PUBLIC NOTICE

NOTICE OF INTENTION TO INCUR LONG-TERM DEBT IN TERMS OF SECTION 46(3) OF THE LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003)

1. Notice is hereby given, in terms of section 46(3)(a)(i) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) ("the MFMA"), read with section 21A of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), that the Fetakgomo-Tubatse Local Municipality ("the Municipality") intends to incur long-term debt in the form of a long-term loan facility in the amount of R300 000 000 (three hundred million Rand), the approval of which will be considered by the Municipal Council, on a date not less than twenty-one (21) days after the date of publication of this notice.

2. **Council authority:** by Resolution No. **SC62/2026**, adopted at the 19th Special Council Meeting held on 29 May 2026 in approving the 2026/27 MTREF Budget, the Municipal Council authorised the Accounting Officer to borrow an amount of R300 000 000 (three hundred million Rand), inclusive of VAT, structured in two tranches, to finance the specified capital assets contained in the approved 2026/27 MTREF capital budget, subject to the borrowing being concluded in strict compliance with the MFMA, the Municipality's Supply Chain Management Policy and all applicable National Treasury regulations and circulars.

3. The information statement contemplated in section 46(3)(a)(i) of the MFMA, setting out the amount of the proposed debt, the purpose for which it is to be incurred and particulars of the security to be provided, is set out in Table 1 below and paragraph 4 below.

TABLE 1: PARTICULARS OF THE PROPOSED LONG-TERM DEBT (INFORMATION STATEMENT)	
Borrower	Fetakgomo-Tubatse Local Municipality (LIM 476)
Nature of debt	Long-term loan facility (long-term debt as defined in section 1 of the MFMA)
Total facility amount	R300 000 000 (three hundred million Rand)
Currency	South African Rand (ZAR) – the debt will not be denominated in, or indexed to, any foreign currency, in compliance with section 47 of the MFMA
Repayment term (tenure)	Ten (10) years, calculated from the date of first drawdown

TABLE 1: PARTICULARS OF THE PROPOSED LONG-TERM DEBT (INFORMATION STATEMENT)	
Payment moratorium	Capital and interest moratorium during the 2026/27 financial year; capital and interest repayments commence in the 2027/28 financial year
Repayment method	Equal instalments of capital and interest (amortising), payable in accordance with the anticipated debt repayment schedule contained in the full information statement
Interest rate type	Fixed or floating (linked to the prime lending rate or JIBAR), to be determined on the basis of the most competitive proposal received
Indicative interest rate	10.25% per annum (all-in, indicative, as assumed in the Municipality's 2026/27 MTREF). The final rate will be determined on conclusion of the loan agreement and is subject to movements in the underlying capital markets.
Estimated capital requirement	R300 000 000
Source of repayment	Own revenue
Prospective lenders	The following financial institutions have expressed interest in providing the facility: • Development Bank of Southern Africa (DBSA) • Nedbank Limited • The Standard Bank of South Africa Limited • Absa Bank Limited The successful financier will be selected in accordance with the Municipality's Supply Chain Management Policy and the MFMA.

4. In accordance with section 46(1)(a) of the MFMA, the proposed debt will be incurred solely for the purpose of capital expenditure on property, plant and equipment to be used for the purpose of achieving the objects of local government in terms of section 152 of the Constitution. The proceeds of the loan will be applied to the development of **income-generating infrastructure** in Burgersfort, comprising **the bulk and internal engineering services (roads and stormwater, electricity reticulation, and water and wastewater services)** for a mixed-use development, and **the development of a licensed municipal landfill site.** These assets will generate rates, service charges and other revenue for the Municipality over their useful lives, from which the debt will be serviced. No part of the debt will be applied to operational expenditure.

5. The full information statement, together with particulars of the essential repayment terms, the anticipated debt repayment (amortisation) schedule and the anticipated total cost of the debt over the repayment period, as contemplated in section 46(3)(a) of the MFMA, is available for inspection free of charge during normal office hours (07:30 – 16:00, Monday to Friday) at the following locations:

- Head Office: Budget and Treasury Office, 1 Kastania Street, Burgersfort;
- Regional Office: Stand No. 1, Mashung, Ga-Nkwana;
- Municipal website: www.fetakgomotubatse.gov.za; and
- All municipal libraries and Thusong Service Centres within the municipal area.

6. In terms of section 46(3)(a) of the MFMA, the local community, members of the public, interested and affected parties, the National Treasury and the Limpopo Provincial Treasury are hereby invited to submit written comments, representations or objections in respect of the proposed long-term debt to the Municipal Council.

7. Any objections, comments or representations must be submitted in writing, for the attention of the **Chief Financial Officer**, Fetakgomo-Tubatse Local Municipality, Private Bag X11037, Burgersfort, 1150, or hand-delivered to the Budget and Treasury Office at 1 Kastania Street, Burgersfort, or e-mailed to the Chief Financial Officer, Mr L Makgopa, at lmakgopa@ftlm.gov.za (reference: "R300 million long-term loan – section 46 comment"), and must reach the Municipality **within twenty-one (21) days of the date of publication of this notice**, that is, by no later than 16:00 on 20 October 2026. Comments or representations received after the closing date may not be considered.

8. All comments and representations received will be tabled before the Municipal Council, which will consider them, in accordance with section 46(3)(b) of the MFMA, before deciding whether to approve the proposed debt. A copy of this information statement has been submitted to the National Treasury and the Limpopo Provincial Treasury in accordance with the MFMA and the Municipal Regulations on Debt Disclosure, 2007.

9. Members of the public who are unable to read or write may visit the Budget and Treasury Office at Head Office during office hours, where an official will assist them to record their comments, representations or objections, in accordance with section 21A of the Municipal Systems Act.

10. Enquiries regarding this notice may be directed to the Office of the Chief Financial Officer at telephone 013 231 1000 during office hours.

MAKGATA MJ
MUNICIPAL MANAGER (ACCOUNTING OFFICER)
Fetakgomo-Tubatse Local Municipality