. The maintenance of relations with the National Treasury and Provincial Treasury regarding statutory reporting processes and submission of financial reports as required. The implementation of the budget also brings in-year financial reporting requirement. In-year reporting and Annual Financial Statements are prepared in compliance with relevant legislation

The City’s treasury office (Treasury) serves as internal banker of City and is, in general terms, responsible for cash management and borrowings for financing the Capital Expenditure programme. The decisions taken by Treasury are investments, funding and Treasury Risk management processes in the financial marketplace and in accordance with the provisions of the MFMA. The role of Treasury is to provide liquidity to City by sourcing the most efficient financial instruments at the best price and to administer and account for such instruments within the bounds of relevant legal framework. Treasury ensures that this function contributes positively to the cash collections of the City to sustain the City to meet its expenditure commitments and to remain in a positive cash coverage in line with the targeted cash coverage to sustain the City as ensure financial viability.

The City has to continue to increase its revenue base to improve its revenue collection facilities, customers can pay via, CCC pay-points, Direct banking platforms such as internet, bank branches, ATMs, Mobile banking apps, Siyakhokha payment platform and other Third Party Payments vendors like EasyPay, Cigicell, Payat, Ontec and Flash & Ithemba etc, all these facilities enable the City’s customers to buy pre-paid electricity units and do bill payments.
The Treasury is also facilitating the Transport Section for Harambee (IRPTN) in ensuring that the process of revenue collection is under its domain with the relevant monitoring and controls in place.
The City is experiencing severe liquidity challenges during this difficult period, cost cutting measures on administrative expenditure continue to be implemented and further steps have been taken to delay the implementation of the capital expenditure programme during these volatile, market period. From this implementation the city, proposes to build minimal cash reserves from the savings in its operating expenditure.

The City’s long term National Rating is Scale **BBB.za and A3.za** on short term with a stable outlook. The rating is the median investment rating, meaning the City can pay their obligations in the long and short term. The rating review for the current financial year **2025/26** will be done after the audited financial statements are approved by Council.

Table 52 Operating Budget of the Financial Services Department

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	YTD % Actuals	FINAL Budget - 2026/27	FINAL Budget - 2027/28	FINAL Budget - 2028/29
	R	R		R	R	R
> FINANCE						
Exchange Revenue						
Service charges - Electricity	-	181,384,804	100.00%	-	-	-
Sale of Goods and Rendering of Services	9,892,394	2,486,089	25%	511,411,260	11,411,260	11,411,260
Interest earned from Receivables	72,009,955	68,724,585	95%	72,796,725	72,796,725	72,796,725
Interest earned from Current and Non Current Assets	120,000,000	96,861,565	81%	135,000,000	135,000,000	135,000,000
Operational Revenue	113,700	94,878	83%	113,700	113,700	113,700
Non-Exchange Revenue						
Property rates	10,833,546,224	8,837,741,690	82%	11,158,552,611	11,526,784,844	11,895,641,957
Transfers and subsidies - Operational	1,000,000	735,049	74%	1,200,000	1,500,000	1,700,000
Interest	389,778,899	383,374,440	98%	313,196,669	313,196,669	313,196,669
Fuel Levy	1,795,381,000	1,795,381,000	100%	1,791,959,000	1,798,918,000	1,788,268,000
Total Revenue (excluding capital transfers and contributions)	**13,221,722,172**	**11,366,784,099**	**86%**	**13,984,229,965**	**13,859,721,198**	**14,218,128,311**
Expenditure By Type						
Employee related costs	668,518,033	493,204,440	74%	1,045,546,167	1,098,535,453	1,153,911,996
Inventory consumed	9,073,391	2,642,973	29%	11,145,391	11,866,748	12,808,889
Debt impairment	1,187,450,650	892,658,752	75%	1,182,033,877	1,301,209,660	1,550,745,964
Depreciation, amortisation and impairment	209,062,195	139,834,336	67%	209,062,096	323,143,798	336,851,250
Interest, Dividends and Rent on Land	819,462,062	291,381,530	36%	819,462,062	815,609,186	782,027,306
Contracted services	117,364,372	37,917,238	32%	269,364,372	149,841,600	155,423,177
Operational costs	404,388,055	345,157,848	85%	459,990,356	460,795,813	461,636,442
Other Losses	-	603,057	100.00%	-	-	-
Total Expenditure	**3,415,318,758**	**2,203,400,174**	**65%**	**3,996,604,321**	**4,161,002,258**	**4,453,405,024**
Surplus/(Deficit)	**9,806,403,414**	**9,163,383,925**	**93%**	**9,987,625,644**	**9,698,718,940**	**9,764,723,287**
Surplus/ (Deficit) for the year	**9,806,403,414**	**9,163,383,925**	**93%**	**9,987,625,644**	**9,698,718,940**	**9,764,723,287**

2.8.9 HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

Key Strategic Projects of the Department

A key strategic project of the Department Human Resources Management and Development is the finalisation of the Institutional Review Process.
The HR strategy drives the actualisation of the following components:

- Strategies from a Human Capital perspective to support the GDS 2055.
- Talent management – entire employee lifecycle.
- Ensuring statutory and regulatory compliance.
- Development of a strategy driven and dynamic City of Ekurhuleni structure.
- Promotion and preservation of HR professionalism.
- Reviewal of policies in line with the Municipal staff Regulations.
- Building internal capability and performance management.
- Leadership development programmes
- Building and maintaining sound labour relations.
- Alignment and management of flagship projects.
- Approval of the costing model for roll-out of Institutional Review (i.e. staff appointments and inclusive of post-retirement benefits)
- Implementation of Skills Audit Project

ACTIVITIES 2026/27 FY
Q1=Initiation of the Mini Tender process for the appointment of the Service Provider for the drawing of emergency evacuation floor plans for the City's facilities used for hosting events.
Q4= Initiation of the Mini Tender process for the appointment of a Service Provider for designing and printing of Incident Management and Reporting Posters.
Initiation of the Tender process for the appointment of a Panel of Service Providers for the provision of Employee Wellness and Occupational Health Services to employees of the City from the 1st of July 2026 until the 30th of June 2029 as and when required.
Initiation of a Mini Tender process for the Supply and delivery of Medication and Medical supplies for the Wellness Centres in compliance with the OHSA.
Initiation of a Tender process for the appointment of a Service Provider to Conduct a City-wide Productivity Study from the 1st of July 2026**.**

Operating Budget of the Human Resources Management and Development Department

The main cost driver of the department is personnel costs which comprises 70.10% of the total Operating Budget of the department.

The department is also responsible for the advertising and filling of positions, generic training programmes, addressing labour matters and facilitating employee wellbeing programmes, with subsequent cost and budgetary provision of the services

Table 53 Operating Budget of the Human Resources Management and Development

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> HUMAN RESOURCES						
Exchange Revenue						
Operational Revenue	144,231	355,877	247%	144,231	144,231	144,231
Non-Exchange Revenue						
Transfers and subsidies - Operational	31,940,000	4,297,222	13%	31,940,000	16,000,000	17,000,000
Total Revenue (excluding capital transfers and contributions)	**32,084,231**	**4,653,098**	**15%**	**32,084,231**	**16,144,231**	**17,144,231**
Expenditure By Type						
Employee related costs	180,881,550	141,439,203	78%	205,009,518	215,362,497	226,238,301
Inventory consumed	33,194,697	4,889,824	15%	33,199,575	17,305,191	18,351,424
Depreciation, amortisation and impairment	1,335,232	861,641	65%	1,335,232	1,335,232	1,372,752
Contracted services	16,362,688	8,711,242	53%	16,427,578	17,023,568	17,627,751
Operational costs	10,598,134	6,453,102	61%	11,175,621	11,292,299	11,410,703
Total Expenditure	**242,372,301**	**162,355,012**	**67%**	**267,147,524**	**262,318,787**	**275,000,931**
Surplus/(Deficit)	**(210,288,070)**	**(157,701,914)**	**75%**	**(235,063,293)**	**(246,174,556)**	**(257,856,700)**
Surplus/ (Deficit) for the year	**(210,288,070)**	**(157,701,914)**	**75%**	**(235,063,293)**	**(246,174,556)**	**(257,856,700)**

2.8.10 HUMAN SETTLEMENTS

The mandate of the COE Department of Human settlements is outlined in the Housing Act (1997) that outlines the responsibilities of national, provincial, and local government for housing delivery. The Housing Act provides that the role of the city is to create an enabling environment for housing development and to provide and operate infrastructure and services such as water, sanitation, roads and electricity and waste. The city shares the responsibility with the Gauteng province for the release of land for housing development, land use planning, and building control and act as a housing developer where required.

The role of Local Government especially the Metros in the development of Human Settlements was further expanded upon the introduction of the municipal accreditation process, which is necessary to integrate housing and infrastructure planning and delivery at local level.

On the 4th of March 2011, the City of Ekurhuleni (CoE) was awarded level one and two accreditations by the National Minister of Human Settlements and the Gauteng MEC for the then called Gauteng Local Government and Housing (see table below).

Level one and two accreditations meant that the CoE was officially delegated the powers to perform housing functions that were the responsibility of the Gauteng Department of Human Settlements

Accreditation Functions

Level 1	Subsidy budget planning and allocation: including housing subsidy budgetary planning across programmes and projects; planning of subsidy/fund allocations, and project identification. Applicable to all national and provincial housing programmes, with the exception of individual and relocation subsidy programmes, which remain the responsibility of the province.
Level 2	Programme management and administration: including project evaluation and approval, contract administration, subsidy registration, programme management including cash flow projection and management and technical (construction) quality assurance. Applicable to all national and provincial housing programmes with the exception of individual and relocation subsidy programmes, which remain the responsibility of the province

Section 5.3.3 of the Draft white paper for human settlements propose the following as the Role of Local Government/Municipalities

Every municipality must as part of their process of integrated development planning take all reasonable and necessary steps within the framework of national and provincial human settlements policy to:

- Work with national and provincial government as well as departmental entities in their respective areas of jurisdiction, to enhance the effectiveness of national and provincial human settlements programmes.
- Set local human settlements delivery goals.
- Develop strategies for the establishment of liveable cities, towns, and rural areas.
- Participate in the development of national and provincial plan for the Development of Human Settlements and ensure that multiyear plans are congruent with the municipal plans including Integrated Development Plans.
- Ensure municipalities use their integrated development plans to articulate a vision for urban and or rural environment where citizens wish to live and translate that vision into reality through the combined exercise of land-use planning and other considerations.
- Liaise and consult with the Minister and the MEC in respect of:
  - Fiscal transfers for human settlements programmes to the municipality.
  - Municipal priority status in respect of national facilitative programmes for human settlements, and
  - Any deviation to national human settlements policy and programmes.
  - Any prospective intervention when a municipality is unable to execute its obligation in terms of human settlements policies, programmes, and targets.
  - Inform the Minister of Human Settlements of any dispute that may arise in the execution of its functions.
- Ensure adherence to SPLUMA and municipalities should utilise land-use planning functions to promote integrated spatial and socio-economic development.
- Establish and implement mechanisms and procedures to ensure the achievement of human settlements outcomes, goals, and targets outlined in this policy.
- Ensure the availability of funding for various aspects of human settlements development.
- Manage the human settlements fund:
- Develop mechanisms to improve programme implementation and monitoring.
- Report to the Minister and the MEC, progress towards the achievement of set targets.

Based on the above provision, the functions of the Department include:

- Identification and Procurement of Well-located Land for Human Settlements.
- Planning for Human Settlements Developments.
- Servicing of Stands for Subsidised Human Settlements Development.
- Construction and roll out of housing units in support of Integrated Human Settlement Development.
- Management of Informal Settlements by co-ordinating the provision of Interim Basic services
- Land Invasion prevention and management.
- Provision and management of rental stock and hostels.

- Support Ekurhuleni Housing Company in Social Housing Delivery.
- Refurbishment of rental stock.
- Co-ordination of Urban and Township Renewal Programme.

Access to **sustainable human settlements** will be improved through the implementation of the initiatives outlined below –

- Provide adequate housing and improved quality living environment by implementing the following programmes: (Upgrading of informal settlements/Serviced stands, house construction, mega projects (IRDP), social housing, BNG walk-ups);
- Influence the security of tenure number through the distribution of title deeds;
- Spatial Transformation through the implementation of the Priority Human Settlements and Housing Development Areas (PHSHDA) programme);

The following additional initiatives will be implemented to contribute to spatial transformation and development: Land acquisition in (PHSHDA); Increased Provision of interim basic services in informal settlements (e.g., communal water, temporary sanitation, energy and refuse removal); Informal Settlements Upgrading programme (ISUPG); National Upgrading Support Programme (NUSP); Townships Informal Settlements and Hostels (TISH); Re-blocking and Electrification of informal settlements; Refurbishment of council owned rental housing stock; Revenue enhancement – (e.g., rental housing stock: property management lease management and revenue collection. Client services/ tenant complaints); and Urban Renewal (Non-Motorised Transport- NMT). The city has appointed 33 Youth Brigades to accelerate the tittle deeds and beneficiary administration programme.

Serviced stands will be provided by the city; as well as affordable rental stock and housing to the 1990’s applicants; pensioners, backyard dwellers, people with disabilities as well as verified and accredited military veterans. The release of strategic land parcels for the development of black owned estates, and the reuse of redundant and illegally occupied buildings as well as conducting a thorough land audit to identify additional land for human settlements will offer alternative housing solutions.

The provision of social housing together with the Ekurhuleni Housing Company will be accelerated and mechanisms to improve revenue collection by the entity will be improved. Similarly, the provision of sustainable human settlements together with the national and provincial government departments as per the delegated roles and responsibilities will be accelerated.

Table 54 Operating Budget of the Human Settlements

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> HUMAN SETTLEMENTS						
Exchange Revenue						
Rental from Fixed Assets	59,984,561	50,999,857	85%	59,984,561	61,964,049	63,946,897
Non-Exchange Revenue						
Transfers and subsidies - Operational	53,000,000	31,657,832	60%	89,626,335	62,314,410	70,646,505
Total Revenue (excluding capital transfers and contributions)	**112,984,561**	**82,657,689**	**73%**	**149,610,896**	**124,278,459**	**134,593,402**
Expenditure By Type						
Employee related costs	156,171,070	136,574,006	87%	174,471,702	183,282,521	192,538,286
Inventory consumed	4,710,874	793,680	17%	4,710,874	4,896,672	5,086,833
Debt impairment	56,808,478	47,340,398	83%	56,808,478	62,489,326	68,113,365
Depreciation, amortisation and impairment	40,852,798	27,248,361	67%	40,852,798	40,852,798	42,000,762
Contracted services	77,083,166	33,639,358	44%	74,156,501	83,694,790	87,377,956
Transfers and subsidies	35,545,958	25,545,958	72%	71,520,796	36,424,796	42,958,796
Operational costs	16,676,051	13,147,231	79%	21,220,495	21,330,532	21,442,199
Total Expenditure	**387,848,395**	**284,288,992**	**73%**	**443,741,644**	**432,971,435**	**459,518,197**
Surplus/(Deficit)	**(274,863,834)**	**(201,631,303)**	**73%**	**(294,130,748)**	**(308,692,976)**	**(324,924,795)**
Transfers and subsidies - capital (monetary	489,274,501	310,704,701	64%	484,732,665	523,910,590	575,540,495
Surplus/(Deficit) after capital transfers &	**214,410,667**	**109,073,398**	**51%**	**190,601,917**	**215,217,614**	**250,615,700**
Surplus/ (Deficit) for the year	**214,410,667**	**109,073,398**	**51%**	**190,601,917**	**215,217,614**	**250,615,700**

2.8.11 BUDGET OF EKURHULENI HOUSING COMPANY (EHC)

The Ekurhuleni Housing Company (EHC) is an accredited social housing entity, owned by the City of Ekurhuleni. EHC is entrusted with the mandate of the development and management of Social and Rental Housing. The EHC is regulated by Social Housing Act. The rental charges for the entity are regulated by the Social Housing Regulatory Authority (SHRA).

The assumptions and guidelines used in compiling the budget are as follows:

In the 2025/26 financial year the entity was able to collect rental income of 29% and 39% in quarter 1 and 2 respectively, which translate to R11,4 million. Cash received from rental per month is about R1,8 million on average. The operation grant for the 2025/26 financial year is R25,5 million with a budget adjustment approval made of R10 million during the year. The rental collection is projected to be R21,7 million for the financial year, due to the hijacked units. The entity is expected to be at a cash surplus of R2,066 million at the end of the 2025/26 financial year in terms of its cash flow, aided by the approved additional operational grant.

The entity is implementing the turnaround strategy. The executive committee and management are focusing on the full implementation of the remedial action, strengthened credit control and the eviction processes in the 2025/26 financial year. Evictions in Pharoe Park and Airport Park have been completed, while the entity is in court for the Delville complex evictions. These processes are however hampered by the lack of funding. The SHRA provided the entity with a R1,5 million grant to provide security at the evicted complex of Pharoe Park. SALGA has also committed resources to assist the entity with SCM training, and professional consultants to assist the entity with preparation of the financial statements.

2026/27 Medium Term Revenue and Expenditure Framework

In the 2026/27 financial year, the entity expects the turnaround strategy to be fully implemented.

The forecasted periods have factored in a 4% increase on all revenue line items and expenditure based on a trend from the past.

Rental of fixed assets
The weighted average rental per month is R 3 377 for the 1448 units with an escalation of 4% on the 1 July every year. The escalation factors the CPI for a particular year.

Sale of goods and rendering of services
During the 2025/26 financial year, the organisation made a decision to stop charging prospective suppliers for the tender documents as the printing machine broke.

Transfers and subsidies –
The city intends to transfer the social housing capital projects to EHC during 2026/27. This will be funded by the USD.

Operating Expenditure

Employee related costs
The organisation is currently experiencing challenges due to insufficient staffing in its core operational areas. To address these challenges and better align with the organisation's strategic vision, a restructuring process is planned.
A key priority for the next financial year is the appointment of an Executive: Operations. This position will play a critical role in strengthening organisational leadership, ensuring that the organisation is guided in the right strategic direction, and improving overall performance in fulfilling its mandate. The role will also be essential in facilitating the transfer of properties to the organisation from the City of Ekurhuleni (COE).

Contracted services

The organisation plans to reduce its reliance on contracted services by insourcing selected functions, including certain cleaning services, gardening services, as well as aspects of repairs and maintenance.
In addition, an amount of R2 million has been budgeted for 2026/27 to undertake a comprehensive condition assessment of all EHC properties. The purpose of this assessment is to determine the extent of repairs and maintenance required across the property portfolio.

Capex budget

The following capital expenditure (CAPEX) budget requirements have been identified. These are based on the City's intention to transfer Human Settlements projects to EHC during the 2026/27 financial year. The projects are expected to be funded through the Urban Settlements Development Grant (USDG).

Project Name	Proposed Budget Year 2026/27	Approved Budget Year 2027/28	NEW Budget Request Year 2028/29
Clayville Ext 45	15,553,000	4,457,000	
Kempton Park			10991000
Airport Park Ext 2	12,000,000		
Queen Street	12,000,000		
	39,553,000	**4,457,000**	**10991000**

Table 55 Operating Budget of Ekurhuleni Housing Company

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	YTD % Actuals	FINAL Budget - 2026/27	FINAL Budget - 2027/28	FINAL Budget - 2028/29
	R	R		R	R	R
> Z -EHC						
Exchange Revenue						
Service charges - Water	3,861,493	2,320,565	60%	4,018,953	4,166,915	4,372,215
Service charges - Waste Water Management	2,159,683	1,106,833	51%	2,267,668	2,371,978	2,463,456
Service charges - Waste Management	2,827,352	1,452,382	51%	2,968,719	3,105,278	3,229,489
Sale of Goods and Rendering of Services	1,309,270	391,217	30%	80,125	83,810	87,162
Interest earned from Receivables	17,823,009	11,909,929	67%	18,600,859	19,460,440	20,240,458
Interest earned from Current and Non Current	951,678	830,342	87%	995,407	1,041,195	1,082,843
Rental from Fixed Assets	58,809,951	32,838,611	56%	62,263,421	64,786,278	67,340,930
Operational Revenue	144,007	174,840	121%	150,229	157,138	163,400
Non-Exchange Revenue						
Transfers and subsidies - Operational	35,545,958	21,617,380	61%	31,967,796	31,967,796	31,967,796
Total Revenue (excluding capital transfers and contributions)	**123,432,401**	**72,642,099**	**59%**	**123,313,177**	**127,140,828**	**130,947,749**
Expenditure By Type						
Employee related costs	32,082,769	19,957,456	62%	40,680,234	42,307,441	43,999,742
Inventory consumed	220,145	171,892	78%	230,869	241,488	251,147
Debt impairment	23,581,188	37,032,150	157%	23,910,680	25,010,570	26,010,993
Depreciation, amortisation and impairment	6,944,676	4,745,128	68%	7,291,911	7,627,335	7,932,427
Interest, Dividends and Rent on Land	3,863,568	4,424,684	115%	4,056,747	4,243,357	4,413,092
Contracted services	28,559,456	15,892,524	56%	20,067,316	18,898,396	19,654,332
Irrecoverable debts written off	-	(0)	100.00%	-	-	-
Operational costs	20,023,053	6,775,558	34%	20,535,322	21,478,256	22,337,387
Total Expenditure	**115,274,855**	**88,999,391**	**77%**	**116,773,079**	**119,806,843**	**124,599,120**
Surplus/(Deficit)	**8,157,546**	**(16,357,292)**	**-201%**	**6,540,098**	**7,333,985**	**6,348,629**
Transfers and subsidies - capital (monetary	-	-	0%	39,553,000	4,457,000	10,991,000
Surplus/(Deficit) after capital transfers &	**8,157,546**	**(16,357,292)**	**-201%**	**46,093,098**	**11,790,985**	**17,339,629**
Income Tax	2,448,279	379,844		1,830,801	2,027,772	1,784,811
Surplus/(Deficit) after taxation	**5,709,267**	**(16,737,135)**	**-293%**	**44,262,297**	**9,763,213**	**15,554,818**
Surplus/ (Deficit) for the year	**5,709,267**	**(16,737,135)**	**-293%**	**44,262,297**	**9,763,213**	**15,554,818**

2.8.12 INFORMATION COMMUNICATION TECHNOLOGY

The result statements of the department are contained in the IDP in Annexure A.

Activity	Description
Digital City	
Brief Description	City of Ekurhuleni Metropolitan Municipality (COE) The City of Ekurhuleni in their long term plan “Growth and Development Plan (GDS) 2055 have identified the following transformation priorities and it has a mandate to promote the Smart City concept for transformation, growth, development and ensure that all Ekurhuleni’s citizens derive sustainable benefit from technology development. SALGA (South African Local Government Agency) has recognised that innovation is at the heart of the evolution of any organisation. Government institutions, non-profit organisations, businesses and even individuals need to evolve to survive. The need to find innovative solutions to social problems in order to make Local Government responsive and relevant has become more pervasive than ever before. Today’s world is more complex and more demanding, and timelines have sped up. To meet these demands, government needs to innovate, create knowledge value in order to achieve the requirements of today’s citizen’s demands of improved and high-quality service delivery. Nowhere is this more apparent than in municipalities. The Information and Communication Technology (ICT) department has a responsibility to ensure that the abovementioned requirements identified by SALGA are addressed and the strategic objective as defined in the GDS are achieved. This can be done through ensuring that ICT goals are aligned to and support the City’s mission and strategic objectives of becoming and Smart, Creative and Developmental City, and that optimum business value is realized from ICT related investment services and assets. Information and Communication Technology (ICT) is one of the key enabling department within the City. It uses and leverage on the implementation of technology to enable the City to deliver services effectively and efficiently. ICT supports the service delivery object to: • To achieve effective cooperative governance which will be accomplished through building a clean, capable and **modernised local state** sub-programme and • To achieve social empowerment, which will be accomplished through promoting **safer**, healthy and socially empowered communities sub-programme • ICT indirectly supports the above macro strategies through the modernised local state and the safer communities’ sub-programmes. The ICT department’s focus will remain on external and internal programmes with the focus on business processes re-engineering and

Activity	Description
	automation in ensuring objectives aimed at modernising the local state are achieved: 1. Infrastructure Programmes a) Infrastructure stabilisation Programme o Strengthening Cyber security across the IT infrastructure through the implementation of the technology and provision of a proactive SOC service o Expansion of the server infrastructure to ensure there is sufficient capacity to cater for all the technology being implemented. o Operational normalization (operating processes, tools and methodologies which provides the capability to reduce mean down time. o Finalise the implementation of the high availability and disaster recovery capabilities that will minimize the risk for COE. o Built the ICT First Line support capability for the monitoring of the entire COE ICT network. o Continuous the rollout of the Fibre and Wi-Fi infrastructure to enable all business units to easily access the automated solutions/ systems o Upgrade and renewal of the City's Telephony solution b) Process Modernization Programme o Automation of manual processes, thus reducing the amount of time required to execute each process. This leads to service delivery efficiencies. Various Modules are currently being implemented to support this programme o Expansion, Improvement, or enhancement of the Enterprise resource planning (ERP) system for further automation, integration of processes end – to end and to ensure compliance with National Treasury MSCOA requirements. c) IT Governance and Security Programme o Implementation of the Cyber Security solutions that will assist to monitor, prevent, detect, investigate, and respond to cyber threats on time which could result from the modernization and automation of business processes. o To monitor, prevent, detect, investigate, and respond to cyber threats around the clock. d) Digital/Smart City Programmes o Finalization of the Safe City Programme, with the focus on deploying Surveillance cameras across the City to detect risks and respond to emergency situation o Implementation of IoT Solutions to enhance service delivery, security and reduce operating costs

Table 56 Operating Budget of Information Communication Technology

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> INFORMATION COMMUNICATIONS AND TECHNOLOGY						
Expenditure By Type						
Employee related costs	128,194,310	91,094,380	71%	137,316,184	144,250,653	151,535,308
Inventory consumed	101,335	30,262	30%	101,335	107,029	113,046
Depreciation, amortisation and impairment	231,996,234	154,738,905	67%	231,996,234	231,996,234	238,515,328
Interest, Dividends and Rent on Land	123,541,747	60,770,450	49%	123,541,747	123,541,747	123,541,747
Contracted services	274,759,486	158,773,662	58%	274,759,486	296,740,245	320,479,465
Operational costs	215,488,590	239,413,212	111%	237,603,700	237,679,613	103,353,463
Total Expenditure	**974,081,702**	**704,820,872**	**72%**	**1,005,318,686**	**1,034,315,521**	**937,538,357**
GY						
Surplus/(Deficit)	**(974,081,702)**	**(704,820,872)**	**72%**	**(1,005,318,686)**	**(1,034,315,521)**	**(937,538,357)**
Surplus/ (Deficit) for the year	**(974,081,702)**	**(704,820,872)**	**72%**	**(1,005,318,686)**	**(1,034,315,521)**	**(937,538,357)**

2.8.13 INTERNAL AUDIT

Key Strategic Projects of INTERNAL AUDIT

The result statements of the department are contained in the IDP in Annexure A.

Internal Audit is an appraisal function established within the organization in compliance with the requirements of the MFMA and MSA and independently examines and evaluates the activities of the organization as a service to the Council in particular and to management in general.
Internal Audit helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The objectives of internal auditing are to assist senior managers of the organization in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and by promoting effective control at reasonable cost. Furthermore, to evaluate and report on compliance with the Municipal Finance Management Act, Municipal Systems Act and related Treasury Regulations.

Table 57 Operating Budget of the Internal Audit

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> INTERNAL AUDIT OFFICE						
Expenditure By Type						
Employee related costs	65,431,952	52,980,190	81%	74,197,837	77,944,830	81,881,043
Inventory consumed	150,000	12,080	8%	150,000	154,950	159,909
Depreciation, amortisation and impairment	323,931	209,037	65%	323,931	323,931	333,033
Contracted services	29,659,773	6,105,474	21%	29,659,773	30,638,545	31,618,978
Operational costs	1,036,600	788,188	76%	1,081,641	1,123,185	1,165,345
Total Expenditure	**96,602,256**	**60,094,969**	**62%**	**105,413,182**	**110,185,441**	**115,158,308**
Surplus/(Deficit)	**(96,602,256)**	**(60,094,969)**	**62%**	**(105,413,182)**	**(110,185,441)**	**(115,158,308)**
Surplus/ (Deficit) for the year	**(96,602,256)**	**(60,094,969)**	**62%**	**(105,413,182)**	**(110,185,441)**	**(115,158,308)**

2.8.14 LEGISLATURE

This department was established with the purpose of strengthening the capacity of the City of Ekurhuleni through modernisation and technological advancements. It includes the following budgets:

- Office of the Speaker.
- Office of the Chief Whip.
- Oversight committees.
- Administration of Ward Committees.
- Part-time councillors.
- Budget for chairpersons of Oversight Committees.

Table 58 Operating Budget of the Legislature Department

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> LEGISLATURE						
Expenditure By Type						
Employee related costs	167,216,252	118,228,110	71%	167,846,691	176,322,947	185,227,256
Remuneration of councillors	160,024,381	127,112,066	79%	151,684,447	156,690,034	161,704,116
Inventory consumed	9,164,988	3,189,814	35%	9,164,988	9,469,780	9,775,405
Contracted services	2,343,244	1,651,264	70%	7,343,244	7,820,571	8,330,030
Operational costs	6,830,436	4,606,367	67%	6,126,874	6,323,662	6,523,364
Total Expenditure	**345,579,301**	**254,787,622**	**74%**	**342,166,244**	**356,626,994**	**371,560,171**
Surplus/(Deficit)	**(345,579,301)**	**(254,787,622)**	**74%**	**(342,166,244)**	**(356,626,994)**	**(371,560,171)**
Surplus/ (Deficit) for the year	**(345,579,301)**	**(254,787,622)**	**74%**	**(342,166,244)**	**(356,626,994)**	**(371,560,171)**

2.8.15 OFFICE OF THE CHIEF WHIP

Table 59 Operating Budget of the Chief Whip

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> OFFICE OF THE CHIEF WHIP						
Expenditure By Type						
Employee related costs	18,339,363	12,993,379	71%	16,273,116	17,094,911	17,958,203
Remuneration of councillors	1,427,355	1,107,187	78%	1,308,383	1,351,560	1,394,811
Inventory consumed	3,241,845	2,118,041	65%	3,241,845	3,348,825	3,455,988
Contracted services	683,507	410,473	60%	683,507	706,063	728,657
Operational costs	1,267,869	493,898	39%	1,164,957	1,177,523	1,190,275
Total Expenditure	**24,959,939**	**17,122,978**	**69%**	**22,671,808**	**23,678,882**	**24,727,934**
Surplus/(Deficit)	**(24,959,939)**	**(17,122,978)**	**69%**	**(22,671,808)**	**(23,678,882)**	**(24,727,934)**
Surplus/ (Deficit) for the year	**(24,959,939)**	**(17,122,978)**	**69%**	**(22,671,808)**	**(23,678,882)**	**(24,727,934)**

2.8.16 OFFICE OF THE SPEAKER

Table 60 Operating Budget of the Speaker

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> OFFICE OF THE SPEAKER						
Expenditure By Type						
Employee related costs	1,911,155	1,574,056	82%	4,278,599	4,494,667	4,721,647
Remuneration of councillors	1,374,962	974,867	71%	1,582,358	1,634,576	1,686,883
Inventory consumed	899,822	379,380	42%	899,822	929,516	959,260
Contracted services	20,000	11,647	58%	20,000	20,660	21,321
Operational costs	150,258	46,439	31%	176,485	179,930	183,427
Total Expenditure	**4,356,197**	**2,986,388**	**69%**	**6,957,264**	**7,259,349**	**7,572,538**
Surplus/(Deficit)	**(4,356,197)**	**(2,986,388)**	**69%**	**(6,957,264)**	**(7,259,349)**	**(7,572,538)**
Surplus/ (Deficit) for the year	**(4,356,197)**	**(2,986,388)**	**69%**	**(6,957,264)**	**(7,259,349)**	**(7,572,538)**

2.8.17 REAL ESTATE AND DEVELOPMENT PLANNING

The Development Planning and Real Estate Department is derived from the previous department known as City Planning, Economic Development and Real Estate, the introduction of the 2024 organizational structure was aimed at streamlining city processes to ensure optimisation of organisational efficiencies and saw the formation of the Development Planning and Real Estate Department.

This was aimed at accelerating the redress of socio-economic challenges within the City of Ekurhuleni through streamlining already overlapping areas of operations to increase effectiveness and efficiencies. The department is poised as a catalyst to foster local economic growth and community development.

The main focus of the department is as to:-

- Provide an enabling spatial leadership towards creating vibrant, safe and sustainable City to inform investments decisions of projects across the City;
- Play a strategic role in developing and promoting an integrated sustainable City that addresses spatial injustices;
- Implement initiatives that enhance a developmental and futuristic City.
- Ensure adequate bulk infrastructure provision for mega developments in collaboration with infrastructure departments;
- Develop, review, and implement relevant by-laws, land use schemes, policies, and frameworks to create an enabling environment that attracts both public and private sector investments.
- Oversee the regularization of townships, ensuring compliance with spatial planning and land use regulations.
- Provide a framework for interventions and position the city as an industrial hub of the country through Economic Recovery and Reconstruction Plan
- Promote transformation in agriculture and agro-processing sectors and increase food security in South African through Agriculture and Agro Processing Master Plan
- Promote economic transformation that enables meaningful participation of black, coloured and Indian people in the township economy through Gauteng Township Economic Development Act.

1. IMPLEMENTATION OF DEVELOPMENT PLANNING AND REAL ESTATE STRATEGIES AND PROGRAMMES

1.1 OVERVIEW INFRASTRUCTURE INVESTMENT

The Department assist in facilitating infrastructure investment by both government and private sector in key sectors such as manufacturing, logistics and transportation, telecommunications, water and energy through its coordination efforts, while ensuring their long-term affordability and sustainability of these developments. Special emphasis is being placed on high-capacity and good quality infrastructure that will present investors with an enabling environment that can facilitate industrial and commercial growth. Investment in infrastructure will also realise Ekurhuleni’s long-term community goals as envisioned in GDS 2055. The progress on the following:-

- **Investment attraction, retention and facilitation**

The developments in the Gauteng Industrial Development Zone are continuing. The Jewellery Manufacturing Precinct phase 1 is completed and fully operational. The Gauteng IDZ is currently busy expanding onto a new land parcel next to the airport precinct as a phase 2 development

Continuous developments at OR Tambo International are in the process to make O R Tambo International a world class airport. Since the release of capex funding, there is a significant pipeline of projects that are underway.

Ongoing investments in the Riverfields precinct and M & T is continuing with a mix of industrial, residential and commercial developments that are underway on the R21 corridor.

The data centre space has become very exciting with new developments like Vantage as well as the expansion of Teraco Data centres in the City.

The city has held a successful Ekurhuleni Investment Conference 2024 which promoted the city as a viable option for attracting new business. Further promotion activities will include support to the Gauteng Investment Conference as well as the South African Investment Conference. The department is in the process of developing an online system to register new investment applications and hopes to be online in 2025.

Partnerships with InvestSA National, InvestSA Gauteng as well as other stakeholders will be used to leverage assistance to investors

- **Implementation of Precinct Plans and CBD Revitalisation**

Precinct plans serve as detailed, locally focused implementation instruments of the City's Metropolitan Spatial Development Framework (MSDF) and are approved by the municipality in terms of Section 18(2) of the Ekurhuleni Metropolitan Municipality Spatial and Land Use Management By-law. While they provide spatial guidance at a sub-area level, their effectiveness depends on structured alignment with the City's capital expenditure framework, spatial budgeting processes, and investment mobilisation mechanisms.

To translate precinct plans and the CBD Revitalisation Strategy into funded and implementable programmes, the City is establishing an interdepartmental committee to coordinate implementation and facilitate investor uptake of identified opportunities. This includes prioritising enabling infrastructure by ensuring that bulk and connector infrastructure aligns with private development, packaging public environment upgrades (such as streetscapes, lighting, public transport interfaces, and trading facilities) as catalytic capital projects, and advancing land assembly and property optimisation initiatives. Through the application of spatial budgeting principles, capital allocations are strategically directed to support spatial transformation, spatial restructuring, and the strengthening of CBDs and other key urban centres.

To enhance investment competitiveness, the City recognises that catalytic capital investment, such as streetscape improvements, enhanced lighting, infrastructure upgrades, and land consolidation, reduces private sector risk and signals long-term commitment. Through the precinct plans, the CBD Revitalisation Strategy, and the strategic use of municipal land assets, the City seeks to boost investor confidence and unlock development opportunities in affordable rental housing, student accommodation, mixed-use developments, retail and small business revitalisation, and brownfield redevelopment. These efforts are aimed at driving inclusive economic growth, expanding affordable housing, and supporting long-term urban regeneration across the metropolitan area.

Key to the City's approach is the leveraging of Public–Private Partnerships (PPPs). Given fiscal constraints and competing service delivery demands, the City cannot rely solely on public capital expenditure to revitalise CBDs and implement precinct plans. Private sector investment is essential and must be structured through:

- Public–Private Partnerships (PPPs)
- Development agreements
- Land value capture mechanisms
- Joint development on municipal land
- Incentive-based zoning and development bonuses

The implementation of Precinct Plans and the CBD Revitalisation Strategy represent a coordinated and investment-led approach to urban regeneration that aligns spatial planning, capital budgeting, and development facilitation. Through interdepartmental coordination, targeted catalytic infrastructure investment, and the strategic leveraging of municipal land and assets, the City is creating an enabling environment that reduces investor risk and accelerates implementation. By actively mobilising private sector participation through structured partnerships, development agreements, and incentive based mechanisms, the City seeks to translate approved spatial plans into tangible development outcomes. This integrated approach is central to driving inclusive economic growth, revitalising CBDs and key nodes, expanding affordable housing opportunities, and ensuring the long-term sustainability and competitiveness of the metropolitan economy.

- **Reclaim hijacked buildings and refurbish bad buildings (Bad Buildings Action Plan)**

A critical component of the implementation of the Precinct Plans and the CBD Revitalisation Strategy is the structured intervention in hijacked, abandoned, and severely dilapidated ("bad") buildings. These properties pose significant risks to urban safety, depress surrounding property values, undermine municipal revenue collection, and erode investor confidence within priority precincts and central business districts. Addressing these challenges is therefore essential to restoring urban order and economic viability. To reverse this decline, the City intends to enter into partnership and collaboration agreements with property developers and property management companies to refurbish, repurpose, and reposition affected buildings through profit sharing or joint development models. This approach enables the City to reclaim lost revenue streams while catalysing inclusive and sustainable urban regeneration.

As part of the Bad Buildings Action Plan, the City of Ekurhuleni has adopted a structured and systematic approach to addressing unsafe and non-compliant buildings, guided by a four-stage process: identify, secure, legalise, and redevelop. This approach is aligned with the Executive Mayor's pronouncements during the 2025 State of the City Address and ensures that buildings posing risks to public safety and urban stability are addressed in a fair, lawful, and sustainable manner. Importantly, the alignment between the CBD Revitalisation Strategy and the Bad Buildings Action Plan ensures a coordinated and integrated response to urban decay within identified precincts.

Through the implementation of the identify, secure, legalise, and redevelop framework, the City is addressing immediate safety and compliance concerns while laying the foundation for vibrant, inclusive, and economically resilient urban centres. In collaboration with the Finance, Risk, and Legal Services departments, a high-level assessment report on bad buildings is currently being finalised to support informed decision-making and to facilitate the effective implementation of the action plan.

1.2 REVITILISATION OF TOWNSHIPS AND TOWNSHIP ECONOMY STRATEGY

The City is embarking on a campaign to formalize and regulate the businesses as required by Business Act, 71 of 1991. These formal retail shops, petrol filling station, restaurants, spaza shops, places of entertainment and general informal traders, excluding trading in second hand tyres, informal trading on building materials and any other businesses that are in transgression of town planning scheme or City By Laws and policies. Therefore, different programmes have been initiated with citywide stakeholders to improve business opportunities including access to markets, strengthen asset accumulation, and enhance the sustainable management of public space and facilities and business within the City.

- **Township Regularization Program including freehold title and metering**

The main objective of the program is to:

- To advance Government Township Revitalisation program.
- To develop a database and geographic profile of informal sector activities in COE.
- To regularize the formal and informal sector.
- To Implement an Awareness & Educational Programme to encourage compliance with the Business Act no. 71, Environmental Health, Fire safety and Land Use Management requirements.
- To educate the community about Business license and Trading Permit compliance requirements.
- To assist informal traders to apply for trading permits and formal businesses to apply for Business Licenses.

To improve management for issuing of Business Licenses and Trading Permits, the City Manager appointed an Interdepartmental Corporate task team. The task team consider all applications for Business licenses and Trading Permits. To facilitate the work of the Task Team, there are two categories of applications that are considered.

(a) **Business Licenses** – these licenses shall be issued mainly to formal business that are prescribed under the Businesses Act, 71 0f 1991 including Spaza Shops.

(b) **Trading permits** – shall be issued to informal businesses such as street traders, hair salons, food caravan/trailer businesses and any other type of informal business not covered by the scope of the Businesses Act 71 of 1991.

Business regularisation online system allowing for electronic payments of rental, licensing and permits fees has been developed by the city. This approach seeks to strengthen the management of informal business activities, and thereby assisting the City of Ekurhuleni in realizing additional revenue streams.

Workshops across the townships are held on the quarterly basis by various CoE department, working with Provincial DED to promote registration of township businesses to benefit from various product items that would be procured by government from their businesses.

- **Community Enterprise Development and Support**

Many local entrepreneurs and emerging businesses in the City of Ekurhuleni encounter significant challenges to growth including limited access to capital, training, market information, and business networks. These barriers hinder economic participation and perpetuate cycles of poverty and unemployment within underdeveloped communities.

The department's enterprise development programmes provide tailored support including business incubation, skills development workshops, mentorship, and access to funding channels through ecosystem partners i.e. Gibela Business Incubator, SEDFA, NYDA, Department of Small Business Development, GGDA, IBASA and Gauteng Department Of Economic Development. By combining community engagement through roadshows and compliance workshops.

In addition, the department provides accredited and non-accredited training and workshops focusing on the following areas,

- Financial Management
- Business Management
- New Venture Creation
- Marketing and customer care.

The objective of these courses is to enhance the SMME's business management skills and to equip entrepreneurs with the tools and knowledge necessary for sustainable business growth and economic inclusion. Business coaching and one on one consultation is available to small businesses

Access to business hubs and industrial hubs within the City of Ekurhuleni is facilitated through a range of targeted support programmes aimed at empowering local entrepreneurs and SMMEs. The city provides dedicated business parks and hives, which offer entrepreneurs affordable manufacturing and retail spaces in strategic locations. These hubs are designed to foster collaboration, provide access to shared resources, and enable small businesses to operate in a supportive environment.

Interested entrepreneurs can approach the department or participate in city-run workshops and roadshows to learn about application procedures for these hubs. This approach not only encourages business growth but also aims to ensure long-term sustainability and inclusion within the local economy

1.3 AGRICULTURE AND FARMER'S DEVELOPMENT STRATEGY

- **Farmer development strategy**

The City' agricultural policy and the agricultural strategic plan is the City's blueprint that defines the legal framework and action plans for agricultural development. The revision of the City's agricultural policy and the agricultural strategic plan were premised on the newly enacted National Agriculture and Agro-processing master plan that was adopted in May 2022. The strategic vision for the City's agricultural policy is "A transformed, more productive and sustainable agricultural sector that stimulates social and economic growth. The specific objectives of the policy and strategy include:

- Creation of an enabling environment for agricultural development in the COE;
- Increasing productivity and outputs of dominant and most viable commodities produced within the COE;
- Ensuring that agricultural production is sustainable and dependable;
- Enhancing the coordination and management of land and other natural resources;
- Promoting competitiveness and profitability of the agricultural sector through, among others, public-private-community partnerships, and market linkages;
- Enhancing the role of youth in agriculture; and Strengthening institutional capacity, increase efficient support services and human resource development.

Farmer Development Strategy (FDS) is aimed at improving the livelihoods and sustaining the city's community through food security, It is therefore of importance that MTREF budget be allocated in order for the plan to be realised The FDS will consist of the following interdependent work streams:

- **Post settlement support for the beneficiaries of Land Release Programme;**
  Land Release Programme beneficiaries will receive mechanization support to enhance land preparation, chemical application, fertilizer application and post-harvest logistical handling.
- **Farmer Skills Development and Incubation;**
  This will entail the appointment of an accredited agricultural skills development and incubation provider for the development of a comprehensive skills development strategy and implementation plan. This plan will enhance the capabilities and skills required related to primary agriculture development needs and assist in attracting investments through public private partnerships additionally, to align the primary agricultural production in the region with the market demand.
- **Production Inputs Support;**

Increasing agricultural production through provision of agricultural inputs at household, community gardens and small emerging farmers will improve access to food through own production. Public-Private Partnerships (PPP) is crucial to the success of in input supply to the poor vulnerable and food insecure households.

- **Infrastructure Development;**
  Facilitating partnerships to mobilize funding for the revitalisation of dilapidated infrastructure on the Council-owned farms to promote food production. Provision of physical infrastructure (roads, electricity, irrigation water and security) and market infrastructure and platforms (storage services, aggregation facilities, processing infrastructure, etc.)
- **Strategic partnership and aggregation;**
  Facilitate aggregation of geographically spread small production unit into bigger economies of scale using incubation farms such as Spaarwater and Essellen Park Farms.
- **Research and development;**
  Facilitate research and development projects through strategic partnerships with academic and research institutions.
- **Business linkages to the Ekurhuleni Fresh Produce Market;**
  Develop the linkages between small emerging farmers and the market agents

1.4 JOB CREATIONS AND SKILLS DEVELOPMENT

The Expanded Public Works Programme (EPWP) is a flagship national government initiative also aimed at alleviating unemployment and poverty through the creation of short-term, labor-intensive work opportunities linked to service delivery. The programme provides income support while simultaneously facilitating skills development and work experience, thereby enhancing participants' employability and socio-economic inclusion. EPWP is firmly aligned with national policy frameworks, including the New Growth Path (NGP), which prioritizes labor-intensive growth, large-scale public investment in infrastructure, and inclusive economic participation..

Furthermore, the Public Employment Programme (PEP) was introduced to mitigate the high unemployment rate and improve the livelihoods of the South African citizens through the creation of job opportunities. The City of Ekurhuleni through Skills and Job Creation division took part in the programme through the grant received from the National Treasury to create temporary work opportunities for the unemployed members of the community

These initiatives are designed to provide temporary and permanent work opportunities for unemployed residents, with a particular focus on vulnerable groups including youth and women. Therefore, the department is responsible for coordinating placements, skills transfer, and monitoring outcomes to ensure participants gain meaningful experience and improved prospects. Through these programmes, the unit directly addresses unemployment and supports socioeconomic upliftment in the city.

The Department will be implementing the City of Ekurhuleni Contractor Development Programme in the year 2026/27. The City of Ekurhuleni Contractor Development Programme (CoE CDP) shall be a three (3) years programme that would admit 50 contractors around the CoE into a contractor development programme that shall be offered in three distinct categories, namely:

- Emerging Contractor Development Programme aimed at CIDB Grades 1 and 2 contractors
- Contractor Development Incubator Programme aimed at CIDB Grades 3 and 4 contractors
- Contractor Improvement Programme aimed at CIDB Grade 5 contractors

All contractors participating in the CDP shall be provided with CETA accredited theoretical and practical training aimed at enhancing the skills and capabilities of the contractors, with a focus on construction, project, business, and financial management, as well as technical skills relevant to the construction industry. All contractors participating in the CDP shall be provided with infrastructure projects by the CoE to improve their CIDB Grading, under the supervision of a qualified mentor.

Skills Development

Skills development in the City of Ekurhuleni is a strategic priority aimed at empowering community members, particularly the youth, women, and other vulnerable groups, to participate actively in the local economy. The Municipality offers a range of accredited training programmes, including those integrated into initiatives such as the Expanded Public Works Programme (EPWP), the Public Employment Programme (PEP), and the Contractor Development Programme. These programmes provide both theoretical and practical training, covering construction, project, business, and financial management, as well as technical skills essential for the construction industry.
Through ongoing skills transfer, mentorship, and placement coordination, the City ensures that participants acquire meaningful work experience and enhanced employability. The department closely monitors outcomes to support socioeconomic upliftment, reduce unemployment, and foster the development of small businesses and contractors. By investing in skills development, Ekurhuleni is cultivating a workforce that is better equipped to meet the demands of a changing economy and contribute to the city's growth and resilience.

1.5 DEPARTMENTAL CAPITAL PROJECTS

Due to the pressured economic growth and increase of unemployment, the department has opted to reprioritize its focus on capital expenditure by investing less in physical infrastructure and more towards the implementation of programmatic interventions that encourage economic participation, community empowerment and employment hence the optimization and refurbishment of township hubs and facilities through available sources of revenue including exploration of public private partnerships.

- **Refurbishment All CED facilities and EFPM**

The current Community enterprise facilities, Business Parks, Townships hubs/hives requires refurbishment and maintenance in order for communities to optimally utilise the facilities, endorsing and uplifting local business and economic endeavours within the townships. Tsakane Business Park, Oscar Mabika Co-Ops Centre and Kwa-Thema Business Park are amongst facilities that requires refurbishment. The EFPM is a revenue generation facility, therefore, to ensure that it functions at its optimum, refurbishment is a priority to the department and the City.

- **Specialised Equipment for EFPM and EPEP Programme,**

The planned procuring of the specialised equipment's are a necessity and tools of trade within the department in order to service citywide effectively and efficiently.

2. ESTIMATED BUDGET FOR MTREF FOR DEVELOPMENT PLANNING AND REAL ESTATE

2.1 The budget structure of the department is informed by the organizational structure and categorized as per divisions that ensures that Development Planning and Real Estate objectives are realised. The divisions are as follows; -

- Office of the Head of Department
- Community Enterprise Development, Economic Infrastructure, Job Creation & Skills Development Division
- City Operations & Special Projects & Building Control & Outdoor Advertising
- Ekurhuleni Fresh Produce Market & Agriculture
- Industrial Investment Facilitation & Partnership
- Metropolitan Spatial Planning & Corporate Geo-informatics
- Property Management & Portfolio Advisory Services
- Support Services

Table 61 Operating Budget of Real Estate and Development Planning

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> REAL ESTATE AND DEVELOPMENT PLANNING						
Exchange Revenue						
Sale of Goods and Rendering of Services	46,938,927	47,110,493	100%	97,756,278	47,756,278	47,756,278
Interest earned from Current and Non Current Assets	114,609	94,898	83%	179,218	179,218	179,218
Rent on Land	-	28,517	100.00%	-	-	-
Rental from Fixed Assets	41,647,668	40,203,903	97%	43,446,598	44,880,335	46,316,507
Operational Revenue	35,014,584	31,611,960	90%	30,487,455	30,487,455	30,487,455
Non-Exchange Revenue						
Fines, penalties and forfeits	17,502,956	27,076,105	155%	10,721,426	10,721,426	10,721,426
Transfers and subsidies - Operational	94,671,780	68,250,669	72%	15,269,000	-	-
contributions)	**235,890,524**	**214,376,545**	**91%**	**197,859,975**	**134,024,712**	**135,460,884**
Expenditure By Type						
Employee related costs	608,995,611	381,435,380	63%	697,134,713	716,882,569	753,085,134
Inventory consumed	40,504,421	2,756,259	7%	34,983,137	36,002,029	37,353,230
Depreciation, amortisation and impairment	102,510,165	68,373,138	67%	102,510,165	102,510,165	105,390,701
Interest, Dividends and Rent on Land	103,310,886	50,818,847	49%	103,310,886	103,310,886	103,310,886
Contracted services	519,244,551	484,718,644	93%	360,469,626	365,412,627	380,831,145
Transfers and subsidies	1,472,440	568,855	39%	-	-	-
Operational costs	33,086,409	17,695,900	53%	42,694,611	42,723,192	43,004,508
Total Expenditure	**1,409,124,483**	**1,006,367,023**	**71%**	**1,341,103,138**	**1,366,841,468**	**1,422,975,604**
Surplus/(Deficit)	**(1,173,233,959)**	**(791,990,478)**	**68%**	**(1,143,243,163)**	**(1,232,816,756)**	**(1,287,514,720)**
Transfers and subsidies - capital (monetary allocations)	1,736,220	(1,415,337)	-82%	-	-	-
Surplus/(Deficit) after capital transfers & contributions	**(1,171,497,739)**	**(793,405,815)**	**68%**	**(1,143,243,163)**	**(1,232,816,756)**	**(1,287,514,720)**
Surplus/ (Deficit) for the year	**(1,171,497,739)**	**(793,405,815)**	**68%**	**(1,143,243,163)**	**(1,232,816,756)**	**(1,287,514,720)**

2.8.18 RISK AND LEGAL SERVICES

2.8.19.1 Risk Management Services

The mandate of the Risk Management Department is “to establish, drive, embed and integrate the Governance, Risk and Compliance (GRC) management systems and processes that will contribute towards the achievement of the Integrated Development Plan's (IDP) strategic objectives of City of Ekurhuleni (CoE).”

The Risk Management Department provides support to the Risk Management Committee. This committee exercises critical oversight on governance, risk and compliance management of the City and its entities. Its continuous consideration of these matters is essential in ensuring that governance, risk, and compliance management receive appropriate management attention.

The environment in which the CoE operates and our engagement with various stakeholders play a critical role in identifying risks and opportunities applicable in this environment. The CoE's Integrated Development Plan (IDP) strives to maximise these opportunities and mitigate the risks effectively to enable the Council structure to achieve set objectives and provide effective and efficient service delivery.

Key Strategic Projects of the Risk Management Department

The Risk Management Department has prioritised the key strategic projects to improve the systems of governance, risk, compliance, ethics and insurance. The details of the projects are reflected in the table below.

#	PROJECT NAME	PURPOSE OF THE PROJECT
1.	**Business Continuity Management (BCM)**	• Maintaining the BCM activities that have already been established as per the city-wide BCM Programme
2.	**Enterprise Risk Management (ERM)**	• Maintaining the strategic risk profile of the City • Facilitating, monitoring and reporting on the status of departmental risks • Conducting risk maturity assessment every second year. • Maintaining the level of risk management capability maturity at a level 4 rating.
3.	**Compliance**	• Developing Compliance Risk Management Plans (CRMPs). • Reviewing Group Regulatory landscape annually. • Conducting compliance risk assessments. • Conducting compliance maturity assessment every second year.
4.	**Ethics**	• Review Ethics Strategy & Plan and related policies. • Reviewing the group and departmental/entity fraud risk profiles. • Facilitating annual financial declarations • Perform a risk analysis of the declaration of employees.
5.	**Governance of Entities**	• Providing shareholder support to the two (2) entities (ERWAT and EHC), by facilitating the board appointments and board performance assessments. • Conduct the Board Performance Evaluation for the Entities (ERWAT and EHC).
6.	**Risk Financing & Insurance**	• Obtaining a comprehensive insurance cover for the City’s liabilities and assets. • Providing CoE with information on how exposures are managed and assets are safeguarded against loss or disposition. • Minimising financial losses resulting from insurance claims emanated from various insured risks of the CoE. • Implementing the recommendations of the portfolio and restructuring process in order to efficiently manage and safeguard the assets and liability exposure of the CoE.

The Risk Management Department allocates the majority of its total operating budget to insurance cover, claims and legal costs, under "Other Expenditure." The remaining budget is mainly directed towards salary-related costs and professional and advisory services, including Risk Management Committee remunerations and consultant fees, classified under "Contracted Services".

2.8.19.2 Legal Services

The Corporate Legal Services Department contributes to ALL GDS imperatives with a strong focus on the Theme *Re-Governance. The* intent of the theme is to build the leadership and adaptive capacity, resilience, responsiveness and financial muscle of the City. The CLS Department falls within the **Strategic Objective 02**: *To build a clean, capable and modernised local state.*

The Corporate Legal Services Department is an enterprise that drives legal compliance and specialized legal advisory services that are innovative, precise and clear, that cut across the City of Ekurhuleni departments and its Entities, focusing its resources on ensuring sustainable proper governance systems and processes focusing on promoting good governance. To ensure that this is attained, the focus is on all legal matters of Council in specialised fields such as Supply Chain Management, Intellectual Property, Housing and Development, and Compliance Management which includes managing CITY OF EKURHULENI Contracts, Municipal Court Operations, Infrastructure, Legal Research, and, specialised litigation.

The Department's main objective is to institutionalise legal compliance, guided by the following principles:

- To create a regulatory environment that enhances the capacity of the municipality to deliver consistent and qualitative legal advisory services;
- To ensure compliance with legislation applicable to Local Government throughout the CITY OF EKURHULENI and municipal Entities;
- To review the improvement and expansion of the governance model support to facilitate the implementation of the separation of powers;
- To strengthen the legal support service to the organisation;
- To increase levels of legal compliance throughout the CoE and within its Entities, and,
- To manage and reduce legal costs on cases by/against Council and mitigate legal risks.

PROJECT NAME	PROJECT DESCRIPTION
Functionality of the Municipal Courts for the prosecution of By-Law contraventions & other legislation providing jurisdiction to municipalities e.g. Building & Town Planning Regulations contraventions	To ensure strengthening By-law enforcement through the existing Municipal Courts through prosecution in the CoE Magisterial Districts. These Courts are additional Magistrates Courts with the sole purpose of enforcing By-laws and other National or Provincial legislation to improve effective governance and grant law-enforcement access throughout the CoE.

PROJECT NAME	PROJECT DESCRIPTION
Effective management of Public Protector issues	The department receives complaints from the Public Protector and refers them to relevant CoE departments to facilitate adequate and timeous responses to this Chapter 9 institution.
A functional Contract Management System	The department receives instructions to vet/draft SLAs after the award by BAC/City Manager and responds within 10 (vetting)/20 (drafting) working days, respectively. The function also includes vetting and drafting of other contracts other than SLAs (not procured through the SCM).
Improved effectiveness of the executive process-flow system	The process flow system is a system in terms of which reports are created throughout the Municipality and submitted electronically for inclusion in the Agenda of various Committees of Council until the reports are submitted to the Mayoral Committee (MayCo) for approval and, for recommendation to the Council where the Mayoral Committee has no delegated authority. This system tracks the item flow from inception until resolution by the Mayoral committee or recommendations of the MayCo are referred to Council (Legislature) for consideration.
An effective and efficient City-wide records management system	To set out the strategic objectives and importance of records management; outlining the principles of sound and practical records management as well as the off-site storage of records coupled to digitizing records. This entails establishing a well-structured record-keeping system that will facilitate proper management and storage of the Municipality's records and, a storage facility in compliance with Section 13 of the NERSA (National Archives & Records Services Act), 43/1996, as amended. The records management system will include the digitization of records. The effective safe-keeping and preservation of records not only ensures *transparency, accountability and legal compliance*, but also ensures alignment to *best practices in governance and regulatory compliance*.
A harmonised single body of By-laws for the City of Ekurhuleni	To develop a harmonious set of City By-laws that ensure certainty, uniformity and enforceability.

PROJECT NAME	PROJECT DESCRIPTION
	To ensure that By-laws are applicable to the entire CoE are aligned to superior legislation and Court decisions so that they can be used as an effective governance tool, and be enforceable in a Court of law.
Institute and defend litigation on behalf of the CoE for any damages sustained by the CoE.	To ensure that all damages sustained by the CoE are recovered through the courts.
Mitigation of risks occasioned by litigation against the CoE	To ensure compliance with various pieces of legislation, by providing legal comments and guidance to Council and its structures. To assess legal risks and to identify issues arising from other departments to reduce legal risks and manage unnecessary litigation. To provide interventions in the form of workshops and information sessions to address problems that cause legal risks, which have the potential to trigger litigation.
Compliance with draft /new /amended legislation	To ensure that CoE Departments are informed on draft legislation (for comments)/new/amended developments, which includes Circulars and Regulations. To make sure that the levels of educating and creating awareness among CoE departments with applicable draft/new/amended legislation are progressively increased to ensure high levels of legal compliance and to prevent compromising the good governance standards of the City.

Operating Budget of the Corporate Legal Services Department

By the nature of its core business, the Department is not an income-generating Unit for the City and, therefore, its Operating Budget is primarily focused on the expenditure component. However, there is income generated in the form of sundry income derived from legal cost recoveries.

The expenditure component is comprised of various cost drivers i.e. general expenses, contracted services, compensation of employees, repairs and maintenance (external and internal) categories. The major expenditure drivers are the compensation of employees and contracted service categories. The biggest single cost item is **Legal Costs: Advice & Litigation**, in the Contracted Services category spent on legal fees for Contracted Attorneys from the Council's Panel in defending legal cases by/against Council that either proceed to Court or wherein settlement is reached outside of the Court process. Legal costs, unpredictable by their nature, significantly escalated during the past financial years and this has been identified as an area where the Department should continue developing and applying very stringent cost management mechanisms to reduce costs.

The Corporate Legal Services department has taken over the responsibility for Labour-related cases and Insurance claims which previously fell under the HR and Risk Management Departments, respectively. This has put a strain on the already limited litigation budget by increasing legal costs emanating therefrom.

One key **cost management (reduction) mechanism** is the ADR Methodology which not only assists in reducing legal costs for the CoE, but prevents citizens from incurring legal costs unnecessarily. The use of ADR mechanisms is being promoted in legal circles as an alternative to costly and time-consuming litigation. This is a more efficient and cost-effective plan. In keeping with current trends of dealing with litigation and to reduce legal costs, a decision was taken resulting from the Covid-19 lockdown impact that significantly affected the practicality of implementing targets set, to explore the avenue of **ADR (alternative dispute resolution) mechanisms** which entail:

I. A contravenor being invited to a meeting between City Planning & CLS Departmental Officials, depending on the nature of the Building or Town Planning Regional Regulations contravention.

II. The contravenor is given an opportunity to rectify the contravention and, where possible, with assistance from City Planning.

III. If the contravention is of a nature that rectification is not possible, the contravenor will be given an opportunity to desist whatever activity is being conducted. Should they fail to desist, only then will litigation be initiated as a last resort for relief.

Focus is not only placed on cutting costs but on getting **value for money** too. The more applicable compliance legislation is promulgated, the more legal costs will go up due to stringent requirements for the municipality to meet in ensuring compliance. The connotation is that the balance should be struck between rendering quality and efficient legal advisory services and strictly managing costs.

Legal costs are monitored and referred for taxation when warranted and regular meetings are held in this regard. The Department has no influence on the Court roster as the scheduling of matters heard by the Court is a process completely controlled by the Courts, therefore, the duration of legal cases is based on the nature of legal cases and is not influenced in any way except that the Departmental Legal Advisors manage all aspects of the case to ensure that when a matter is set down to be heard, whatever that is within the control of the Department in preparation of the Court hearing, is strictly complied with to avoid unnecessary delays that may result in the matter being postponed.

Legal cases result directly from actions and/or a failure to act (omissions) by different City of Ekurhuleni client departments. Corporate Legal Services continues to manage all aspects of litigation services until conclusion through either ADR mechanisms; external legal Practitioners on a contracted basis or a Settlement is reached.

Table 62 Operating Budget of the Risk and Legal Services

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	YTD % Actuals	FINAL Budget - 2026/27	FINAL Budget - 2027/28	FINAL Budget - 2028/29
	R	R		R	R	R
> RISK AND LEGAL SERVICES						
Exchange Revenue						
Sale of Goods and Rendering of Services	134,323	(1,255,938)	-935%	134,323	134,323	134,323
Total Revenue (excluding capital transfers and contributions)	**134,323**	**(1,255,938)**	**-935%**	**134,323**	**134,323**	**134,323**
Expenditure By Type						
Employee related costs	126,091,654	94,204,252	75%	145,485,789	152,832,815	160,550,877
Inventory consumed	504,228	238,273	47%	507,228	526,457	546,050
Depreciation, amortisation and impairment	3,809,561	2,458,354	65%	3,809,561	3,809,561	3,916,610
Contracted services	64,023,508	54,940,107	86%	64,023,508	66,136,284	68,252,645
Transfers and subsidies	5,283,796	-	0%	5,600,824	5,600,824	5,600,824
Operational costs	152,419,988	117,761,261	77%	208,211,465	208,295,758	208,381,305
Total Expenditure	**352,132,735**	**269,602,247**	**77%**	**427,638,375**	**437,201,699**	**447,248,311**
Surplus/(Deficit)	**(351,998,412)**	**(270,858,185)**	**77%**	**(427,504,052)**	**(437,067,376)**	**(447,113,988)**
Surplus/ (Deficit) for the year	**(351,998,412)**	**(270,858,185)**	**77%**	**(427,504,052)**	**(437,067,376)**	**(447,113,988)**

2.8.19 ROADS AND TRANSPORT DEPARTMENT

The result statements of the department is contained in the IDP in **Annexure A.**

Key Strategic Projects of the Roads and Transport Management Department:
Roads and Transport Management department is mandated to provide roads and stormwater services to the community of the Ekurhuleni Metropolitan area in a sustainable and equitable manner. The department's specific mandate is to implement and maintain roads and stormwater infrastructure in the City. Furthermore, the department is mandated to**:**

- provide high quality, integrated, and well-maintained transport infrastructure and integrated public transport systems, ensuring a high degree of mobility and choices to commuters;
- provide a centralized fleet management function that will give service across City thereby managing cost, monitoring utilization, and overall risk regarding its fleet; and
- Ensure an improved provision of an efficient public transport system.

  - Providing strategy on general policy regarding Public Transport Operations.
  - Optimizing and managing the public transport system.
  - Providing Taxi Support Services.
  - Optimizing municipal bus services.

Technical Planning & Implementation Division

The Projects Implementation Section is mandated to provide sustainable Public Transport Facilities which meets the demand, improve accessibility and the livelihood of residents of the City of Ekurhuleni (CoE), enhance Public Transport Operations, and improve the safety of commuters. Furthermore, the Division's core function is to

- manage the designs and construction of Capital Projects.

Public Transport Facilities provide a critical role in the transportation of people within the City of Ekurhuleni, ferrying an estimate of 70% of public transport users. These facilities are crucially important, therefore continuous improvement enhance public transport operations, a healthy working environment, and safety for our commuters

The Transport Planning Section is responsible for:

- the planning of sustainable transport systems,
- management of the city's transport information including transport modeling, development of transport plans (Comprehensive Integrated Transport Plans, Transport Master Plans), strategies, (Travel Demand Management), policies, guidelines and framework for the City of Ekurhuleni.

Part of the division's responsibilities is to ensure that there is provision for public transport and non-motorized transport in the planning process of transport infrastructure. The amount of work that the division is responsible for is significant and requires a good team with knowledge and background in traffic engineering and transport planning.

Support Services Division

This division is responsible for the provision of support services function to the Department, focusing on the following areas:

- Human Resource Management & Development
  - ❖ Recruitment, Training and Development, Labour relations, Employee Wellness, Benefits, Archives & Records.
- Governance Risk and Compliance
  - ❖ Risk register, Fraud risks, Disaster Recovery Plans, Business Continuity Plans, Regulatory Bodies, Service Delivery complaints, Internal/External audit findings coordination and Contract Management
- Finance, Budget Monitoring & Procurement
  - ❖ Demand & Procurement Plan, Cash Flow Projections, Monthly & Quarterly Expenditure Monitoring & Coordinate Payment with Finance Department
- Maintenance/Auxiliary Services, Internal Fleet Coordination and Assets Verification

Functional and Strategic Planning Division

The main focus of the Functional and Strategic Planning Division is to primarily support the creation of a developmental culture through land- use management activities and forward planning activities, focusing on Roads and Stormwater Infrastructure Services, and secondary to coordinate the development and management of the compliancy matters in terms of the GDS, IDP and SDBIP in conjunction with the other Divisions.

Key functions:

- Render forward functional Roads and Stormwater Planning and strategic Roads and Stormwater Master Planning in line with Council policies and guidelines such as the MSDF, RSDFs, GDS, IDP, MSDF, RSDFs, Precinct Plans, etc.

- Render land-use management activities with respect to Roads and Stormwater services (rendering comments on land-use applications, site development plans, building plans, services agreements, compliance control of developer requirements, etc.)
- Render traffic engineering planning and advisory services (Traffic Impact Assessments, Outdoor Advertising comments, Traffic Analysis, etc.)
- Coordinate the monitoring and evaluation function in terms of the SDBIP and Business Plans of the Department in conjunction with the other Divisions.

Maintenance Division
The main focus of the maintenance division is to render roads and stormwater infrastructure maintenance services city wide,

- key functions:
- Maintenance and rehabilitation of road patching and markings,
- Maintenance and rehabilitation of storm water drainage,
- Maintenance and rehabilitation of traffic signage and road markings
- Construction and Maintenance of gravel roads
- Provision of reports on maintenance work, quality and project schedules
- Render administrative, clerical and messenger services in support of the maintenance division

Integrated Public Transport Network Division

The Integrated Public Transport Network (IPTN) division is responsible for the integration of all modes of Harambee Transport services in the city.
The division has got the following subsections;

- Planning, monitoring, and Implementation of IPTN infrastructure,
- Intelligent Transport Systems, and Non-Motorised Transport (NMT).
- The IPTN Unit is also responsible for the roll-out of the City's Bus Rapid Transit (BRT) project within the city.
- The Industry transition and Operations
- Intelligent Transport Systems and non-motorised transport (ITS) which has the following objectives;

  - Fully functional and operational Automatic Fare Collection system (AFC)
  - Fully functional and operational Advanced Public Transport Management system (APTMS)
  - Fully functional and operational Transport Management Centre (TMC)
  - Fully functional and operational ICT backbone to support all the Intelligent Transport System equipment; and
  - Fully functional and operational Universal Traffic Control (UTC) system, which will enable bus priority on the IRPTN

The main purpose of the division is to provide good, safe, inclusive, reliable, and cost-effective transport systems to the City of Ekurhuleni's commuters.

Public Transport Operations Division

The City endeavours to provide a transportation network that not only covers the entire City of Ekurhuleni demographic but offers the residents a reliable transportation service that connects its residents to places of economic empowerment within the City and to neighbouring provinces.

key functions:

- Provision of municipal bus services
- Smooth running of the municipal bus service
- Maintenance of the municipal buses

Fleet Management Division (Workshop and Mechanical)

Fleet Management is responsible for ensuring an efficient end-to-end COE fleet asset administrative which includes vehicle selection, purchasing, registration, licensing, traffic fines management, accident management and vehicle repairs & maintenance.

Maintenance and repairs of vehicles are performed both in-house (through CoE owned workshops), externally through dealership (vehicles within OEM warranties) and to private service providers, who are in the approved panel of mechanical service providers. In-house workshops are located in the following areas:

- Alberton, Germiston, Kempton Park, Boksburg, Benoni, Brakpan, Springs, Nigel, Edenvale, Driehoek

Table 63 Operating Budget of the Road and Transport

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	YTD % Actuals	FINAL Budget - 2026/27	FINAL Budget - 2027/28	FINAL Budget - 2028/29
	R	R		R	R	R
> ROADS AND TRANSPORT MANAGEMENT						
Exchange Revenue						
Sale of Goods and Rendering of Services	15,648,498	13,032,093	83%	15,648,498	15,648,498	15,648,498
Rental from Fixed Assets	450,062	227,428	51%	450,062	464,914	479,791
Development Charges	17,082,547	13,527,279	79%	7,082,547	7,082,547	7,082,547
Non-Exchange Revenue						
Transfers and subsidies - Operational	425,286,000	221,257,226	52%	280,451,748	286,376,986	286,606,238
Total Revenue (excluding capital transfers and contributions)	**458,467,107**	**248,044,027**	**54%**	**303,632,855**	**309,572,945**	**309,817,074**
Expenditure By Type						
Employee related costs	628,623,485	540,111,981	86%	726,961,036	763,672,567	802,238,029
Inventory consumed	75,466,534	31,863,578	42%	175,486,471	189,360,239	204,335,711
Depreciation, amortisation and impairment	1,178,627,881	757,593,239	64%	1,178,627,881	1,178,627,881	1,211,747,325
Interest, Dividends and Rent on Land	218,226,277	107,345,974	49%	218,226,277	218,226,277	218,226,277
Contracted services	1,229,504,617	821,178,881	67%	1,297,414,218	1,384,498,296	1,472,367,319
Operational costs	39,036,490	26,865,439	69%	43,312,548	43,776,654	44,247,636
Total Expenditure	**3,369,485,284**	**2,284,959,092**	**68%**	**3,640,028,431**	**3,778,161,914**	**3,953,162,297**
Surplus/(Deficit)	**(2,911,018,177)**	**(2,036,915,066)**	**70%**	**(3,336,395,576)**	**(3,468,588,969)**	**(3,643,345,223)**
Transfers and subsidies - capital (monetary	505,050,000	379,273,559	75%	458,367,252	418,944,514	329,398,762
Surplus/(Deficit) after capital transfers &	**(2,405,968,177)**	**(1,657,641,506)**	**69%**	**(2,878,028,324)**	**(3,049,644,455)**	**(3,313,946,461)**
Surplus/ (Deficit) for the year	**(2,405,968,177)**	**(1,657,641,506)**	**69%**	**(2,878,028,324)**	**(3,049,644,455)**	**(3,313,946,461)**

2.8.20 STRATEGY & CORPORATE PLANNING

The result statements of the department is contained in the IDP in Annexure A

Mandate of the Strategy and Corporate Planning Department

The mandate of the Strategy and Corporate Planning Department (SCP) is to provide strategic direction and ensure effective and uniform strategic planning, monitoring and evaluation and research systems for City of Ekurhuleni. The department's core area of delivery includes strategic planning and support to all the departments of the Municipality; monitoring and evaluation and reporting for the entire Metro. Moreover, the department focuses on some of the research matters of the Metro, making available and intelligence to enhance decision making and planning across the Metro. The Strategy and Corporate Planning Department has been organised into functional areas that best allow it to meet its core business requirements. Its role is critical in ensuring that the integrated development plan is in line with the 2055 vision of GDS.

Table 64 Operating Budget of the Strategy & Corporate Planning

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> STRATEGY AND CORPORATE PLANNING						
Expenditure By Type						
Employee related costs	44,193,181	35,114,835	79%	47,516,495	49,916,077	52,436,839
Inventory consumed	2,774,369	350,557	13%	2,774,367	2,868,271	2,962,648
Depreciation, amortisation and impairment	470,439	303,580	65%	470,439	470,439	483,658
Contracted services	458,463	150,000	33%	458,463	473,592	488,747
Operational costs	2,275,558	602,209	26%	2,631,403	2,659,020	2,687,045
Total Expenditure	**50,172,010**	**36,521,181**	**73%**	**53,851,167**	**56,387,399**	**59,058,937**
Surplus/(Deficit)	**(50,172,010)**	**(36,521,181)**	**73%**	**(53,851,167)**	**(56,387,399)**	**(59,058,937)**
Surplus/ (Deficit) for the year	**(50,172,010)**	**(36,521,181)**	**73%**	**(53,851,167)**	**(56,387,399)**	**(59,058,937)**

2.8.21 SERVICE DELIVERY COORDINATION

Table 65 Operating Budget of the Service Delivery Coordination

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26	YTD Actual - 2025/26	YTD % Actuals	FINAL Budget - 2026/27	FINAL Budget - 2027/28	FINAL Budget - 2028/29
	R	R		R	R	R
> SERVICE DELIVERY COORDINATION						
Expenditure By Type						
Employee related costs	284,673,411	221,994,443	78%	301,138,786	316,346,296	332,321,781
Inventory consumed	3,315,580	1,369,739	41%	4,315,519	4,523,952	4,741,537
Depreciation, amortisation and impairment	6,712,848	4,331,879	65%	6,712,848	6,712,848	6,901,479
Contracted services	7,111,344	1,277,842	18%	63,386,269	68,457,171	73,933,745
Operational costs	5,242,554	3,856,230	74%	5,543,713	5,717,926	5,894,719
Total Expenditure	**307,055,737**	**232,830,133**	**76%**	**381,097,135**	**401,758,193**	**423,793,261**
Surplus/(Deficit)	**(307,055,737)**	**(232,830,133)**	**76%**	**(381,097,135)**	**(401,758,193)**	**(423,793,261)**
Transfers and subsidies - capital (monetary	37,000,000	2,143,436	6%	-	-	-
Surplus/(Deficit) after capital transfers &	**(270,055,737)**	**(230,686,698)**	**85%**	**(381,097,135)**	**(401,758,193)**	**(423,793,261)**
Surplus/ (Deficit) for the year	**(270,055,737)**	**(230,686,698)**	**85%**	**(381,097,135)**	**(401,758,193)**	**(423,793,261)**

2.8.22 WASTE BUSINESS MANAGEMENT UNIT

The Waste Management Business Unit (WMBU) is responsible for ensuring the provision of integrated waste management services across the City of Ekurhuleni. The mandate of the Business Unit is aligned with national environmental legislation and municipal service delivery obligations, including the National Environmental Management: Waste Act and related municipal regulatory frameworks.

The Business Unit is responsible for the planning, coordination and implementation of waste management services throughout the City. These services include refuse collection, public cleansing, waste disposal, landfill management, waste minimisation initiatives and the development of alternative waste treatment technologies.

The Business Unit plays a critical role in maintaining environmental health, promoting sustainable resource management and ensuring that waste services are delivered in a manner that is efficient, financially sustainable and environmentally responsible.

Establishment of the Waste Management Business Unit

The City of Ekurhuleni has undertaken institutional reforms to strengthen the governance and delivery of waste management services through the establishment of the Waste Management Business Unit.

The establishment of the Business Unit is aligned with National Treasury guidance on improving operational efficiency, strengthening financial management and enhancing cost transparency within municipal service delivery functions.

Through this institutional arrangement, the City seeks to improve operational accountability, enhance financial sustainability and ensure the effective management of waste services across the metropolitan area.

The Waste Management Business Unit is responsible for the full waste management value chain including:

- Household and commercial refuse collection
- Public cleansing services
- Waste disposal and landfill management
- Waste minimisation and recycling programmes
- Management of waste infrastructure and depots
- Development of alternative waste treatment technologies

The establishment of the Business Unit supports the City's long-term strategic objectives of improving environmental sustainability, promoting circular economy initiatives and strengthening service delivery performance.

Financial Overview

The Medium-Term Revenue and Expenditure Framework (MTREF) for the Waste Management Business Unit reflects the City's commitment to ensuring the sustainable delivery of waste management services while strengthening operational efficiency and financial sustainability.

The financial framework of the Business Unit is primarily funded through service charges for waste removal services provided to residential, commercial and industrial customers. These revenues support the operational requirements associated with refuse collection, public cleansing services, landfill management, waste infrastructure maintenance and waste minimisation initiatives.

Over the MTREF period, the financial outlook of the Business Unit is influenced by a number of key factors including:

- Growth in the number of service connections and increasing demand for waste services
- Inflationary pressures affecting operational inputs such as fuel, fleet maintenance and contracted services
- Contractual obligations related to outsourced waste collection services, illegal dumping removal and plant hire operations
- Continued investment in waste management fleet renewal and landfill infrastructure
- Implementation of programmes aimed at improving waste diversion and recycling

The City continues to pursue measures aimed at improving operational efficiency and strengthening revenue management within the Waste Management Business Unit. These measures include improving billing accuracy, strengthening revenue collection, optimising fleet utilisation and expanding waste diversion initiatives to reduce reliance on landfill disposal.

The financial tables that follow provide a detailed breakdown of the operating revenue and expenditure of the Waste Management Business Unit over the MTREF period.

Table 66 Operating Budget of Waste Business Management Unit

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> WASTE MANAGEMENT BUSINESS UNIT						
Exchange Revenue						
Service charges - Waste Management	1,776,053,586	1,353,352,038	76%	1,868,474,622	1,983,220,072	2,100,330,014
Sale of Goods and Rendering of Services	127,470	149,856	118%	135,118	135,118	135,118
Interest earned from Receivables	150,168,205	135,369,491	90%	150,168,205	150,168,205	150,168,205
Non-Exchange Revenue						
Transfers and subsidies - Operational	912,641,532	912,641,532	100%	970,216,028	1,026,637,672	1,041,057,190
Operational Revenue-	161,961,711	150,689,659	93%	167,468,409	172,994,866	178,530,702
Total Revenue (excluding capital transfers and contributions)	**3,000,952,504**	**2,552,202,575**	**85%**	**3,156,462,382**	**3,333,155,933**	**3,470,221,229**
Expenditure By Type						
Employee related costs	735,129,426	561,160,679	76%	811,228,618	852,195,664	895,231,544
Inventory consumed	221,237,273	162,071,615	73%	256,248,719	275,736,325	296,727,193
Debt impairment	687,456,118	540,304,449	79%	687,456,118	756,201,730	824,259,886
Depreciation, amortisation and impairment	148,686,871	99,172,488	67%	148,686,871	148,686,871	152,864,972
Interest, Dividends and Rent on Land	40,256,329	19,802,175	49%	40,256,329	40,256,329	40,256,329
Contracted services	493,748,829	500,109,661	101%	716,610,980	735,659,253	754,983,814
Transfers and subsidies	108,966,105	108,966,103	100%	-	-	-
Operational costs	189,320,903	140,606,253	74%	205,191,696	205,660,797	206,136,845
Total Expenditure	**2,624,801,854**	**2,132,193,423**	**81%**	**2,865,679,331**	**3,014,396,969**	**3,170,460,583**
Surplus/(Deficit)	**376,150,650**	**420,009,152**	**112%**	**290,783,051**	**318,758,964**	**299,760,646**
Transfers and subsidies - capital (monetary	127,200,000	84,737	0%	156,486,000	172,715,500	227,700,000
Surplus/(Deficit) after capital transfers &	**503,350,650**	**420,093,889**	**83%**	**447,269,051**	**491,474,464**	**527,460,646**
Surplus/ (Deficit) for the year	**503,350,650**	**420,093,889**	**83%**	**447,269,051**	**491,474,464**	**527,460,646**

2.8.23 WATER AND SANITATION BUSINESS UNIT

1. Growth and Development Strategy 2055

The GDS identifies five long term imperatives/goals namely:

- **Re-urbanize** to achieve sustainable urban integration.
- **Re-industrialize** to achieve to job creating economic growth.
- **Re-generate** to achieve environmental wellbeing.
- **Re-mobilize** to achieve social empowerment.
- **Re-govern** to achieve effective cooperative governance.

The Water & Sanitation Department strategies recognize the Growth and Development Strategy (GDS 2055) outcomes, in particular outcome 2, which aims to achieve “job-creating and economic growth.”. The Water & Sanitation Department plans are based on the City’s long-term planning framework, the GDS 2055, that addresses, among other forecasts of the future, water supplies, water demands, customer needs, basic services, and operating constraints Furthermore, the IDP objective is to ensure that every community has access to reliable, clean, running water that is safe to drink and to prepare food; modernize water management and the detection of water leaks; and prevent untreated wastewater from contaminating the environment, homes, streets, and sidewalks within the municipality. The department capital budget is set at R590 000 000 in 2024/2025 and a total of R1 833 559 000 over the MTREF. The funds will be used for replacement, upgrade, and extension of water & sewer pipelines; constructing new reservoirs & towers; implementing non-revenue programme; installing meters; and provide emergency services to informal settlements. The W&S department is committed to addressing water and sanitation infrastructure challenges. Department Priorities for the MTREF:

- Meters consolidation of 2500 stands and metering of 37 000 unmetered stands
- Upgrading and Construction of new Pump Stations
- Reservoirs & Towers
- Upgrade and replacement of Water Pipelines
- Upgrade and replacement of Sewer Pipelines
- Reduction of non-revenue water.

The GDS 2055 highlights the importance of revitalizing CoE by creating new markets, eco-friendly products, processes, urban systems, and technologies through innovation and expanding value chains. Any development as envisaged in the GDS 2055 is invariably underpinned by CoE's W&S department ability to provide safe and reliable water. (i.e., the department's function is not primarily related to the re-urbanization theme of the GDS and perhaps performs a supporting function to the reindustrialization and regeneration theme). The department is central in achieving those objectives and will continue to play a key role in providing water and sanitation to all residents in Ekurhuleni, utilizing the construction sector as a catalyst for the development of skills, the creation of jobs, and the development of sustainable communities. When combined with the Expanded Public Works Program and effective skills training programs related to both new projects and maintenance, the department's services will help improve skills and reduce poverty in communities, as planned in our IDP and carried out through the SDBIP. In addition, the department implements the policies in line with the approved national targets, ensuring empowerment of vulnerable and marginalized target groups, i.e., women, youth, and people with disabilities.

2. The following are the long-term key drivers impacting provision of water and sanitation services to achieve growth and developmental needs of the city towards the year 2055:

- Resource Sustainability
- Water Infrastructure
- Coverage of water and sanitation
- Strategic Partnerships
- Climate change
- Protection of the environment

3. Strategic objectives and desired outcomes for the Department include the following:

I. Sustainable **Human Settlements and Improved Quality of Life** with intermediate outcomes of Sustainable Settlements and Infrastructure with the following direct outcomes:

- Increased access to water services
- Increased access to sanitation services
- Increased provision of sanitation services to informal settlements
- Improved sewage conveyance

II. Decent **Employment Through Inclusive Economic Growth** with the direct outcomes of :

- Increased created jobs

III. Establish **long-term fiscal strength** driven by the financial strength and sustainability of the municipality—through the following direct outcomes:

- Reduction of Non-Revenue Water

- Strategic **Acquisition and Management of Assets and Operations** with direct outcomes:

- Maintaining the Blue Drop status on drinking water quality management
- Implementation of the asset management plans through refurbishment and capital upgrade programs

4. Key Strategic Programmes of the Water and Sanitation Department

PROGRAMME NAME	PROGRAMME INTERVENTIONS
WATER LOSS ERADICATION PROGRAMME.	
Percentage of non-revenue water	Through the below-mentioned interventions, the department intends to reduce the non-revenue water percentage to less than 25%. We are continuously implementing strategies and efforts to keep the fluctuation of water loss within the required percentage. There are various projects within this programme, some of which are listed below: • Pipe replacement programme. • Metering of unmetered properties. • Domestic leak repairs and meter replacement in all areas. • Bulk metering audit and consolidation for top consumers. • Replacement of malfunctioning and aged water meters • Sectorisation • Pressure Management • Resealing of Old Reservoirs • Telemetry • Replacement of Mid-blocks
INVESTMENT IN WATER INFRASTRUCTURE TO ENSURE SECURITY OF SUPPLY	
Increased Water Storage Capacity	For the financial year 2024/25 the Water and Sanitation Department plans to ensure the Construction of Additional Water Reservoirs Capacity **RESERVOIRS AND TOWERS PROGRAMME:** • Construction of Hilltop reservoir. • Construction of Clayville reservoir.

PROGRAMM E NAME	PROGRAMME INTERVENTIONS
	• Vogelfontein tower. • Construction of Madeley reservoir. • Edelweiss tower. • Construction of Almac reservoir. • Dawn Park reservoir& tower • Kempton Park tower (2ML). • Kempton-Park (23ML). • Russel-Road reservoir (30ML) • Credi reservoir (25ml). • Duduza reservoir (20ML). • Fairleads Reservoir (25 ML). • Isando Reservoir (10ML). • Tembisa Tower, (1,5ML).
Alternative water resources	To facilitate the provision of additional water source, the Water and Sanitation department conduct a feasibility study on boreholes and wastewater reclamation
Refurbishment and upgrading of water and sewer pump station	Water and sewer pump stations are integral to the overall functioning of water distribution and wastewater management systems. They ensure the smooth flow of water and sewage, overcome geographical challenges, prevent flooding and overflows, and help maintain water quality and treatment efficiency. The importance of these stations cannot be overstated as they form the backbone of any modern water and sanitation infrastructure. Below are programs aim to address pump stations challenges: **PUMPSTATION PROGRAMME (WATER):** • Edelweiss Water Pumpstation • Kempton Park Water Pumpstation • Modder-East Pumpstation Springs • Pieter Wessels Water Pumpstation • Tembisa Tower Water Pumpstation **PUMPSTATION PROGRAMME (SEWER):** • Refurbishment of Etwatwa X18 Sewer Pump Station. • Upgrading of Mofokeng Sewer Pumpstation • Tsakane Ext. 11 Sewer Pumpstation • Masetjaba View Sewer Pumpstation • Serengeti Sewer Pumpstation
Water & sewer Pipes Upgrade, extension, replacement	In order to reduce the level of service interruption in providing the water supply and elimination of sewer spillages, the department has prioritized the replacement, upgrade and extension of water and sewer pipelines. This will go a long way in ensuring that a certain portion of the infrastructure is upgraded.

PROGRAMME NAME	PROGRAMME INTERVENTIONS
	Water pipeline • AC pipes replacement NE • AC pipes replacement SW • Brentwood Park Water Supply • Construction of a Bredell-Kempton zone water supply system • Construction of Bedfordview water • Construction of Almac Bulk Water Supply • Nigel bulk water upgrade Phase 2 • Reigerpark-Elspark bulk pipeline • Remedial Water Pipeline Work of Benoni 5Ml Reservoir • Replace existing water supply Dunnottar reservoir • Replacement of Mid-block Pipelines • Russel Road Bulk Water Supply **Sewer Pipeline** • Dekema outfall sewer Phase 2 (Germiston) • Pomona: New Eastern O/F sewer Phase 2 (Kempton Park) • Pomona: New Eastern of Sewer Phase 3 (Kempton Park) • Rondebult Outfall Sewer (Boksburg) • Tembisa Sewer (Tembisa 1) • Tembisa X25 Outfall Sewer Upgrade (Tembisa) • Etwatwa Sewer Upgrades (Etwatwa)

5. Operating Budget of the Water and Sanitation Department

The operating budget of the Water and Sanitation Department consists mainly of bulk purchases, contracted services, repairs and maintenance of existing water and sewer infrastructure, and service charges for both water and sanitation in respect of exchange revenue.

Table 67 Operating Budget of the Water and Sanitation

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> REAL ESTATE AND DEVELOPMENT PLANNING						
Exchange Revenue						
> WATER AND SANITATION						
Exchange Revenue						
Service charges - Water	7,898,920,511	7,401,562,328	94%	8,768,069,071	9,991,024,300	11,385,145,171
Service charges - Waste Water Management	3,764,632,325	2,652,894,414	70%	4,103,909,125	4,516,348,232	4,970,032,970
Sale of Goods and Rendering of Services	37,883	35,274	93%	100,037,883	37,883	37,883
Interest earned from Receivables	924,584,540	890,930,613	96%	924,584,540	924,584,540	924,584,540
Development Charges	83,497,106	32,438,149	39%	37,546,528	37,546,528	37,546,528
Non-Exchange Revenue						
Fines, penalties and forfeits	1,134,869	2,067,815	182%	1,134,869	1,134,869	1,134,869
Transfers and subsidies - Operational	4,016,859,004	3,872,611,609	96%	4,249,730,159	4,532,910,771	4,612,504,071
Operational Revenue-	717,795,908	631,943,297	88%	790,456,592	816,541,659	842,670,992
Other Gains	-	68,299	100.00%	-	-	-
contributions)	**17,407,462,146**	**15,484,551,797**	**89%**	**18,975,468,767**	**20,820,128,782**	**22,773,657,024**
Expenditure By Type						
Employee related costs	667,487,026	514,564,139	77%	799,010,110	839,360,120	881,747,804
Inventory consumed	6,211,651,990	3,716,535,893	60%	5,028,551,399	5,700,938,672	6,464,938,086
Debt impairment	3,689,951,740	2,135,131,336	58%	3,568,550,578	3,925,405,636	4,278,692,143
Depreciation, amortisation and impairment	263,886,705	176,009,495	67%	263,886,705	263,886,705	271,301,921
Interest, Dividends and Rent on Land	152,604,352	75,066,408	49%	152,604,352	152,604,352	152,604,352
Contracted services	1,762,571,985	1,332,135,241	76%	2,345,466,854	2,562,542,248	2,759,452,686
Transfers and subsidies	763,174,586	484,404,886	63%	240,000,000	290,000,000	310,000,000
Operational costs	36,728,393	16,044,866	44%	43,124,059	43,573,451	44,029,492
Other Losses	-	552,475	100.00%	1,839,268,407	2,004,802,564	2,091,237,075
Total Expenditure	**13,548,056,777**	**8,450,444,740**	**62%**	**14,280,462,464**	**15,783,113,748**	**17,254,003,559**
Surplus/(Deficit)	**3,859,405,369**	**7,034,107,057**	**182%**	**4,695,006,303**	**5,037,015,034**	**5,519,653,465**
Transfers and subsidies - capital (monetary allocations)	601,759,000	429,079,451	71%	583,311,000	665,000,000	811,000,000
Surplus/(Deficit) after capital transfers & contributions	**4,461,164,369**	**7,463,186,508**	**167%**	**5,278,317,303**	**5,702,015,034**	**6,330,653,465**
Surplus/ (Deficit) for the year	**4,461,164,369**	**7,463,186,508**	**167%**	**5,278,317,303**	**5,702,015,034**	**6,330,653,465**

2.8.24 BUDGET OF ERWAT

Key Strategic Projects of ERWAT

Operating Budget

Key Strategic Projects of ERWAT

Operating Budget

For the financial year budget of 2026/27, net operating surplus of R240 million will be realised being capital R240m (Grant) & R0 (Capital replacement reserve to fund future capital budget requirements).

Total Income
The total income increased with 8% from 2025/26 to 2026/27 taking into account all revenue streams.

Non-exchange revenue
There was an increase of R39.5 million in non-exchange revenue as Grant increased from R200.5 million (2025/26) to R240 million (2026/27).

Exchange revenue

The Exchange Revenue increase is 8% from 2025/26 to 2026/27 financial year; the main drivers are the following:

- **Service charges increased by 8.5%.**
    - The Service charges is from the members of the entity (City of Ekurhuleni (CoE), Johannesburg Water (CoJ) and Lesedi Municipality in line with the proposed tariff increase and the relevant plant cost.
    - The Service charges increase from the CoE – 8.36%
    - The Service charges increase from Lesedi – 11%
    - Service charges decreased from JHB Water – 11%

Expenditure

The total expenditure increased by 8%, which will be covered by the total income increase of 8%. The major increases are due to the following:

- **Bulk purchases**
    - Bulk purchases increase by R25m (6%) due to anticipated costs for new water use licences and water use registration.

- **Employee costs**
    - Overall Employee costs increase by R81m (14%) in line with the 2026/27 draft recruitment plan.

- **Repairs and Maintenance**
    - Repairs and maintenance increase by R33m (16%) to address backlog and implement maintenance activities in line with the planned maintenance schedules, per Original Equipment Manufacturer (OEM) requirements.

Estimated **depreciation** increase by R5.4m (5%), and estimated **General expenses decrease** by R9.6m (4%).

Table 68 Budget of ERWAT

Description	Budget Year 2025/26			2026/27 Medium Term Revenue and Expenditure Framework		
	Adjusted Budget - 2025/26 R	YTD Actual - 2025/26 R	YTD % Actuals	FINAL Budget - 2026/27 R	FINAL Budget - 2027/28 R	FINAL Budget - 2028/29 R
> Z -ERWAT						
Exchange Revenue						
Service charges - Waste Water Management	1,614,839,033	1,355,530,030	84%	1,752,106,004	1,898,323,445	2,056,785,041
Sale of Goods and Rendering of Services	43,409,850	36,068,449	83%	41,527,000	43,603,350	45,565,500
Interest earned from Current and Non Current	7,598,295	10,346,306	136%	8,130,175	8,699,287	9,308,238
Dividends	-	(75,709)	100.00%	-	-	-
Operational Revenue	-	2,285,875	100.00%	-	-	-
Non-Exchange Revenue						
Transfers and subsidies - Operational	-	606,908	100.00%	-	-	-
Total Revenue (excluding capital transfers and contributions)	**1,665,847,178**	**1,404,761,861**	**84%**	**1,801,763,179**	**1,950,626,082**	**2,111,658,779**
Expenditure By Type						
Employee related costs	586,694,050	401,228,744	68%	667,573,352	735,064,478	800,316,181
Inventory consumed	327,505,086	186,939,797	57%	375,256,858	414,945,911	457,458,063
Depreciation, amortisation and impairment	118,878,896	96,825,143	81%	124,991,031	131,465,283	138,278,975
Interest, Dividends and Rent on Land	19,620,678	11,941,366	61%	19,715,691	15,210,522	4,759,606
Contracted services	113,470,201	50,529,943	45%	126,060,421	127,636,695	144,697,106
Transfers and subsidies	574,373	110,000	19%	614,579	657,599	703,631
Irrecoverable debts written off	1,829,993	-	0%	1,921,493	2,017,567	2,158,796
Operational costs	497,273,901	324,320,676	65%	485,629,754	523,628,027	563,286,421
Total Expenditure	**1,665,847,178**	**1,071,895,669**	**64%**	**1,801,763,179**	**1,950,626,082**	**2,111,658,779**
Surplus/(Deficit)	**-**	**332,866,191**	**100.00%**	**-**	**-**	**-**
Transfers and subsidies - capital (monetary	200,500,000	146,603,857	73%	240,000,000	290,000,000	310,000,000
Surplus/(Deficit) after capital transfers &	**200,500,000**	**479,470,048**	**239%**	**240,000,000**	**290,000,000**	**310,000,000**
Surplus/ (Deficit) for the year	**200,500,000**	**479,470,048**	**239%**	**240,000,000**	**290,000,000**	**310,000,000**

2.9 Contracts having future budgetary implications.

In terms of the City's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation or Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.10 Capital expenditure details

The following four tables present details of the metro's capital expenditure programme, firstly on new assets, then the renewal of assets, repair and maintenance of assets and finally on the upgrading on the existing assets.

Table 69 MBRR SA34a - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

EKU City of Ekurhuleni - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class									
Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**83,499**	**118,162**	**92,898**	**265,604**	**192,050**	**192,050**	**240,000**	**290,000**	**300,000**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Sanitation Infrastructure	83,499	118,162	92,898	265,604	192,050	192,050	240,000	290,000	300,000
Pump Station									
Reticulation									
Waste Water Treatment Works	83,499	118,162	92,898	265,604	192,050	192,050	240,000	290,000	300,000
Community Assets	**56,788**	**45,990**	**66,474**	**39,600**	**39,600**	**39,600**	**53,000**	**85,500**	**47,300**
Community Facilities	56,788	45,990	66,474	39,600	39,600	39,600	53,000	85,500	47,300
Halls									
Centres	–	–	–	–	–	–	5,000	20,000	10,000
Fire/Ambulance Stations	28,104	21,000	29,474	–	–	–	–	13,500	800
Cemeteries/Crematoria	–	–	–	2,600	2,600	2,600	8,000	12,000	6,500
Public Open Space	28,684	24,990	37,000	37,000	37,000	37,000	40,000	40,000	30,000
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	**15,154**	**2,426**	**12,912**	**55,400**	**38,200**	**38,200**	**80,572**	**22,857**	**43,291**
Operational Buildings	15,154	2,426	12,912	55,400	38,200	38,200	41,019	18,400	32,300
Municipal Offices	154	–	–	–	–	–	–	–	–
Depots	15,000	2,426	12,912	55,400	38,200	38,200	41,019	18,400	32,300
Capital Spares									
Housing	–	–	–	–	–	–	39,553	4,457	10,991
Staff Housing									
Social Housing	–	–	–	–	–	–	39,553	4,457	10,991
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	–	–	–	–	–	–	–	–
Computer Equipment	–	29	254	409	4,500	4,500	430	449	449
Computer Equipment	–	29	254	409	4,500	4,500	430	449	449
Furniture and Office Equipment	990	13,278	5,390	52,401	47,919	47,919	127,468	131,940	237,900
Furniture and Office Equipment	990	13,278	5,390	52,401	47,919	47,919	127,468	131,940	237,900
Machinery and Equipment	11,053	2,620	1,824	23,290	36,630	36,630	5,600	6,628	4,628
Machinery and Equipment	11,053	2,620	1,824	23,290	36,630	36,630	5,600	6,628	4,628
Transport Assets	47,697	37,126	64,733	131,400	195,616	195,616	286,500	165,900	202,700
Transport Assets	47,697	37,126	64,733	131,400	195,616	195,616	286,500	165,900	202,700
Total Capital Expenditure on new assets	**215,182**	**219,630**	**244,486**	**568,105**	**554,515**	**554,515**	**793,569**	**703,274**	**836,268**

Table 70 MBRR SA34b – Consolidated capital expenditure on the renewal of existing assets by asset class

EKU City of Ekurhuleni - Supporting Table SA34b Consolidated capital expenditure on the renewal of existing assets by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**1,924,702**	**1,954,432**	**1,696,360**	**1,729,454**	**1,851,496**	**1,851,496**	**1,697,833**	**1,782,313**	**1,989,664**
Roads Infrastructure	469,662	539,521	511,970	478,050	525,583	525,583	443,367	415,945	388,299
Roads	469,662	539,521	511,970	478,050	525,583	525,583	443,367	415,945	388,299
Storm water Infrastructure	10,822	5,050	–	–	–	–	–	–	–
Drainage Collection	10,822	5,050	–	–	–	–	–	–	–
Electrical Infrastructure	555,466	608,051	416,465	347,861	461,120	461,120	458,655	489,868	589,665
HV Substations	128,466	161,199	176,573	93,300	101,802	101,802	189,655	158,000	168,365
HV Transmission Conductors	274,561	437,704	239,892	225,950	218,585	218,585	192,500	208,200	267,000
MV Networks	152,440	9,148	–	28,611	140,733	140,733	76,500	123,668	154,300
Water Supply Infrastructure	487,452	497,888	475,806	587,293	507,293	507,293	455,311	531,500	667,000
Distribution	487,452	497,888	475,806	587,293	507,293	507,293	455,311	531,500	667,000
Sanitation Infrastructure	112,715	78,873	103,795	146,250	135,750	135,750	113,000	112,000	114,000
Reticulation	112,715	78,873	103,795	146,250	135,750	135,750	113,000	112,000	114,000
Solid Waste Infrastructure	52,010	34,902	39,747	118,000	112,250	112,250	102,500	138,000	135,600
Waste Transfer Stations	52,010	34,902	39,747	118,000	112,250	112,250	102,500	138,000	135,600
Information and Communication	236,574	190,146	148,577	52,000	109,500	109,500	125,000	95,000	95,100
Distribution Layers	236,574	190,146	148,577	52,000	109,500	109,500	125,000	95,000	95,100
Capital Spares									
Community Assets	**91,912**	**59,232**	**45,467**	**104,000**	**100,667**	**100,667**	**103,000**	**128,490**	**114,123**
Community Facilities	58,743	38,581	24,689	82,300	78,967	78,967	75,600	97,716	90,700
Testing Stations	–	6,211	15,000	30,000	30,000	30,000	34,000	40,000	30,000
Libraries	28	–	–	–	–	–	–	3,716	–
Police	34,819	17,045	–	14,000	20,000	20,000	8,000	15,000	8,000
Public Open Space	944	–	1,886	10,300	10,300	10,300	1,600	12,000	25,700
Nature Reserves	22,952	15,325	4,992	18,000	18,000	18,000	24,000	17,000	17,000
Taxi Ranks/Bus Terminals	–	–	2,810	10,000	667	667	8,000	10,000	10,000
Sport and Recreation Facilities	33,169	20,651	20,778	21,700	21,700	21,700	27,400	30,774	23,423
Indoor Facilities	8,000	7,651	11,932	4,700	4,700	4,700	8,400	9,274	9,623
Outdoor Facilities	25,169	13,000	8,846	17,000	17,000	17,000	19,000	21,500	13,800
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	**557,112**	**362,749**	**467,625**	**510,049**	**507,891**	**507,891**	**499,733**	**541,911**	**593,540**
Revenue Generating	542,912	362,749	467,625	510,049	507,891	507,891	499,733	541,911	593,540
Improved Property	542,912	362,749	467,625	510,049	507,891	507,891	499,733	541,911	593,540
Non-revenue Generating	14,200	–	–	–	–	–	–	–	–
Unimproved Property	14,200	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	**2,577,344**	**2,377,871**	**2,223,649**	**2,373,490**	**2,478,878**	**2,478,878**	**2,336,466**	**2,482,413**	**2,716,228**

Table 71 MBRR SA34c – Consolidated repairs and maintenance expenditure by asset class

EKU City of Ekurhuleni - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**1,904,902**	**2,192,388**	**2,675,151**	**2,788,070**	**3,200,690**	**3,200,690**	**3,974,877**	**4,375,288**	**4,734,462**
Roads Infrastructure	347,796	431,900	785,105	600,470	840,115	840,115	1,123,470	1,213,347	1,310,415
Roads	333,458	369,626	720,788	547,428	768,973	768,973	905,528	977,970	1,056,208
Road Furniture	14,338	62,274	64,317	53,042	71,142	71,142	217,942	235,377	254,207
Capital Spares									
Storm water Infrastructure	14,389	20,832	21,119	17,833	17,988	17,988	33,033	35,676	38,530
Storm water Conveyance	–	20,832	21,119	17,833	17,988	17,988	33,033	35,676	38,530
Electrical Infrastructure	1,027,104	1,190,036	1,024,485	1,172,340	1,247,340	1,247,340	1,756,352	1,896,178	2,047,175
HV Substations	58,838	130,876	108,152	162,647	162,647	162,647	182,392	196,984	212,743
HV Switching Station	–	8,545	9,481	11,637	11,637	11,637	11,637	12,568	13,574
HV Transmission Conductors	502	594	1,222	1,293	1,293	1,293	1,293	1,396	1,508
MV Substations	43,988	54,592	93,222	174,718	174,718	174,718	164,718	177,896	192,128
MV Switching Stations	–	5,812	9,270	10,344	10,344	10,344	10,344	11,172	12,066
MV Networks	716,847	655,176	627,782	632,195	702,195	702,195	1,041,899	1,124,851	1,214,439
LV Networks	205,857	333,409	174,221	176,909	181,909	181,909	178,047	192,291	207,674
Capital Spares	1,074	1,033	1,135	2,596	2,596	2,596	166,020	179,020	193,044
Water Supply Infrastructure	236,099	220,307	269,348	272,124	345,174	345,174	359,962	388,759	419,860
Reservoirs	–	554	4,127	7,700	7,700	7,700	7,700	8,316	8,981
Bulk Mains	7,639	6,454	9,778	11,153	11,153	11,153	11,512	12,433	13,428
Distribution	228,461	203,243	239,072	230,172	301,572	301,572	315,270	340,491	367,731
Distribution Points	–	10,012	16,133	22,449	24,049	24,049	24,780	26,763	28,904
PRV Stations	–	43	239	650	700	700	700	756	816
Sanitation Infrastructure	236,130	270,720	259,489	402,315	418,085	418,085	464,088	584,318	640,911
Pump Station	42,190	34,291	38,050	111,936	112,936	112,936	125,332	208,179	224,834
Reticulation	62,651	76,616	103,986	108,197	121,097	121,097	125,704	135,760	146,621
Waste Water Treatment Works	131,289	159,813	117,453	182,182	184,052	184,052	213,051	240,378	269,456
Solid Waste Infrastructure	43,383	58,593	100,421	155,564	164,564	164,564	187,973	203,010	219,251
Landfill Sites	43,383	58,593	100,421	143,724	164,524	164,524	175,425	189,459	204,615
Waste Transfer Stations	–	–	–	6,512	22	22	6,901	7,454	8,050
Waste Processing Facilities	–	–	–	2,664	9	9	2,823	3,049	3,293
Waste Drop-off Points	–	–	–	2,664	9	9	2,823	3,049	3,293
Capital Spares	–	–	215,184	167,424	167,424	167,424	–	–	–
Information and Communication Infrastructure	–	–	–	–	–	–	50,000	54,000	58,320
Distribution Layers	–	–	–	–	–	–	50,000	54,000	58,320
Investment properties	**10,676**	**24,990**	**25,576**	**51,594**	**54,540**	**54,540**	**67,600**	**73,008**	**78,848**
Non-revenue Generating	10,676	24,990	25,576	51,594	54,540	54,540	67,600	73,008	78,848
Improved Property	10,676	24,990	25,576	51,594	54,540	54,540	67,600	73,008	78,848
Other assets	**158,862**	**87,776**	**242,556**	**108,615**	**126,173**	**126,173**	**94,406**	**101,880**	**109,778**
Operational Buildings	158,862	87,776	242,556	108,615	126,173	126,173	94,406	101,880	109,778
Municipal Offices	158,862	87,776	242,556	108,615	126,173	126,173	94,406	101,880	109,778
Furniture and Office Equipment	334,670	1,026,022	403,369	529,274	462,205	462,205	286,960	309,916	334,710
Furniture and Office Equipment	334,670	1,026,022	403,369	529,274	462,205	462,205	286,960	309,916	334,710
Machinery and Equipment	284	–	–	156	3,656	3,656	3,656	3,948	4,264
Machinery and Equipment	284	–	–	156	3,656	3,656	3,656	3,948	4,264
Transport Assets	172,098	172,166	169,606	387,308	240,249	240,249	233,488	252,079	272,152
Transport Assets	172,098	172,166	169,606	387,308	240,249	240,249	233,488	252,079	272,152
Total Repairs and Maintenance Expenditure	**2,581,491**	**3,503,343**	**3,516,258**	**3,865,017**	**4,087,513**	**4,087,513**	**4,660,986**	**5,116,120**	**5,534,214**

Table 72 MBRR SA34d Consolidated Depreciation by asset class

EKU City of Ekurhuleni - Supporting Table SA34d Consolidated Depreciation by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation by Asset Class/Sub-class									
Infrastructure	**1,992,040**	**1,954,900**	**1,791,814**	**1,532,888**	**1,483,254**	**1,483,254**	**1,161,482**	**1,167,310**	**1,202,934**
Roads Infrastructure	812,878	774,824	758,613	338,304	327,309	327,309	–	–	–
Roads	812,878	774,824	758,613	338,304	327,309	327,309	–	–	–
Electrical Infrastructure	1,026,418	985,993	921,859	1,084,658	1,049,406	1,049,406	1,049,406	1,049,406	1,078,895
Power Plants									
MV Networks	769,041	740,258	724,497	814,668	788,192	788,192	788,192	788,192	810,340
LV Networks									
Capital Spares	257,378	245,735	197,362	269,989	261,215	261,215	261,215	261,215	268,555
Sanitation Infrastructure	152,743	194,082	111,342	109,927	106,539	106,539	112,076	117,904	124,040
Pump Station	105,261	98,641	86,622	99,427	96,039	96,039	100,841	105,883	111,177
Reticulation	–	–	–	–	–	–	–	–	–
Waste Water Treatment Works	47,482	95,442	24,720	10,500	10,500	10,500	11,235	12,021	12,863
Investment properties	**176,398**	**168,349**	**206,897**	**185,276**	**179,415**	**179,415**	**179,661**	**179,898**	**185,018**
Revenue Generating	4,467	4,467	46,444	4,921	4,921	4,921	5,167	5,404	5,620
Improved Property	4,467	4,467	4,596	4,921	4,921	4,921	5,167	5,404	5,620
Unimproved Property	–	–	41,848	–	–	–	–	–	–
Non-revenue Generating	171,931	163,882	160,453	180,356	174,494	174,494	174,494	174,494	179,397
Improved Property	171,931	163,882	160,453	180,356	174,494	174,494	174,494	174,494	179,397
Unimproved Property									
Other assets	**1,034**	**1,191**	**852**	**861**	**1,085**	**1,085**	**1,139**	**1,196**	**1,256**
Operational Buildings	1,034	1,191	852	861	1,085	1,085	1,139	1,196	1,256
Municipal Offices	1,034	1,191	852	861	1,085	1,085	1,139	1,196	1,256
Pay/Enquiry Points									
Intangible Assets	4,075	6,015	6,088	1,300	1,168	1,168	1,227	1,288	1,352
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	4,075	6,015	6,088	1,300	1,168	1,168	1,227	1,288	1,352
Water Rights									
Computer Software and Applications	4,075	6,015	6,088	1,300	1,168	1,168	1,227	1,288	1,352
Computer Equipment	569	132	454	167	1,747	1,747	1,834	1,925	2,020
Computer Equipment	569	132	454	167	1,747	1,747	1,834	1,925	2,020
Furniture and Office Equipment	658,489	766,096	810,139	1,474,959	1,425,733	1,425,733	1,753,079	1,867,240	1,924,373
Furniture and Office Equipment	658,489	766,096	810,139	1,474,959	1,425,733	1,425,733	1,753,079	1,867,240	1,924,373
Machinery and Equipment	4,833	5,505	4,352	5,813	4,888	4,888	5,132	5,382	5,632
Machinery and Equipment	4,833	5,505	4,352	5,813	4,888	4,888	5,132	5,382	5,632
Transport Assets	4,103	3,586	2,157	2,139	3,906	3,906	4,101	4,306	4,521
Transport Assets	4,103	3,586	2,157	2,139	3,906	3,906	4,101	4,306	4,521
Total Depreciation	**2,841,541**	**2,905,774**	**2,822,752**	**3,203,404**	**3,101,195**	**3,101,195**	**3,107,654**	**3,228,545**	**3,327,105**

Table 73 MBRR SA34e - Capital expenditure on the upgrading on the existing assets by asset class

EKU City of Ekurhuleni - Supporting Table SA34e Consolidated capital expenditure on the upgrading of existing assets by asset class

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	**2,496**	**–**	**4,727**	**12,300**	**12,050**	**12,050**	**56,886**	**50,500**	**69,000**
Roads Infrastructure	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	2,496	–	–	7,000	6,000	6,000	3,000	3,000	500
Drainage Collection	2,496	–	–	7,000	6,000	6,000	3,000	3,000	500
Solid Waste Infrastructure	–	–	4,727	5,300	6,050	6,050	53,886	47,500	68,500
Landfill Sites	–	–	4,727	5,300	6,050	6,050	53,886	47,500	68,500
Community Assets	**162,110**	**64,975**	**227,304**	**218,221**	**287,272**	**287,272**	**159,027**	**182,300**	**174,300**
Community Facilities	162,110	64,975	227,304	218,221	287,272	287,272	159,027	182,300	174,300
Halls									
Centres	162,110	64,975	227,304	218,221	287,272	287,272	159,027	182,300	174,300
Investment properties	**4,500**	**9,900**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	4,500	9,900	–	–	–	–	–	–	–
Improved Property	4,500	9,900	–	–	–	–	–	–	–
Other assets	**125,102**	**80,833**	**73,247**	**25,000**	**22,662**	**22,662**	**43,000**	**43,000**	**48,000**
Operational Buildings	119,632	56,766	71,462	25,000	22,662	22,662	43,000	43,000	48,000
Municipal Offices	119,632	56,766	71,462	25,000	22,662	22,662	43,000	43,000	48,000
Housing	5,471	24,067	1,785	–	–	–	–	–	–
Staff Housing									
Social Housing	5,471	24,067	1,785	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	**294,208**	**155,708**	**305,279**	**255,521**	**321,984**	**321,984**	**258,913**	**275,800**	**291,300**

Table 74 MBRR SA35 - future financial implications of the Capital Budget

EKU City of Ekurhuleni - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure							
Vote 01 - Executive & Council	3,000	1,000	1,000	–	–	–	–
Vote 02 - Office Of The City Mana	–	–	–	–	–	–	–
Vote 03 - Energy	591,482	615,868	692,365	–	–	–	–
Vote 04 - Water And Sanitation	1,048,998	1,076,724	1,325,000	–	–	–	–
Vote 05 - Waste Management	250,786	279,500	284,000				
Vote 06 - Human Settlements	527,315	529,445	587,609	–	–	–	–
Vote 07 - Finance And Strategy	–	–	–	–	–	–	–
Vote 08 - Development Planning	32,500	40,500	24,000	–	–	–	–
Vote 09 - Community Safety	88,200	105,000	95,000	–	–	–	–
Vote 10 - Community Services	97,700	102,690	117,323	–	–	–	–
Vote 11 - Corporate And Shared	244,000	236,500	243,100	–	–	–	–
Vote 12 - Roads & Transport Mar	504,967	474,260	474,399	–	–	–	–
Total Capital Expenditure	**3,388,948**	**3,461,487**	**3,843,796**	**–**	**–**	**–**	**–**
Future revenue by source							
Exchange Revenue	2,646,496	1,856,534	1,866,453				
Service charges - Electricity	29,338,711	31,959,050	34,814,831				
Service charges - Water	8,772,088	9,995,191	11,389,517				
Service charges - Waste Water M	5,858,283	6,417,044	7,029,281				
Service charges - Waste Manager	1,871,443	1,986,325	2,103,560				
Agency services	364,302	364,302	364,302				
List other revenues sources if appl	24,662,034	25,640,770	26,411,533				
Total future revenue	73,513,356	78,219,216	83,979,477	–	–	–	–
Net Financial Implications	**(70,124,408)**	**(74,757,730)**	**(80,135,681)**	**–**	**–**	**–**	**–**

2.11 Detailed Capital Budget per municipal vote-

Detail expenditure per municipal vote has been attached as **Annexure C** as part of the MTREF budget document. The documents are in alignment with the municipal Budget and reporting regulation's Table SA 36.

2.12 Legislation compliance status

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

2.12.1 in- year reporting

Reporting to 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 City's website.

2.12.2 Budget and Treasury Office

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

2.12.3 Audit Committee

An Audit Committee has been established and is fully functional.

2.12.4 Service Delivery and Implementation Plan

The city compiled a detailed draft SDBIP document in 2026/2027 MTREF. The detailed SDBIP is reflected in MBRR Schedule SA7 of the report.

2.12.5 Annual Report

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

2.12.6 MFMA Training

The MFMA training module in electronic format is presented at the City' internal centre and training is ongoing.

Table 75 MBRR SA32 – List of external mechanisms

EKU City of Ekurhuleni - Supporting Table SA32 List of external mechanisms					
External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Absa Bank Limited & Mahlako A Phah	M	36	Service Of A Lead Bond Arranger, Debt Sponsor,Calculating & Paying Agent	30 June 2027	3,031
Anthony Nk Trading & Electrical Servi	M	36	Service To Conduct Energy Perfomance Assessment	30 June 2026	500
Bhebhetha Holdings (Pty) Ltd	M	36	Consultants For Rendering Financila Administration Function On Both Manual And Prepaid Transaction	30 June 2028	12,032
Dumaliwe (Pty) Ltd,	M	36	Service To Conduct Energy Perfomance Assessment	30 June 2026	115
E-Multi Construction And Electricity C	M	36	Service To Supply New Protection Relays, Equipment And Automatic Voltage Regulation Relays :Group	30 June 2027	3,058
Enstein Trading And Projects (Pty) Ltd	M	36	Service To Conduct Energy Perfomance Assessment	30 June 2026	2,712
Gakennoshi Power Projects Cc	M	36	Service To Supplyprotection Relays, Equipment And Voltage Regulation Relays: Group A	30 June 2027	18,691
Gracol Solutions (Pty) Ltd	M	36	Supply Of Installation,Configuration And Maintenance Of New And Existing Wi-Fi	30 June 2027	15,000
Jiva Entertainment	M	36	Service For Supply Of Industrial Ride On Scrubber, Sweeper Machines And Forklift	30 June 2027	6,500
Lalefa (Pty) Ltd	M	1	Piped Water Inside Dwelling	30 April 2026	0
Lalefa (Pty) Ltd	M	36	Service To Supply New Protection Relays, Equipment And Automatic Voltage Regulation Relays:Group D	30 June 2027	45,840
Mzuzu Group (Pty) Ltd	M	36	System (Aptms) For The Integrated Rapid Public Transport Network (Irptn)	30 June 2027	43,300
Phumlani Funeral Undertakers Cc	M	36	Service For Indigent Burial And Paupers	30 June 2028	12,747
Power Meter Technics (Pty) Ltd	M	1	Piped Water Inside Dwelling	30 June 2028	0
Power Meter Technics (Pty) Ltd	M	36	Remote Meter Service Provider	30 June 2028	115,000
Puxline Projects (Pty) Ltd	M	36	Service For Delivery,Supply And Off-Loading Of Meter Seals	30 June 2026	4,668
Ruben And Son (Pty) Ltd	M	36	Service To Supply New Protection Relays, Equipment And Voltage Regulation Relays :Group C	30 June 2027	6,253
The Naked Scientists (Pty) Ltd	M	36	System (Aptms) For The Integrated Rapid Public Transport Network (Irptn)	30 June 2027	99,188

2.13 Implementation of mSCOA

The Municipal Standard Chart of Accounts (mSCOA) require municipalities to plan, budget, transact and report directly in and from their core financial systems. The City has been implementing mSCOA since 2017 when compliance was required.

At this stage of implementation, municipalities are required to:

- Have a core financial system that is mSCOA enabling;
- Plan, budget, transact and report:
    - On all six legislated mSCOA segments;
    - Directly from the core financial system;
    - In version 6.6 of the mSCOA Chart of Accounts;
    - Lock the budget adopted by Council on the financial system;
    - Close the financial system at month-end as required by the MFMA;
    - Generate the regulated A, B and C Schedules directly from the system; and
    - Align the Virement policies to the mSCOA.

National Treasury conducted an mSCOA audit on the City to determine compliance with mSCOA regulations, minimum business processes and system specifications. The audit was conducted from 21 January to 7 February 2022. The existing mSCOA regulations issued in Government Gazette 37577 dated 22 April 2014 and MFMA Circular 80 issued 8 March 2016 were used as the bases for the mSCOA audit.

The **scope** of the audit was on the following areas:

- System architecture;
- Governance and institutional arrangements;
- System functionality; and
- Proficiency of users of the system.

The audit report provides the audit outcome as well as recommendations in each of the areas of the scope.

The table below indicates the **outcomes of the audit** in each area of the scope of the audit.

Scope of audit	Audit outcome
1. System architecture	Compliant
2. Governance and institutional arrangements	Compliant
3. System functionality	Low compliance
4. User training and proficiency	Compliant

The table above shows that the City was given a **"low compliance outcome"** on system functionality.

The City has revised the ERP implementation plan and initiated improvements based on the recommendations provided in the audit report.
For the 2026/27 financial year, National Treasury has published the updated version 7.1 for tabling and approval of the MTREF. The City has complied with this version in the tabled budget.

2.14 Municipal Manager's quality certificate

City of
Ekurhuleni

Municipal Manager's quality certificate

City Manager's Quality Certificate

I **Dr. Tsholofelo Koopedi,** Acting City Manager of City of Ekurhuleni, hereby certify that the **2026/2027 Annual Budget and Supporting Documentation** have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the **Annual Budget and Supporting Documents** are consistent with the Integrated Development Plan of the City.

Signature: ________________ Date: 22/05/2026

Name of City Manager: **Dr. Tsholofelo Koopedi**
City Manager
City of Ekurhuleni (GT000)