



MADIBENG LOCAL MUNICIPALITY



PUBLICATION OF TABLED 2026/2027 – 2028/2029 DRAFT ANNUAL BUDGET OF MADIBENG LOCAL MUNICIPALITY

The Draft 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 tabled in compliance with the National Treasury Circulars in Council on 31 March 2026. Copies of the Draft Annual Budget are available at all the Municipal Offices. Alternatively, the budget office can be contacted for assistance on (012) 493 7895 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	Current Year 2024/25		Medium Term Revenue & Expenditure Framework		
	Approved Previous Year 2024/25	Approved Current Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Budget Year +2 2028/29
Property rates	4.9%	4.3%	3.7%	3.3%	3.2%
Electricity	12.7%	10%	9.01%	3.3%	3.2%
Water	4.9%	4.3%	3.7%	3.3%	3.2%
Sewerage	4.9%	4.3%	3.7%	3.3%	3.2%
Refuse Removal	4.9%	4.3%	3.7%	3.3%	3.2%
Surcharges	4.9%	4.3%	3.7%	3.3%	3.2%
Other services	4.9%	4.3%	3.7%	3.3%	3.2%

*It needs to be noted that the electricity tariff increase percentage is an indicative percentage. The municipality still has to apply for tariff increase at NERSA. Therefore, the electricity tariff increase may change depending on approval by NERSA.

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 1.615 billion in the 2026/27 financial year and the allocation for 2027/28 and 2028/29 amount to R 1.696 billion and R 1.751 billion.

The infrastructure grant for the 2026/27 financial year is appropriated at R376.6 million. And the allocation for the two outer years is estimated at R 408.7 million and R 426.5 million respectively. Table 2 below gives a breakdown of the various Grants and subsidies allocated to the municipality over the medium-term period.

Table 2: Transfers and Grant Allocations

Description	Budget Year 2024/2025	Budget Year 2025/2026	Budget Year +1 2026/2027	Budget Year +2 2027/2028	Budget Year +2 2028/2029
	R'000	R'000	R'000	R'000	R'000
Equitable Share	1 123 765	1 183 275	1 232 260	1 284 945	1 321 575
Financial Management Grant	2 900	2 900	2 900	3 000	3 000
Expanded Public Works Programme	1 293	1 836	4 155	0	0
Library Grant	1 400	0	0	0	0
Municipal Infrastructure Grant	329 018	353 671	348 220	388 875	401 794
Integrated National Electrification	25 184	28 235	28 411	19 859	24 757
Water Service Infrastructure Grant	0	0	0	0	0
Total Grants & Subsidies	1 483 560	1 569 917	1 615 946	1 696 679	1 751 126

Transfers and Grant Allocations in Kind

The total grant allocation in kind for the 2026/27 amount to R 99 million. The allocation for the two outer year's amounts to R 127.8 million and R 127.8 million. Table 3 below provides the details of Transfers and Grant Allocations in Kind for Madibeng Local Municipality over the MTREF period.

Table 3: Transfers and Grant Allocations in Kind

Description	Budget Year 2024/2025	Budget Year 2025/2026	Budget Year +1 2026/2027	Budget Year +2 2027/2028	Budget Year +2 2028/2029
	R'000	R'000	R'000	R'000	R'000
Integrated National Electrification Programme (INEP)	16,019	23,865	53,928	80,77	80,77
Regional Bulk infrastructure Grant	35	28,112	28,112	29,236	29,236
Water Services Infrastructure Grant	17,65	17	17	17,85	17,85
Total Grants in kind	68,669	68,977	99,04	127,856	127,856

Even though the municipality would not be the implementing agent or fully responsible for implementation, it is recommended that the progress should be monitored and be reported accordingly. The Infrastructure and Technical Services Department will liaise with the implementing agents from time to time to monitor the progress and provide feedback thereof. The allocation will be transferred directly to:

- Eskom; and
- Department of Water and Sanitation.

3. OPERATING REVENUE

The total Revenue budget has increased by R228.1 million or 7% when compared with the 2025/26 Original Budget and has increased by R 11 million or 0.4% compared with the 2025/26 Adjustment Budget.

The following table gives a breakdown of the main Revenue categories for the 2026/27 financial year.

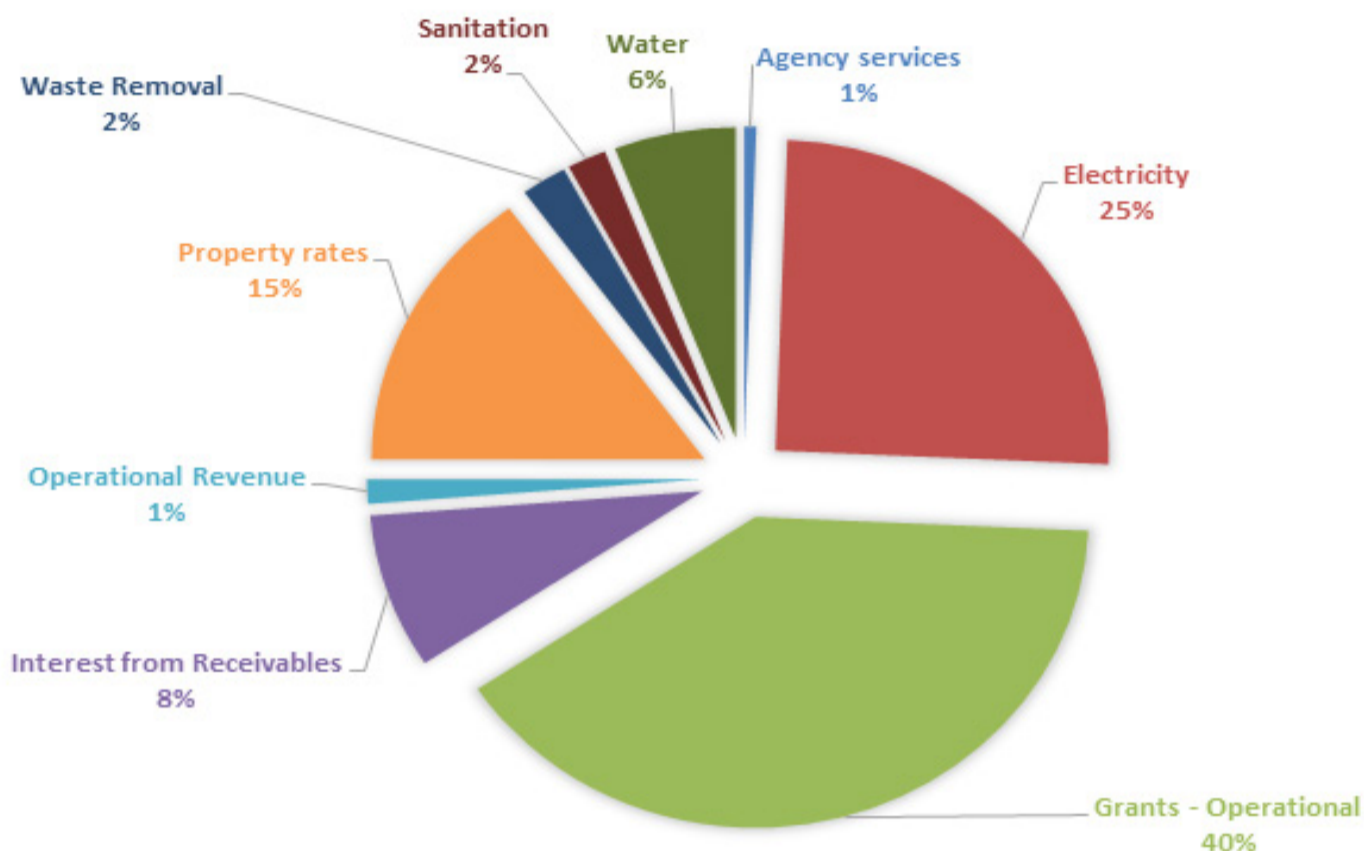


Table 4: Summary of Operating Revenue by Revenue Source

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
					Original Budget	Ad-justed Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	600 942	676 072	712 305	758 091	801 500	801 500	495 081	779 660	805 389	831 161
Service charges - Water	2	166 205	168 436	187 000	197 266	174 892	174 892	118 336	182 919	200 318	206 729
Service charges - Waste Water Management	2	51 852	50 374	61 276	63 864	54 082	54 082	36 375	58 543	65 640	67 740
Service charges - Waste Management	2	60 288	64 709	67 441	71 045	68 245	68 245	46 642	68 937	75 344	77 755
Sale of Goods and Rendering of Services		5 265	4 211	5 200	5 015	8 956	8 956	5 210	5 392	5 570	5 748
Agency services		17 664	17 283	17 551	17 000	17 000	17 000	8 292	17 600	18 181	18 763
Interest earned from Receivables		56 240	69 953	158 577	90 265	174 809	174 809	118 011	153 444	177 102	182 769
Interest earned from Current and Non-Current Assets		16 459	16 133	14 323	15 896	15 896	15 896	10 246	16 077	15 223	15 710
Rent on Land		8	-	33	30	45	45	34	35	36	37
Rental from Fixed Assets		1 923	2 148	4 209	3 150	5 629	5 629	3 188	5 163	5 333	5 504
Licence and permits		6 724	7 311	8 420	6 071	6 071	6 071	5 546	8 732	10 053	10 375
Operational Revenue		349	109 261	6 348	386	608	608	311	368	380	392
Non-Exchange Revenue											
Property rates	2	413 604	361 301	453 313	395 379	455 926	455 926	301 595	464 085	517 621	534 185
Fines, penalties and forfeits		6 366	3 296	3 757	2 831	2 831	2 831	2 516	3 896	4 024	4 153
Transfer and subsidies - Operational		955 504	1 066 920	1 139 237	1 196 011	1 198 610	1 198 610	887 091	1 239 315	1 287 945	1 324 575
Interest		32 169	46 070	80 760	50 719	94 887	94 887	65 044	97 028	101 164	104 401
Operational Revenue		-	-	-	-	2 543	2 543	1 691	-	-	-
Gains on disposal of Assets		(830)	37 873	2 729	-	7 471	7 471	3 736	-	-	-
Other Gains		167	781	(79 253)	-	-	-	3 162	-	-	-
Discontinued Operations		-	-	4 204	0	101	101	51	-	-	-
Total Revenue (excluding capital transfers and contributions)		2 390 897	2 702 132	2 847 430	2 873 017	3 090 103	3 090 103	2 112 157	3 101 192	3 289 322	3 389 996

4. OPERATING EXPENDITURE

The total Expenditure budget has increased by R 130.2 million or 4% when compared with the original budget and has increased by R 129.6 million or 4% when compared with the adjusted budget.

The following table gives a breakdown of the main expenditure categories for the 2026/27 financial year.

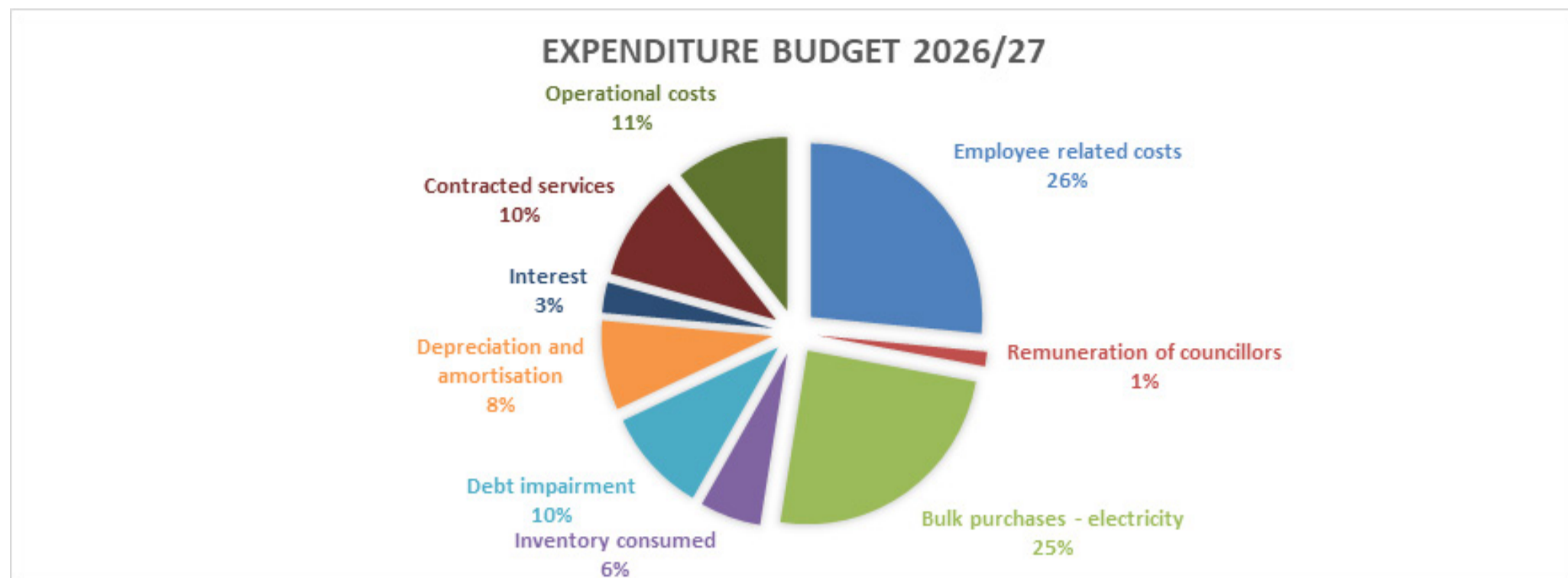


Table 5: Summary of Operating Expenditure by Classification

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome							
Expenditure											
Employee related costs	2	652 263	679 880	736 343	738 467	738 467	738 467	533 340	786 048	814 053	840 103
Remuneration of councillors		34 256	35 339	36 520	39 691	39 691	39 691	25 039	39 964	40 640	41 316
Bulk purchases - electricity	2	723 581	838 539	943 295	711 000	711 000	711 000	341 407	731 197	755 326	779 497
Inventory consumed	8	34 868	155 970	296 536	123 834	123 834	123 834	36 938	171 001	176 644	182 297
Debt impairment	3	25 054	3 990	2 067	429 728	429 728	429 728	286 485	289 728	299 289	308 866
Depreciation and amortisation		316 128	304 046	245 628	317 075	317 075	317 075	211 383	247 085	255 239	263 406
Interest		61 558	41 634	163 874	23 181	42 973	42 973	29 721	84 000	86 772	89 549
Contracted services		314 922	373 084	537 588	262 981	262 981	262 981	273 582	297 263	321 534	331 824
Transfers and subsidies		6 674	2 372	7 415	7 700	7 700	7 700	7 659	7 985	8 264	8 528
Irrecoverable debts written off		226 121	291 010	3 080	-	-	-	7 808	-	3 299	3 405
Operational costs		284 540	348 607	411 970	179 996	179 996	179 996	200 062	309 599	340 481	351 376
Losses on disposal of Assets		-	13 187	1 786	-	-	-	-	-	-	-
Other Losses		2 159	(28)	808	-	-	-	3 151	-	-	-
Total Expenditure		2 682 124	3 087 631	3 386 910	2 833 653	2 853 445	2 853 445	1 956 576	2 963 869	3 101 542	3 200 167
Surplus/(Deficit)		(291 227)	(385 499)	(539 481)	39 364	236 658	236 658	155 581	137 322	187 781	189 829

5. CAPITAL BUDGET

Section 18 and 19 of the MFMA were taken into 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 6 below detailed the funding sources for Capital Budget over the medium-term period.

Table 6 Capital Budget per Funding Sources

Description	Budget Year 2024/2025	Budget Year +2025/2026	Budget Year +2026/2027	Budget Year +1 2027/2028	Budget Year +2 2028/2029
	R'000	R'000	R'000	R'000	R'000
Municipal Infrastructure Grant	329 018	345 965	348 220	388 875	401 794
Integrated National Electrification Programme	25 184	20 000	28 411	19 859	24 757
Total Grants & Subsidies	354 202	365 965	376 631	408 734	426 551

The Capital Budget for the 2026/2027 financial year has been projected at R 376.6 million. The two outer financial years the Capital Budget is projected at R408.7 million and R 426.5 million. The table below is the detailed 2026/27 MTREF capital budget per capital project and per ward

PROPOSED DRAFT CAPITAL BUDGET 2026/27 - 2028/29 FINANCIAL YEAR

DESCRIPTION	WARDS	BUDGET 2026/27	BUDGET 2027/28	BUDGET 2028/29	FUNDs
MIG					
KLIPGAT EXTENTION WATER SUPPLY	8	22 000 000	0		MIG
HEBRON/ KGABALATSANE/ ROCKVIL/ITSOSENG	10	35 000 000			MIG
UGRADING OF BULK WATER PIPELINE				146 794 000	MIG
KLIPGAT SANITATION PROJECT	24	31 720 000	30 750 000	50 000 000	MIG
MOTHOTLUNG OUTFALL SEWER		10 000 000			MIG
VENTILATION IMPROVED PIT TOILETS (VIP TOILETS – BOKA-MOSO)	27	0	8 000 000	6 000 000	MIG
VENTILATION IMPROVED PIT TOILETS (VIP TOILETS – BOK-FONTEIN)	25	0	8 000 000	6 000 000	MIG
VENTILATION IMPROVED PIT TOILETS (VIP TOILETS – WARD 1) PHASE 2	1	0	8 000 000	6 000 000	MIG
VENTILATION IMPROVED PIT TOILETS (VIP TOILETS – WARD 14)	14	0	8 000 000	6 000 000	MIG
HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 1B	1,2,4,6,25,27,30,33,32,34,35,40			45 000 000	MIG
HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 2B	3,7,10,14,15,16,17,18,19,26,28,29,41	45 000 000			MIG

HIGHMAST LIGHT (SOLAR ENERGISED) PHASE 3B	5,8,9,11,12,13,20,21,22,23,24,36,31,37,38		45 000 000		MIG
UPGRADING OF FAFUNG INTERNAL BUS ROUTE	1	1 500 000			MIG
UPGRADING OF MOTHOTLUNG PHASE 2 ROAD (EXT 2 TO THARI)	20,21	15 000 000			MIG
ROOIWAL CEMETERY ROAD UPGRADE	1	13 000 000	0		MIG
REHABILITATION OF MODDERSPRUIT TARRED ROAD.	31	15 000 000	0		MIG
FORMALISATION OF HEBRON STREAM AND STORMWATER	15;16	15 000 000	30 000 000	9 000 000	MIG
OUKASIE PHASE 5 ROAD	22	8 000 000	7 500 000		MIG
DAMONSVILLE EXT.2 INTERNAL ROAD	21		8 000 000		MIG
UPGRADING OF KLIPGAT OLD CEMETERY ROAD	36	9 300 000	0		MIG
UPGRADING OF INTERNAL ROAD (LOT PHALATSE)	41	8 000 000	0		MIG
UPGRADING OF INTERNAL ROAD (LETLHABILE BLOCK B EXT 2)	11	8 000 000	0		MIG
UPGRADING OF INTERNAL ROAD (MOILETSWANE)	34	8 000 000	0		MIG
UPGRADING OF INTERNAL ROAD ITSOSENG ROMA ROAD	16	9 000 000	0		MIG
UPGRADING OF DITHABANE CEMETERY - BOKAMOSO HALL	27	2 200 000	0		MIG
UPGRADING OF SHUMBERG INTERNAL ROAD	29	10 000 000	0		MIG
UPGRADING OF NTOLO ROAD	3	10 000 000	0		MIG
UPGRADING OF INTERNAL ROAD KLIPGAT BANDA BRIDGE	37	8 000 000	0		MIG
UPGRADING OF NTSOPILONG CEMETERY ROAD	14	9 000 000	0		MIG
UPGRADING OF INTERNAL ROAD MABOLOKA- DORENPORT CEMETERY	4	10 000 000	19 500 000		MIG
UPGRADING OF DISOFENG ROAD	38		12 000 000		MIG
UPGRADING OF PHASA MALOKA BUS ROAD	8		25 000 000		MIG
UPGRADING OF MAPETLA- NEW TOWN INTERNAL ROAD	17		19 000 000		MIG
UPGRADING OF NEWTOWN -MOTLHAKE ROAD	19		12 000 000		MIG
UPGRADING OF SILVER HOUSE INTERNAL ROAD	18		14 000 000		MIG
UPGRADING OF MAJAKANENG INTERNAL ROAD: SOSHANGUVE	7		18 000 000		MIG
UPGRADING OF REGOROGILE SECTION ROAD: TEBOGO PRIMARY TO PHASE 1)	40		8 000 000		MIG
UPGRADING OF KOMANE ROAD	5			11 000 000	MIG
UPGRADING OF SGODIPHOLA	7			11 000 000	MIG
UPGRADING OF SANAMARENA TO ZCC ROAD - BLOCK B	9			11 000 000	MIG
UPGRADING OF MERITING AND CLINIC ROAD	10			11 000 000	MIG
UPGRADING OF SARA JEFF CEMETERY ROAD AT LEOKENG	27			11 000 000	MIG
UPGRADING OF MADINYANE MAIN ENTRANCE ROAD	34			11 000 000	MIG
UPGRADING OF KHAYALETHU ROAD	40			11 000 000	MIG
UPGRADING OF INTERNAL ROAD BAPONG	25			11 000 000	MIG
LETLHABILE TAXI RANK	11		15 000 000		MIG
SPECIALISED VEHICLE FOR WASTE – (SKIP BINS)	23		8 712 500		MIG
MABOLOKA SPORTS FACILITY	5	16 500 000			MIG
LETLHABILE SPORT FACILITY UPGRADE	12	15 000 000	15 000 000		MIG
MOTHOTLUNG SPORT FACILITY UPGRADE	20		17 000 000		MIG
BRITS FRESH PRODUCE MARKET	23	3 000 000	11 000 000	11 000 000	MIG
BRITS LANDFILL SITE (DEVELOPMENT OF NEW CELL AND LAGOON)	23	3 000 000	12 000 000	20 000 000	MIG
DLTC UPGRADE	23		15 412 500		MIG
PMU ADMINISTRATION		8 000 000	8 000 000	8 000 000	
TOTAL MIG		348 220 000	382 875 000	401 794 000	
INEP					
LETLHABILE BLOCK H PHASE 3 ELECTRIFICATION 1320 HH	664 households	10 956 000	19 859 000	24 757 000	INEP
LETLHABILE C SUBSTATION & (2,5KM BLOCK I MV LINE)	Infrastructure	4 000 000			INEP
DAMONSVILLE EXTENSION 5- 2099 H/H	250 households	5 955 000			
PENDORING SUBSTATION - (5KM DOMONSVILLE TO ELANDSVIEW MV LINE)	Infrastructure	2 500 000			
LETLHABILE A SUBSTATION - (2KM BLOCK H MV LINE)	Infrastructure	1 000 000			
EEDSM	implementation of energy efficiency and demand side management measures and reduction of electricity demand in municipal buildings and infrastructure	4 000 000			INEP
TOTAL INEP		28 411 000	19 859 000	24 757 000	
TOTAL CAPITAL EXPENDITURE		376 631 000	402 734 000	426 551 000	

A copy of full budget document, tariff schedule, relevant policies and by-laws will be available at the Customer Care Centre, Main Municipal Building in Brits, all satellite offices, libraries and on the Municipal Website, www.madibeng.gov.za for perusal.

Quiet Kgatla: **Municipal Manager**
 Date of Issue: 01 April 2026
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