



# MADIBENG LOCAL MUNICIPALITY



## PUBLICATION OF ADOPTED 2024/2025 – 2026/2027 FINAL ANNUAL BUDGET OF MADIBENG LOCAL MUNICIPALITY

The Final Annual Budget for Madibeng Local Municipality is published in accordance with the Municipal Finance Management Act, no. 56 of 2003, the Municipal Property Rates Act 2004 (Act 6 of 2004) and the Local Government Municipal Systems Act 32 of 2000. This Budget was considered and approved in compliance with the National Treasury Circulars and was adopted in Council on 31 May 2024. Copies of the Final Annual Budget are available at all the Municipal Offices. Alternatively, the budget office can be contacted for assistance on (012) 318 9228/9225 or jamesmotaung@madibeng.gov.za / mosasekori@madibeng.gov.za

Council adopted amendments of all budget related policies, e.g., Budget & Virement Policy, Property Rates Policy & Bylaw, Tariff Setting Policy, Cash Management and Investment Policy, Indigent Household Subsidy Policy, Supply Chain Management Policy, Asset Management Policy, Credit Control and Debt Collection Policy & Bylaw, etc.

### 1. OPERATING REVENUE AND EXPENDITURE FRAME-WORK

The proposed main average tariff increases are as follows:

**Table 1: Proposed Tariff Increase Percentage**

Description	Approved Previous Year 2022/23	Approved Current Year 2023/24	MTREF		
			Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Property rates	0%	0%	0%	4.6%	4.6%
Electricity	9.6%	5.3%	12.7%	15.7%	15.7%
Water	4.8%	5.3%	4.9%	4.6%	4.6%
Sewerage	4.8%	5.3%	4.9%	4.6%	4.6%
Refuse Removal	4.8%	5.3%	4.9%	4.6%	4.6%
Surcharges	4.8%	5.3%	4.9%	4.6%	4.6%
Other services	4.8%	5.3%	4.9%	4.6%	4.6%

\*It needs to be noted that the electricity tariff increase percentage is an indicative percentage, we have not received the guideline from NERSA yet. The municipality still has to apply for tariff increase at NERSA. Therefore, the electricity tariff increase may change depending on approval by NERSA. In terms new valuation roll the figures show an increase in property values, the municipality has decided not to increase the Property Rates tariff

The total Revenue budget has increased by R 229.3 million or 8% when compared with the 2023/24 Original Budget and has increased by R 227.5 million or 8% compared with the 2023/24 Adjustment Budget.

**Table 2: Summary of Operating Revenue by Revenue Source**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
<b>R thousand</b>	<b>1</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Full Year Forecast</b>	<b>Pre-audit outcome</b>	<b>Budget Year 2024/25</b>	<b>Budget Year +1 2025/26</b>	<b>Budget Year +2 2026/27</b>
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	522 622	561 615	600 942	675 095	685 895	685 895	562 593	757 422	875 015	1 012 227
Service charges - Water	2	171 430	142 139	166 205	161 956	161 956	161 956	84 424	175 088	181 992	190 181
Service charges - Waste Water Management	2	54 361	47 834	51 852	51 710	51 910	51 910	27 328	55 120	50 590	52 867
Service charges - Waste Management	2	55 580	57 181	60 288	63 442	64 442	64 442	53 839	67 229	69 736	72 874
Sale of Goods and Rendering of Services		5 151	4 578	5 265	5 452	5 461	5 461	3 588	4 690	4 906	5 126
Agency services		12 591	14 180	17 664	14 000	14 000	14 000	-	18 833	19 653	20 493
<b>Interest</b>											
Interest earned from Receivables		75 209	76 520	56 240	67 109	67 109	67 109	56 592	69 171	72 353	75 609
Interest earned from Current and Non-Current Assets		5 867	6 753	16 459	14 638	17 738	17 738	13 600	17 920	18 745	19 588
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	8	10	10	10	-	7	8	8
Rental from Fixed Assets		4 878	1 837	1 923	2 205	2 205	2 205	1 995	2 064	2 159	2 256
Licence and permits		4 868	6 433	6 724	37	37	37	54	32	33	35
Operational Revenue		<b>163</b>	<b>2 397</b>	<b>349</b>	<b>2 333</b>	<b>3 157</b>	<b>3 157</b>	<b>1 043</b>	<b>1 237</b>	<b>1 248</b>	<b>1 259</b>
<b>Non-Exchange Revenue</b>											
Property rates	2	336 843	293 589	413 604	403 585	383 585	383 585	300 374	420 000	437 792	457 714
Surcharges and Taxes											
Fines, penalties and forfeits		3 006	3 643	6 366	3	3	3	0	8 991	9 406	9 829
Licences or permits		-	-	-	500	500	500	-	525	549	573
Transfer and subsidies - Operational		913 335	836 190	955 504	1 064 212	1 065 903	1 065 903	1 056 785	1 137 358	1 196 285	1 253 744
Interest		39 614	22 520	32 169	30 082	34 334	34 334	38 521	50 071	52 374	54 731
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets		(585)	1 270	(830)	-	-	-	-	-	-	-
Other Gains		701	74	167	-	-	-	852	-	-	207
<b>Discontinued Operations</b>											
<b>Total Revenue (excluding capital)</b>		<b>2 205 633</b>	<b>2 078 753</b>	<b>2 390 897</b>	<b>2 556 367</b>	<b>2 558 243</b>	<b>2 558 243</b>	<b>2 201 588</b>	<b>2 785 760</b>	<b>2 992 843</b>	<b>3 229 322</b>

Morufa Moloto: **Municipal Manager (Acting)**

Date of Issue: 06 June 2024

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The total Expenditure budget has increased by R 166 million or 6% when compared with the original budget and has decreased by -R 308.8 million or -11% when compared with the adjusted budget.

**Table 3: Summary of Operating Expenditure by type**

Description	Ref	2020/21	2021/22	2022/23	Current Year 2023/24				2024/25 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<b>Expenditure</b>											
Employee related costs	2	591 539	638 673	652 263	695 456	697 400	697 400	578 978	730 202	773 791	818 162
Remuneration of councillors		31 660	32 005	34 256	37 450	37 450	37 450	29 750	38 861	40 648	42 477
Bulk purchases - electricity	2	628 351	670 408	723 581	525 638	721 638	721 638	595 654	665 720	696 343	727 678
Inventory consumed	8	22 877	26 099	34 868	188 685	188 685	188 685	42 805	204 931	214 563	224 195
Debt impairment	3	2 843	6 992	25 054	220 000	200 000	200 000	-	209 800	219 451	229 326
Depreciation and amortisation		322 897	337 457	316 128	350 000	330 000	330 000	-	317 937	332 562	347 528
Interest		21 981	16 580	61 558	67 500	87 500	87 500	63 658	43 233	45 222	47 257
Contracted services		256 534	330 460	314 815	257 837	442 663	442 663	311 149	288 183	330 140	370 357
Transfers and subsidies		11 892	6 530	6 674	7 000	7 000	7 000	6 969	7 343	7 681	8 026
Irrecoverable debts written off		49 959	-	(118 618)	-	-	-	94	-	-	-
Operational costs		198 040	99 217	284 466	202 071	314 129	314 129	223 643	211 432	220 357	230 274
Losses on disposal of Assets		2 069	581	-	-	-	-	-	-	-	-
Other Losses		1 083	152	2 159	-	-	-	(309)	-	-	(719)
Total Expenditure		2 141 724	2 165 155	2 337 205	2 551 637	3 026 466	3 026 466	1 852 392	2 717 642	2 880 758	3 044 562
<b>Surplus/(Deficit)</b>		<b>63 909</b>	<b>(86 401)</b>	<b>53 692</b>	<b>4 730</b>	<b>(468 223)</b>	<b>(468 223)</b>	<b>349 195</b>	<b>68 118</b>	<b>112 086</b>	<b>184 761</b>

## 2. Transfers and Grants Allocation

Revenue from grant funding is set out in Division of Revenue Act (DORA) and the Provincial Gazette. The total transfers and grants allocated to the municipality is R 1.483 billion in the 2024/25 financial year and the allocation for 2025/26 and 2026/27 amount to R 1.554 billion and R 1.642 billion. The total operating transfers and grants for the 2024/25 financial year amount to R

1.137 billion, R1.196 billion and R 1.253 billion for the 2025/26 and 2026/27 financial years.

The infrastructure grant for the 2024/25 financial year is appropriated at R346.2 million. And the allocation for the two outer years is estimated at R 357.9 million and R 388.5 million respectively.

Table 4 below gives a breakdown of the various Grants and subsidies allocated to the municipality over the medium term period.

**Table 4: Transfers and Grant Allocations**

Description	Budget Year 2022/2023	Budget Year 2023/2024	Budget Year 2024/2025	Budget Year +1 2025/2026	Budget Year +2 2026/2027
	R'000	R'000	R'000	R'000	R'000
Equitable Share	941 456	1 052 334	1 123 765	1 183 885	1 241 275
Financial Management Grant	2 900	2 900	2 900	2 900	2 900
Expanded Public Works Programme	1 094	978	1 293		
Library Grant	166		1 400	1 500	1 569
Municipal Infrastructure Grant	324 408	339 658	329 018	345 965	377 506
Integrated National Electrification	45 500	30 150	25 184	20 000	19 000
Total Grants & Subsidies	1 315 524	1 426 020	1 483 560	1 554 250	1 642 250
<b>Total Operating Grants &amp; Subsidies</b>	<b>1 140 173</b>	<b>1 315 524</b>	<b>1 426 020</b>	<b>1 554 982</b>	<b>1 672 781</b>

## 3. Capital Budget

Section 18 and 19 of the MFMA were taken in to consideration regarding the funding of capital project. That spending on Capital Budget to be financed from grants and other external mechanisms would takes place after the funds have been received.

Table 5 below detailed the funding sources for Capital Budget over the medium term period.

**Table 5 Capital Budget per Funding Sources**

Description	Budget Year 2021/2022	Budget Year 2022/2023	Budget Year 2023/2024	Budget Year +1 2024/2025	Budget Year +2 2025/2026
	R'000	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant	324 408	339 658	329 018	345 965	377 506
Integrated National Electrification	45 500	30 150	25 184	20 000	19 000
<b>Total Grants &amp; Subsidies</b>	<b>369 908</b>	<b>369 808</b>	<b>354 202</b>	<b>365 965</b>	<b>396 506</b>

The Capital Budget for the 2024/2025 financial year has been projected at R 354.2 million. The two outer financial years the Capital Budget is projected at R365.9 million and R 396.5 million.

The table below is the detailed 2024/25 MTREF capital budget per capital project and per ward



**PROPOSED FINAL CAPITAL BUDGET 2024/25 - 2026/27 FINANCIAL YEAR**

DESCRIPTION	WARDS	BUDGET 2024/25	BUDGET 2025/26	BUDGET 2026/27	FUND
KLIPGAT EXTENTION WATER SUPPLY	8,24; 36	20 000 000	22 000 000		MIG
HEBRON/ KGABALATSANE/ ROCKVIL/ITSOSENG	10,15,16,41	50 000 000	53 000 000	40 000 000	MIG
UPGRADING OUKASIES OUTFALL SEWER	13	-	-		MIG
JERICHO BULK WATER LINE	2			60 000 000	MIG
HEBRON/ KGABALATSANE BULK WATER SUPPLY ( R/WATER)	10,15,16,41			30 000 000	MIG
WATER CONSERVATION WATER DEMAND MANAGEMENT	ALL	15 000 000			MIG
MODDERSPRUIT AUGMENTATION OF WATER SUPPLY (BOREHOLES)	31			28 000 000	MIG
MADIDI-AUGMENTATION OF WATER SUPPLY (BOREHOLES)	3		2 000 000	28 000 000	MIG
KLIPGAT SANITATION PROJECT	8;24;37	37 000 000	30 000 000	30 000 000	MIG
<b>VENTILATION IMPROVED PIT TOILETS (VIP TOILETS – BOKAMOSO)</b>	27		10 000 000		MIG
VENTILATION IMPROVED PIT TOILETS (VIP TOILETS )	14		3 000 000		MIG
<b>VENTILATION IMPROVED PIT TOILETS (VIP TOILETS BOKFONTEIN)</b>	25		10 000 000		MIG
HIGH MAST LIGHT (SOLAR ENERGY) PHASE 3 ( 4 HIGHMAST LIGHT PER WARD @ R580 PER MAST)	5,8,9,11,12,13,20,21,22,23,24,36,37,38,	32 500 000	-		MIG
HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 1B (6 HIGHMAST LIGHT PER WARD @ R625 PER MAST)	1,2,25,27,30,33,32,34,35,40		37 302 000	41 000 000	MIG
HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 2B ( 4 HIGHMAST LIGHT PERWARD @ R652 PER MAST )	3,4,6,7,10,14,15,16,17,18,19,26,28,29,41		35 000 000	38 500 000	MIG
HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 3B ( 4 HIGHMAST LIGHT PER WARD @ 625 PER WARD)	5,8,9,11,12,13,20,21,22,23,24,36,31,37,38		35 000 000	38 500 000	MIG
UPGRADING OF FAFUNG INTERNAL BUS ROUTE	1	1 000 000	2 000 000	15 000 000	MIG
UPGRADING OF MOTHOTLUNG PHASE 2 ROAD ( EXT 2 TO THARI)	20,21		-	15 000 000	MIG
UPGRADING OF MOTHOTLUNG INTERNAL ROADS	20	22 000 000			MIG
OUKASIE PHASE 5 ROAD	13		8 000 000		MIG
UPGRADING OF LEGONYANE CEMETERY ROAD	1	19 270 000			MIG
MASTERS SPORT GROUND ROAD UPGRADE	28	5 000 000	10 000 000		MIG
UPGRADING OF WONDERKOP LUTHREN ROAD	26	15 000 000	-		MIG
BLOCK B TLHOAFALO PRIMARY SCHOOL ROAD UPGRADE	9	21 264 000	-		MIG
LETLHABILE BLOCK F- INTERNAL ROAD UPGRADE	38	18 000 000			MIG
ROOIWAL CEMETERY ROAD UPGRADE	1	7 000 000	11 000 000		MIG
SEGWAILANE UPGRADING OF INTERNAL ROAD ( THABO MORULA )	32	14 000 000			MIG
UPGRADING OF REFENTSE ACCESSSS ROAD AND STORM WATER	30	5 000 000	11 000 000		MIG
UPGRADING OF INTERNAL ROAD (LOT PHALATSE)	41			6 000 000	MIG
UPGRADING OF INTERNAL ROAD (BLOCK B EXT )	11			1 600 000	MIG
UPGRADING OF INTERNAL ROAD (MOILETSWANE)	34			1 500 000	MIG
MMAKAU WARD 19 ROAD ( CHIPPA TO MOUMOMG)	19	10 000 000			MIG
UPGRADING OF INTERNAL ROAD ITSOSSENG ROMA ROAD	16			1 000 000	MIG
UPGRADING OF DITHABANE CEMETERY - BOKAMOSO HALL	27		5 000 000	5 000 000	MIG
UPGRADING OF SHUMBERG INTERNAL ROAD	29			7 000 000	MIG
UPGRADING OF NTOLO ROAD	3			1 400 000	MIG
UPGRADING OF NTSOPILONG CEMETERY ROAD	14			6 506 000	MIG
UPGRADING OF KLIPGAT OLD CEMETERY ROAD	36			10 000 000	MIG
DAMONSVILLE EXT.2 INTERNAL ROAD	21		7 533 000	7 000 000	MIG
FANYANE TO MANOTSHE MODUANE ROAD UPGRADE	15	10 984 000	10 000 000		MIG
REHABILITATION AND RESEALING OF TAXI ROUTE- LETLHABILE	38	1 000 000			MIG
REHABILITATION OF TAXI ROUTE- MOTHOTLUNG	20,21	1 000 000			MIG
REHABILITATION AND RESEALING OF TAXI ROUTE- OUKASIE	13,14,22	1 000 000			MIG
REHABILITATION OF MODDERSPRUIT TARRED ROAD.	31	7 000 000	-		MIG
FORMALISATION OF HEBRON STREAM AND STORMWATER	15;16	4 000 000	17 000 000		MIG
SPECIALISED VEHICLE FOR WASTE – (SKIP BINS)	all		5 000 000	10 000 000	MIG
BOKFONTEIN CEMETERY	25		2 500 000	10 000 000	MIG
MMAKAU CEMETERY	19		2 500 000	10 000 000	MIG
LANGEBERG CREMATORIUM	all		2 500 000	1 000 000	MIG
MABOLOKA SPORTS FACILITY	5		1 000 000	10 000 000	MIG
LETLHABILE SPORT FACILITY UPGRADE	12		2 500 000	10 000 000	MIG
MOTHOTLUNG SPORT FACILITY UPGRADE	20		2 500 000	1 000 000	MIG
OUTDOOR GYM - DAMONSVILE	21			5 000 000	MIG
OUTDOOR GYM - SUNWAY	30			5 000 000	MIG
BRITS FRESH PRODUCE MARKET	23		2 000 000	17 000 000	MIG
BRITS LANDFILL SITE( DEVELOPMENT OF NEW CELL AND LAGOON)	23	3 000 000	15 630 000	16 000 000	MIG
DLTC UPGRADE	23			1 500 000	MIG
LETLHABILE TAXI RANK	11		13 000 000		MIG
PMU ADMINISTRATION		9 000 000			
TOTAL MIG		329 018 000	345 965 000	377 506 000	
INEP			20 000 000	19 000 000	
<b>LETLHABILE BLOCK H ELECTRIFICATION 1193 ERVEN</b>		<b>19 684 000</b>			<b>INEP</b>
<b>LETLHABILE C SUBSTATION</b>		<b>4 000 000</b>			<b>INEP</b>
<b>LETLHABILE BLOCK I ELECTRIFICATION 2000H/H</b>		<b>1 500 000</b>			<b>INEP</b>
<b>TOTAL INEP</b>		<b>25 184 000</b>	<b>20 000 000</b>	<b>19 000 000</b>	
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>354 202 000</b>	<b>365 965 000</b>	<b>396 506 000</b>	

Copy of a full budget document, tariff schedule, policies and by-laws will be available at main municipal building reception and all satellites offices of the municipality

Morufa Moloto: **Municipal Manager (Acting)**  
 Date of Issue: 06 June 2024  
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