

Understanding municipal budgets

A budget is a municipality's financial plan. It sets out what the municipality plans to do in the next year, explains how much it will cost, and identifies where the money to pay for it will come from.



The municipal budget is divided between:

Operational expenditure

Operational expenditure refers to day-to-day costs like delivering services, maintaining infrastructure, and paying salaries.

How it is generally paid for:

Property rates Fines Equitable share
Service charges (eg. water and sewerage)

Capital expenditure

Capital expenditure deals with long-term investments like roads, pipes, land and equipment. While a new budget is produced every year, they include financial plans for capital expenditure over a three year period.

How it is generally paid for:

Loans Grants from national gov.
Public/private participation

Phases of the budget process:

1 Planning

The Mayor provides council with a time schedule for the budgetary process.

2 Preparation

Analysis of expected municipal income and expenditure, and whether these are aligned with municipal plans and policies.

3 Tabling and consultation

The proposed budget is published and public consultations are conducted.

4 Revision and debate

The proposed budget is revised, taking into account input from the public.



Your municipality must approve and publish the budget before the start of the financial year (July).

Why is participation important?

Projects in your area will only happen if there is money for them in the budget. It is crucial to participate so that you can ensure that the needs of your community are met. Participating also helps to make sure that the government follows through on its promises and does not spend its funds in an ineffective or corrupt way.

Submit your comments either:

At a meeting At your municipal offices Online

How can you participate?

The most important time to participate is during the tabling and consultation phase. Your municipality must hold meetings to hear from the public, and should also publish their proposed budget online. Keep an eye on your municipality's website and local newspapers to see when meetings will take place.

Visit www.municipalmoney.org.za to track your municipalities budget performance