

Speech by

21 May 2026

Cllr Eugene Modise
Deputy Executive Mayor of Tshwane

Budget Speech 2026/27: A fully funded budget to sustain Tshwane's turnaround and serve its people

***Note to editor:** This is the Budget Speech made by Cllr Eugene Modise, Deputy Mayor of Tshwane and MMC for Finance, during Council today held at Tshwane House.*

Honourable Speaker Executive Mayor of Tshwane
Members of the Mayoral Committee
Chief Whip of Council, Ald Molatelo Mashola
Chair of Chairs, Cllr Oupa Patrick Matshiane
Chairpersons of Section 79 committees
Traditional Leaders and their Delegations
Councillors
City Manager
Leaders of political parties represented in Council
City officials
Members of the media

And above all, residents of Tshwane

Honourable Speaker,

This budget is guided by the theme of sustaining the turnaround and leaving the City better than we found it.

We inherited financial disarray, weakened controls, cost pressures, liquidity strain, and institutional instability, the effects of which still shape governance today.

The budget is grounded in sound financial governance and has been assessed by National Treasury as credible and fully funded, reflecting progress in restoring fiscal discipline after a period of institutional weakness.

Tshwane is also recognised by National Treasury as the leading municipality in the country in terms of reform implementation and fiscal recovery progress.

We also acknowledge the role of our coalition partners in sustaining this turnaround.

I therefore extend appreciation to all parties in the multiparty coalition, namely the ANC, EFF, ActionSA, AIC, DOP, PA, ATM, PAC, COPE, IFP and GOOD.

While coalition governance requires ongoing engagement and careful management, it has enabled the stability necessary to continue the work of rebuilding a City that was left under severe financial strain.

Honourable Speaker,

This budget is aligned to the Integrated Development Plan and prioritises pro-poor, service-oriented interventions while strengthening delivery across all communities, including Soshanguve, Mamelodi, Hammanskraal, Bronkhorstspuit, Ekangala, Temba, Babelegi, Refilwe and Olievenhoutbosch.

Honourable Speaker, this budget sustains the turnaround with the clear objective of leaving a more stable, efficient, and better governed City.

This budget is structured around six strategic priorities that guide and sustain this turnaround:

- Priority 1: Financial stability and revenue enhancement
- Priority 2: Economic revitalisation and investment attraction
- Priority 3: Infrastructure development and service delivery acceleration
- Priority 4: A safe and clean city
- Priority 5: Social services and community well-being
- Priority 6: Strengthening governance and customer care

Honourable Speaker,

The City's total capital budget is R2.8 billion for 2026/27, growing to R3.8 billion in 2028/29.

The overall budget envelope reflects both recovery from past disarray and disciplined forward planning.

For the 2026/27 financial year:

Total operating revenue amounts to R57.1 billion, growing to R62.4 billion by 2028/29

- Total operating expenditure amounts to R55.6 billion, growing to R61.5 billion by 2028/29
- This results in an operating surplus of R1.4 billion

This surplus will primarily support:

- Capital projects not funded by grants
- Cash flow sustainability
- Long-term infrastructure financing
- Internal capital funding contributions

Honourable Speaker,

This capital programme is funded through a disciplined structure that reflects improved governance and financial recovery:

- R2.1 billion in grant funding, representing 75 percent of the total capital budget
- R691.9 million in internally generated revenue, representing 25 percent.

Honourable Speaker,

The total grant support for the City amounts to R7.7 billion, consisting of:

- R5.5 billion in operating grants
- R2.1 billion in infrastructure grants

Major grants supporting this framework include:

- R4.9 billion Equitable Share
- R1.1 billion Urban Development Financing Grant
- R332 million Public Transport Network Operating Grant

Honourable Speaker,

I will now proceed to outline how this budget gives effect to each of the six strategic priorities of the City.

Priority 1: Financial Stability and Revenue Enhancement

Mr Speaker

We continue to drive the consolidation of our financial turnaround, protect fiscal sustainability, and strengthen the institution's financial position for the future.

These efforts are underpinned by strong financial acumen, and are evidenced by improved financial controls, a reduction in Eskom debt exposure, and strengthened compliance with SARS requirements, all of which reinforce the credibility and resilience of the City's financial governance.

While Eskom has effected an electricity tariff increase of 9.01%, the City has made a deliberate decision to limit its increase to 8.8% in order to cushion residents and absorb a portion of the financial impact of rising electricity costs.

This priority remains the pulse of the institution, guiding every fiscal decision we take as we move decisively toward a fully funded and financially resilient City.

For the 2026/27 financial year, the City of Tshwane tables a fully funded budget of R58.5 billion, comprising an operating budget of R55.7 billion and a capital budget of R2.8 billion.

This budget reflects a deliberate and necessary shift toward financial realism.

The progress made in stabilising and strengthening the City's finances is also increasingly being recognised externally.

We welcome the growing confidence reflected through the assessments of Moody's Ratings and GCR Ratings.

Which continue to acknowledge Tshwane's improving financial governance trajectory, strengthened liquidity management, and commitment to fiscal recovery.

Honourable Speaker,

When approaching this budget, this administration recognised that financial sustainability could be achieved only through disciplined expenditure management, credible revenue projections, and the protection of the City's long-term financial position.

It is within that context that the City prioritised the following:

- Restoring fiscal sustainability
- Strengthening revenue collection and cash flow management
- Reducing financial leakages and operational inefficiencies
- Improving internal financial capacity and governance systems
- Protecting the integrity of the municipal fiscus

Revenue enhancement and financial discipline therefore remain the cornerstone of this budget.

Through initiatives such as Tshwane Ya Tima, improved billing, stronger debt collection, and better meter management, the City is rebuilding a culture of payment, accountability, and financial responsibility.

The City has introduced an innovative revenue-collection partnership to recover legacy debt off-balance-sheet.

The model improves cash flow and revenue performance at no upfront cost to the City, with the service provider compensated through a percentage of recovered funds.

These interventions are strengthening revenue collection and protecting the integrity of the municipal fiscus.

The City projects revenue growth of 6.9%, with an overall collection rate of 90%. The revenue base is structured as follows:

- Property rates revenue projected at R11.8 billion
- Service charges projected to generate R33.3 billion
- Interest on receivables contributing R2.7 billion

We are particularly encouraged that meter reading accuracy has now reached 90%, representing a significant milestone in restoring confidence in the credibility, fairness, and reliability of municipal billing.

While maintaining a fully funded and sustainable budget, the City continues exercising strict financial discipline and responsible expenditure management with specific reference to the following major expenditure drivers:

- Depreciation and asset impairment amounting to R2.5 billion
- Finance charges amounting to R1.7 billion
- Repairs and maintenance allocations amounting to R1.4 billion

Importantly, for the first time in the history of this City, a landmark allocation of R1.4 billion has been committed to repairs and maintenance.

These cost drivers require careful management to ensure that the City protects service delivery while maintaining financial sustainability.

These expenditure pressures remain the largest financial risks facing the municipality and continue to shape the City's fiscal planning and budgeting framework.

Honourable Speaker,

The City has prioritised the following revenue protection and sustainability interventions:

- R110 million for the turnaround reduction of water losses
- R60 million for electricity distribution loss reduction
- R78 million for the prepaid electricity meter programme
- R20 million for reservoir telemetry and bulk meters

These interventions aim to strengthen infrastructure efficiency, reduce non-revenue losses, improve billing accuracy, and protect the long-term sustainability of municipal services.

Honourable Speaker,

This administration further recognises that financial sustainability cannot be achieved without modernising the City's administrative and governance systems.

The budget therefore provides for the following shared services and financial modernisation interventions:

- R439 million for fleet management
- R385 million for IT services
- R237 million for the SAP S/4HANA upgrade programme
- R59 million for computer equipment
- R60.5 million for IT network upgrades
- R27 million for cybersecurity improvements

The SAP S/4HANA programme forms part of the City's financial reform agenda and will improve financial management, internal controls, reporting, and accountability while strengthening compliance across key regulatory frameworks.

Mr Speaker,

This administration is also progressively reducing reliance on outsourced service providers and redirecting spending toward municipal-owned assets and internal operational capacity.

In this regard, the following internalisation shifts are being implemented:

- R110 million redirected from water tanker contracts
- R55 million redirected from household removal contracts
- R22.4 million redirected from maintenance contracts
- R104 million redirected from watchman services
- R30 million redirected toward energy and electricity machinery
- R23 million redirected toward fleet purchases
- The total internalisation shift amounts to R344.4 million.

This approach strengthens municipal self-sufficiency, improves operational efficiency, reduces long-term costs, and enhances the City's ability to deliver services directly to residents.

Honourable Speaker,

This administration also understands that the City's financial recovery cannot happen without recognising the contributions of municipal workers who continue to serve residents under difficult conditions and often under immense pressure.

For this reason, provision has been made within this fully funded budget for the implementation of the 3.5% salary back pay agreement owed to City workers.

We will comply with all the Bargaining Council requirements.

We have reduced Eskom-related debt from R6.66 billion to approximately R4.73 billion; a reduction of nearly 29%.

Honourable Speaker,

This administration also recognises that financial recovery must never come at the expense of compassion.

Within the first 100 days, the City implemented a Debt Relief Scheme that wrote off over R4.3 billion in debt, benefiting more than 85 000 indigent households while clearing R1.8 billion in inactive accounts.

Among the beneficiaries of this intervention were Philip Mbini Maseko, Emmah Methule, and Makwayi of Winterveldt Ext 3, as well as Pretty Sebothoma of Mamelodi Ext 19, whose households benefited through the indigent debt write-off programme.

More than 20 000 residents engaged with the programme, achieving an 85% resolution rate.

This intervention was both fiscally responsible and socially responsive, restoring trust while improving the integrity of the City's revenue base.

The funding structure of this budget further demonstrates Tshwane's commitment to long-term sustainability and responsible financial management.

This ensures that sustainability ratios are maintained, financial risks are carefully managed, and the City protects its long-term financial position.

Mr Speaker,

Let me now move to the tariff structure forming part of this budget.

The City remains mindful of the economic pressures faced by residents and customers, and tariff adjustments have therefore been approached responsibly and with affordability protections in mind.

The proposed adjustments are as follows:

- Electricity: +8.8%
- Water: +10%
- Sanitation: +5%
- Refuse removal: +4.1%
- Property rates: +5%

Priority 2: Economic revitalisation and investment attraction

Mr Speaker,

Tshwane contributes approximately 9% to the national GDP, yet over the past decade economic growth declined from an average of 5.2% to below 1%.

This budget aims to stimulate economic activity, restore investor confidence, and reposition Tshwane as a competitive hub.

It supports the Tshwane Economic Revitalisation Strategy, which drives investment, sector growth, infrastructure development, and inclusion.

Through this strategy, the City aims to grow the local economy to 3.9% and enable at least 80 000 jobs by 2029.

Mr Speaker,

This administration committed itself to financial sustainability, improving urban management and maintaining a clean environment for residents, while strengthening law enforcement to help drive the rejuvenation of our city.

The City's investment agenda is being strengthened through targeted interventions to unlock local economic potential, improve regulatory efficiency, and enhance municipal revenue collection.

Tourism growth is being driven through the formal Tourism Strategy, focusing on Dinokeng eco-tourism, Cullinan heritage precincts, and the Pavilion precinct to unlock local jobs and revenue.

Informal traders remain central to township economies, supported through upgraded infrastructure in Marabastad and improved compliance systems through the Informal Trading Imbizo at Pilditch Stadium to ensure safer and more dignified trading.

An allocation has also been made to Rooivaal to better support farmers, farm workers, and associated agricultural businesses, strengthening rural livelihoods and reinforcing agri-value chain development.

Early childhood development reforms continue to reduce regulatory barriers so that township crèches in Mamelodi, Soshanguve and Hammanskraal can access formal registration and funding.

Economic activity in Mabopane is being strengthened through retail integration at the Intermodal Transport Hub in Region 1, capturing commuter flows and supporting township enterprise.

Industrial growth is anchored by the Tshwane Automotive Special Economic Zone in Silverton, which continues to attract investment and strengthen manufacturing value chains in Region 6.

Mr Speaker,

Urban order, compliance, and revenue enhancement are also being strengthened through the expansion of the City's Outdoor Advertising Compliance Programme.

Residents across Tshwane have seen the proliferation of posters and signs placed illegally on walls, lampposts, and even traffic infrastructure across public spaces.

While businesses are permitted to advertise in public spaces through lawful and regulated processes, many operators continue to bypass compliance requirements, undermining compliant businesses, reducing municipal revenue, and creating safety hazards by obstructing lighting and important road signage.

To address this, the City expanded its Outdoor Advertising Compliance Ambassadors Programme during the 2025/26 financial year.

These ambassadors are actively removing illegal posters and signage across the city, helping to restore cleaner and safer public spaces while improving enforcement along key economic corridors.

By the end of Quarter 3 of the 2025/26 financial year, the Department of Economic Development and Spatial Planning had collected more than R51.7 million in outdoor advertising revenue, exceeding the Quarter 3 target of R30 million by 72%.

During the same period, 71 067 illegal portable signs, posters, and unlawful advertising materials were removed across Tshwane.

This administration is therefore not only improving compliance and restoring urban order, but also strengthening municipal revenue collection in a manner that supports fairness, investor confidence, and a cleaner city environment.

Mr Speaker,

The City's investment promotion agenda continues to yield positive results.

During the 2025 Tshwane Investment Summit, the City secured investment pledges amounting to R86 billion, significantly exceeding the initial target of R5 billion.

These commitments span 22 strategic projects across infrastructure, energy, manufacturing, logistics, automotive, tourism, and property development.

The City's verified investment pipeline has grown from R1.7 billion to more than R15 billion within a single financial year, reflecting growing investor confidence and reform momentum.

Underutilised properties such as the Pretoria Showgrounds, the Sunnyside Nelson Mandela Corridor, industrial sites in Rosslyn, and the ODI Stadium precinct in Mabopane have been released to the market for long-term development.

Mr Speaker,

The subsidy to the Tshwane Economic Development Agency for 2026/27 amounts to R77,2 million.

The Tshwane Economic Development Agency continues to support investment facilitation and project packaging, whilst reducing costs to focus on service delivery for the metro

TEDA's enteral expenditure is estimated to decrease by 52% due to reduced office rental costs, and TEDA's contracted services will decrease by 26% as the focus shifts to trade and investment attraction.

To support economic revitalisation and investment attraction, the City's budget provides for major strategic infrastructure investments across multiple regions.

An allocation of R210.4 million has been made for the Tshwane Automotive SEZ bulk infrastructure in Region 6.

The Tshwane Automotive SEZ supports industrial expansion, manufacturing growth, supplier development, and long-term job creation.

Mr Speaker,

Economic Development and Spatial Planning receives R94.5 million in CAPEX over the MTREF, supporting Tshwane Market upgrades of R92.3 million in Region 3.

Market upgrades include R19.7 million for ripening centres, R27.6 million for cold storage, and R45 million for market entry and exit infrastructure, strengthening agro-processing and food logistics.

Mr Speaker,

Youth economic participation is supported through the R8 million Ithuba Youth Economic Development Programme, with nearly 3 000 young people registered.

Strategic assets including Wonderboom Airport, Tshwane Fresh Produce Market in Region 3, and municipal energy infrastructure across Regions 1, 2 and 6 remain key drivers of investment attraction and revenue generation.

The Expanded Public Works Programme continues to provide short-term employment while longer-term growth gains momentum.

Mr Speaker,

These allocations are designed not only to sustain the turnaround, but to build a more resilient and opportunity-driven economy.

Ultimately, success will be measured by investment growth, job creation, improved revenue performance, cleaner public spaces, and better economic conditions across all communities in Tshwane.

Priority 3: Infrastructure development and service delivery acceleration

Reliable infrastructure is key to economic growth and business confidence. This budget prioritises infrastructure investment as the main driver of sustainable growth, service delivery, and economic recovery in Tshwane.

For the 2026/27 financial year, the City allocates R2.1 billion toward infrastructure development.

This represents a decisive structural shift away from reactive maintenance toward sustained infrastructure preservation, ensuring that we do not only build new infrastructure, but protect and extend the lifespan of existing assets.

This is a fundamental turning point in how Tshwane manages its infrastructure base.

The Energy and Electricity Department receives an allocation of R597.3 million in 2026/27, increasing to R836.5 million in 2027/28 and R748.4 million in 2028/29, for a total allocation of R2.182 billion over the Medium-Term Revenue and Expenditure Framework.

This allocation will support the implementation of the Electricity Stabilisation Plan aimed at strengthening grid stability, refurbishing ageing infrastructure, improving network resilience and accelerating infrastructure renewal across Tshwane.

The department's operating programmes include:

- Bulk electricity purchases amounting to R18.8 billion
- Infrastructure maintenance amounting to R378 million
- Prepaid commissions amounting to R55.6 million

The Energy and Electricity Department continues to implement targeted infrastructure projects across Tshwane.

Projects such as the Monavoni 132/11KV Substation have already reached 75% completion.

I will now share with residents some of the initiatives that they can expect in their respective communities.

The key initiatives in Soshanguve are as follows:

- R50 million for the JJ 132KV Power Line in Soshanguve
- R74.5 million for the Electricity for All Programme across multiple regions, including Soshanguve, Mamelodi, Atteridgeville, and other underserved areas
- Public lighting improvements through the R24.2 million Tshwane-wide Public Lighting Programme, including areas such as Eersterust, Ga-Rankuwa, and Winterveldt

The key initiatives in Rosslyn are as follows:

- R5 million for substation refurbishment in Rosslyn, supporting industrial reliability in this key manufacturing hub

The key initiatives in Waltloo are as follows:

- R15 million for the Waltloo Substation upgrade, strengthening supply to one of Tshwane's major logistics and industrial zones

The key initiatives in Monavoni are as follows:

- R5 million for the Monavoni 132/11KV Substation project, supporting rapid residential and commercial expansion in Centurion

In addition to these targeted projects, the City is investing R135 million toward Tshwane-wide infrastructure refurbishment, reinforcing ageing electricity infrastructure across regions including Region 1 (Soshanguve), Region 4 (Centurion), Region 5 (Mamelodi and surrounding areas), and Region 6 (Pretoria East and surrounding growth nodes).

This investment is critical, particularly as more than half of the City's transformers are now over 40 years old.

Through the Electricity Stabilisation Plan, we are accelerating substation upgrades, reinforcing the grid, improving system protection, and restoring network resilience.

Enabled by this budget, this administration remains committed to ensuring the provision of safe, clean drinking water and dignified sanitation to communities that have historically experienced infrastructure backlogs, particularly in areas such as Hammanskraal, Mamelodi, Winterveldt, and Ekangala.

In Water and Sanitation, the City allocates R715.8 million in 2026/27, increasing to R1.070 billion in 2027/28 and R1.364 billion in 2028/29, for a total capital allocation of R3.150 billion over the Medium-Term Revenue and Expenditure Framework.

This is the single largest capital allocation in the City's budget.

The Water and Sanitation Department operating programmes include:

- R5.1 billion for Rand Water purchases
- R121.9 million for wastewater purification
- R15.9 million for water purification works
- R126.7 million for water tankers

The City continues to face significant pressure in water demand, with daily consumption ranging between 800 and 900 million litres, particularly driven by high-growth nodes such as Centurion, Mamelodi, and Soshanguve.

At the same time, non-revenue water losses remain at 39%, largely due to ageing infrastructure and leakages in both urban and peri-urban areas.

Through the Water Stabilisation Plan, the City is intensifying leak repairs, pressure management, infrastructure upgrades, and monitoring systems.

Between January and April 2026 alone, more than 150 major leaks were repaired, while reservoir upgrades in key areas such as Hammanskraal, Temba, and Pretoria North reached completion levels of up to 100%, significantly improving system reliability.

I will now take residents through some key water and sanitation projects that will be prioritised in the 2026/27 financial year.

- Wastewater treatment upgrades – R158.9 million
- Reservoir extensions – R53.9 million
- Water pipe replacement – R101 million
- Water conservation and demand management – R120 million

The key initiatives in Ekangala are as follows:

- R7 million for sewer reticulation and toilets
- R20.1 million for wastewater treatment upgrade projects serving Ekangala and surrounding areas

The key initiatives in La Montagne are as follows:

- R7 million for water and sanitation development supporting residential expansion in the eastern corridor of Pretoria

The key initiatives in Klipgat are as follows:

- R9.5 million for completion of the hospital reservoir, improving water security for surrounding communities

The key initiatives in Temba and Babelegi are as follows:

- R29.8 million for the Waste Water Treatment Works upgrade
- R7.4 million for Babelegi reservoir upgrade, supporting industrial and residential water demand in the northern corridor

The key initiatives in Sunderland Ridge are as follows:

- R15 million for Waste Water Treatment Works upgrade supporting industrial and logistics growth in Centurion

The key initiatives in Mamelodi are as follows:

- R135.2 million for water and sanitation provision, addressing both bulk supply and internal reticulation upgrades

The key initiatives in Mabopane are as follows:

- R22 million for bulk pipeline infrastructure strengthening supply reliability in the north-western corridor

The key initiatives in Kudube Unit 8 are as follows:

- R21 million for water infrastructure upgrades improving household-level access and pressure stability

The Water and Sanitation Department will also continue implementing the City's Water Stabilisation Plan and Water Conservation and Demand Management interventions to mitigate infrastructure losses and strengthen long-term water security.

Additional citywide interventions include:

- R101 million for water network pipe replacement
- R120 million for water conservation and demand management
- R20 million for reservoir telemetry and bulk meters
- R10 million for reservoir fencing
- R110 million for the turnaround reduction of water losses

Roads and transport infrastructure is the lifeblood of any viable economy. As such, it needs to be regularly upgraded and maintained across all regions of Tshwane, including Mabopane, Soshanguve, Winterveldt, Ga-Rankuwa, Eersterust, and Olievenhoutbosch.

Roads and Transport receives an allocation of R402 million to improve mobility, road maintenance, and transport connectivity across Tshwane.

The Roads and Transport Department operating programmes include:

- R132.4 million for final compensation
- R59 million for bus operations
- R48 million for petrol and diesel
- R33.4 million for automated fare collection systems

The department further receives a capital allocation of R1.297 billion over the Medium-Term Revenue and Expenditure Framework.

Of this allocation, R159.8 million is dedicated to Bus Rapid Transport infrastructure in support of the A Re Yeng system, strengthening connectivity between Mamelodi, Hatfield, Pretoria CBD, and surrounding economic nodes.

The City continues to prioritise pothole repairs, resurfacing, and the acceleration of delayed projects to improve road infrastructure.

We are allocating resources to restart projects previously discontinued after contract cancellations under earlier administrations.

Of the ten affected contracts, seven contractors have been reappointed to ensure continuity and restore delivery momentum.

The Bon Accord Asphalt Plant has been restored and now supports the City's own asphalt production.

It produces up to 220 tonnes per hour and runs under a five-year licence. This improves delivery speed and reduces reliance on outside contractors.

Provision has also been made for the continuation and expansion of new construction works, including in Mabopane, Soshanguve, and Winterveldt, as part of a broader transport infrastructure programme responding to population growth, urban expansion, and increasing mobility demand across the City.

The key infrastructure projects residents can expect include:

- R101.3 million for flooding backlog interventions
- R30 million for township services and roads

Key infrastructure areas include:

- Ga-Rankuwa Zone 5 roads
- Mabopane Block R roads
- Winterveldt flood mitigation
- Soshanguve flood mitigation
- Ramotse flood mitigation
- Kudube flood mitigation
- Stinkwater flood mitigation
- Eersterust flood mitigation

This administration continues investing in roads and transport infrastructure despite fiscal and operational constraints in order to support economic activity, improve connectivity, and keep pace with urban development.

Migration to urban centres remains a growing reality facing cities across South Africa, and Tshwane is no exception.

Addressing Tshwane's housing and settlement needs, therefore, remains a priority for this administration, particularly in rapidly growing areas such as Olievenhoutbosch, Mamelodi, Soshanguve, Winterveldt, and Hammanskraal.

Human Settlements receives R416 million to support serviced stands, settlement upgrades, and the expansion of dignified living conditions for residents across Tshwane.

The department further receives a capital allocation of R1.519 billion over the Medium-Term Revenue and Expenditure Framework.

The Human Settlements Department's operating programmes include:

- R90.4 million for chemical toilets
- R19.9 million for informal settlement management

Major capital programmes include:

- R147.3 million for bulk water provision
- R127.9 million for bulk sewer infrastructure
- R141.3 million for roads and stormwater infrastructure

I will now share some of the projects that communities can expect in their respective areas.

The key initiatives in Refilwe are as follows:

- R42 million for roads and stormwater infrastructure

The key initiatives in Rayton are as follows:

- R28 million for roads and stormwater infrastructure

The key initiatives in Winterveldt are as follows:

- R76 million for sewer reticulation

The key initiatives in Mabopane Extension 12 are as follows:

- R62.4 million for sewer reticulation

The key initiatives in Pretorius Park are as follows:

- R36.5 million for sewer infrastructure

The key initiatives in Olievenhoutbosch Extension 60 are as follows:

- Over R230 million for roads and stormwater infrastructure, strengthening access to services in rapidly growing southern Tshwane

The key initiatives in Soshanguve South Extensions 12 and 13 are as follows:

- Over R230 million for roads and stormwater infrastructure supporting township expansion in northern Tshwane

Mr Speaker,

This administration is also driving greater efficiency in how public resources are utilised.

The City has reduced water tanker usage by 79%, security services by 17%, and overall contracted services by 4.4%.

These savings are being redirected toward infrastructure investment and strengthening internal delivery capacity. This budget demonstrates Tshwane's shift from infrastructure decline to renewal.

Priority 4: A Safe and Clean City

Mr Speaker,

Residents and businesses want a safe, clean city that supports investment. Safety and cleanliness are prerequisites for economic growth, public confidence, and a functioning city.

Progress in restoring safety and cleanliness in Tshwane is enabled by a funded, credible budget that supports frontline services, law enforcement, emergency response, and environmental management.

To strengthen community safety, this budget provides an allocation of R475 million for Security Services, R55.3 million for Illegal Land Invasion Prevention, and R41.4 million for uniforms within the Tshwane Metro Police Department (Tshwane Metro Police Department), ensuring that officers are properly equipped and deployed across the city, including high-risk and high-growth areas such as Soshanguve, Ga-Rankuwa, Bronkhorstspuit, and Olievenhoutbosch.

The City has intensified rapid-response operations to prevent illegal land invasions and unlawful occupation of public land.

These are complemented by stronger asset protection measures to safeguard municipal infrastructure and public land from encroachment, vandalism, theft, and sabotage.

The Pyramid Substation is a clear example of how the Integrated Asset Protection Strategy is being applied.

This budget has enabled capacitation upgrades in the Tshwane Metro Police Department, including an expanded fleet to improve visible policing, response times, and citywide coverage.

It also provides PPE for officers to ensure safe, professional service delivery. The funded budget further strengthens public safety through technology-enabled interventions alongside traditional law enforcement.

In the coming financial year, we will continue investing in force multipliers such as R67.5 million for Metro Police Technology, R17.5 million for a Real Time Crime Control Centre, R7.1 million for traffic policing equipment, and R900 000 for weighbridges, strengthening enforcement capacity across Tshwane's transport corridors and urban nodes.

In addition, Tshwane has advanced its smart policing capability through the rollout of a high-tech surveillance network under the SafeCity initiative in partnership with Vumacam.

This Virtual Surveillance Shield strengthens situational awareness, supports real-time crime detection, and enhances investigative capacity across key hotspots in the city.

The Department of Community Safety, supported by IBEC, is intensifying enforcement through inspections and targeted operations in townships, the inner city, and peri-urban areas.

This includes addressing urban disorder, illegal trading, and non-compliance with building regulations in the Pretoria CBD, Mamelodi, and Hammanskraal corridors.

In our effort to bring policing closer to communities, the City has also established 4 new satellite police stations in underserved and rapidly growing areas.

These decentralised hubs improve access to law enforcement services, enable faster by-law enforcement, and allow residents to engage directly with TMPD services without having to travel long distances to central offices.

Part of maintaining a safe city requires protecting municipal infrastructure from vandalism, theft, and sabotage.

This administration continues an integrated asset protection approach combining physical security and smart technologies to safeguard critical assets and ensure uninterrupted water, electricity, and waste services across Tshwane.

Furthermore, within the Asset Protection and Security Services (APSS) division of the Tshwane Metro Police Department (TMPD), the City is rolling out advanced infrastructure security enhancements:

- Smart Substation Monitoring: rollout of localized motion-detection sensors and early-warning tripwires around high-value utilities.
- Integrated CCTV Networks: installing high-definition surveillance feeds linked back to localised tactical command centres to identify breaches in real-time.
- Smart Tools: deploying technical instrumentation to actively monitor tamper alarms on electricity meters and physical infrastructure enclosures.

This integrated approach is managed directly through APSS.

The budget further supports Expanded Metro Police Deployment with the recruitment of an additional 200 TMPD officers specifically earmarked for critical infrastructure protection networks.

It also includes the Insourcing of Security Personnel through the second phase of a three-year plan to integrate institutional watchmen onto the municipal payroll, formalise benefits, and standardise accountability.

In parallel, Skills Audits and Benchmarking are being undertaken to optimise the under-capacitated APSS division.

Mr Speaker,

A safe city also depends on emergency services that are responsive, professional and prepared.

I am pleased to note that emergency response capacity is being strengthened through a dedicated allocation of R18 million over the Medium-Term Expenditure Framework (MTREF), with R12 million allocated for emergency facilities upgrades and R6 million for operational equipment, ensuring that response units are better resourced across regions including Region 1 (Soshanguve), Region 4 (Olievenhoutbosch), Region 7 (Bronkhorstspuit), and surrounding areas.

These investments will improve response readiness, operational efficiency and service reliability, ensuring that communities receive timely assistance in moments of crisis.

A clean city reflects dignity, health and pride in where we live. It also sends a clear signal to residents and investors alike about the quality of governance in our city.

For this reason, this funded budget allocates R566 million for Household Refuse Removal, supported by R33.4 million for plant and equipment rental and R28.2 million for vehicle rental, strengthening daily waste management operations across Tshwane's urban, township and rural settlements.

This is complemented by a capital investment of R425.9 million over the MTREF to modernise waste infrastructure and expand environmental management capacity across the city.

Key capital projects include:

- R52 million for the Bronkhorstspuit Landfill Upgrade (Region 7)
- R175 million for the Soshanguve Landfill Upgrade (Region 1)
- R45 million for a Bin Tracking and Tagging System (Tshwane-wide)
- R47.9 million for Waste Containers (Tshwane-wide)
- R33.1 million for Landfill Weighbridges (Tshwane-wide)
- R15 million for Illegal Dumping Collection Points (Tshwane-wide)
- R5.8 million for the Olievenhoutbosch Cemetery Extension (Region 4)
- R5 million for the Lotus Gardens Cemetery Extension (Region 3)

Illegal dumping remains a serious challenge, particularly in rapidly growing areas and high-density settlements, but these investments will significantly strengthen our ability to respond faster, enforce by-laws more effectively, and maintain cleaner public spaces.

Mr Speaker,

A funded budget is not only a financial requirement. It is what makes delivery possible.

Through these investments, we are strengthening safety, improving emergency response capacity, and building a cleaner Tshwane that is more resilient, more liveable, and more attractive for both residents and investors across all regions of our city.

Priority 5: Social Services and Community Well-being

Mr Speaker,

This budget ensures that fiscal stability is translated into meaningful social impact across all regions of Tshwane, including Soshanguve, Mamelodi, Hammanskraal, Bronkhorstspuit, Ekangala, Temba, Babelegi, Refilwe, and Olievenhoutbosch.

To sustain support for vulnerable households, the City has allocated R2.5 billion toward the Social Support Package, benefiting approximately 150,000 households through rates rebates, free basic water, free electricity, sanitation and refuse removal services.

The indigent support threshold has been further strengthened to ensure that more qualifying households across inner-city Pretoria, townships and peri-urban communities such as Ekangala and Bronkhorstspuit are able to access this essential support.

Mr Speaker,

Access to dignified housing and stable social infrastructure remains central to building inclusive communities.

In this regard, the City's social housing and community development interventions continue to provide stability and dignity, particularly in high-density and vulnerable areas such as Eloff, Clarina, and surrounding urban nodes.

A total allocation of R59.5 million has been made under the Medium-Term Expenditure Framework (MTREF) toward Community and Social Development Services.

Within this allocation:

- R53.4 million is allocated to EPWP Initiatives, supporting work opportunities across Tshwane, including Mamelodi, Soshanguve, and Hammanskraal
- R4.1 million is allocated to the Tshwane Food Bank, strengthening food relief efforts in vulnerable communities across the city
- R5.8 million is allocated to sports facilities maintenance, ensuring safe and usable community infrastructure
- R5.1 million is allocated to recreational facilities, supporting youth development and social cohesion across local communities

In addition, capital investment is directed toward strengthening community infrastructure, including:

- R4 million for the Refilwe Stadium Upgrade (Region 5)

This is further supported by R55.5 million for Capital Movables and Equipment (City-wide), ensuring that community services are properly resourced and able to deliver effectively across all regions.

Mr Speaker,

In health and social development, the City continues to prioritise accessible, preventative and responsive healthcare services.

A total allocation has been made across key health programmes, including:

- R30.6 million for Drug & Substance Abuse Response
- R21.5 million for HIV/TB/STI Response
- R12 million for Lusaka Clinic Operationalisation

These programmes are particularly critical in high-need areas such as Soshanguve, Mamelodi, Hammanskraal and Bronkhorstspuit, where demand for public health and social support services remains high.

Capital investment is also being made to expand healthcare infrastructure through:

- R18 million for the New Lusaka Clinic (Region 6)

This investment will strengthen access to primary healthcare and reduce pressure on surrounding facilities, thereby improving service delivery for nearby communities.

Mr Speaker,

Beyond healthcare, the City continues to strengthen geographically targeted social and infrastructure investments to address inequality and improve living conditions.

In Refilwe (Region 5), the City is investing R46 million, comprising:

- R4 million for the Refilwe Stadium Upgrade
- R42 million for Roads and Stormwater Upgrades

In Bronkhorstspuit, the City is investing R52 million in the Bronkhorstspuit Landfill Upgrade, strengthening environmental management and service delivery in the region.

In Ekangala, a total of R27.1 million is allocated to improve basic services, including:

- R7 million for sewer reticulation and toilets
- R20.1 million for wastewater treatment upgrades

In Temba and Babelegi, a total of R37.2 million is allocated for infrastructure strengthening, including:

- R29.8 million for wastewater treatment upgrades
- R7.4 million for the Babelegi Reservoir Upgrade

We are placing strong emphasis on the Temba Wastewater Treatment Works to improve wastewater management, environmental compliance, and service delivery in the area.

These investments are critical in ensuring that rural and peri-urban communities are not left behind in the City's development trajectory.

Mr Speaker,

This budget also continues to strengthen social relief and community resilience.

Through targeted food security interventions such as the Tshwane Food Bank, as well as expanded EPWP programmes, the City is continuing to support households while creating pathways to temporary and transitional employment opportunities across all regions of Tshwane.

Mr Speaker,

These allocations and interventions reflect a budget committed not only to maintaining services but also to improving lives in tangible ways.

Through these investments, we are strengthening social protection, expanding healthcare access, improving community infrastructure, and building a more inclusive Tshwane where dignity is protected in every region from Eloff and Clarina in the urban core to Ekangala, Bronkhorstspuit and Refilwe in the outer regions. A caring city ensures no community is left behind.

Priority 6: Strengthening Governance and Customer Care

Honourable Speaker,

Over the past year, this administration has also taken important steps to strengthen the City's institutional capacity and restore confidence in governance systems.

We understand that effective service delivery depends on capable institutions, sound financial controls and accountable leadership.

Significant progress has been made in improving financial oversight and reinforcing governance mechanisms across the administration.

Through continued investment in internal controls, risk management and compliance measures, the City is steadily building a culture of accountability and consequence management.

To support these efforts, this budget makes provision for key governance and oversight functions within Group Audit and Risk as part of the City's broader administrative and strategic planning agenda.

An amount of R19 million has been allocated towards internal audit functions, while R36,7 million has been set aside for forensic audit investigations to strengthen accountability and support the fight against corruption.

These investments will enhance the City's ability to identify risks early, improve compliance and ensure that public resources are protected through stronger oversight and consequence management mechanisms.

We have also intensified efforts to address historical financial matters that have weighed heavily on the institution for many years.

The completion of investigations into unauthorised, irregular, fruitless and wasteful expenditure marks meaningful progress in restoring credibility and improving compliance with the recommendations of oversight institutions.

Importantly, the City has continued to strengthen its audit-readiness processes to improve the credibility and accuracy of its financial reporting.

These interventions are aimed at ensuring that the administration is better prepared, more transparent and firmly focused on achieving improved audit outcomes.

At the same time, the City has taken important steps to strengthen the professionalism, stability and efficiency of the municipal administration.

We recognised that a capable state cannot be built on excessive dependence on outsourced services and short-term contracting arrangements.

As a result, we have prioritised rebuilding institutional capacity from within and ensuring that the City itself increasingly performs core municipal functions.

Significant progress has already been made in accelerating the appointment of critical personnel, strengthening frontline service teams and reducing operational dependence on external contractors.

We have also continued investing in the long-term development of skills across the administration to ensure that the City is equipped with the expertise required to deliver services effectively and sustainably.

Particular attention has been given to strengthening frontline operations.

The internalisation and capacitation of workers in areas such as security and cleaning services, has contributed to improved accountability, service standards and organisational stability.

At the same time, the expansion of the municipal fleet has enabled the City to gradually reduce costly leasing arrangements and improve operational efficiency.

Honourable Speaker,

The progress we are making must also be reflected in the experience of residents when engaging with the City.

We understand that restoring trust in local government requires responsive, respectful and people-centred service delivery.

For this reason, we have continued improving the manner in which residents access municipal services and interact with City officials.

Our customer service model is being modernised to ensure that services are more accessible, efficient and responsive to the needs of communities across Tshwane.

Service centres are being restructured to meet the specific needs and demands of different regions, enabling a more coordinated and consistent approach to resident support.

We are particularly encouraged by the establishment of the Zithobeni satellite customer service centre, which has brought municipal services closer to residents and improved convenience for surrounding communities.

In support of these reforms, the City has continued to invest in modern customer relations systems and digital communication platforms to improve turnaround times, strengthen responsiveness, and enhance the overall quality of engagements with residents.

This includes an allocation of R20 million under the Public Transport Network Operations Grant towards customer and client information systems, aimed at improving commuter communication, service accessibility and the overall user experience within the public transport network.

Honourable Speaker,

As we position Tshwane for the future, we remain committed to embracing innovation and technology as key drivers of a modern, responsive and efficient metropolitan government.

The progress we are making demonstrates our commitment to building a capable and developmental City administration that is responsive to the needs of residents and equipped to meet the demands of a growing metropolitan municipality.

The City's major spending pressures further highlight the scale of operational demands facing the administration.

This includes an allocation of R210,4 million towards debt collection services as part of ongoing efforts to improve revenue recovery and strengthen the City's financial position.

In response to these pressures, the City is strengthening internal controls, improving revenue collection systems and modernising its operational backbone to ensure long-term financial sustainability and institutional resilience.

In conclusion, Honourable Speaker,

This budget strengthens governance, builds institutional capacity, modernises technology systems and improves customer care across Tshwane.

It shifts the City from fragmentation to integration, from dependency to capability and from reactive administration to proactive governance.

Through these investments, we are building a City that is financially stable, technologically enabled and service-oriented.

A government that is accountable.

A government that is modern.

And a government that delivers for the people of Tshwane in every community, from Pretoria CBD to Soshanguve, Mamelodi, Hammanskraal, Bronkhorstspuit, Ekangala, Temba, Babelegi, Refilwe and Olievenhoutbosch.

I hereby table the 2026/27 Budget for consideration.

I thank you.

Enquiries:
Zonke Mahlangu
zonkem@tshwane.gov.za

A City that works for all its people.



Cllr Eugene Modise

Deputy Mayor
Finance

A City that works for all its people.



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