

MAKHADO FINAL ANNUAL BUDGET 2025/26- 2027/28

MTREF-2024/2027

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PART 1 – FINAL ANNUAL BUDGET

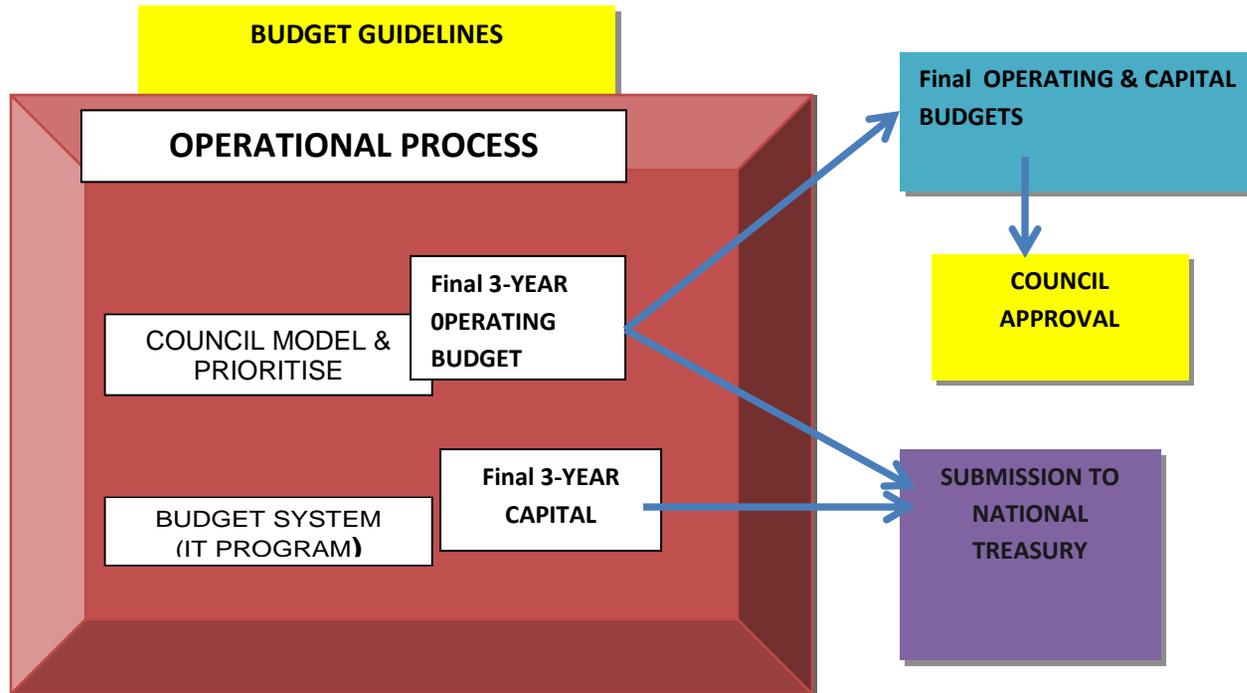
1.1. Mayor's Report

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 2025/2026 financial year as more fully recorded in **Annexure A** attached to the report in this regard be adopted by council.
2. THAT the following 2025/2026 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 2025/2026 tariff listing for municipal service be approved as set out in Annexure C
4. THAT it be noted that the final 2025/2026 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:

SERVICE	2025/2026	2026/2027	2027/2028
Electricity	15.62%	15.62%	15.62%
Property rates	4.3%	4.6%	4.4%
Other services	4.3%	4.6%	4.4%

Approved tariff increase on expenditure bulk purchases is as follows:

SERVICE	2025/2026	2026/2027	2027/2028
Bulk purchases	11.32%	11.32%	11.32%

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

Political Office Bearers and Municipal Manager	
Mayor	Cllr MBOYI MD
Speaker	Cllr MUKWEVHO-MITILENI GT
Chief Whip	Cllr BALOYI S
Municipal Manager	Mr KM NEMANAME

Makhado Local Municipality has 38 ward councillors and 37 proportional councillors. There are 14 traditional leaders who are ex-officio members of the municipal council and 10 councillors who are members of the executive committee. The Municipality also has 38 established and fully functional 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.

In terms of Local Government Municipal Finance Management Act, 2003, section 16 (1), The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.

- The projected overall spending envelope for the 2025/2026 MTREF amounts to R 1 362 362 billion on operational Expenditure budget whereas, the Total Revenue for the 2025/2026 MTREF amounts to R 1 716 179 billion and R 272 155 million in the capital budget.
- The 2025/2026 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.130 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 2024/2025 and 2025/26, 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 2025-2028 and public consultation process:

- A three (3) year capital budget has been prepared and built on the IDP document to be tabled by Council on or before 31 May 2025
- 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 (water, sanitation, electricity, roads, storm water, solid waste, cleansing) needs to be addressed
- ✓ Upgrading, maintenance of roads and storm water, electricity, water, sewer and purification networks
- ✓ Improve access and linkages between towns, informal and rural settlements

- ✓ Public transportation should be improved. Bus and 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)
- ✓ Construction of new and upgrading of existing educational facilities on all levels
- ✓ 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 amended:

2.1 Virement Policy 2025/2026

2.2 Credit Control and Debt Collection Policy 2025/2026

2.3 Borrowing policy 2025/2026

2.4 Expenditure Management Policy 2025/2026

2.5 Funding and Reserves Policy 2025/2026

- 2.6 Budget Policy 2025/2026
- 2.7 Framework for cash flow management 2025/2026
- 2.8 Asset management policy 2025/2026
- 2.9 Subsidy for indigent household policy 2025/2026
- 2.10 Debt written off policy 2025/2026
- 2.11 Property Rates Policy 2025/2026
- 2.12 Supply Chain Management Policy 2025/2026
- 2.13 Revenue Management Policy 2025/2026
- 2.14 Travel and Subsistence Policy 2025/2026
- 2.15 Acquisition and use of Cellular phones Policy 2025/2026
- 2.16 Petty cash policy 2025/2026
- 2.17 Car allowance policy 2025/2026
- 2.18 Fleet Management policy 2025/2026
- 2.19 Tariff Policy 2025/2026
- 2.20 Customer Care Policy 2025/2026
- 2.21 Contract Management Policy 2025/2026
- 2.22 Cost Containment Policy 2025/2026
- 2.23 Preferential Procurement Policy 2025/2026
- 2.24 Investment policy 2025/2026
- 2.25 Retention expenditure policy 2025/2026
- 2.26 UIFW Expenditure Policy 2025/2026

By-Laws

- 2.27 Makhado Credit Control and Debt Collection By-Laws 2025/2026
- 2.28 Property Rates By-Law 2025/2026

1.7. Overview of budget funding and changes from tabled budget

A4 Financial performance report (Major highlights)

Expenditure Items

- Other expenditure has been budgeted at an amount of R 116 308 million. This includes stores issues and general expenditure.
- Contracted services have been budgeted at an amount of R 165 910 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 external audit (Auditor General of SA) is also budgeted for under contracted services at amount of R7.4 million.**
- The amount of R 30 million has been budgeted for to cover roads and electricity 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 20 million has been budgeted to cover the electricity maintenance this include amount of R 6 million for bush clearing and 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 operating expenditure budget for 2025/2026 amounts to **R 1 362 362 billion** as compared to the previous revised budget of **R 1 334 597 billion** in the 2024/2025 financial year.

1.7.1. Income

The operating income for 2025/2026 is budgeted at **R 1 554 993 billion** which leaves a marginal operating surplus of **R 192 631 million** which is after deduction of non-cash items such as depreciation and impairment of assets amounting **to R 167 164 million and R 42 109 million** for debt impairment.

M344 Makhado - Table A1 Budget Financial Performance (REVENUE)				
Description		Budget Year 2025/26	Budget Year +1 2026/27	Year +2 2027/28
	ADJUSTED BUDGET 2024/2025	Budget	Budget	Budget
Revenue By Source				
Property rates	126 606 429.00	132 050 505.45	138 124 828.70	144 202 321.16
Service charges - electricity revenue	536 137 974.00	619 882 725.54	716 708 407.27	828 658 260.48
Service charges - refuse revenue	15 951 657.00	16 637 578.25	17 402 906.85	18 168 634.75
Rental of facilities and equipment	414 165.00	431 974.10	451 844.90	471 726.08
Interest earned - external investments	4 216 249.00	4 397 547.71	4 599 834.90	4 802 227.64
Interest earned - outstanding debtors	47 515 969.00	49 559 155.67	51 838 876.83	54 119 787.41
Fines, penalties and forfeits	4 785 588.00	4 991 368.28	5 220 971.23	5 450 693.96
Licences and permits	3 926 120.00	4 094 943.16	4 283 310.55	4 471 776.21
Transfers and subsidies	520 303 000.00	529 842 350.00	521 392 500.00	545 077 900.00
Other revenue	204 911 395.00	193 104 885.00	160 937 500.00	162 552 100.00
Total Revenue (excluding capital transfers and contributions)	1 464 768 546.00	1 554 993 033.15	1 620 960 981.22	1 767 975 427.69
Transfers and subsidies - Capital (monetary allocations) (National/ Provincial and District)		121 017 650.00	125 187 500.00	131 062 100.00
		1 676 010 683.15	1 746 148 481.22	1 899 037 527.69
Opening balance		40 168 000.00	60 740 000.00	75 604 000.00
Total Revenue including capital transfers and contributions		1 716 178 683.15	1 806 888 481.22	1 974 641 527.69

- The other revenue that has been budgeted includes the sale of 400 stands South of Pretorius, 257 stands at Makhado Ext 3, +237 stands at Makhado ext 4, 640 stands at Louis Trichardt ext 13 and 14 at an estimated amount of R 263 million and this will enhance the municipality revenue.
- The alienation of the above mentioned stands will be spread across a period of three years from 2025/26 to 2027/2028 financials.

1.7.2. Expenditure

The projected electricity increases in tariffs will be capped currently at 11.32% 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 377 996 million** for the 2024/2025 financial year's revised budget to an amount of **R 400 677 million** for the 2025/2026 financial year (excluding councilors). For councilors the budgeted expenditure increased from **R 33 768 million to R 34 781 million**, which is due to the fact that some critical vacancies has been filled in the current year to sustain service delivery and sustainable financial reporting. The total salary package of the Council amounts to 3 % of the Total Operating expenditure

R thousands R '000	Adjusted Budget 2024/2025	Budget Year 2025/2026	Variance in cost increase /decrease
Employee costs	R 377 997	R 400 677	R 22 680
Remuneration of councilors	R 33 768	R 34 781	R 1 013
Depreciation & asset impairment	R 206 431	R 209 293	R 2 862
Finance charges	R 19 231	R 20 057	R 826
Materials and bulk purchases	R 373 100	R 415 335	R 42 235
Other expenditure (Contracted services and other materials)	R 324 069	R 282 216	(R 41 853)
Total Expenditure	R 1 334 597	R 1 362 359	R 27 762

Proposed tariff increases on other services are as follows: MFMA Circular 130

SERVICE	2025/2026	2026/2027	2027/2028
Electricity	15.62%	15.62%	15.62%
Property rates	4.3%	4.6%	4.4%
Other services	4.3%	4.6%	4.4%

Approved tariff increase on expenditure bulk purchases is as follows:

SERVICE	2025/2026	2026/2027	2027/2028
Bulk purchases	11.32%	11.32%	11.32%

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 130 estimate inflation rate of 4.3% in 2025/26 respectively. Inflation rate is expected to come within the targeted range of 4.4 % in 2025 - 2028

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

- Price movements on **bulk purchases:** Based on the approval from NERSA for the proposed electricity tariff increase of 11.32% also in line with the National Treasury guidance
- **Employee costs:** Was increased by 6%, which is also guided by National Treasury MFMA Circular 130 general employee costs increased.
- **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 reduced provisionally however during adjustment after the assessment has being done it will be increased to avoid unauthorized expenditure.
- **Collection rate:** collection rate of 91% was assumed during 2025/26 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 2025/2026 amounts to **R 272 155 million** of which **R 151 137 million** should be funded out of internally generated income.

MAKHADO MUNICIPALITY

SUMMARISED FINAL CAPITAL BUDGET FOR 2025/2026 TO 2027/2028 FINANCIAL YEARS

DEPARTMENT	2025/2026	2026/2027	2027/2028
Technical Services	255 571 650,00	258 538 400,00	280 148 860,00
Community Services	4 975 000,00	5 408 000,00	6 180 000,00
Budget and Treasury	2 538 100,00	7 090 000,00	9 900 000,00
Corporate Services	8 080 000,00	7 950 000,00	6 300 000,00
Regional Office	990 000,00	720 000,00	2 435 000,00
TOTAL	272 154 750,00	279 706 400,00	304 963 860,00

FUNDING	2025/2026	2026/2027	2027/2028
INCOME	151 137 100,00	154 518 900,00	173 901 760,00
MIG	105 836 650,00	115 187 500,00	120 610 100,00
INEP	15 181 000,00	10 000 000,00	10 452 000,00

TOTAL	272 154 750,00	279 706 400,00	304 963 860,00
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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 ruin
- 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 105 837 million and R 15 181 million respectively in 2025/26. The own funded projects is proposed to be funded from own funding to the value of **R 151 137 million.**

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

Description	Grants in 2025/26 R '000	Grants in 2026/27 R '000	Grants in 2027/28 R '000
EQUITABLE SHARE	R 512 943	R 513 230	R 536 530
MIG	R 111 407	R 121 250	R 126 958
INEP	R 15 181	R 10 000	R 10 452
FMG	R 2 000	R 2 100	R 2 200
EPWP	R 3 323	R 0	R 0
DISASTER GRANT	R 6 006		
TOTAL	<u>R 650 860</u>	<u>R 646 580</u>	<u>R 676 140</u>

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	2021/22	2022/2023	2023/2024	Current year 2024/2025		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	76 926	73 726	88 155	115 212	115 212	120 166	125 694	131 224
Service charges	490 216	437 295	507 359	502 402	502 402	579 233	668 041	770 613
Other revenue	108 381	135 070	106 763	105 757	105 757	130 500	142 112	141 964
Transfers and Subsidies - Operational	451 127	578 016	620 638	520 303	520 303	529 842	521 393	545 078
Transfers and Subsidies - Capital	106 890			147 085	147 085	121 018	125 187	131 062
Interest	16 188	16 772	12 313	18 884	18 884	19 696	20 602	21 509
Dividends								
Payments								
Suppliers and employees	-1 010 450	-1 046 778	-1 173 712	-1 108 935	-1 108 935	-1 207 728	-1 308 459	-1 400 891
Finance charges	-8		-916					
Transfers and Grants								
NET CASH FROM/(USED) OPERATING ACTIVITIES	239 280	194 102	160 600	300 708	300 708	292 727	294 570	340 559
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE				-	-	-	-	-
Decrease (increase) in non-current receivables	-			-	-	-	-	-
Decrease (increase) in non-current investments	-			-	-	-	-	-
Payments								
Capital assets	-243 021	-248 044	-291 381	-275 202	-275 202	-272 155	-279 706	-304 964
NET CASH FROM/(USED) INVESTING ACTIVITIES	-243 021	-248 044	-291 381	-275 202	-275 202	-272 155	-279 706	-304 964
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-			-	-	-	-	-
Borrowing long term/refinancing	-			-	-	-	-	-
Increase (decrease) in consumer deposits				-	-	-	-	-
Payments								
Repayment of borrowing	-720	-786	-1 154	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-720	-786	-1 154	-	-			
NET INCREASE/ (DECREASE) IN CASH HELD	-4 462	-54 728	-131 934	25 506	25 506	20 572	14 864	35 595
Cash/cash equivalents at the year begin:	205 786	201 324	146 596	14 662	14 662	40 168	60 740	75 604
Cash/cash equivalents at the year end:	201 324	146 596	14 662	40 168	40 168	60 740	75 604	111 199

2.3. Budget process and key stakeholder relations

<p>August</p>	<ul style="list-style-type: none"> • 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. • Distribution of the Council approved IDP and Budget Process Plan to all relevant stakeholders.
<p>September</p>	<ul style="list-style-type: none"> • 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. • The Budget Office prepares an initial Medium Term Financial Forecast (MTFF) and indicates the likely level of resources to be available.
<p>October</p>	<ul style="list-style-type: none"> • 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.
<p>November</p>	<ul style="list-style-type: none"> • 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

<p>December- January</p>	<ul style="list-style-type: none"> • Second Strategic IDP/Budget Workshops for Mayoral Committee members and Senior Management Team: outcomes <ul style="list-style-type: none"> ✓ IDP proposals and Budget alignment ✓ Agreement of any changes the Mayor should propose to the IDP • Finalize the review of the Municipal Situational Analysis Chapter (Chapter 2) of the IDP. • Senior Management start reviewing the stage one IDP/Budget/SDBIP process input forms (IDP changes, capital project proposals, and operational budget growth requests).
<p>January</p> <p>February</p>	<p>The Mayor tables at Council:</p> <ul style="list-style-type: none"> • the 2025/26 mid-year performance and budget assessment reports • Review of the FINAL mid-year performance and budget monitoring reports. • The 2025/2026 FINAL Annual Report was tabled in Jan 2026 • Agreement of the 2025/26 Adjustments Budget Report to be tabled at Council • Executive Management Team meets to: <ul style="list-style-type: none"> ✓ prepare for Strategic IDP/Budget/SDBIP Workshop ✓ discuss the FINAL 2026/2027 IDP inputs ✓ discuss the 2026/2027 budget proposals

March	<p>Third Strategic IDP/Budget Workshop for Mayoral Committee members and Senior Management Team: outcomes</p>
	<ul style="list-style-type: none"> • Agreement of the proposed changes to be made to the IDP to be included in the March Council Report. • Agreement of the 2025/26 budget proposals to be included in the March Council Budget Report.
	<p>The IDP, Budget Report, and FINAL SDBIP tabled at all relevant Portfolio Committees and Mayoral Committee prior to tabling at Council.</p>
	<p>The Executive Mayor tables the Municipality’s FINAL 2025/26 Budget Report and IDP at Council.</p>
April and May	<p>Statutory public participation process undertaken on the tabled FINAL 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 FINAL 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 Budget Report, IDP, and FINAL SDBIP at Council for final approval on 31 May 2026</p>

June

The IDP and Budget Reports are placed on the municipality’s website and sent to National and Provincial Treasury.

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.

Special Council Meeting; Executive Mayor tables budget (pre-community consultation) to Council:

- Final Budget Made available on the municipality's website, municipal offices and notice placed in all major newspapers informing members of the public about the final budget and inviting written submissions/representations.
- Budget discussions Ward committees/Stakeholders.
- Community consultation to present and discuss the final budget proposals
- and receive inputs/ submissions/comment
- Closing of Public and internal Submissions to close on end of Mid - April 2025.
- 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 2025/2026 financial year as more fully recorded in **Annexure A** attached to the report in this regard be adopted 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 2025/2026 budget related policies be tabled 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 2025/2026 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 2025/2026 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

M344 Makhado - Table A1 Budget Financial Performance (REVENUE)				
Description		Budget Year 2025/26	Budget Year +1 2026/27	Year +2 2027/28
	ADJUSTED BUDGET 2024/2025	Budget	Budget	Budget
Revenue By Source				
Property rates	126 606 429.00	132 050 505.45	138 124 828.70	144 202 321.16
Service charges - electricity revenue	536 137 974.00	619 882 725.54	716 708 407.27	828 658 260.48
Service charges - refuse revenue	15 951 657.00	16 637 578.25	17 402 906.85	18 168 634.75
Rental of facilities and equipment	414 165.00	431 974.10	451 844.90	471 726.08
Interest earned - external investments	4 216 249.00	4 397 547.71	4 599 834.90	4 802 227.64
Interest earned - outstanding debtors	47 515 969.00	49 559 155.67	51 838 876.83	54 119 787.41
Fines, penalties and forfeits	4 785 588.00	4 991 368.28	5 220 971.23	5 450 693.96
Licences and permits	3 926 120.00	4 094 943.16	4 283 310.55	4 471 776.21
Transfers and subsidies	520 303 000.00	529 842 350.00	521 392 500.00	545 077 900.00
Other revenue	204 911 395.00	193 104 885.00	160 937 500.00	162 552 100.00
Total Revenue (excluding capital transfers and contributions)	1 464 768 546.00	1 554 993 033.15	1 620 960 981.22	1 767 975 427.69
Transfers and subsidies - Capital (monetary allocations) (National/ Provincial and District)		121 017 650.00	125 187 500.00	131 062 100.00
		1 676 010 683.15	1 746 148 481.22	1 899 037 527.69
Opening balance		40 168 000.00	60 740 000.00	75 604 000.00
Total Revenue including capital transfers and contributions		1 716 178 683.15	1 806 888 481.22	1 974 641 527.69

M344 Makhado - Table A1 Budget Financial Performance (EXPENDITURE)				
Description		Budget Year 2025/26	Budget Year +1 2026/27	Year +2 2027/28
	ADJUSTED BUDGET 2024/2025	Budget	Budget	Budget
Expenditure By Type				
Employee related costs	377 996 921.00	400 676 736.00	424 717 340.00	450 200 381.00
Remuneration of councillors	33 768 020.00	34 781 061.00	35 824 492.00	36 899 227.00
Debt impairment	46 139 330.00	42 109 199.00	42 124 286.00	41 071 178.00
Depreciation & asset impairment	160 292 247.00	167 184 813.62	174 875 315.05	182 569 828.91
Finance charges	19 231 000.00	20 057 933.00	20 980 597.92	21 903 744.23
Bulk purchases	373 100 000.00	415 334 920.00	462 350 832.94	514 688 947.23
Other materials	51 066 914.00	53 262 791.30	55 712 879.70	58 164 246.41
Contracted services	212 557 163.00	165 909 678.00	155 908 900.00	149 806 622.00
Other expenditure	60 445 765.00	63 044 932.90	65 944 999.81	68 846 579.80
Total Expenditure	1 334 597 360.00	1 362 362 064.82	1 438 439 643.42	1 524 150 754.58
Surplus/(Deficit)	130 171 186.00	192 630 968.33	182 521 337.80	243 824 673.11
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	117 996 000.00	121 017 650.00	125 187 500.00	131 062 100.00
Surplus/ (Deficit) for the year	248 167 186.00	313 648 618.33	307 708 837.80	374 886 773.11

LIM344 Makhado - Table A7 Budgeted Cash Flows

Description	2021/22	2022/2023	2023/2024	Current year 2024/2025		2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	76 926	73 726	88 155	115 212	115 212	120 166	125 694	131 224
Service charges	490 216	437 295	507 359	502 402	502 402	579 233	668 041	770 613
Other revenue	108 381	135 070	106 763	105 757	105 757	130 500	142 112	141 964
Transfers and Subsidies - Operational	451 127	578 016	620 638	520 303	520 303	529 842	521 393	545 078
Transfers and Subsidies - Capital	106 890			147 085	147 085	121 018	125 187	131 062
Interest	16 188	16 772	12 313	18 884	18 884	19 696	20 602	21 509
Dividends								
Payments								
Suppliers and employees	-1 010 450	-1 046 778	-1 173 712	-1 108 935	-1 108 935	-1 207 728	-1 308 459	-1 400 891
Finance charges	-8		-916					
Transfers and Grants								
NET CASH FROM/(USED) OPERATING ACTIVITIES	239 280	194 102	160 600	300 708	300 708	292 727	294 570	340 559
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE				-	-	-	-	-
Decrease (increase) in non-current receivables	-			-	-	-	-	-
Decrease (increase) in non-current investments	-			-	-	-	-	-
Payments								
Capital assets	-243 021	-248 044	-291 381	-275 202	-275 202	-272 155	-279 706	-304 964
NET CASH FROM/(USED) INVESTING ACTIVITIES	-243 021	-248 044	-291 381	-275 202	-275 202	-272 155	-279 706	-304 964
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-			-	-	-	-	-
Borrowing long term/refinancing	-			-	-	-	-	-
Increase (decrease) in consumer deposits				-	-	-	-	-
Payments								
Repayment of borrowing	-720	-786	-1 154	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-720	-786	-1 154	-	-			
NET INCREASE/ (DECREASE) IN CASH HELD	-4 462	-54 728	-131 934	25 506	25 506	20 572	14 864	35 595
Cash/cash equivalents at the year begin:	205 786	201 324	146 596	14 662	14 662	40 168	60 740	75 604
Cash/cash equivalents at the year end:	201 324	146 596	14 662	40 168	40 168	60 740	75 604	111 199

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

**MAKHADO MUNICIPALITY
SUMMARISED FINAL CAPITAL BUDGET FOR 2025/2026 TO 2027/2028 FINANCIAL YEARS**

DEPARTMENT	2025/2026	2026/2027	2027/2028
Technical Services	255 571 650,00	258 538 400,00	280 148 860,00
Community Services	4 975 000,00	5 408 000,00	6 180 000,00
Budget and Treasury	2 538 100,00	7 090 000,00	9 900 000,00
Corporate Services	8 080 000,00	7 950 000,00	6 300 000,00
Regional Office	990 000,00	720 000,00	2 435 000,00
TOTAL	272 154 750,00	279 706 400,00	304 963 860,00

FUNDING	2025/2026	2026/2027	2027/2028
INCOME	151 137 100,00	154 518 900,00	173 901 760,00
MIG	105 836 650,00	115 187 500,00	120 610 100,00
INEP	15 181 000,00	10 000 000,00	10 452 000,00
TOTAL	272 154 750,00	279 706 400,00	304 963 860,00

CAPITAL PROJECTS PER FUNDING SOURCE 2025 TO 2028

SUMMARY PER FUNCTION in R'000	SOURCES	Final Budget 2025/2026	Final Budget 2026/2027	Final Budget 2027/2028
		R '000	R '000	R '000
ELECTRICITY	INCOME	R48 900	R51 576	R85 742
ELECTRICITY	INEP	R15 181	R10 000	R10 452
BUILDING	INCOME	R23 938	R38 169	R25 361
ROADS	GRANT (MIG)	R103 059	R108 188	R115 610
ROADS	INCOME	R64 494	R50 605	R42 984
CORPORATE SERVICES	INCOME	R8 080	R7 950	R6 300
FINANCE AND ADMINISTRATION	INCOME	R2 538	R7 090	R9 900
WASTE MANAGEMENT	INCOME	R1 870	R1 600	R3 000
COMMUNITY SERVICES	INCOME	R4 095	R4 528	R5 615
TOTAL		<u>R272 155</u>	<u>R279 706</u>	<u>R304 964</u>

The major highlights of this Capital Budget are as follows:

**FINAL ANNUAL CAPITAL BUDGET 2025/2026 TO 2027/2028 FINANCIAL YEAR
BUDGET & TREASURY OFFICE**

ASSETS MANAGEMENT SECTION							
CODE	NO	DESCRIPTION	SOURCE S	2025/2026	2026/2027	2027/2028	COMMENT
	1	Purchasing of 1 LDV Single Cab (Parks)	INCOME	-	600 000,00		Parks and Recreation
	2	Purchasing of 1 LDV Single Cab	INCOME	-	600 000,00	800 000,00	Waste Management
	3	Purchasing and delivery of TLB for composting activities	INCOME		-	1 500 000,00	Waste Management
	4	5-ton truck with half canopy	INCOME	-	1 500 000,00	-	Waste Management
	5	3 Motor Cycles (blue light, radio and siren)	INCOME		700 000,00	-	Makhado Traffic
	6	ANPR Midi Bus	INCOME		1 500 000,00		Makhado Traffic
	7	1 X LDV double cap	INCOME	-	800 000,00		Special Programme
	8	2 x Single Cab	INCOME	-	-	700 000,00	Civil Engineering Section
	9	3x Sedan	INCOME	-	472 000,00	600 000,00	Luvuvhu Regional Office
	10	3x Bakkies	INCOME	-	-	650 000,00	Luvuvhu Regional Office
	11	1x sedan car	INCOME	-	400 000,00		Waterval Regional Office
	12	2 X LDV Single cab vehicle for pool (Finance)	INCOME		-	700 000,00	Finance Department
	13	2 X SUV VEHICLE FOR POOL	INCOME		-	900 000,00	Finance Department

14	2 X Duouble cab Makhado pool vehicles (Finance department)	INCOME			1 400 000,00	Finance Department
15	1 Bakkie	INCOME	-		696 000,00	Dzanani Regional Office
16	Speaker and Mayor's vehicle	INCOME	1 500 000,00			
17	3 Moving violation recorder (MVR) prolaser 4 eye witness fitted with in a high speed performance vehicle together with siren, radio & blue lights one (1) each financial year	INCOME			1 500 000,00	Makhado Traffic
18	4x Mobile offices	INCOME		300 000,00		Luvuvhu Regional Office
	TOTAL		1 500 000,00	6 872 000,00	9 446 000,00	
	MACHINERY AND EQUIPMENT					
19	2 X DRONES	INCOME	-	150 000,00	150 000,00	Finance Department
	TOTAL		-	150 000,00	150 000,00	
	OFFICE FURNITURE AND EQUIPMENT					
20	Purchasing of Office Chairs	INCOME	120 000,00			Library Services
21	Purchasing of Fridge	INCOME	30 000,00			Library Services

22	Purchasing of Microwave	INCOME	3 500,00			Waste Management
23	Purchasing of office furniture (5 tables,10 high back chairs,steel chrome 4 seater,visitors chairs,couch,cabinets)	INCOME	400 000,00			Protection Services
24	Purchasing of 2 Fridge	INCOME	50 000,00			Makhado Registering Authority(Licensing)
25	Purchasing of 2 Microwave	INCOME	30 000,00			Makhado Registering Authority(Licensing)
26	Purchasing of Fridge	INCOME		20 000,00		Dzanani Traffic Station
27	Purchasing of Microwave	INCOME	10 000,00			Dzanani Traffic Station
28	Purchasing of Office furniture (all offices)	INCOME	150 000,00			Dzanani Traffic Station
29	4x Table with drawers	INCOME	14 000,00	15 000,00	16 000,00	Luvuvhu Regional Office
30	4x High back office chairs	INCOME	5 600,00	6 000,00	8 000,00	Luvuvhu Regional Office
31	4x Visitor chairs	INCOME	8 000,00	8 400,00	10 000,00	Luvuvhu Regional Office
32	2x Filling Cabinet	INCOME	17 000,00	18 600,00	20 000,00	Luvuvhu Regional Office
33	Furniture in all offices	INCOME			250 000,00	Dzanani Regional Office
34	mobile filling/ movable shelf	INCOME	200 000,00			Waterval Regional Office
	TOTAL		1 038 100,00	68 000,00	304 000,00	

**FINAL ANNUAL CAPITAL BUDGET 2025/2026 TO 2027/2028 FINANCIAL YEAR
COMMUNITY SERVICES DEPARTMENT**

LIBRARY SERVICES					
NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
1	Musekwa and Main library CFX library Security system (3M Machine)	INCOME	-	718 000,00	-
2	Study carrels and chairs for Musekwa and Luvuvhu	INCOME	500 000,00		
TOTAL			500 000,00	718 000,00	-
PARKS AND RECREATION SECTION					
NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
3	Purchasing and delivery of 10 Heavy duty lawn mower and 20 brush cutters	INCOME	1 600 000,00	1 200 000,00	1 300 000,00
4	Purchasing and delivery of 3 Trailer for Heavy Duty Lawn mower machine	INCOME		200 000,00	200 000,00
5	Purchasing and delivery of 1 Potable/mobile woodchipper machine	INCOME	300 000,00		
6	Purchasing and delivery of 10 Chainsaw	INCOME	160 000,00	180 000,00	180 000,00
7	Purchasing and delivery of 6 extended chainsaw	INCOME	120 000,00	130 000,00	140 000,00
8	Purchasing and delivery of 10 Leaf blower	INCOME		80 000,00	90 000,00
TOTAL			2 180 000,00	1 790 000,00	1 910 000,00
MAKHADO REGION WASTE MANAGEMENT					
NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
9	Purchasing and delivery of 40 skip bins and 40 skip bin cover nets	INCOME	1 400 000,00	1 600 000,00	1 500 000,00

10	Purchasing of 500 Large Round Concrete Refuse Bin	INCOME	470 000,00		
11	Purchasing and delivery of 1000 (240L) Wheelie bins	INCOME			1 500 000,00
TOTAL			1 870 000,00	1 600 000,00	3 000 000,00

PROTECTION SERVICES

NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
12	2 Television(71cm, Installation of satelite dish,decoder)	INCOME			30 000,00
TOTAL			-	-	30 000,00

MAKHADO TRAFFIC STATION

NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
13	2 Speed Measuring Machines (Luvuvhu &Waterval)	INCOME			500 000,00
14	3 Digital Laser Cam 4	INCOME	-	600 000,00	740 000,00
15	1 Mobile Roadblock Equipment with Trailer	INCOME	-	700 000,00	
16	Driving Licence Scanners	INCOME	200 000,00		
TOTAL			200 000,00	1 300 000,00	1 240 000,00

WATERVAL TRAFFIC STATION

NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
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17	2 Digital Camera(Accident Response)	INCOME	25 000,00		
TOTAL			25 000,00	-	-
DZANANI TRAFFIC STATION					
CO DE	DESCRIPTION	SOURC ES	2025/2026	2026/2027	2027/2028
18	Purchasing of Warrant of arrest printing machine	INCOME	200 000,00		
TOTAL			200 000,00	-	-

**FINAL ANNUAL CAPITAL BUDGET 2025/2026 TO 2027/2028 FINANCIAL YEAR
CORPORATE SERVICES DEPARTMENT**

UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT						
CODE	NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
SC	1	Network Infrastructure refresher(Phase3)	INCOME	1 200 000,00	1 300 000,00	1 400 000,00
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		3 500 000,00	-
SC	8	Implement Disaster Recovery Architector	INCOME	500 000,00		-
SC	9	Install Local Area Network for Testing Station old Building	INCOME	250 000,00		
SC	10	Install Local Area Network for new Offices in Civic Centre	INCOME	250 000,00		
SC	11	Procure, License and Support Municipal Laptop Tracking solution for a period of three years	INCOME	250 000,00	-	
SC	12	Procure Plotter for Printing GIS Maps and Images-Include 3 years Support and Maintenance	INCOME	230 000,00	-	-
SC	13	Maintain , Support and Licensing of Existing Cloud CallCenter Management System for a period of three years	INCOME	-		
SC	14	Supply and Licencing of cloud AUTOCAD System for a period of three years(5 USERS)	INCOME	200 000,00		
SC	15	Server Room Environmental Management System	INCOME	300 000,00		

TOTAL				3 480 000,00	6 650 000,00	4 900 000,00
ICT EQUIPMENT FOR ALL DEPARTMENT						
CODE	NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
SC	16	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1 100 000,00	1 300 000,00	1 400 000,00
TOTAL				1 100 000,00	1 300 000,00	1 400 000,00
COMMUNICATIONS DIVISION						
CODE	DEPT	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
SC	17	Procure and Install Digital Welcome sign at the entrance of Civic Centre	INCOME	300 000,00	-	-
SC	18	Camera	INCOME	200 000,00		
TOTAL				500 000,00	-	-
COUNCILLORS SUPPORT AND COMMITTEES						
CODE	NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
SC	19	Procure Video Conferencing Facility for Virtual Meetings in Exco Chamber	INCOME	500 000,00	-	-
TOTAL				500 000,00	-	-
HUMAN RESOURCE DIVISION						
CODE	NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028

SC	20	Procure, Install license , Maintain and Support Performance Management System (PMDS)	INCOME	1 500 000,00	-	-
sc	21	Development of skill development plan	INCOME	500 000,00		
TOTAL				2 000 000,00	-	-
RECORDS AND AUXILIARY SERVICES						
CODE	NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
SC	22	Update, Maintain, Support and Licensing of Existing Document Management System	INCOME	500 000,00	-	-
TOTAL				500 000,00	-	-

**FINAL ANNUAL CAPITAL BUDGET 2025/2026 TO 2027/2028 FINANCIAL YEAR
TECHNICAL SERVICES DEPARTMENT**

ELECTRICAL ENGINEERING						
COD E	N O	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
	1	Electrical Preventative Maintenance (Replacement of rotten poles & HV and LV) at: Mara , Sinthumule, Kutama, Mudimeli / Tshiendeulu, Tshipise & Ward 37, Levubu 2, Levubu East, Levubu Central, Levubu west (Beaufort), Bandelierkop, Mashau, mountain , Tshifhire.	INCOME	8 000 000.00	10 000 000.00	7 000 000.00

	2	Upgrading Emmarentia Sub Station	INCOME	6 500 000.00	9 000 000.00	5 875 000.00
	3	Upgrading Boom Park sub station	INCOME	5 000 000.00	-	5 000 000.00
	4	Upgrading Cricket substation	INCOME	-	5 000 000.00	-
	5	Upgrading Eltivillas East substation in town	INCOME	4 000 000.00	2 000 000.00	2 000 000.00
	6	Develop GIS System (Farms)	INCOME	1 000 000.00	1 000 000.00	1 000 000.00
	7	Develop GIS system (Underground network in Town)	INCOME	1 000 000.00	1 000 000.00	1 000 000.00
	8	Upgrading Roodewal substation	INCOME	-		10 000 000.00
	9	Electrification of South of Pretorius residential development	INCOME	-	1 000 000.00	1 000 000.00
	10	Upgrading Makhado Park substation	INCOME	-	1 000 000.00	-

11	Upgrading South of Pretorius substation (2 x 5MVA)	INCOME	3 500 000.00	-	
12	Upgrading of Luvubu and Beaufort substation	INCOME	-	1 675 798.08	
13	Main substation upgrade Phase 4	INCOME	6 000 000.00	-	
14	Upgrading 66kv transmission line (Mpheni)	INCOME	-	5 000 000.00	5 000 000.00
15	Installing SCADA system in five substations	INCOME	-	-	3 000 000.00
16	Development GIS system (villages)	INCOME	-	1 000 000.00	3 000 000.00
17	Procurement of Power transformers for main strategic substations (Central)	INCOME	-	-	4 598 400.00
18	Procurement of Power transformers for main strategic substations(Beufort	INCOME	-		5 000 000.00
19	Procurement of Power transformers for main strategic substations(Roodeval)	INCOME	-		5 000 000.00

20	Construction of a new substation East of Bergview (2 x 5MVA)	INCOME	-		10 000 000.00
21	Post connections at Municipal area	INCOME	2 000 000.00	1 000 000.00	2 000 000.00
22	Installation of 15m hybrid High masts in All substations	INCOME	-	1 000 000.00	-
23	Protection scheme coordination for networks	INCOME	1 000 000.00	-	
24	Construction of Main substation feeder split	INCOME	-	1 000 000.00	
25	Construction of Local Control Centre	INCOME	-	1 000 000.00	
26	Procurement of Power Transformer and Current Transformer Testing instruments	INCOME	1 500 000.00		
27	Construction of Oil Holding dam	INCOME	-	800 000.00	
28	Construction of Transformer bay	INCOME	-	1 000 000.00	1 000 000.00

	29	Refurbishment of All substations earthing	INCOME	-	1 000 000.00	1 000 000.00
	30	Procurement of Statutory equipment	INCOME	1 000 000.00	-	1 000 000.00
	31	Construction of ablution and guardroom at All Substations	INCOME	-	500 000.00	500 000.00
	32	Procurement of Tree Pruners	INCOME	250 000.00	400 000.00	400 000.00
	33	Procurement of battery operated Crimpers	INCOME	200 000.00	400 000.00	400 000.00
	34	Procurement of battery operated cutters	INCOME	200 000.00	400 000.00	400 000.00
	35	Procurement of eletrical tools	INCOME	300 000.00	400 000.00	400 000.00

	36	Replacement of wooden poles to concrete /steels poles	INCOME	-	3 000 000.00	6 668 365.00
	37	Refurbishment of streets lights within Muncipal area	INCOME	-	1 500 000.00	3 000 000.00
	38	Refurbishment of Transformers earthing ,villages and farmers	INCOME	-	500 000.00	500 000.00
	39	Operational digital radios	INCOME	600 000.00	-	-
TOTAL				42 050 000.00	51 575 798.08	85 741 765.00

CIVIL ENGINEERING SECTION

COD E	N O	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
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39	Construction of Clearview fence at Dzanani Traffic Station	INCOME	-	800 000.00	-
40	Construction of Clearview fence at Luvuvhu Traffic Station	INCOME	-	800 000.00	-
41	Construction of Clearview fence at Makhado Traffic Station	INCOME	-	-	1 100 000.00
42	Construction of Clearview fence at Waterval Traffic Station	INCOME	-	-	1 100 000.00
43	Rehabilitation of Kort/Krogh street	INCOME	-	1 000 000.00	-
44	Rehabilitation of surfaced landing strips and roads at Makhado Airport	INCOME	500 000.00	-	2 000 000.00
45	Fencing of cemeteries at: Musekwa Ngundu, Magau, Mulima Thondoni, Mpofu	INCOME	-	-	2 000 000.00
46	Fencing of cemeteries at: Tshiozwi, Elim, Ha Mutsha	INCOME	-	-	3 000 000.00
47	Procurement of Boom lifter for working at height for use at Community facilities	INCOME	1 500 000.00	-	2 000 000.00

	48	Procurement of Plate compactor for road maintenace	INCOME	-	-	-
	49	Procurement of 2 x pedestrian rollers	INCOME	-	200 000.00	-
	50	Construction of Civil Engineering Steel Structure	INCOME	-	400 000.00	-
	51	Pavement at Civic Centre Phase 3	INCOME	-	-	2 000 000.00
	52	Procurement of Culverts for stomwater control	INCOME	-	2 000 000.00	1 000 000.00
	53	Rehabilitation of Brown Matamela street	INCOME	-	-	2 000 000.00
	54	Rehabilitation of Mountain view street	INCOME	-	-	2 000 000.00
	55	Rehabilitation of Second street	INCOME	-	2 000 000.00	-
	56	Rehabilitation of Tshikota streets	INCOME	-	3 000 000.00	5 000 000.00

	57	Rehabilitation of Netshisaulu street	INCOME	3 800 000.00	2 000 000.00	2 000 000.00
	58	Rehabilitation of Louis Botha street	INCOME	-		
	59	Rehabilitation of Buffel street	INCOME	-	2 000 000.00	-
	60	Rehabilitation of Third street	INCOME	-	2 000 000.00	-
	61	Rehabilitation of Douthwait street	INCOME	-	-	2 000 000.00
	62	Refurbishment of Library building	INCOME	500 000.00	2 000 000.00	
	63	Extension of Library building	INCOME	-	-	-
	64	Fencing of Civil Engineering stock piling area	INCOME	-	800 000.00	
	65	Refurbishment of Ha-Mutsha community Hall	INCOME	500 000.00	500 000.00	-

	66	Refurbishment of Muduluni community Hall	INCOME	-	300 000.00	-
	67	Refurbishment of Waterval community Hall	INCOME	-	300 000.00	-
	68	Refurbishment of Vleifontein Satellite office	INCOME	500 000.00	300 000.00	-
	69	Fencing Musekwa Multi-purpose	INCOME	-	300 000.00	-
	70	Additional 4 rooms - standby quarters	INCOME	-	500 000.00	-
	71	Fencing of Muwaweni Community Hall	INCOME	-	-	500 000.00
	72	Road mechanical broom sweeper	INCOME	500 000.00	500 000.00	-
	73	Honey sucker truck	INCOME	-	-	-
	74	Installation of Clear view fencing Mudimeli	INCOME	-	-	1 500 000.00

	75	construction of Security guardroom at Dzanani Park	INCOME	-	800 000.00	300 000.00
	76	Installation of sittings benches at Rabali stadium change rooms.	INCOME	100 000.00	220 000.00	261 000.00
	77	Construction of the Strong room for storing confidential documents.	INCOME	120 000.00	-	-
	78	Refurbishment of Dzanani Regional Office building	INCOME	-	-	-
	79	Reshurbishment of Musekwa Thusong Centre	INCOME	-	800 000.00	-
	80	Drilling and equipping a borehole at Dzanani Region	INCOME	-		500 000.00
	81	Construction of Temporary fence to prevent land invasion in the municipal area at Luvuvhu Region.	INCOME	-	200 000.00	
	82	Construction of Store room at Luvuvhu regional office	INCOME	260 000.00	450 000.00	
	83	Construction of Temporary Shelter for workers at Luvuvhu regional office	INCOME	130 000.00		-

84	Construction of temporary Store room for storage of municipal equipment at Luvuvhu Region.	INCOME	100 000.00		-
85	Installation of Carports for vehicle parking at Waterval Region.	INCOME	200 000.00		
86	Installation of Carpot for Vleifontein satellite office at Waterval Region.	INCOME	200 000.00		
87	Refurbishment of Caravan Park (fencing and renovation of building)	INCOME	-		-
88	Development of Animal Carcasses Decomposing Facility	INCOME	1 200 000.00	1 500 000.00	
89	Supply, delivery of materials, labour and construction of 13 concrete slab for skip bin drop off points for Dzanani Region.	INCOME	-		
90	Supply, delivery of materials, labour and construction of 20 concrete slab for skip bin drop off points for Sinthumule/ Kutama.	INCOME	-	-	500 000.00
91	Supply, delivery of materials, labour and construction of 12 concrete slab for skip bin drop off points for Waterval Region.	INCOME	-		500 000.00
92	Supply, delivery of materials, labour and construction of 11 concrete slab for skip bin drop off points for Luvuvhu Region.	INCOME	-	-	500 000.00

	93	Construction of Weighbridge at Makhado landfill site	INCOME	1 300 000.00	-	500 000.00
	94	Paving of the road from Vivo Road (R522) to Makhado landfill site.	INCOME	-		-
	95	Refurbishment of site offices, stormwater control systems, refurbishment of ablution facilities, erecting/ fixing of fence including fire belt, refurbishment of recycling shed/ area, paving of internal roads at Makhado landfill site	INCOME	-		300 000.00
	96	construction of Carports for Makhado Traffic Station	INCOME	350 000.00		300 000.00
	97	Construction of steel structure Filing space and installation of shelves for licensing (Makhado & Dzanani Traffic Station)	INCOME	-		-
	98	Refurbishment of Cattle Pound (feasibility study, survey plan, construction)	INCOME	-	2 000 000.00	1 500 000.00
TOTAL				11 760 000.00	27 670 000.00	34 361 000.00

PMU INCOME

COD E	N O	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
	100	Construction of Dzanani Taxi Rank and Market Stalls	INCOME	7 800 000.00	17 000 000.00	-
	101	Development of roads and stormwater at Tshikota 164 new stands	INCOME	21 951 583.00	14 000 000.00	-
	102	Development of roads and stormwater at South of Pretorius 700 new stands	INCOME	37 807 188.00	22 605 101.92	19 983 995.00
	103	Upgrading of of Park View street at Biaba Township	INCOME	-	-	4 000 000.00
	104	Construction of Admin Block and Traffic station & DLTC at Luvuvhu Region	INCOME	-	500 000.00	1 000 000.00
	105	Construction of Tshivhuyuni Sports Facility	INCOME	12 385 229.00	-	-
	106	Upgrading of Road from Vleifontein Clinic to Chris Hani via Pentecostal Church	INCOME			4 000 000.00

	10 7	Construction of Shalom and Mountain view Streets at Waterval	INCOME	200 000.00		-
	10 8	Upgrading of Road from Maebane, Makhitha to Muraleni	INCOME	200 000.00		
	10 9	Upgrading of Matshavhawe to Khunda Access Road	INCOME	200 000.00		
	11 0	Upgrading of Tarental Street at Makhado Park	INCOME	200 000.00		
TOTAL				80 744 000.00	101.92	28 983 995.00

MIG FUNDED						
COD E	N O	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
	10 7	Upgrading of Tsianda Marundu to Military Base Phase 1	MIG	15 758 178.68	-	-
	10 8	Upgrading of Tshino Access Road	MIG	31 058 903.00	40 488 816.00	8 501 989.00

109	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Road Phase 1	MIG	31 058 903.00	40 488 815.00	6 191 771.00
110	Upgrading of road leading to Mavhoyi FET College	MIG	25 182 754.32	15 209 869.00	-
111	Upgrading of Tsianda Marundu to Military Base Phase 2	MIG	-	2 000 000.00	19 324 703.00
112	Upgrading of Madombidzha (50/50), Ramantsha to Ravele Road Phase 2	MIG	-	2 000 000.00	19 324 703.00
113	Upgrading Sane to Natalie Access Road	MIG	-	2 000 000.00	12 000 000.00
114	Upgrading of ring road from Nwaxinyamai to Tshivhade , Mavhina to Bungeni	MIG	-	2 000 000.00	10 000 000.00
115	Upgrade of Road at Nthabalala Village	MIG	-	-	5 000 000.00
116	Upgrade of road from Mpheni block A (Mabidi) to Block C (Butchery)	MIG	-	-	5 000 000.00
117	Upgrading of Rabali to Divhani Access Road	MIG	-	2 000 000.00	6 790 886.00

	11 8	Upgrading of Waterval cemetery road	MIG	-	2 000 000.00	23 476 048.00
	11 9	WASTE REMOVAL TRUCKS	MIG	2 777 911.00	7 000 000.00	5 000 000.00
TOTAL				105 836 650.00	115 187 500.00	120 610 100.00

INEP PROJECTS						
COD E	N O	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
	12 0	Tsianda Phase 1	INEP	R 513 739.42	-	-
	12 1	Xinkuwani Xilumani Phase 1	INEP	R 4 572 280.88	-	-
	12 2	Woyoza Phase 1	INEP	R 1 001 791.88	-	-
	12 3	Mulima Phase 2	INEP	R 2 568 697.12	-	-

12 4	Tshituni Phase 2	INEP	R 4 623 654.82	-	-
12 5	Mpofu (N1) Phase 2	INEP	R 1 900 835.87	-	-
12 6	Matanda (Pre-engineering)	INEP	R -	R 979 736.00	-
12 7	Mavhoyi (Pre-engineering)	INEP	R -	R 2 949 342.50	R 2 449 342.00
12 8	Phadzima/Madzuwa (Pre-engineering)	INEP	R -	R 1 077 710.00	-
12 9	Mopani A and B (Pre-engineering)	INEP	R -	R 2 802 381.50	R 2 302 380.00
13 0	Muongamunwe (Pre-engineering)	INEP	R -	R 1 102 203.00	-
13 1	Riverplaats (Pre-engineering)	INEP	R -	R 1 088 627.00	R 5 700 278.00
TOTAL			15 181 000.00	10 000 000.00	10 452 000.00

TOTAL TECHNICAL SERVICES BUDGET

		258 538	280 148
255 571 650.00	400.00		860.00

**FINAL ANNUAL CAPITAL BUDGET 2025/2026 TO 2027/2028 FINANCIAL YEAR
REGIONAL OFFICES**

LUVUVHU REGIONAL OFFICE					
NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
4	Heavy Duty Lawn mower	INCOME	60 000,00		200 000,00
5	Tractor mower slasher	INCOME	-	120 000,00	-
	TOTAL		60 000,00	120 000,00	200 000,00

DZANANI REGIONAL OFFICE					
NO	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028

12	1 single vibrating drum roller machine	INCOME			900 000,00
13	Walk-behind Vibrating Dual Drum Roller	INCOME	100 000,00		
	Purchasing of 10x heavy duty Brush Cutters for bush clearing	INCOME	100 000,00	150 000,00	250 000,00
	Purchasing of Generator to be used for industrial equipment	INCOME	30 000,00		
TOTAL			230 000,00	150 000,00	1 150 000,00
WATERVAL REGIONAL OFFICE					
	DESCRIPTION	SOURCES	2025/2026	2026/2027	2027/2028
17	Lawnmower machines	INCOME	100 000,00	120 000,00	200 000,00
18	Chainsaw	INCOME	40 000,00	130 000,00	130 000,00
19	Pedestrian roller and trailer	INCOME	300 000,00		350 000,00

20	Brush cutter	INCOME	100 000,00	200 000,00	350 000,00
23	Concrete mix machine	INCOME	90 000,00		
24	Jump start	INCOME	70 000,00	-	55 000,00
			700 000,00	450 000,00	1 085 000,00