

### 2025/26 Merafong City Local Municipality Budget Funding Plan

Item description	Action needed	Progress made	Person responsible
Improvement in the collection of revenue to fund the budget	<ul style="list-style-type: none"> <li>➤ Credit control action to be implemented in all areas to improve the collection to above 75%</li> <li>➤ Debt collectors have been appointed to collect arrears of debtors who do not respond to credit control action.</li> <li>➤ Resolve the dispute with the mines to collect the outstanding property rates bill.</li> </ul>	<p>Credit control is ongoing and resumed from July since April to May it was suspended due to billing challenges in new municipal accounts</p> <p>Debt collection is on going though Ncube Inc.</p> <p>Valuation roll appeals at VAB level</p>	<ul style="list-style-type: none"> <li>➤ Manager Revenue,</li> <li>➤ Electrical division</li> <li>➤ And Water division on illegal connections</li> </ul> <p>VAB (valuation appeal board by 31 Oct 2024)</p>
Completeness of billing	<ul style="list-style-type: none"> <li>➤ Reconciliation of valuation roll to the billing system to ensure that all ratepayers are billed and all users of services are billed.</li> </ul>	In progress to ensure controls are done monthly and fill in the 2 vacant skilled accountant positions	<ul style="list-style-type: none"> <li>➤ Manager Revenue</li> </ul>
Expenditure reduction	<ul style="list-style-type: none"> <li>➤ Implementation of cost containment measures.</li> <li>➤ Reduction of overtime expenditure.</li> </ul>	Only critical expenditures must be sanctioned by HOD's as all requisitions required HOD's approvals.	<ul style="list-style-type: none"> <li>➤ All Executive Directors</li> </ul>
Reduction of fruitless and wasteful expenditure	<ul style="list-style-type: none"> <li>➤ Reduction of Eskom and Rand Water arrears to reduce expenditure on</li> </ul>	Reduction of UIF in compliance to law Also improve revenue protection and revenue enhancement to ensure we don't incur interest from Eskom and	<ul style="list-style-type: none"> <li>➤ All Executive Directors</li> </ul>

Annexure 1

	arrear interest on outstanding debt.	Randwater or litigations that may be resulting in fruitless costs	
Reduction of distribution losses	<p>The appointments of service providers for the infrastructure maintenance are as follows:</p> <ul style="list-style-type: none"> <li>➤ Cost of supply for three years.</li> <li>➤ Refurbishment at WWTW plants and security improvement in pro</li> <li>➤ Supply and delivery of electrical equipment for three years.</li> <li>➤ implementation of the Smart Metering System. Continued effort will be put to urge sector department to consider the municipality's Smart Meter grant application made during 2024/25 financial year.</li> </ul>	<p>Funding applications made to DWS, DBSA, National treasury to assists with refurbishment, prepaid smart meter changes and also other water meter replacements for prepaid</p> <p>Also advanced security methods to be procured relating to surveillance relating to protecting infrastructure assets.</p> <p>Allocation of R25 m for Smart Metering System</p>	<ul style="list-style-type: none"> <li>➤ ED's for Infrastructures-water and Energy services</li> </ul>
Meter replacement	<ul style="list-style-type: none"> <li>➤ National Treasury to assist with the meter replacement grant.</li> </ul>	Applications currently being considered	<ul style="list-style-type: none"> <li>➤ ED energy</li> <li>➤ CFO</li> </ul>
Implementation of the capital budget funded from grants	<ul style="list-style-type: none"> <li>➤ Plan for the implementation of grant funded projects to benefit from Vat input to improve the cash flow position of the municipality.</li> </ul>	<p>Procurement and project implementation to be timely and also monitoring of contractors</p> <p>Vat returns are being ploughed back to service outstanding invoices .</p>	<ul style="list-style-type: none"> <li>➤ All Ed's</li> </ul>

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### Merafong City Pathway to Long-Term Financial Sustainability

- Shift toward preventative maintenance using conditional grants and operational budget ring-fencing.
- Leverage public-private partnerships (PPPs) for capital-intensive projects (e.g., energy, housing, sanitation).
- Package bankable projects to access DBSA, IDC, and National Treasury infrastructure support.
- Implement citizen reporting platforms to track service quality and reduce disputes

### Long-Term Plan to Address Electricity Losses (Distribution and Revenue)

#### Objectives:

- Reduce technical and non-technical (theft, tampering, illegal connections) losses.
- Improve billing accuracy and revenue collection.
- Modernize infrastructure to reduce downtime and distribution inefficiencies.

#### Key Interventions:

- **Smart Meter Rollout:** The municipality has prioritized R25 million in the 2025/2026 financial year for the gradual replacement of conventional meters with smart/prepaid meters to monitor consumption and detect tampering in real-time.
- **Meter Audit:** Ongoing audit of bridged meters (combined with amnesty programs) to recover revenue and update billing database.
- **Network Rehabilitation:** Refurbishment of aging low and medium voltage lines, including replacement of overloaded transformers and substations.
- **Load Management:** Introduce automated load limiting on high-loss feeders and high-indebted customers.
- **Energy Balancing and Loss Monitoring:** Installation of bulk check meters to isolate high-loss zones (LPU -meters through CoGTA programme).