11.
INCOME FORGONE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

J Basson Acting Divisional Manager: Revenue Management
11 August 2026 (028) 313 8133

1. **Executive Summary**

   Report prepared as part of the reporting obligations arising from section 15(3)(a) & (b) of the Local Government: Municipal Property Rates Act.

2. **Service Delivery and Budget Implementation Plan - IGNITE**

   Directorate: Financial Services
   Revenue Management

3. **Compliance with Strategic Priorities**

   Promotion of tourism, economic and social development
   Provision of democratic, accountable and ethical governance
   Encouragement of structured community participation in the affairs of the municipality

4. **Delegated Authority**

   None

5. **Legal Requirements**

   Section 15(3)(a) & (b) of the Local Government: Municipal Property Rates Act.

6. **Background/Discussion/Evaluation/Conclusion**

   Background

   This report has been prepared as part of the reporting obligations arising from the Municipal Property Rates Act (MPRA). The MPRA requires the Municipal Manager to table in Council on an annual basis a list of exemptions, rebates and reductions granted by the municipality during the previous financial year and a statement reflecting the income foregone during the previous financial year by way of such exemptions, rebates and reductions.

   Discussion

   In terms of the MPRA, the levying of property rates on the first R15 000 of the market value of residential properties is considered as impermissible rates. A further R35 000 of the market value of residential properties is exempt from the levying of property rates. In addition, the Municipality also grants a 20% rebate on the rates calculated on the remainder of the market value.

The following table represents the income foregone during the 2025/2026 financial year, reported in terms of section 15(3)(a) & (b) of the Local Government: Municipal Property Rates Act.

INCOME FORGONE 2025/2026	
15 000 Rebate	- 2 886 423
Additional 35 000 Rebate	- 6 366 603
20% Residential Rebate	- 78 013 227
Discounts & Rebates, B&B and Guesthouses, Outside municipal urban Area, etc.	- 18 952 704
	- 106 218 957

7. Financial Implications

The income foregone as reflected in paragraph 6 of this report has been provided for in the budget.

8. Staff Implications

None

9. Comments from other Departments, Divisions and Administrations

None

10. Annexures

None

RECOMMENDATION TO THE COUNCIL:

that the income foregone in terms of the Local Government: Municipal Property Rates Act, for the 2025/2026 financial year, **be noted**.

RESPONSIBLE OFFICIALS : **J BASSON**

TARGET DATE FOR IMPLEMENTATION : **TO BE NOTED**