

# MAKHADO FINAL ANNUAL BUDGET 2026/27- 2028/29

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*MTREF-2026/2027*

## Contents

PART 1 – ANNUAL BUDGET	3
1.1. Mayor’s Report.....	3
1.2. Recommendations (administrative management).....	3
1.3. Executive summary and consultative process .....	4
1.3.1. Alignment with national, provincial and district priorities	4
1.3.2. Alignment with National and Provincial Government	4
1.3.3. Proposed tariff increments	5
1.3.4. Situational Analysis	5
1.4. Budget overview.....	7
1.5. Overview of the alignment of annual budget with integrated development plan:.....	8
1.6. Overview of budget related policies .....	9
1.7. Overview of budget funding.....	11
1.7.1. Income	12
1.7.2. Expenditure	0
1.8. Overview of budget assumptions .....	1
PART 2 – ANNUAL BUDGET TABLES	3
2.1. Capital budget.....	3
2.1.1. Funding source for the Capital Budget:	4
2.2. CASH FLOW PROJECTION	5
2.3. Budget process and key stakeholder relations	7
2.4. Recommendations (administrative management)	12

## **PART 1 – FINAL ANNUAL BUDGET**

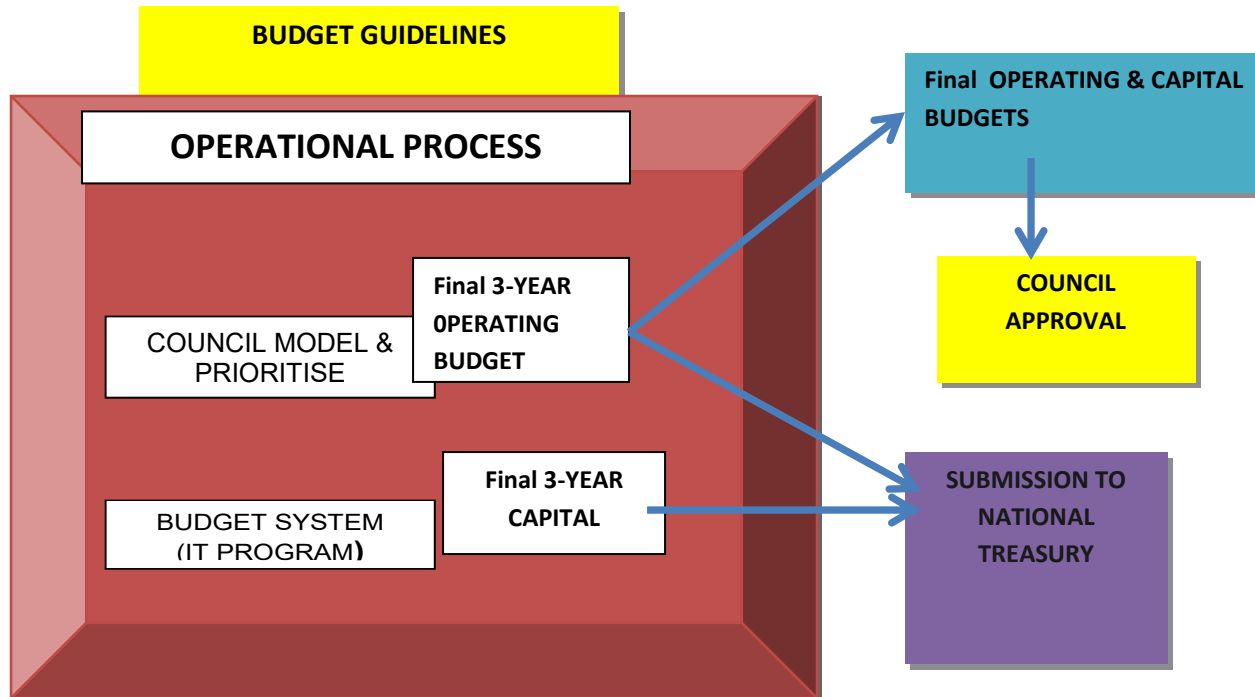
### **1.1. Mayor's Report**

The mayor's report will be furnished after the Budget Speech.

### **1.2. Recommendations (administrative management)**

1. THAT the Final Capital and Operational Estimates for the 2026/2027 financial year as more fully recorded in **Annexure A** attached to the report in this regard be adopted by council.
2. THAT the following 2026/2027 financial year's budget related policies be approved by council as more fully set out in **Annexure B1 to B26** attached to the report in this regard-
3. Final 2026/2027 tariff listing for municipal service be approved as set out in Annexure C
4. THAT it be noted that the Final 2026/2027 Estimates after approved by the Council in terms of section 24 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.

### 1.3. Executive summary and consultative process



#### 1.3.1. Alignment with national, provincial and district priorities

The National, provincial and district priorities will be gathered during consultative process and be integrated in the IDP of both Makhado Local Municipality and Vhembe District Municipality.

#### 1.3.2. Alignment with National and Provincial Government

Information sharing will take place between the municipality, provincial and national governments in order to ensure integration

### 1.3.3. Proposed tariff increments

Proposed tariff increase on other services are as follows:

<b>SERVICE</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
Electricity – NERSA Approved plus inflation	12.41%	12.31%	12.21%
Property rates	3.40%	3.30%	3.20%
Other services	3.40%	3.30%	3.20%
Bulk purchases – NERSA Approved	9.01%	9.01%	9.01%

### 1.3.4. Situational Analysis

#### 1.3.4.1. Demography

According to Statistics South Africa the estimated total population of Makhado Local Municipality is 502 338.

Makhado Local Municipality comprises of 4 formal towns, which are: Makhado, Vleifontein, Waterval and Dzanani and Luvuvhu

The main administrative office is situated in Makhado town with three supporting regional administrative offices, which are situated in the following areas: Dzanani, and Waterval and Luvuvhu

<b>Political Office Bearers and Municipal Manager</b>	
Mayor	Cllr MBOYI MD
Speaker	Cllr MUKWEVHO-MITILENI GT
Chief Whip	Cllr MASUKA S
Municipal Manager	Mr KM NEMANAME

Makhado Local Municipality has 38 ward councillors and 37 proportional councillors. The Municipality also has 38 established ward committees.

#### 1.4. Budget overview

The budget has been compiled on a three-year basis, which is a requirement of National Treasury, Standards of Generally Recognised Accounting Practices (GRAP) and MFMA. The budget process of compiling a three-year budget commenced in August 2024.

The Makhado Local Municipality was faced with various challenges during the compilation of the budget and reviewing of the IDP such as the formulation of measurable objectives for the different functions, the financial implications of the organisational structure, capital costs, input costs to deliver services and increasing maintenance costs.

According to National Treasury MFMA Circular No. 134 ,(i.e. 90 days before the start of the budget year) and Final budget to be approved on or before the 30<sup>th</sup> of May 2026.

- The projected overall spending envelope for the 2026/2027 MTREF amounts to R 1 520 358 billion on operational Expenditure budget whereas, the Total Revenue for the 2026/2027 MTREF amounts to R 1 778 206 billion and R 215 301 million in the capital budget.
- The 2026/2027 MTREF has been prepared within the context of reducing expenditure due to the municipality's weighty cash constraints and taking into consideration the implications of the country's economy crisis at the moment to ensure that the financial sustainability of the council is sustained.
- A strategic should also have a positive effect on increased collection rates and the continue implementing of revenue enhancement strategy.
- MFMA Circular No.134 of the National Treasury and NERSA provides some guidelines as to how municipalities may respond to the economic crisis in their budget preparations.
- Given the constraints on the revenue side, the municipality will expedite spending on capital projects that are funded by conditional grants but maintaining fiscal sustainability, the commitment to deliver quality services. Maintaining all assets at a level adequate to protect the capital investment and minimize future maintenance future maintenance and replacement costs.
- The municipality targeted at achieving an unqualified audit report with no finding in 2025/2026 and 2026/27, reflecting the drive towards financial management excellence in the region and increasing spending on conditional grants.
- The IDP review was prepared in alignment with budget and performance management plan objectives of the municipality, resulting in the development and approval of the Service Delivery and Budget Implementation Plan (SDBIP).

### 1.5. Overview of the alignment of annual budget with integrated development plan 2025-2029 and public consultation process:

- A three (3) year capital budget has been prepared and built on the IDP document to be approved by Council on or before 30 May 2026
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no. 31804 of 2009, which provides the comparative financial information over a systematic number of years.
- The extent of the indigent support granted by Council to indigent households within the Municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:
  - ✓ **Sustainability** - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.
  - ✓ **Credibility** - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.
  - ✓ **Governance** - that the Municipality has appropriate capacity and stability to ensure the long-term sustainability of service delivery.

#### **Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:**

- ✓ Economic Development
- ✓ LED support and implementation
- ✓ Integrated Land Use Management System
- ✓ Implementation and monitoring of Performance Management System (PMS)
- ✓ Environmental Management
- ✓ Optimize tourism potential
- ✓ Rural Development
- ✓ Poverty alleviation, particularly in rural areas
- ✓ Service backlogs (electricity, roads, storm water, solid waste, cleansing) needs to be addressed
- ✓ Upgrading, maintenance of roads and storm water and electricity
- ✓ Improve access and linkages between towns, informal and rural settlements

- ✓ Public transportation should be improved. Taxi ranks must be upgraded, and the railway line should be better utilized. Improve solid waste management
- ✓ Broaden Revenue Base
- ✓ Implementation of the HIV/AIDS plan
- ✓ Crime prevention (Safety and Security)
- ✓ Development, however the lack of timely suitable engineering services have limited development at this point in time, however the municipality has embarked on the formulation of a development Strategic plan for accelerating infrastructure including development of a landfill site

### **Water supply**

Vhembe District Municipality is the water service authority for Makhado Local Municipality.

**To ensure sustainable governance practices within the Municipality, the following should be adhered to:**

- Corporate governance practices (legal compliance)
- Business leadership / management (planning, structuring, culture, performance management, stakeholder relations management, communication)
- Resource management (people management, financial management, ICT management, asset management)

## **1.6. Overview of budget related policies**

The municipality has various policies, which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies have been reviewed:

2.1 Virement Policy

2.2 Credit Control and Debt Collection Policy

2.3 Borrowing policy

2.4 Expenditure Management Policy

2.5 Funding and Reserves Policy

2.6 Budget Policy

- 2.7 Framework for cash flow management
- 2.8 Asset management policy
- 2.9 Subsidy for indigent household policy
- 2.10 Debt written off policy.
- 2.11 Property Rates Policy
- 2.12 Supply Chain Management Policy
- 2.13 Revenue Management Policy
- 2.14 Travel and Subsistence Policy
- 2.15 Acquisition and use of Cellular phones Policy
- 2.16 Petty cash policy
- 2.17 Car allowance policy
- 2.18 Fleet Management policy
- 2.19 Tariff Policy
- 2.20 Customer Care Policy
- 2.21 Contract Management Policy
- 2.22 Cost Containment Policy
- 2.23 Preferential Procurement Policy
- 2.24 Investment policy
- 2.25 Retention expenditure policy
- 2.26 UIFW Expenditure Policy
- By-Laws
- 2.27 Makhado Credit Control and Debt Collection By-Laws
- 2.28 Property Rates By-Law

## 1.7. Overview of budget funding and changes from final budget

### A4 Financial performance report ( Major highlights)

#### Expenditure Items

- Other expenditure has been budgeted at an amount of R 143 327 million. This includes stores issues and general expenditure.
- Contracted services have been budgeted at an amount of R 154 069 million. This includes the budget for township establishment and land survey and demarcation of sites in all Makhado and roads maintenance which include re-gravelling in villages and electricity maintenance for the whole municipal area.
- The amount of R 7 million has been budgeted for to cover roads maintenance (Patching of potholes in town, Waterval region, vleinfointen, dzanani and Luvuvhu region and Storm water in Makhado area (kutama Sinthumule area, dzanani ,Waterval region and luvuvhu) and Re-gravelling in villages.
- The amount of R 25 million has been budgeted to cover the electricity maintenance this include other Preventive measures in the following areas

1	Mara, Sinthumule, Kutama, Mudimeli / Tshiendeulu, Tshipise & Ward 37, Levubu 2, Levubu East, Levubu Central, Levubu west (Beaufort), Bandelierkop, Mashau, mountain, Tshifhire
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- The amount of R 3.3 million has been budgeted to cater for town establishment in the following areas:

SPATIAL PLANNING		Year 1	Year 2	Year 3
Project / Programme / Strategy	Municipal Area	2026/27	2027/28	2028/29
		Budget	Budget	Budget
Township Establishment (Town Planning)	Louis Trichardt Extension 18	550 000.00	100 000.00	-
Township Establishment (Town Planning)	Bergvliet 288 L.S	1 000 000.00	1 000 000.00	1 000 000.00
Township Establishment (Town Planning)	Rietvly 276 L.S	1 000 000.00	1 000 000.00	1 000 000.00
Township Establishment (Town Planning)	Makhado A Ext 3 and 4	800 000.00	600 000.00	-
<b>TOTAL</b>		<b>R 3 350 000.00</b>	<b>R 2 700 000.00</b>	<b>R 2 000 000.00</b>

The operating expenditure budget for 2026/2027 amounts to **R 1 520 358 billion** as compared to the previous revised budget of **R 1 511 786 billion** in the 2025/2026 financial year.

### 1.7.1. Income

The operating income for 2026/2027 is budgeted at **R 1 629 728 billion** which leaves a marginal operating surplus of **R 109 370 million** which is after deduction of non-cash items such as depreciation and impairment of assets amounting to **R 170 256 million**, **R 40 617 million** for debt impairment and **R 12 634 million** for loss on disposal of assets.

<b>LIM344 Makhado - Table A1 Budget Financial Performance (REVENUE)</b>				
<b>Description</b>		<b>Final Budget Year 2026/27</b>	<b>Final Budget Year +1 2027/28</b>	<b>Final Budget Year +2 2028/29</b>
	<b>ADJUSTED BUDGET 2025/2026</b>	<b>Final Budget</b>	<b>Final Budget</b>	<b>Final Budget</b>
<b>Revenue By Source</b>				
Property rates	132 050 505.45	136 540 222.63	141 046 049.98	145 559 523.58
Service charges - electricity revenue	700 682 385.25	787 637 069.26	884 595 192.49	992 604 265.49
Service charges - refuse revenue	16 637 578.25	17 203 255.91	17 770 963.36	18 339 634.18
Rental of facilities and equipment	1 105 116.80	1 142 690.77	1 180 399.57	1 218 172.35
Interest earned - external investments	2 858 406.01	2 955 591.81	3 053 126.34	3 150 826.39
Interest earned - outstanding debtors	43 612 056.99	45 094 866.92	46 582 997.53	48 073 653.45
Fines, penalties and forfeits	4 991 368.28	5 161 074.81	5 331 390.27	5 501 994.76
Licences and permits	4 422 538.61	4 572 904.93	4 723 810.79	4 874 972.73
Transfers and subsidies	554 342 350.00	518 155 850.00	515 342 500.00	547 911 450.00
Other revenue	193 104 885.00	111 264 522.39	109 936 251.63	108 454 211.68
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 653 807 190.64</b>	<b>1 629 728 049.44</b>	<b>1 729 562 681.96</b>	<b>1 875 688 704.63</b>

- The other revenue that has been budgeted includes an amount of R 70 million that the municipality will recover from the auction of South of Pretorius and Extension 9 that took place during the 2025/26 financial year and expect to receive the portion of the amount in the 2026/27 financial year and this will enhance the municipality revenue.
- The alienation of the above-mentioned stands will be spread across a period of three years from 2026/27 to 2028/2029 financials.

## 1.7.2. Expenditure

The projected electricity increases in tariffs will be capped currently at 12.41% increase.

Funding of the budget is mainly from the Equitable share allocation, MIG operating subsidy grant and partial own income.

The municipality is currently reviewing the budget related processes to support the implementation of the Service Delivery and Budget Implementation Plan.

Salaries increase from **R 428 724 million** for the 2025/2026 financial year's revised budget to an amount of **R 449 089 million** for the 2026/2027 financial year (excluding councilors). For councilors the budgeted expenditure increased from **R 34 781 million to R 36 172 million**, which is due to the fact that some critical vacancies have been filled in the current year to sustain service delivery and sustainable financial reporting. The total salary package of the Council amounts to 2 % of the Total Operating expenditure

<b>R thousands R '000</b>	<b>Adjusted Budget 2025/2026</b>	<b>Budget Year 2026/2027</b>	<b>Variance in cost increase /decrease</b>
Employee costs	R 428 724	R 449 089	R 20 365
Remuneration of councilors	R 34 781	R 36 172	R 1 391
Depreciation & asset impairment	R 218 998	R 210 873	(R 8 125)
Finance charges	R 20 660	R 15 346	(R 5 314)
Materials and bulk purchases	R 534 059	R 579 190	R 45 131
Other expenditure (Contracted services and operational expense)	R 281 564	R 229 688	(R 51 876)
<b>Total Expenditure</b>	<b>R 1 518 786</b>	<b>R 1 520 358</b>	<b>R 1 572</b>

Proposed tariff increases on other services are as follows: MFMA Circular 134

<b>SERVICE</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
Electricity – NERSA Approved plus inflation	12.41%	12.31%	12.21%
Property rates	3.40%	3.30%	3.20%
Other services	3.40%	3.30%	3.20%
Bulk purchases – NERSA Approved	9.01%	9.01%	9.01%

## 1.8. Overview of budget assumptions

### Introduction

This section of the budget report provide comprehensive summary of all the assumption used in the budget proposal. Budgets are prepared in an environment of uncertainty and assumptions need to be made about both internal and external factors that could affect the budget during the course of the financial year.

National Treasury MFMA Circular 134 estimate inflation rate of 3.4% in 2026/27, 3.3% in 2027/28 and 3.2% in 2028/29 financial years respectively.

### Price increases on various items on the budget were assumed as follows:

- Price movements on **bulk purchases**: Based on the application response from NERSA for the proposed electricity tariff increase of 12.41% also in line with the National Treasury guidance

- **Employee costs:** Was increased by 4.75%, which is also guided by National Treasury MFMA Circular 134 general employee costs increased as per circular 04/2026 of the bargaining council agreement dated the 13<sup>th</sup> March 2026 for the period 01 July 2026 to 30 June 2027.
- **Overtime and leave payment:** It was assumed that leave would be paid only on termination due to resignation or death. It was assumed that the municipality will not purchase any leave in cash during the year.
- **Depreciation & debt impairment Expenses:** Depreciation expense has been increased in line with the inflation rates
- **Collection rate:** collection rate of 91% was assumed during 2026/27 budget period. This was based on the current collection rate of 91%

## PART 2 – FINAL ANNUAL BUDGET TABLES

### 2.1. Capital budget

The capital required for 2026/2027 amounts to **R 215 301 million** of which **R 99 714 million** should be funded out of internally generated income.

<b>MAKHADO MUNICIPALITY</b>			
<b>SUMMARISED DRAFT FINAL BUDGET FOR 2026/2027 TO 2028/2029 FINANCIAL YEARS</b>			
<b>DEPARTMENT</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
Technical Services	170 600 069.78	177 438 348.12	187 593 046.00
Community Services	6 255 700.00	7 393 982.66	10 744 519.35
Budget and Treasury	28 600 000.00	19 500 000.00	20 700 000.00
Corporate Services	7 710 000.00	14 400 000.00	8 400 000.00
Regional Office	2 135 000.00	4 130 000.00	825 000.00
<b>TOTAL</b>	<b>215 300 769.78</b>	<b>222 862 330.78</b>	<b>228 262 565.35</b>
<b>FUNDING</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
INCOME	99 713 619.78	93 080 830.78	94 153 015.35
MIG	107 195 150.00	119 329 500.00	123 185 550.00
INEP	8 392 000.00	10 452 000.00	10 924 000.00
<b>TOTAL</b>	<b>215 300 769.78</b>	<b>222 862 330.78</b>	<b>228 262 565.35</b>

Many of the capital projects required by the departments were reduced due to a lack of funds and the increasing maintenance costs and fund availability in the light of the municipality's financial constraints.

**The composition of the Capital Budget is made up as follows:**

The growth in the expenditure budget is mainly attributed to:

- Increased spending to address maintenance backlogs in infrastructure roads and electricity in all municipal area due to rain
- Increased spending on employee related costs
- Increased spending attributable to bulk purchasing costs for electricity
- On-going issues requiring monitoring and evaluation, consequently, they should carefully be monitored and evaluated
- Maintenance backlogs in respect of Council's assets – adequacy of budgetary provisions
- Maintenance of current collection rates
- Effectiveness of debt collection

**2.1.1. Funding source for the Capital Budget:**

Confirmed to date Capital Budget is funded largely from government grants, mainly from MIG and INEP which amounts to R 107 195 million and R 8 392 million respectively in 2026/27. The own funded projects is proposed to be funded from own funding to the value of **R 104 414 million**.

**2.1.2 The following is the summary of grants allocations as per provisional DORA gazette**

<b>MUNICIPAL GRANTS FOR 2026/27 - 2028/29</b>			
<b>Description</b>	<b>2026/27 Allocation</b>	<b>2027/28 Allocation</b>	<b>2028/29 Allocation</b>
	<b>R '000</b>	<b>R '000</b>	<b>R'000</b>
Equitable Share	R507 068	R506 862	R539 128
MIG	R112 837	R125 610	R129 669
FMG	R2 100	R2 200	R2 300
INEP	R8 392	R10 452	R10 924
EPWP	R3 346	R0	R0
Disaster Grant	R0	R0	R0
<b>TOTAL</b>	<b>R633 743</b>	<b>R645 124</b>	<b>R682 021</b>

**2.2. CASH FLOW PROJECTION**

- Makhado Local Municipality projected to start the financial year with positive balance cash / cash equivalents and project an average collection rate for the coming financial year of 85-91%. Based on these assumptions the projected income for the year will exceed the projected expenditure.
- It is therefore important that the impact of increased expenditures for each service delivery area be carefully considered within the next budget cycle to ensure that each service remains financially sustainable over the medium term with the least impact on the communities.
- The average collection rate for main tariffs for the current financial year to date is 91%

LIM344 Makhado - Table A7 Budgeted Cash Flows				
Description	2026/27 Medium Term Revenue & Expenditure Framework			
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<b>R thousand</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	120 165 973	124 251 603	128 351 905	132 459 166
Service charges - Electricity	637 620 971	716 749 733	804 981 625	903 269 882
Service charges - Refuse	15 140 198	15 654 963	16 171 577	16 689 067
Other revenue	133 439 879	138 377 155	142 943 601	147 517 796
Transfers and Subsidies - Operational	554 342 000	518 155 850	515 342 500	547 911 450
Transfers and Subsidies - Capital	125 562 500	115 587 150	129 781 500	134 109 550
Interest	19 696 000	20 424 752	21 098 769	21 773 929
Dividends				
<b>Payments</b>				
Suppliers and employees	-1 321 120 521	-1 418 589 114	-1 506 583 679	-1 600 560 860
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>284 847 000</b>	<b>230 612 091</b>	<b>252 087 798</b>	<b>303 169 981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		-		-
Decrease (increase) in non-current receivables		-		-
Decrease (increase) in non-current investments		-		-
<b>Payments</b>				
Capital assets	-271 545 361	-215 300 770	-222 862 331	-228 262 565
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-271 545 361</b>	<b>-215 300 770</b>	<b>-222 862 331</b>	<b>-228 262 565</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans		-		-
Borrowing long term/refinancing		-		-
Increase (decrease) in consumer deposits		-		-
<b>Payments</b>				
Repayment of borrowing		-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>				
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>13 301 638</b>	<b>15 311 322</b>	<b>29 225 468</b>	<b>74 907 416</b>
Cash/cash equivalents at the year begin:	19 589 034	32 890 672	48 201 994	77 427 462
Cash/cash equivalents at the year end:	32 890 672	48 201 994	77 427 462	152 334 877

**2.3. Budget process and key stakeholder relations**

<b>August</b>	<ul style="list-style-type: none"> <li>• The Mayor tables at Council for approval the IDP and Budget Process Plan in terms of Section 21 of the Municipal Systems Act and Section 34 of the Municipal Finance Management Act.</li> <li>• Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders.</li> <li>• Strategic Planning Session to review the current strategic plan of the Municipality, review of past service delivery performance and determine future multiyear political priorities, KPAs, KPIs and Programmes.</li> </ul>
<b>September</b>	<ul style="list-style-type: none"> <li>• The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available.</li> </ul>
<b>October</b>	<ul style="list-style-type: none"> <li>• Public Consultation Process with the community, and other key stakeholders on service delivery performance for the prior year and current year-to-date. Share information on the political priorities and Programmes planned for the year/s ahead. Confirmation of ward based priority needs for the year/s ahead.</li> </ul>
<b>November</b>	<ul style="list-style-type: none"> <li>• Compile report on the needs for the year/s ahead obtained from the community and other key stakeholders. Prioritization process of community needs and projects</li> </ul>

<p><b>December- January</b></p>	<ul style="list-style-type: none"> <li>• Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> <li>✓ IDP proposals and Budget alignment</li> <li>✓ Agreement of any changes the Mayor should propose to the IDP</li> </ul> </li> <li>• Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP.</li> <li>• Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).</li> </ul>
<p><b>January</b></p> <p><b>February</b></p>	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> <li>• the 2026/27 mid-year performance and budget assessment reports</li> <li>• Review of the draft mid-year performance and budget monitoring reports.</li> <li>• The 2024/2025 draft Annual Report was tabled in Jan 2026</li> <li>• Agreement of the 2026/27 Adjustments Budget Report to be tabled at Council</li> <li>• Executive Management Team meets to: <ul style="list-style-type: none"> <li>✓ prepare for Strategic IDP/Budget/SDBIP Workshop</li> <li>✓ discuss the draft 2026/2027 IDP inputs</li> <li>✓ discuss the 2026/2027 budget proposals</li> </ul> </li> </ul>

<b>March</b>	<p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p>
	<ul style="list-style-type: none"> <li>• Agreement of the proposed changes to be made to the IDP to be included in the March Council Report.</li> <li>• Agreement of the 2026/27 budget proposals to be included in the March Council Budget Report.</li> </ul>
	<p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p>
	<p>The Executive Mayor tables the Municipality’s Draft 2025/26 Budget Report and IDP at Council.</p>
<b>April and May</b>	<p>Statutory public participation process undertaken on the tabled Draft IDP and Budget for 2026/2027. Council obtains the views of the local community, National Treasury, Provincial Treasury, other district, provincial and national organs of state and municipalities.</p>
	<p>Finalization of 2026/2027 budget and IDP</p>
	<p>The IDP, Budget Report, and draft SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p>
<p>The Executive Mayor tables the Municipality’s 2026/27</p>	
<p>Budget Report, IDP, and draft SDBIP at Council for final approval on 31 May 2026</p>	

<b>June</b>	<p>The IDP and Budget Reports are placed on the municipality’s website and sent to National and Provincial Treasury.</p> <p>The Executive Mayor must review and approve the 2026/2027 SDBIP within 28 days after approval of the budget and ensure that annual performance contracts are concluded in accordance with section 57(2) of the Municipal Systems Act. The Executive Mayor to ensure that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP. The Executive Mayor submits the approved 2026/2027 SDBIP and performance agreements to Council, MEC for local government, and makes it public within 14 days after approval.</p>
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Special Council Meeting; Executive Mayor tables budget (pre-community consultation) to Council:

- Draft Budget Made available on the municipality's website, municipal offices and notice placed in all major newspapers informing members of the public about the draft budget and inviting written submissions/representations.
- Budget discussions Ward committees/Stakeholders.
- Community consultation to present and discuss the draft budget proposals
- and receive inputs/ submissions/comment
- Closing of Public and internal Submissions to close on end of Mid - April 2026.
- Special Council Meeting Mayor delivers budget speech and submits final budget to Council for consideration and approval.

**Process to record and integrate inputs from the community**

- After consideration of all budget submissions, the Executive Mayor will be given the opportunity to respond, if necessary revise the budget and table amendments for consideration.
- To ensure that all community inputs are recorded and integrated, throughout the consultation period, a system were initiated to ensure that:
- All written submissions were required to be directed to the main municipal offices for further reprocessing department, who would maintain a record of lodgments and direct submissions to the appropriate department for comment and recommendation.
- All verbal questions at community consultation meetings would be recorded, together with the answer provided at the meeting or referred an appropriate representative to the appropriate department for comment and recommendation.
- Where possible, the submissions and presentations received during the community consultation process and additional information regarding revenue and expenditure will be addressed before tabling of the final budget.

## **2.4. Recommendations (administrative management)**

- 2.4.1. THAT the Final Capital and Operational Estimates for the 2026/2027 financial year as more fully recorded in **Annexure A** attached to the report in this regard be approved by council and that the Accounting Officer proceeds with the publication of the final Annual Budget as purposed in section 22 of the Local Government: Municipal Finance Management Act, No 56 of 2003, and the Regulations promulgated in terms thereof.
- 2.4.2. THAT the following 2026/2027 budget related policies be approved by to council as more fully set out in **Annexures 1 to Annexure 26** attached to the report in this regard:

### Policies

- 2.4.1. Virement Policy
- 2.4.2. Credit Control and Debt Collection Policy
- 2.4.3. Tariff policy free basic services/indigent policy
- 2.4.4. Borrowing policy
- 2.4.5. Expenditure Management Policy
- 2.4.6. Funding and Reserves Policy
- 2.4.7. Budget Policy
- 2.4.8. Framework for cash flow management
- 2.4.9. Asset management policy
- 2.4.10. Subsidy for indigent household policy
- 2.4.11. Uniform Credit Control Policy
- 2.4.12. Debt written off policy
- 2.4.13. Supply Chain Management Policy
- 2.4.14. Revenue Management Policy
- 2.4.15. Travel and Subsistence Policy
- 2.4.16. Acquisition and use of Cellular phones Policy
- 2.4.17. Petty cash policy
- 2.4.18. Car allowance policy
- 2.4.19. Tariff Policy
- 2.4.20. Customer Care Policy
- 2.4.21. Contract Management policy

- 2.4.22. Cost Containment Policy
- 2.4.23. Preferential Procurement Policy
- 2.4.24. Investment policy
- 2.4.25. Retention Expenditure policy
- 2.4.26. UIFW Expenditure Policy

2.4.3. THAT note be taken of any amendments to the contents of the budget related policies.

2.4.4. THAT it be noted that the 2026/2027 Estimates will after be approved by the Council in terms of section 22 of the Municipal Finance Management Act, be submitted to National Treasury and the Provincial Treasury.

2.4.5. Final 2026/2027 tariff listing for municipal service be approved by council as attached in **Annexure C**

**PART 3 –FINAL ANNUAL BUDGET TABLES**

C1	CAPEX detailed breakdown of projects listing Annexure
A4	Budget Summary
A7	Budgeted Cash Flows

<b>LIM344 Makhado - Table A1 Budget Financial Performance (REVENUE)</b>				
<b>Description</b>		<b>Final Budget Year 2026/27</b>	<b>Final Budget Year +1 2027/28</b>	<b>Final Budget Year +2 2028/29</b>
	<b>ADJUSTED BUDGET 2025/2026</b>	<b>Final Budget</b>	<b>Final Budget</b>	<b>Final Budget</b>
<b>Revenue By Source</b>				
Property rates	132 050 505.45	136 540 222.63	141 046 049.98	145 559 523.58
Service charges - electricity revenue	700 682 385.25	787 637 069.26	884 595 192.49	992 604 265.49
Service charges - refuse revenue	16 637 578.25	17 203 255.91	17 770 963.36	18 339 634.18
Rental of facilities and equipment	1 105 116.80	1 142 690.77	1 180 399.57	1 218 172.35
Interest earned - external investments	2 858 406.01	2 955 591.81	3 053 126.34	3 150 826.39
Interest earned - outstanding debtors	43 612 056.99	45 094 866.92	46 582 997.53	48 073 653.45
Fines, penalties and forfeits	4 991 368.28	5 161 074.81	5 331 390.27	5 501 994.76
Licences and permits	4 422 538.61	4 572 904.93	4 723 810.79	4 874 972.73
Transfers and subsidies	554 342 350.00	518 155 850.00	515 342 500.00	547 911 450.00
Other revenue	193 104 885.00	111 264 522.39	109 936 251.63	108 454 211.68
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 653 807 190.64</b>	<b>1 629 728 049.44</b>	<b>1 729 562 681.96</b>	<b>1 875 688 704.63</b>

<b>LIM344 Makhado - Table A1 Budget Financial Performance (EXPENDITURE)</b>				
<b>Description</b>		<b>Final Budget Year 2026/27</b>	<b>Final Budget Year +1 2027/28</b>	<b>Final Budget Year +2 2028/29</b>
	<b>ADJUSTED BUDGET 2025/2026</b>	<b>Final Budget</b>	<b>Final Budget</b>	<b>Final Budget</b>
<b>Expenditure By Type</b>				
Employee related costs	428 724 107.52	449 088 502.63	470 420 206.50	492 765 166.31
Remuneration of councillors	34 781 061.00	36 172 303.44	37 619 195.58	39 123 963.40
Debt impairment	44 813 059.00	40 617 215.00	41 957 583.10	43 300 225.75
Depreciation & asset impairment	174 184 813.62	170 256 000.00	175 874 448.00	181 502 430.34
Finance charges	20 659 670.99	15 345 890.00	15 852 304.37	16 359 578.11
Bulk purchases	480 796 649.29	524 116 427.39	571 339 317.50	622 816 990.01
Other materials	53 262 791.30	55 073 726.21	56 891 159.17	58 711 676.26
Contracted services	199 000 000.00	154 069 000.00	159 153 277.00	164 246 181.86
Other expenditure	82 563 792.91	75 618 653.25	78 114 068.80	80 613 719.01
<b>Total Expenditure</b>	<b>1 518 785 945.63</b>	<b>1 520 357 717.91</b>	<b>1 607 221 560.02</b>	<b>1 699 439 931.05</b>

LIM344 Makhado - Table A7 Budgeted Cash Flows				
Description	2026/27 Medium Term Revenue & Expenditure Framework			
	R thousand	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +1 2027/28
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	120 165 973	124 251 603	128 351 905	132 459 166
Service charges - Electricity	637 620 971	716 749 733	804 981 625	903 269 882
Service charges - Refuse	15 140 198	15 654 963	16 171 577	16 689 067
Other revenue	133 439 879	138 377 155	142 943 601	147 517 796
Transfers and Subsidies - Operational	554 342 000	518 155 850	515 342 500	547 911 450
Transfers and Subsidies - Capital	125 562 500	115 587 150	129 781 500	134 109 550
Interest	19 696 000	20 424 752	21 098 769	21 773 929
Dividends				
<b>Payments</b>				
Suppliers and employees	-1 321 120 521	-1 418 589 114	-1 506 583 679	-1 600 560 860
Finance charges				
Transfers and Grants				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>284 847 000</b>	<b>230 612 091</b>	<b>252 087 798</b>	<b>303 169 981</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		-		-
Decrease (increase) in non-current receivables		-		-
Decrease (increase) in non-current investments		-		-
<b>Payments</b>				
Capital assets	-271 545 361	-215 300 770	-222 862 331	-228 262 565
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>-271 545 361</b>	<b>-215 300 770</b>	<b>-222 862 331</b>	<b>-228 262 565</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans		-		-
Borrowing long term/refinancing		-		-
Increase (decrease) in consumer deposits		-		-
<b>Payments</b>				
Repayment of borrowing		-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>				
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>13 301 638</b>	<b>15 311 322</b>	<b>29 225 468</b>	<b>74 907 416</b>
Cash/cash equivalents at the year begin:	19 589 034	32 890 672	48 201 994	77 427 462
Cash/cash equivalents at the year end:	32 890 672	48 201 994	77 427 462	152 334 877

**CAPITAL EXPENDITURE**      The breakdown of the Capital Budget is as follows:

<b>MAKHADO MUNICIPALITY</b>			
<b>SUMMARISED DRAFT FINAL BUDGET FOR 2026/2027 TO 2028/2029 FINANCIAL YEARS</b>			
<b>DEPARTMENT</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
Technical Services	170 600 069.78	177 438 348.12	187 593 046.00
Community Services	6 255 700.00	7 393 982.66	10 744 519.35
Budget and Treasury	28 600 000.00	19 500 000.00	20 700 000.00
Corporate Services	7 710 000.00	14 400 000.00	8 400 000.00
Regional Office	2 135 000.00	4 130 000.00	825 000.00
<b>TOTAL</b>	<b>215 300 769.78</b>	<b>222 862 330.78</b>	<b>228 262 565.35</b>
<b>FUNDING</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
INCOME	99 713 619.78	93 080 830.78	94 153 015.35
MIG	107 195 150.00	119 329 500.00	123 185 550.00
INEP	8 392 000.00	10 452 000.00	10 924 000.00
<b>TOTAL</b>	<b>215 300 769.78</b>	<b>222 862 330.78</b>	<b>228 262 565.35</b>

**CAPITAL PROJECTS PER FUNDING SOURCE 2027 TO 2029**

<b>SUMMARY PER FUNCTION IN R'000</b>	<b>SOURCES</b>	<b>FINAL BUDGET 2026/2027 R'000</b>	<b>FINAL BUDGET 2027/2028 R'000</b>	<b>FINAL BUDGET 2028/2029 R'000</b>
ELECTRICITY	INCOME	R 29 949 579.78	R 27 456 848.12	R 38 900 000.00
ELECTRICITY	INEP	R 8 392 000.00	R 10 452 000.00	R 10 924 000.00
BUILDING	INCOME	R -	R 1 200 000.00	R -
ROADS	GRANT (MIG)	R 107 195 150.00	R 119 329 500.00	R 123 185 550.00
ROADS	INCOME	R 25 063 340.00	R 19 000 000.00	R 14 583 496.00
CORPORATE SERVICES	INCOME	R 7 710 000.00	R 14 400 000.00	R 8 400 000.00
FINANCE AND ADMINISTRATION	INCOME	R 28 600 000.00	R 19 500 000.00	R 20 700 000.00
WASTE MANAGEMENT	INCOME	R 2 318 789.00	R 2 664 660.83	R 3 748 173.35
COMMUNITY SERVICES	INCOME	R 6 071 911.00	R 8 859 321.83	R 7 821 346.00
<b>TOTAL</b>		<b>R 215 300 769.78</b>	<b>R 222 862 330.78</b>	<b>R 228 262 565.35</b>

The major highlights of this Capital Budget are as follows:

**FINAL ANNUAL CAPITAL BUDGET 2026/2027 TO 2028/2029 FINANCIAL YEAR  
BUDGET & TREASURY OFFICE**

<b>ASSETS MANAGEMENT SECTION</b>						
<b>CODE</b>	<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	1	Procurement of 2 x Graders	INCOME	3 100 000.00	4 000 000.00	4 000 000.00
	2	Procurement of Excavator x 1	INCOME	2 700 000.00	3 000 000.00	
	3	Procurement of Refuse removal Truck x 1	INCOME	2 500 000.00	2 500 000.00	2 500 000.00
	4	Procurement of Chain Dozer x 1	INCOME	4 000 000.00		4 000 000.00
	5	2 X Concrete mixer	INCOME	300 000.00		
	6	Procurement of 1 X front end loader	INCOME	1 700 000.00	2 500 000.00	
	7	Procurement of Auger drill Truck	INCOME	700 000.00		
	8	Procurement of 4 x 4 with PML Ladder ( x 2 in Y1, 1 per year for outer years)	INCOME	2 500 000.00	1 300 000.00	1 300 000.00
	9	Procurement of 4 x 4 Crane Truck x 01	INCOME	1 300 000.00		
	10	Procurement of 4 Ton Half canopy truck x 2	INCOME	1 600 000.00		
	11	Procurement of Cherry picker Truck x 1	INCOME	1 300 000.00		
	12	2 x Sedan for Traffic officers every year	INCOME	800 000.00	800 000.00	800 000.00
	13	Procurement of Double cab replacement one every year x 1	INCOME	500 000.00	500 000.00	500 000.00

14	Purchasing of 3x (each year) Extra Heavy Breakdown traffic truck with reflective branded/marked, fitted with two way radios, siren, blue lights (1x each year)	INCOME			2 200 000.00
15	Purchasing of 1x brake down traffic light motor vehicle with reflective branded/marked, fitted with two way radios, siren, & blue lights for law enforcement	INCOME		2 200 000.00	
16	Purchasing of 1x Extra Heavy Pound truck with special features for the impoundment of stray animals that is reflectively branded & marked (pound law enforcement) as such, fitted with two way radio	INCOME			2 200 000.00
17	Procurement of sedan replacement Pool vehicle one every year	INCOME	400 000.00	400 000.00	400 000.00
18	Procurement of 1X TLB Every year	INCOME	1 200 000.00	1 300 000.00	1 300 000.00
19	Procurement of 1 x pedestrian rollers (boom mack)	INCOME	1 000 000.00		
20	1x Traffic branded Mini-Bus specially designed to fit in the ANPR (blue light, two-way radio and siren)	INCOME	2 000 000.00		
	Total		<b>27 600 000.00</b>	<b>18 500 000.00</b>	<b>19 200 000.00</b>
	<b>OFFICE FURNITURE AND EQUIPMENT</b>				
21	Furniture for whole Municipality	INCOME	1 000 000.00	1 000 000.00	1 500 000.00
	<b>TOTAL</b>		<b>1 000 000.00</b>	<b>1 000 000.00</b>	<b>1 500 000.00</b>

**TOTAL BUDGET AND TREASURY BUDGET**

**28 600 000.00    19 500 000.00    20 700 000.00**

**FINAL ANNUAL CAPITAL BUDGET 2026/2027 TO 2028/2029 FINANCIAL YEAR  
COMMUNITY SERVICES DEPARTMENT**

<b>LIBRARY SERVICES</b>					
<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCE S</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
1	Musekwa and Main library CFX library Security system (3M Machine)	INCOME	400 000.00	450 000.00	500 000.00
2	3X Pyparus Library System smartphones	INCOME	40 000.00	-	-
3	Study carrels and chairs for Makhado Library	INCOME	200 000.00	50 000.00	50 000.00
<b>TOTAL</b>			<b>640 000.00</b>	<b>500 000.00</b>	<b>550 000.00</b>

<b>PARKS AND RECREATION SECTION</b>					
<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCE S</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
4	Purchasing and delivery of 10 x Heavy duty lawn mower and 20 x brush cutters	INCOME	800 000.00	1 200 000.00	1 200 000.00
5	Purchasing and delivery of 1 x Trailer for Heavy Duty Lawn mower machine	INCOME	-	-	500 000.00
6	Purchasing and delivery of 10 x Chainsaw	INCOME	168 789.00	150 000.00	236 346.00
7	Purchasing and delivery of 6 x extended chainsaw	INCOME	130 000.00	134 660.83	150 000.00
8	Purchasing and delivery of 10x Tractor Slasher	INCOME	200 000.00	-	500 000.00

9	Purchasing and delivery of 10 x Leaf blower	INCOME	80 000.00	80 000.00	90 000.00
<b>TOTAL</b>			<b>1 378 789.00</b>	<b>1 564 660.83</b>	<b>2 676 346.00</b>

**MAKHADO REGION WASTE MANAGEMENT**

<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
10	Purchasing and delivery of 50 skip bins and 50 skip bin cover nets	INCOME	1 018 789.00	1 000 000.00	1 000 000.00
11	Purchasing and Installation of 200 Swing bins	INCOME	-	114 660.83	120 000.00
12	Purchasing and delivery of 1 Street Sweeper Truck	INCOME	-	-	228 173.35
13	Purchasing and delivery of 4 skip bin loader trailers	INCOME	-	700 000.00	-
14	Construction of Weighbridge at Makhado Landfill Site	INCOME	1 300 000.00	-	-
15	Construction of Weighbridge at Dzanani waste transfer station	INCOME	-	-	1 000 000.00
16	Establishment of Municipal Composting Facility (Feasibility, EIA, Specialist Studies, Design Drawings)	INCOME	-	600 000.00	-
17	Refurbishment of Makhado Landfill Site Recycling Shed	INCOME	-	250 000.00	700 000.00
18	Establishment of a Buy – Back Centre (Feasibility, EIA, Specialist Studies, Design Drawings)	INCOME	-	-	700 000.00
<b>TOTAL</b>			<b>2 318 789.00</b>	<b>2 664 660.83</b>	<b>3 748 173.35</b>

**MAKHADO TRAFFIC STATION**

<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
19	3x LaserCam 4 (digital laser cam 4)	INCOME	-	500 000.00	1 000 000.00
20	1 Mobile Roadblock Equipment with Trailer	INCOME	-	700 000.00	800 000.00
21	6x Vehicle wheel clamps	INCOME	10 000.00	15 000.00	20 000.00
22	Purchase of 30x Driving Licence Scanners	INCOME	370 000.00	449 661.00	600 000.00
23	Purchasing of 2x heavy industrial scanning machines for Makhado	INCOME	100 000.00	-	-
<b>TOTAL</b>			<b>480 000.00</b>	<b>1 664 661.00</b>	<b>2 420 000.00</b>

**LUVUVHU TRAFFIC STATION**

<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
24	2 x LaserCam Speed Machines		488 122.00	500 000.00	500 000.00
<b>TOTAL</b>			<b>488 122.00</b>	<b>500 000.00</b>	<b>500 000.00</b>

**WATERVAL TRAFFIC STATION**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
25	2 Digital Camera (Accident Response)	INCOME			

			-	-	-
26	2 Speed Measuring Machines	INCOME	-	500 000.00	500 000.00
<b>TOTAL</b>			-	<b>500 000.00</b>	<b>500 000.00</b>

**DZANANI TRAFFIC STATON**

<b>CO DE</b>	<b>DESCRIPTION</b>	<b>SOUR CES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
27	Purchasing of 2x heavy industrial scanning machines for Dzanani	INCOME	100 000.00	-	-
28	Construction of carport	INCOME	100 000.00	-	-
29	1 Speed Measuring Machines	INCOME	300 000.00	-	350 000.00
30	Purchasing of category 4 safe	INCOME	250 000.00	-	-
31	Purchasing of Warrant of arrest printing machine	INCOME	200 000.00	-	-
<b>TOTAL</b>			<b>950 000.00</b>	-	<b>350 000.00</b>

**TOTAL COMMUNITY SERVICES BUDGET**

<b>6 255 700.00</b>	<b>7 393 982.66</b>	<b>10 744 519.35</b>
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**FINAL ANNUAL CAPITAL BUDGET 2026/2027 TO 2028/2029 FINANCIAL YEAR  
CORPORATE SERVICES DEPARTMENT**

<b>UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT</b>						
<b>CODE</b>	<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
SC	1	Network Infrastructure refresher(Phase3)	INCOME	1 300 000.00	1 400 000.00	1 600 000.00
SC	2	Network Security Firewall Licensing for a period of three years	INCOME	-	600 000.00	-
SC	3	Procure, License and Support Manage Engine Patch Manager Plus Enteprice	INCOME	350 000.00	-	-
SC	4	Procure, License and Support AD Manager Plus and AG Audit Plus	INCOME	300 000.00	-	-
SC	5	Microsot office 365 E3 for 400 users	INCOME	-	3 500 000.00	-
SC	6	Procure , maintain and support Mimecast Email Gateway Licensing	INCOME	-	900 000.00	-
SC	7	Migration of Severs, Active Directory, Exchange and Microsoft office to Cloud	INCOME	-	3 700 000.00	3 900 000.00
SC	8	Upgrade Internet Connectivity for all regional Offices	INCOME	350 000.00	-	-
SC	9	Procure, License and Support Municipal Laptop Tracking solution for a period of three years	INCOME	-	-	-
SC	10	Procure Plotter for Printing GIS Maps and Images- Include 3 years Support and Maintenance	INCOME	300 000.00	-	300 000.00

SC	11	Maintain , Support and Licensing of Existing Cloud CallCenter Management System for a period of three years	INCOME	450 000.00	-	-
SC	12	Support and Maintainance of Exisiting VoiP Telephone System	INCOME	-	900 000.00	-
SC	13	Uniterupted Power Supply	INCOME	700 000.00	-	-
SC	14	Supply and Licencing of cloud AUTOCAD System for a period of three years(5 USERS)	INCOME	250 000.00	-	300 000.00
SC	15	Renew server warantee for a period of two years	INCOME	400 000.00	-	400 000.00
SC	16	Server Room Environmental Management System	INCOME	350 000.00	-	400 000.00
<b>TOTAL</b>				<b>4 750 000.00</b>	<b>11 000 000.00</b>	<b>6 900 000.00</b>

**ICT EQUIPMENT FOR ALL DEPARTMENT**

CODE	NO	DESCRIPTION	SOURCES	2026/2027	2027/2028	2028/2029
SC	17	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1 800 000.00	1 400 000.00	1 500 000.00
<b>TOTAL</b>				<b>1 800 000.00</b>	<b>1 400 000.00</b>	<b>1 500 000.00</b>

**COMMUNICATIONS DIVISION**

CODE	DEPT	DESCRIPTION	SOURCES	2026/2027	2027/2028	2028/2029
SC	18	Procure and Install Digital Welcome sign at the entrance of Civic Centre	INCOME	-	300 000.00	-

SC	19	Out Door PA Systems x3( Mobile Speakers with Cordless Mics)	INCOME	30 000.00	-	-
SC	20	Signages for Directions to Municipal Offices and Services Points(new)	INCOME	180 000.00	-	-
SC	21	Procure High Defination Proffesional Camera	INCOME	-	200 000.00	-
<b>TOTAL</b>				<b>210 000.00</b>	<b>500 000.00</b>	<b>-</b>
<b>HUMAN RESOURCE DIVISION</b>						
<b>CODE</b>	<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
SC	22	Procure, Install license , Maintain and Support Performance Management System (PMDS)	INCOME	-	1 500 000.00	-
SC	23	Development of skill development plan	INCOME	350 000.00	-	-
<b>TOTAL</b>				<b>350 000.00</b>	<b>1 500 000.00</b>	<b>-</b>
<b>RECORDS AND AUXILIARY SERVICES</b>						
<b>CODE</b>	<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
SC	24	Update, Maintain, Support and Licensing of Exisisting Document Management System	INCOME	600 000.00	-	-
<b>TOTAL</b>				<b>600 000.00</b>	<b>-</b>	<b>-</b>
<b>TOTAL CORPORATE SERVICES</b>				<b>7 710 000.00</b>	<b>14 400 000.00</b>	<b>8 400 000.00</b>

**FINAL ANNUAL CAPITAL BUDGET 2026/2027 TO 2028/2029 FINANCIAL YEAR  
TECHNICAL SERVICES DEPARTMENT**

<b>ELECTRICAL ENGINEERING</b>						
<b>COD E</b>	<b>N O</b>	<b>DESCRIPTION</b>	<b>SOURC ES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	1	<b>Electrical Preventative Maintenance</b> (Replacement of rotten poles along HV and LV lines, maintenance of distribution transformers, refurbishment of sub stations, mini sub and RMU) at: Mara , Sinthumule, Kutama, Mudimeli / Tshiendeulu, Tshipise & Ward 37, Levubu 2, Levubu East, Levubu Central, Levubu west (Beaufort), Bandelierkop, Mashau, mountain , Tshifhire and Town.	INCOM E	2 050 000.00	6 000 000.00	8 000 000.00
	2	Upgrading Emmarentia Sub Station	INCOM E	2 962 222.80	-	-
	3	Upgrading Boom Park sub station	INCOM E	5 000 000.00	-	-
	4	Upgrading Eltivillas East substation in town	INCOM E	2 037 356.98	-	-
	5	Develop GIS System ( Farms)	INCOM E	-	1 000 000.00	1 000 000.00
	6	Develop GIS system ( Underground network in Town)	INCOM E	-	1 000 000.00	1 000 000.00
	7	Upgrading Roodewal substation	INCOM E	2 000 000.00	200 000.00	200 000.00
	8	Electrification of South of Pretorius residential development	INCOM E	1 000 000.00	1 000 000.00	1 000 000.00
	9	Upgrading Makhado Park substation		1 000 000.00	-	-

			INCOM E			
10	Upgrading South of Pretorius substation (2 x 5MVA)		INCOM E	1 000 000.00	-	-
12	Upgrading of Levubu substation		INCOM E	-	2 000 000.00	3 000 000.00
13	Upgrading of Beaufort substation		INCOM E	-	2 000 000.00	3 000 000.00
14	Main substation upgrade Phase 4		INCOM E	8 000 000.00	-	-
15	Upgrading 66kV transmission line (Mpheni)		INCOM E		3 000 000.00	5 000 000.00
16	Installing SCADA system in five substations		INCOM E	1 000 000.00	1 000 000.00	1 000 000.00
17	Development GIS system ( villages )		INCOM E	-	1 000 000.00	1 000 000.00
18	Procurement of Power transformers for main strategic substations (Central)		INCOM E	-	200 000.00	100 000.00
19	Procurement of Power transformers for main strategic substations (Beaufort)		INCOM E	-	200 000.00	100 000.00
20	Construction of a new substation East of Bergview (2 x 5MVA)		INCOM E	-	200 000.00	200 000.00
21	Post connections at Municipal area		INCOM E	300 000.00	2 000 000.00	3 000 000.00

22	LV extensions within municipal area	INCOME	-	1 000 000.00	2 000 000.00
23	Installation of 15m hybrid High masts in All substations	INCOME	-	500 000.00	-
24	Protection scheme coordination for networks	INCOME	1 000 000.00	1 000 000.00	1 000 000.00
25	Construction of Main substation feeder split	INCOME	-	200 000.00	1 000 000.00
26	Construction of Local Control Centre	INCOME	-	300 000.00	500 000.00
27	Construction of Oil Holding dam	INCOME	-	100 000.00	-
28	Refurbishment of All substations earthing	INCOME	1 000 000.00	500 000.00	500 000.00
29	Procurement of Statutory equipment	INCOME	800 000.00	1 000 000.00	1 000 000.00
30	Construction of ablution and guardroom at All Substations	INCOME	-	100 000.00	100 000.00
31	Procurement of Tree Pruners	INCOME	-	-	300 000.00
32	Electrification at Tshikota 164 stands	INCOME	-	-	200 000.00
33	Electrification of Ha-Tshikota new residential development	INCOME	-	-	625 000.00

	34	Electrification of Dzanani Makhado A Extension 3 & 4 new residential development	INCOME	-	-	625 000.00
	35	Electrification of Waterval new residential	INCOME	-	-	625 000.00
	36	Electrification of Louis Trichardt Ext. 13 new residential development	INCOME	-	-	625 000.00
	37	Procurement of battery-operated Crimpers	INCOME	-	200 000.00	400 000.00
	38	Procurement of battery-operated cutters	INCOME	-	200 000.00	400 000.00
	39	Procurement of electrical tools	INCOME	500 000.00	200 000.00	400 000.00
	40	Replacement of wooden poles to concrete /steels poles	INCOME	-	300 000.00	300 000.00
	41	Refurbishment of streets lights within Muncipal area	INCOME	-	806 848.12	200 000.00
	42	Refurbishment of Transformers earthing ,villages and farmers	INCOME	-	250 000.00	500 000.00
	43	Purchasing of the Standby 1x 50 KVA standby Generator for Makhado Traffic Station.	INCOME	150 000.00	-	-
	44	Purchasing of the Standby 1x 50 KVA standby Generator for Dzanani Traffic Station.	INCOME	150 000.00	-	-
<b>TOTAL</b>				<b>29 949 579.78</b>	<b>27 456 848.12</b>	<b>38 900 000.00</b>

**CIVIL ENGINEERING SECTION**

<b>COD E</b>	<b>N O</b>	<b>DESCRIPTION</b>	<b>SOURC ES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	45	Refurbishment of Council Chamber	INCOM E	-	1 200 000.00	
<b>TOT AL</b>				-	<b>1 200 000.00</b>	-

**PMU INCOME**

<b>COD E</b>	<b>N O</b>	<b>DESCRIPTION</b>	<b>SOURC ES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	46	Upgrading of Roads from gravel to surface at Ha Tshikota	INCOM E	-	-	300 000.00
	47	Development of roads and stormwater at Dzanani Makhado A Extension 3 & 4	INCOM E	-	-	300 000.00
	48	Development of roads and stormwater at Waterval	INCOM E	-	-	300 000.00
	49	Development of roads and stormwater at louis Trichardt Ext. 13	INCOM E	-	-	300 000.00
	50	Upgrading the burnt Makhado LM Lapa into Conference Facility	INCOM E	-	-	300 000.00

51	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Road Phase 1	INCOME	500 000.00	-	-
52	Construction of Dzanani Taxi Rank and Market Stalls	INCOME	10 000 000.00	-	-
53	Development of roads and stormwater at Tshikota 164 new stands	INCOME	5 000 000.00	7 000 000.00	-
54	Development of roads and stormwater at South of Pretorius 700 new stands	INCOME	5 000 000.00	10 000 000.00	-
55	Construction of Admin Block and Traffic station & DLTC at Luvuvhu Region	INCOME	-	-	300 000.00
56	Upgrading of Park View street	INCOME	-	-	3 000 000.00
57	Development of roads and stormwater at Extension 9	INCOME	1 563 340.00	2 000 000.00	9 783 496.00
58	Construction of waste management additional cell	INCOME	3 000 000.00	-	-
<b>TOTAL</b>			<b>25 063 340.00</b>	<b>19 000 000.00</b>	<b>14 583 496.00</b>

<b>MIG FUNDED</b>						
<b>COD E</b>	<b>N O</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	58	Upgrading of road leading to Mavhoyi FET College	MIG	18 235 861.10	-	-

	59	Upgrading of Tshino Access Road	MIG	47 174 615.48	-	-
	60	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Road Phase 1	MIG	40 784 673.42	2 810 593.97	-
	61	Upgrading of Tsianda Marundu to Military Base Phase 2	MIG	-	15 224 454.00	19 324 906.65
	62	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Road Phase 2	MIG	-	15 224 454.00	19 324 906.65
	63	Upgrading of Rabali to Divhani Access Road	MIG	500 000.00	41 034 999.02	39 767 868.35
	64	Upgrading of ring road from Nwaxinyamai to Tshivhade , Mavhina to Bungeni	MIG	500 000.00	41 034 999.01	39 767 868.35
	65	PURCHING OF WASTE REMOVAL TRUCK	MIG	-	4 000 000.00	5 000 000.00
<b>TOTAL</b>				<b>107 195 150.00</b>	<b>119 329 500.00</b>	<b>123 185 550.00</b>

**INEP PROJECTS**

<b>COD E</b>	<b>N O</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
	66	Tshituni tsha Manyadzha / Makongoza / Mapakophele	INEP	686 797.06	2 535 156.00	2 692 490.00

67	Tsianda	INEP	2 793 000.00	-	-
68	Xinkuwani Xilumani	INEP	686 797.06	5 381 688.00	5 539 020.00
69	Woyoza	INEP	3 209 500.00	-	-
70	Riverplaats	INEP	329 108.82	-	-
71	Muungamunwe	INEP	686 797.06	2 535 156.00	2 692 490.00
<b>TOTAL</b>			<b>8 392 000.00</b>	<b>10 452 000.00</b>	<b>10 924 000.00</b>

**TOTAL TECHNICAL SERVICES BUDGET**

**170 600 069.78    177 438 348.12    187 593 046.00**

**FINAL ANNUAL CAPITAL BUDGET 2026/2027 TO 2028/2029 FINANCIAL YEAR  
REGIONAL OFFICES**

<b>LUVUVHU REGIONAL OFFICE</b>					
<b>NO</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
1	Purchasing of 1 Heavy Duty Lawn mower for grass cutting	INCOME	-	250 000.00	-
2	Purchasing of 1 Tractor mower slasher for grass cutting	INCOME	120 000.00	-	-
3	Purchasing of 3 Sign Boards	INCOME	200 000.00	-	-
4	Purchasing of Category 4 safe	INCOME	250 000.00	-	-
	<b>TOTAL</b>		<b>570 000.00</b>	<b>250 000.00</b>	<b>-</b>

<b>DZANANI REGIONAL OFFICE</b>					
	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
5	12 ton dual drive roller machine	INCOME	-	1 200 000.00	-
6	Walk-behind Vibrating Dual Drum Roller	INCOME	110 000.00	-	120 000.00
7	Purchasing of 10 x heavy duty Brush Cutters for bush clearing	INCOME	200 000.00	-	250 000.00
8	Refubirshment of ablution facilities at Rabali Stadium	INCOME	200 000.00	-	-
9	Aircons at Dzanani Community Hall	INCOME	-	150 000.00	-
10	Construction of Guardhouse at Dzanani Cemetery	INCOME	260 000.00	-	-
11	Construction of Guardroom at Dzanani Park	INCOME	260 000.00	-	-

12	Installation of Fencing at Dzanani Park	INCOME	-	1 000 000.00	-
<b>TOTAL</b>			<b>1 030 000.00</b>	<b>2 350 000.00</b>	<b>370 000.00</b>

<b>WATERVAL REGIONAL OFFICE</b>					
	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>2026/2027</b>	<b>2027/2028</b>	<b>2028/2029</b>
13	Lawnmower machines	INCOME	200 000.00	400 000.00	-
14	Chainsaw	INCOME	50 000.00	55 000.00	50 000.00
15	Pedestrian roller and trailer	INCOME	-	300 000.00	-
16	Brush cutter	INCOME	110 000.00	300 000.00	350 000.00
17	Concrete mix machine	INCOME	55 000.00	-	-
18	Tractor Slasher	INCOME	120 000.00	-	-
19	Drilling and Equipping of Boreholes (and storage)	INCOME	-	200 000.00	-
20	Mobile Filing/ Movable shelf	INCOME	-	200 000.00	-
21	Jump start	INCOME	-	75 000.00	55 000.00
			<b>535 000.00</b>	<b>1 530 000.00</b>	<b>455 000.00</b>

**GRAND TOTAL**

**2 135 000.00**

**4 130 000.00**

**825 000.00**

