

Item 8.3

MUNISIPALITEIT SWARTLAND MUNICIPALITY



“ANNEXURE C”

BUDGET REPORT AND A-SCHEDULES

2026/2027 – 2028/2029

EMC: 24/03/2026

Council: 31/03/2026

SWARTLAND MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2026/2027 TO 2028/2029





**ANNUAL BUDGET OF
SWARTLAND
MUNICIPALITY**

**2026/2027 TO 2028/2029
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Part 1 – Annual Budget

1.1 Mayor’s Report

Recommendation of the draft budget.

1.2 Council Resolutions

The following council resolutions pertaining to the approval of the draft multi-year capital and operating budgets, amended budget and related policies, property tax rates, tariffs and other service charges for 2026/2027; 2027/2028 and 2028/2029 for specific purposes of giving effect to public participation;

- (a) That the Director: Civil Engineering Services expand the Cost of Supply Studies for Water and Sanitations Services, to include Solid Waste Services;
- (b) Council to note that based on the latest guidance from NT, the capital expenditure to upgrade the electricity supply pertaining to Eskom’s portion of the feed to the De Hoop substation, is now regarded as operational expenditure and the grant funding as Construction Contract Revenue. Based on the communication received from the DEE on the 11th of March, the substation project will be partially funded by INEP (R14 278 000) leaving a shortfall of R44 672 748 to be funded by council; with the resultant effect of the electricity service being rendered at a shortfall of around R15m for the 2026-2027 financial year as council does not want to burden the public with these additional cash outflows;
- (c) Council to approve an amount of R15 505 200 in bridging finance for certain electrical infrastructure capital projects (**De Hoop R3 685 200, Moorreesburg R6 660 000 and Darling R5 160 000**), funded by CRR due to the timing of the Integrated National Electrification Programme (INEP) grant that may differ from the municipality’s financial year in the context of funding approval requirements by the Department and when the projects had to be implemented in the municipal context;
- (d) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per (**Annexure A: 2026/2027 – 2028/2029 Draft Budget and Tariff File**) and consider same;
- (e) That council prior to approving the draft capital projects above R 50 million as listed in (**Annexure B: 2026/2027 – 2030/2031 Capital Projects ito Sec 19**), first consider the projected cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;
- (f) That council and the public take note that the planning of the 3 larger infrastructure projects over the new MTREF as listed below, will not reduce the planned cash flows until real spending starts in year 3 of the MTREF and beyond. The cashflow budget schedules reflects the cash balances increasing, whilst it doesn’t reflect the impact of material cash outflows for these projects yet, given the limitations in the NT-Schedule formulas, compared to the requirement placed on the municipality by the LTFP and CEF to model the revenue requirement over a 5-10-year horizon;

- 1) Swartland Water Treatment Works involving UPGRADES to the treatment works situated at the VOELVLEI DAM - This project will increase the treatment capacity of the Swartland Water Treatment Works from 27ml/d to 40ml/d in order to meet peak current and future water demand. Scope clarification, detail design and environmental authorisation will be concluded during the 2026/2027 and 2027/2028 financial years upon which the construction phase will follow for an estimated period of 36 months. The estimated cost of the project is R250 million.
 - 2) Swartland Water Treatment Works and the Kasteelberg Reservoirs - This project entails the upgrading of the bulk water supply pipe between the Swartland Water Treatment Works and the Kasteelberg Reservoirs. The supply capacity of the existing pipe must be increased to meet existing peak and future water demand. It is envisaged to install a new pipe alongside the existing pipe. Scope clarification, route identification, negotiations with land owners, environmental authorisation and detail design will be concluded during the 2026/2027 and 2027/2028 financial years upon which the construction phase will follow for an estimated period of 24 months. The estimated cost of the project is R200 million.
 - 3) Darling Waste Water Treatment Works - This project will increase the treatment capacity of the Darling Waste Water Treatment Works from 1.9ml/d to 4.0ml/d. Loads imposed on the works frequently exceeds its treatment capacity and the upgrade is therefore required to meet increased in future demand. Scope clarification, detail design and environmental authorisation will be concluded during the 2026/2027 and 2027/2028 financial years upon which the construction phase will follow for an estimated period of 36 months. The estimated cost of the project is R91.5 million.
- (g) That council deemed it appropriate to consider the entire draft capital program excluding the 6 projects above R 50 million, listed in **(Annexure B: 2026/2027 – 2030/2031 Capital Projects ito Sec 19)** as the aforementioned capital program’s operational cost, inclusive of future costs will be covered either by the rates regime and/or the normal cost centres linked to those services, found in the operational budget;
- (h) That council considers the funding sources linked to council’s draft capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	DRAFT BUDGET 2026/27	DRAFT BUDGET 2027/28	DRAFT BUDGET 2028/29
Capital Replacement Reserve (CRR)	R 143 838 305	R 179 661 565	R 224 219 078
Municipal Infrastructure Grant (MIG)	R 25 680 000	R 28 129 000	R 28 907 000
Dept. of Infrastructure	R 41 355 000	R 63 000 000	R 71 785 000
Integrated National Electrification Programme (INEP)	R 29 859 000	R 21 811 000	R 22 797 000
Dept. Cultural Affairs and Sport	R 121 739	R 43 478	R 43 478
GRAND TOTAL	R 240 854 044	R 292 645 043	R 347 751 556

- (i) That council approves the draft capital projects as part of its consolidated capital program as per **(Annexure A: 2026/2027 – 2028/2029 Draft Budget and Tariff File)**;

- (j) That the following draft total expenditure by vote (per directorate) be approved, which includes both operating and capital expenditure per directorate (VOTE), in order that departments pro-actively prevent unauthorised expenditure;

2026/27 MTREF R thousands	Capital Expenditure by Vote			Operating Expenditure by Vote			Total Expenditure by Vote		
	2026/27	2027/28	2026/27	2026/27	2027/28	2026/27	2026/27	2027/28	2026/27
Vote 1 - Corporate Services	354	277	229	51 868	55 508	58 776	52 221	55 785	59 005
Vote 2 - Civil Services	120 076	155 723	202 858	432 298	449 813	490 899	552 374	605 536	693 757
Vote 3 - Council	132	12	12	26 263	27 263	28 289	26 395	27 275	28 301
Vote 4 - Electricity Services	60 198	72 466	70 992	710 431	676 486	750 289	770 629	748 952	821 281
Vote 5 - Financial Services	986	434	525	94 746	100 847	107 623	95 732	101 281	108 148
Vote 6 - Development Services	49 895	63 094	71 883	216 254	102 510	156 191	266 149	165 604	228 074
Vote 7 - Municipal Manager	12	12	12	12 160	12 574	13 392	12 172	12 586	13 404
Vote 8 - Protection Services	9 202	627	1 240	141 206	151 914	163 327	150 408	152 541	164 567
Grand Total	240 854	292 645	347 752	1 685 226	1 576 915	1 768 787	1 926 080	1 869 560	2 116 538

- (k) That the draft high-level multi-year Capital and Operating budgets in respect of the **2026/2027 – 2028/2029** financial years, be approved, in accordance with sections 16, 17 and 19 of the MFMA;

	Original Budget 2025/2026	Mid-Year ADJB 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028	Draft Budget 2028/2029
Capital budget	293 798 527	280 050 142	240 854 044	292 645 043	347 751 556
Operating Expenditure	1 458 809 231	1 515 384 860	1 685 226 196	1 576 914 883	1 768 786 530
Operating Revenue	1 606 490 727	1 725 538 886	1 794 805 226	1 799 909 263	2 015 147 880
Budgeted (Surplus)/ Deficit	(147 681 496)	(210 154 026)	(109 579 030)	(222 994 380)	(246 361 350)
Less: Capital Grants	120 565 734	141 838 438	96 984 000	112 990 000	123 539 000
(Surplus)/ Deficit	(27 115 762)	(68 315 588)	(12 595 030)	(110 004 380)	(122 822 350)

- (l) That council approves the draft notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy/implement property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2026/2027 financial year with effect from 1 July 2026, for purposes of allowing for public participation;

Category of property	Rate ratio	Rate-in-the-Rand
Residential properties	1: 1	0.005831
Business and Commercial properties	1: 1,6671	0.009721
Industrial properties	1: 1,6671	0.009721
Agricultural properties	1: 0,25	0.001458
Mining properties	1: 1,6671	0.009721
Public Service Infrastructure	1: 0,25	0.001458
Properties owned by an organ of state and used for public service purposes	1: 1,6671	0.009721

Public Benefit Organizations	1: 0	0.00
Vacant properties	1: 1,4965	0.008726
Municipal properties	1: 0	0.00
Conservation Areas	1: 0	0.00
Protected Areas	1: 0	0.00
National Monuments	1: 0	0.00
Informal Settlements	1: 0	0.00

Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigent owners in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens, qualifying indigent owners and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R400 000 for the 2026/2027 financial year.

NB: Please refer to the municipality's property rates policy in respect of all rebates offered.

- (m) That council approve the draft property tax rates, tariff structures and charges for water, refuse removal, sewerage, electricity and other sundry charges as set out in **(Annexure A: 2026/2027 – 2028/2029 Draft Budget and Tariff File)**;
- (n) That council approve the electricity tariffs as draft for the 2026/2027 financial year, **bearing in mind the input to be received during public participation, including NERSA's review and final approval to be concluded only in May**;
- (o) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure C: Budget Report and A-Schedules 2026/2027 – 2028/2029)**;
- (p) That **the amendments** to the budget and related policies as set out in **(Annexure D: Draft Amendments to Budget & Related Policies 2026/2027)** hereto, be approved for purposes of soliciting the views and comment from the public;
- (q) That council takes note that any changes to budget related policies insofar as it relates to the delegations, will be amended after final budget adoption;
- (r) That the training budget of R 1 862 747 for the 2026/2027 financial year be approved as draft;
- (s) That Council takes note of the increases of senior management and staff which is negotiated and determined at a national level:

- In respect of all personnel, an increase of **4.75%** for 2026/2027; **5.25%** for 2027/2028 and **5.25%** for the 2028/2029 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;
 - Provision has been made for a **3%** increase for political office bearers.
- (t) That Council takes note of the budgeted operating surpluses and that the budget is “cash-funded” as a result of cash reserves in table A8, the total expenditure growth of **11.2%** from the current to the new financial year and the revenue streams with growth in revenue of **7.2% (excluding capital grant income)** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the budgeted risk factor for cash coverage for operating expenses are **9.2 months** for 2026/27, **10.4 months** for 2027/28 and **9.1 months** for 2028/29;
 - over the next three financial years the planning is such that net operating surpluses **(excluding capital grant income)** are envisaged for 2026/27 to an amount of **R 12 595 030**, for 2027/28 an amount of **R 110 004 380** and for 2028/29 an amount of **R 122 822 350**;
- (u) That council takes note that the extensive revenue modelling exercise, includes a proportion for growth, given the trend of increased household consumption and services connection growth;
- (v) That Council take note that the budget was prepared in the new mSCOA Version 7.1 as required by National Treasury;
- (w) That Council specifically adhere to the requirements of the Provincial and National Treasury Budget Circulars as enclosed in **“Annexure E: Budget Circulars”, insofar that same was received in time;**
- (x) That council specifically note that the amended National Treasury Budget Circular No.134 was only communicated over the previous weekend requiring that the budget be aligned to it, which was impossible, given the timeframes to prepare a credible budget, per Council’s approved IDP-Budget process plan;
- (y) That the Chief Financial Officer adhere to the requirements of the Budget Reforms in the context of the reporting requirements to Provincial and National Treasury and that **NT Circular No.134 will be fully incorporated with the Final budget in May 2026 as it was only distributed on 21 March 2026;**
- (z) That Council takes note of the mSCOA progress as per the attached Roadmap **“Annexure F: mSCOA Roadmap”, as a result of functionality challenges in the financial system, compounded by ongoing changes to the mSCOA chart;**
- (aa) That the process of soliciting public input, views or comments in respect of the draft budget, **revised** budget and related policies and budget documents, inclusive of the property taxes and tariffs to close at **12 midday on 22 April 2026, which comments must clearly be marked “Draft Budget Input”. Please note: Any comments/inputs on the IDP must be lodged by separate correspondence.**

NB: for purposes of completeness and implementation, the English version of the recommendations will be relied upon.

Note: Annexures A and B are for consumption of the municipal council only and not legislatively prescribed budget documentation.

1.3 Executive Summary

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circular No. 132 supported and guided the compilation of the 2026/2027 Medium-term Revenue and Expenditure Framework.

NB: The updated NT Circular 134 was only issued on 21 March 2026, purporting to inform the development of municipal budgets. Given the late circulation of the latter, it was not possible to incorporate same as the budget preparation process was concluded already.

As this budget constitutes the financial plan for the next 3 years, it naturally impacts the community as a whole and it is thus necessary to consult the community in a bid to create awareness and to gain support for joint ownership and responsibility in managing the municipality's financial affairs and programs. The budget will be communicated through the normal legally required advertisements, our website and budget documentation in this regard will be made available at municipal buildings and libraries as advertised to allow for input up until **midday on 22 April 2026** before the final approval of this budget on 28 May 2026. Inputs and representations shall be considered prior to final approval after which consideration will be given in line with Section 23 of the MFMA whether the draft budget needs to be revised and amended.

Council's strategic objectives of service delivery include the continuation of an acceptable level of sustainable services, as well as improvement in those areas still in need of development. It remains a priority of the council to contain service delivery costs within the affordability levels of the community whilst focusing on the five strategic focus areas that council wish to strive to achieve over the next three years:

- Community safety and wellbeing;
- Economic transformation;
- Quality and reliable services;
- A healthy and sustainable environment;
- A connected and innovative local government.

To achieve the above, a balancing act is required between the set objectives and available financial resources, while taking into consideration the effect of tariff adjustments on the community as a whole, and more particularly the needs of the poor and vulnerable. In addition, like the rest of the country we have not escaped the downturn in the economy, which has had a considerable influence to not only disposable income levels in our area, but has further lowered the level of employment and growth prospects. Economic challenges will continue to pressurise municipal revenue generation and collection hence a realistic approach is advised for projecting revenue.

The following were highlighted in NT’s Budget Circular 132 (dated 5 December 2025) to inform the 2026-2027 Draft MTREF.

“The South African economy and inflation targets

South Africa’s economy is expected to grow by 1.2 per cent in 2025/26, down from the 1.4 per cent estimated in the 2025/26 budget. Real GDP growth is forecast to strengthen, averaging 1.8 per cent over the medium-term, supported by a revival in investment as new infrastructure allocations take effect and reform implementation builds.

Headline inflation declined to 4.4 per cent in the fourth quarter of 2024/25, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 3.3 per cent in 2025/26 and 3.7 per cent in 2026/27. In the short term, reducing the inflation target to 3 per cent will result in more cuts in interest rates than would be the case under a 4.5 per cent target. Over time, a lower target will decrease inflation and inflation expectations, creating the space for permanently lower interest rates, which will support household spending and investment – boosting economic growth and job creation.

The lower inflation will support higher levels of real economic growth. South Africa’s inflation target will be more in line with its trading partners and peer economies, making the economy more competitive. Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.

As per Budget Circular 132, NT recommends the following macro-economic forecasts to be considered when preparing the 2026/27 MTREF municipal budgets:

Fiscal year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Actual	Actual	Estimate	Forecast		
CPI Inflation	6.9%	5.9%	4.4%	3.3%	3.7%	3.3%	3.2%

NB: It is envisaged that inflation for 2026 would in all probability increase to around 4.2% or higher, given the current on-going war in die Middle East, which will have the multiplier effect of increased cost of living and dampen consumer confidence.

Key focus areas for the 2026/27 budget process

- **Local government allocations** - Over the 2026 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.7 per cent to local government. Local government funding is projected to increase from R192.9 billion in 2026/27 to R204.9 billion in 2028/29. In 2026/27, this increase comprises R110.6 billion for the local government equitable share, R17.6 billion from the general fuel levy sharing with metropolitan municipalities, and R64.6 billion for both direct and indirect conditional grants. The increased allocations to local government reflect the government’s commitment to social protection as a cornerstone of its fiscal strategy, ensuring ongoing support for indigent populations and the expansion of critical infrastructure through conditional grants. These figures represent the preliminary fiscal framework outlined in the 2025 Medium Term Budget Policy Statement; final details will be provided in the 2026 Budget Review.

- **2026 Local Government Elections and the budget process** - The 2025/26 municipal financial year represents the last year of the current municipal councils' electoral term. The next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA). It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation. Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe. Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

- **Cost of Supply Study (COS) and NERSA D-forms for electricity tariff applications** - Failure to apply to NERSA for approval of tariffs is a breach of the licence conditions and a violation of the provisions of the ERA. Section 15 of the ERA prevents any licensee from charging a tariff that is not approved by the Regulator. Licensed distributors should note that their current tariffs will expire on 30 June 2026 and that there will be no automatic extension, as the tariffs are approved annually. **The draft increase for bulk purchases is 9.12% and an increase of around 11.44% for electricity reselling, subject to public participation, NERSA's decision and Council's ultimate resolve in May 2026.**
- **National Treasury Guideline on Budgeting for a Funded Budget** - National Treasury is concerned by the many unfunded budgets adopted by municipalities. Municipal funding plans are not realistic or credible and there is insufficient effort to achieve financial turnaround and to progress from an unfunded budget to one that is funded. Municipalities are reminded to consult the National Treasury Guideline on budgeting for a funded budget issued during the 2018/19 MTREF to assist municipalities in preparing a funded MTREF budget and or use the guideline to develop credible funding plans. For ease of reference the 2018/19 Guideline is included as Annexure G to this Circular.
- **Employee related Costs** - The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is a five-year agreement effective from July 1, 2024, to June 30, 2029. In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent. Municipalities should reflect these negotiated salary increases in the budget submissions.

- **Remuneration of Councillors** - *Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councillor(s) concerned.”*

Funding choices and management issues

Given the slow economic recovery the country faces, municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected, therefore municipal own revenue generation, is continuously negatively impacted. **NB: All municipalities must adopt funded budgets**, this is to enforce compliance with Section 18 of the MFMA and to encourage prudent financial management which includes collecting what is due to a municipality and paying for services rendered. Therefore, municipalities must consider the following when compiling their 2026/2027 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Eliminate wasteful and non-core spending;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- The weak economic growth continues to impact municipal finances and this has strained consumers' ability to pay for services;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services;
- Curbing the consumption of water and electricity by indigent consumers to ensure that they do not exceed their allocation;
- Efficient provision of essential services is crucial for attracting private investment, fostering economic growth, and promoting a conducive environment for businesses to thrive; and

- Ensuring sustainable capital infrastructure investment with emphasis on the impact on the operating account.

AREAS COVERED DURING THE BUDGET STEERING COMMITTEE MEETING:

- Struggling South African Economy (Local and Geopolitical tensions/war placing further strain on the SA-economy)
- Middle East War, Brent crude oil having increased to a peak of 50% since start, the resultant strain on supply chains, placing increased pressure and spiralling costs of living
- Resultant reduced disposable income levels compounding prevailing poverty levels/conditions in our area
- Funding to address additional service delivery challenges; i.e service delivery fit for future need
- How do we position SM against/safeguarding scams, the vulnerable and ultimately creating the desired investment destination by remaining resilient
- More expensive/expanded service delivery model tipping scale?
- **Realistic budgeting w.r.t the revenue budget and therefore the amounts in years 2 and 3 of the MTREF are indicative only and not fixed, mainly for the municipality to be able to review the impact of macro and local poor economic conditions, impacting the budget. In this regard expenditure will have to be curbed with careful monitoring of budget performance and payment rates.**
- **The awarding of certain multi-year tenders to be prohibited given the reduction of grants in outer years**
- **Key focus risk areas for the 2026/27 Budget process**
- Extensive revenue modelling informing tariff increases to ensure services are delivered **sustainably and cost reflective** over the longer term with emphasis on the impact of increases on disposable income levels, given the state of the economy
- Expenditure and Revenue Consolidation and audited basis informing growth from 2025-26 to 2026-27
- Growth in expenditure outstripping growth in revenue
- Cost of overtime on none core- functions
- National risks impacting financial sustainability
- Revenue streams from trading and economic services insufficient, given the impact of Capital budget programs and Indigents on the Operating account
- Fluid policy environment allowing for rapid changing economic circumstances
- Future operational cost as a result of accelerated housing opportunities, Landfill sites cost of compliance and Rehabilitation, ± R87.3mil costs over the next 4 to 6 years
- Investment in economic infrastructure growing the revenue base.

The budget steering committee had an engagement on 17 March 2026 to consolidate and to consider council's service delivery model funding requirements and to provide an opportunity for the Chief Financial Officer to workshop the Draft 2026/2027 MTREF, with reference to the demand by directorates to increase expenditure beyond realistic revenue generation.

POTENTIAL AND REAL RISKS IMPACTING FINANCIAL PLANNING OVER THE MTREF AND ULTIMATELY THE REVENUE MODELLING EXERCISE FORMING THE BASIS FOR THE MTREF:

- Middle East War, Brent crude increasing by around 50% since start, will result in continued upward pressure on cost of living
- Resultant reduced disposable income levels compounding prevailing poverty levels/conditions in our area
- Funding to address additional service delivery challenges; i.e service delivery fit for future need
- How do we position SM against/safeguarding scams, the vulnerable and ultimately creating the desired investment destination by remaining resilient
- More expensive/expanded service delivery model tipping scale?
- Revenue leakage where approved tariffs are not billed for other services not part of the municipal account;
- Fuel price increases and its impact on disposable income levels;
- National risks impacting financial sustainability;
- Increasing cost of fuel on the municipal operations;
- Slower recovery of the economy;
- Ability to collect revenue in challenging environments;
- The upward pressure and multiplier effect of increases in staff salaries above inflation.

Taking all of the above into consideration, I submit to you the following estimated expenditure, summarised as follows:

TYPE	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Capital expenditure	280 050	240 854	292 645	347 752
Operating expenditure	1 515 385	1 685 226	1 576 915	1 768 787
TOTAL	1 795 435	1 926 080	1 869 560	2 116 538

The following table is a consolidated overview of the 2026/27 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2026/27 MTREF (R'000)

R thousand	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Total Operating Revenue excluding Transfers and subsidies - capital	1 583 700	1 697 821	1 686 919	1 891 609
Total Operating Expenditure	1 515 385	1 685 226	1 576 915	1 768 787
Surplus / (Deficit) including Transfers and subsidies - capital for the year	210 154	109 579	222 994	246 361
Transfers and subsidies - capital	141 838	96 984	112 990	123 539
Surplus / (Deficit) excluding Transfers and subsidies - capital for the year	68 316	12 595	110 004	122 822

Total operating revenue excluding capital grants for the 2026/27 financial year has been appropriated at around R 1.7 billion and is expected to grow by 7.2 per cent or around R 114.1 million for the 2026/27 financial year when compared to the 2025/26 Mid-Year Adjustment Budget. For the two outer years, operational revenue will decrease by 0.06 per cent and increase by 12.1 per cent respectively, equating to total revenue growth of R 307 908 million over the MTREF (2026/27 to 2028/29). The outer years are based on available information at the time of compiling this report.

Total operating expenditure for the 2026/27 financial year has been appropriated at around R 1.69 billion and translates into a budgeted surplus of R 12.6 million (excluding capital transfers). When compared to the 2025/26 Mid-Year Adjustment Budget, operational expenditure is projected to grow by 11.2 per cent in the 2026/27 financial year. For the two outer years, operational expenditure will decrease by 6.4 per cent in 2027/28 and increase by 12.2 per cent in the 2028/29 financial year (based on current assumptions) equating to total expenditure growth of R 253.4 million over the MTREF (2026/27 to 2028/29).

The extent of capital investment has a huge impact on the operating account over the medium to long term, especially when such investment is not in new infrastructure with guaranteed new consumers.

The municipality should on a continuous basis evaluate the financial performance of all departments to identify areas where revenue sources can be increased and non-priority spending can be decreased. As a minimum requirement, the trading services (Water-, Electricity-, Refuse- and Sanitation Departments) and departments with the ability to generate own revenue (such as the Traffic Department) should be cost reflective, thus not requiring the ratepayer to fund these operations through property taxes or cross subsidization. This is however not the case with traffic services.

The financial performance of all departments over the MTREF can be summarised as follow:

Vote Description	Budget Year 2026/2027			Budget Year 2027/2028			Budget Year 2028/2029			
	R thousand	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)	Revenue	Expenditure	Surplus/ (Deficit)
Revenue & Expenditure by Vote										
Vote 1 - Corporate Services	14 135	51 868	(37 733)	14 296	55 508	(41 211)	14 462	58 776	(44 314)	
1.1 - Administration	204	16 461	(16 257)	204	17 795	(17 591)	204	18 794	(18 590)	
1.2 - Human Resources	400	8 650	(8 250)	400	9 085	(8 685)	400	9 345	(8 945)	
1.3 - Libraries	13 200	16 065	(2 865)	13 342	17 269	(3 927)	13 486	18 532	(5 046)	
1.4 - Marketing and Tourism	5	2 247	(2 242)	5	2 360	(2 355)	5	2 479	(2 474)	
1.5 - Community Halls and Facilities	326	8 444	(8 118)	346	9 000	(8 655)	366	9 627	(9 260)	
Vote 2 - Civil Services	361 042	432 298	(71 256)	378 011	449 813	(71 803)	409 755	490 899	(81 144)	
2.1 - Administration	150	4 987	(4 837)		5 328	(5 328)		5 696	(5 696)	
2.2 - Cemeteries	1 038	1 179	(141)	1 090	1 220	(129)	1 145	1 110	35	
2.3 - Municipal Property Maintenance	1 451	23 930	(22 479)	1 508	24 198	(22 690)	1 567	24 555	(22 987)	
2.4 - Parks and Recreational Areas	656	25 912	(25 256)		27 683	(27 683)		29 640	(29 640)	
2.5 - Proclaimed Roads	4 803	6 647	(1 844)	226	462	(236)	8 729	10 205	(1 476)	
2.6 - Refuse Removals	80 004	42 269	37 735	88 008	46 922	41 086	97 342	51 011	46 330	
2.7 - Street Cleaning		10 851	(10 851)		10 241	(10 241)		11 003	(11 003)	
2.8 - Solid Waste Disposal(Landfill Sites)		18 348	(18 348)		19 432	(19 432)		25 272	(25 272)	
2.9 - Sewerage Services	106 626	46 264	60 363	112 016	48 065	63 951	117 772	49 561	68 212	
2.10 - Waste Water Treatment		23 831	(23 831)		25 862	(25 862)		28 101	(28 101)	
2.11 - Sportgrounds	452	9 044	(8 592)	316	9 483	(9 167)	335	9 840	(9 505)	
2.12 - Streets	15 633	61 809	(46 176)	609	64 920	(64 311)	645	67 555	(66 910)	
2.13 - Stormwater		26 399	(26 399)		27 945	(27 945)		30 013	(30 013)	
2.14 - Swimming Pools	609	8 251	(7 642)	645	8 818	(8 173)	684	9 402	(8 718)	
2.15 - Water Distribution	149 620	122 579	27 041	173 592	129 235	44 358	181 536	137 935	43 601	
Vote 3 - Council	269	26 263	(25 994)	273	27 263	(26 989)	278	28 289	(28 012)	
3.1 - Council General Expenses	269	26 263	(25 994)	273	27 263	(26 989)	278	28 289	(28 012)	
Vote 4 - Electricity Services	702 550	710 431	(7 881)	757 332	676 486	80 846	852 618	750 289	102 329	
4.1 - Administration		2 509	(2 509)		2 680	(2 680)		2 869	(2 869)	
4.2 - Distribution		683 145	(683 145)		647 239	(647 239)		719 214	(719 214)	
4.3 - Street Lighting	702 550	2 631	699 919	757 332	2 805	754 527	852 618	2 990	849 628	
4.4 - IT Services	-	22 146	(22 146)	-	23 761	(23 761)	-	25 216	(25 216)	
Vote 5 - Financial Services	419 656	94 746	324 910	441 799	100 847	340 952	462 790	107 623	355 167	
5.1 - Administration		2 724	(2 724)		2 911	(2 911)		3 109	(3 109)	
5.2 - Finance	189 648	62 506	127 142	201 009	66 506	134 503	197 857	71 100	126 756	
5.3 - Budget and Treasury		7 159	(7 159)		7 554	(7 554)		7 976	(7 976)	
5.4 - Asset Management		2 845	(2 845)		3 058	(3 058)		3 228	(3 228)	
5.5 - Grants and Subsidies - FMG	1 800	1 660	140	1 900	1 755	145	2 000	1 851	149	
5.6 - Fleet Management		1 608	(1 608)		1 755	(1 755)		1 914	(1 914)	
5.7 - Property Rates	228 207	4 207	224 001	238 890	4 463	234 426	262 934	4 735	258 198	
5.8 - Supply Chain Management		12 037	(12 037)		12 845	(12 845)		13 710	(13 710)	
Vote 6 - Development Services	230 338	216 254	14 084	136 523	102 510	34 013	197 564	156 191	41 373	
6.1 - Administration	1	3 376	(3 375)	2	3 618	(3 617)	2	3 868	(3 867)	
6.2 - Caravan parks - Yzerfontein	4 803	4 316	487	5 091	4 660	432	5 397	5 000	397	
6.3 - Community Development	171	4 873	(4 702)	39	5 128	(5 089)	39	5 414	(5 375)	
6.4 - Multi-Purpose Centres	2 542	1 997	545	2 139	2 134	5	37 493	2 294	35 199	
6.5 - Planning and Valuations	2 531	13 798	(11 267)	1 831	13 203	(11 371)	1 938	11 855	(9 918)	
6.6 - Building Control	4 793	5 068	(275)	5 080	5 465	(384)	5 385	5 847	(462)	
6.7 - Housing	215 496	180 200	35 296	122 341	65 511	56 830	147 311	118 943	28 368	
6.8 - Occupational Health and Safety		2 625	(2 625)		2 793	(2 793)		2 970	(2 970)	
Vote 7 - Municipal Manager	300	12 160	(11 860)	-	12 574	(12 574)	-	13 392	(13 392)	
7.1 - Administration	-	5 126	(5 126)	-	5 471	(5 471)	-	5 834	(5 834)	
7.2 - Strategic Planning	300 000	4 074	(3 774)	-	4 066	(4 066)	-	4 328	(4 328)	
7.3 - Internal Audit	-	2 961	(2 961)	-	3 037	(3 037)	-	3 231	(3 231)	
Vote 8 - Protection Services	66 515	141 206	(74 691)	71 674	151 914	(80 240)	77 681	163 327	(85 646)	
8.1 - Administration		2 386	(2 386)		2 552	(2 552)		2 732	(2 732)	
8.2 - Civil Protection		371	(371)		379	(379)		386	(386)	
8.3 - Fire Fighting	370	14 797	(14 427)	25	15 705	(15 680)	26	16 681	(16 655)	
8.4 - Harbour Yzerfontein	276	545	(269)	292	585	(293)	310	627	(317)	
8.5 - Road and Traffic Regulation	12 627	12 993	(366)	13 385	13 871	(486)	14 188	14 952	(764)	
8.6 - Policing and Law Enforcement	53 242	110 113	(56 871)	57 972	118 822	(60 850)	63 158	127 949	(64 792)	
Total Revenue & Expenditure by Vote	1 794 805	1 685 226	109 579	1 799 909	1 576 915	222 994	2 015 148	1 768 787	246 361	

The municipality is in a very privileged position to be able to invest a total of R 547.719 million of its own reserves over the 2026/27 MTREF.

The following draft capital program is proposed by the municipality:

Description	Adjustment Budget		2026/27 Medium Term Revenue & Expenditure Framework					
	2025/2026 (R'000)	%	2026/2027 (R'000)	%	2027/2028 (R'000)	%	2028/2029 (R'000)	%
Funded by:								
National Government	49 893	18%	55 539	23%	49 940	17%	51 704	15%
Provincial Government	91 310	33%	41 477	17%	63 043	22%	71 828	21%
Other Transfers and Grants	318	0%		0%	-	0%	-	0%
Borrowing	-	0%		0%		0%	-	0%
Internally generated funds	138 530	49%	143 838	60%	179 662	61%	224 219	64%
Total Capital Funding	280 050	100%	240 854	100%	292 645	100%	347 752	100%

The total draft Capital budget for 2026/2027 amounts to **R 240.9** million with around **R 143.8** million invested from Council's own funds in year 1 with the total application of capital investment over the three fiscal years amounting to **R 881.2** million. An increase of **R 54.8** million from the previous approved adjusted MTREF of **R 826.4** million.

The ongoing investment in revenue generating and other bulk infrastructure is becoming more critical to ensure sustainable service delivery as an economic stimulant, given the multiplier effect that investment in the right infrastructure has on the local economy and more-over now than ever before. The leveraging of these investments in creating jobs remains a key consideration bearing in mind the impact the capital budget have on the operating account.

HOUSING PROJECTS

Note: The allocations in the provincial gazette for housing projects in year 2 and 3 are indicative at this stage because of provincial commitments not yet guaranteed.

Section 19(2)(b) requires a municipal council to consider future operational costs and revenues on Capital Budget projects, including the municipal tax and tariff implications, before approving projects individually or as part of a consolidated programme. To give effect to this requirement, the future operational cost and revenue of projects/programmes are reflected in the **attached Annexure B**.

1.3.1 Financial indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2026/27 MTREF. (Derived from the National Treasury A-schedules **and not** as prescribed by NT Circular-71)

Description of financial indicator	Basis of calculation	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.1%	2.8%	0.4%	0.5%	0.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.1%	2.7%	0.4%	0.5%	0.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	20.9%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>						
Gearing	Long Term Borrowing/ Funds & Reserves	10.7%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	7:1	7:1	4:1	3:1	3:1
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	95.0%	95.0%	95.0%	95.0%	95.0%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Other Indicators</u>						
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	10 744 760	8 791 846	9 231 438	9 693 010	10 177 661
	Total Cost of Losses (Rand '000)	21 893	17 914	20 051	22 468	25 159
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.00%	5.00%	6.00%	6.00%	6.00%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	1 127	1 260	1 323	1 389	1 458
	Total Cost of Losses (Rand '000)	8 319	9 297	9 761	10 762	11 865
	% Volume (units purchased and generated less units sold)/units purchased and generated	21.0%	21.0%	21.0%	21.0%	21.0%
Employee costs	Employee costs/(Total Revenue - capital	24.8%	23.7%	23.3%	25.1%	24.0%
Remuneration	Total remuneration/(Total Revenue - capital	25.7%	24.5%	24.1%	25.9%	24.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	5.9%	5.6%	5.2%	5.0%	5.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.7%	8.5%	7.3%	7.9%	7.5%
<u>IDP regulation financial viability</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	13.1	10.0	15.8	14.7	16.0
iii. Cost coverage	(Available cash + Investments)/monthly fixed	9.2	9.0	9.2	10.4	9.1

Performance indicators and benchmarks

1.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Swartland Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators formed part of the compilation of the 2026/2027 MTREF:

- Capital charges to operating expenditure are a measure of the cost of borrowing in relation to the operating expenditure.
- Borrowing funding of own capital expenditure measures the degree to which own capital expenditure (excluding grants and contributions).

1.3.1.2 Safety of Capital

The gearing ratio in the context of the Schedule measures the total long-term borrowings over funds and reserves.

1.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 3, hence at no point in time should this ratio be less than 3.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to service or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet current creditor obligations.

1.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 60 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Current payment levels are considered problematic to the sustainability of services as a direct result of the unfavourable and struggling economy.

1.3.1.5 Creditors Management

The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice or statement, unless queries or disputes dictate otherwise. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business. The aforementioned statement is qualified to the extent that no disputes or invoice queries resulted in payment delays.

1.3.1.6 Other Indicators

- The electricity distribution losses have been managed to be below the norm of 10%. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity.

- The water distribution losses are monitored on a monthly basis and have been kept at acceptable levels from a National Treasury norm perspective.
- Employee costs as a percentage of operating revenue (excluding capital grants) over the MTREF is between 23.3% and 25.1%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 24.1% and 25.9%. The employee related costs at the municipality is in line with the benchmarks set in the Western Cape.
- Contracted services expenditure increased by around R 98.9 million for the 2026/27 financial year when compared to the 2025/26 Mid-Year Adjustment Budget, mainly due to Housing Top structure and INEP Construction contracts expenditure sorting under “Contracted services”.

1.4 Operating Revenue Framework

Section 18 of the Municipal Finance Management Act, 2003, which deals with the funding of expenditure, states as follows:

- (1) “An annual budget may only be funded from –
 - (a) Realistically anticipated revenue to be collected from the approved sources of revenue;
 - (b) Cash-backed accumulated funds from previous financial years’ surpluses committed for other purposes; and
 - (c) Borrowed funds, but only for the capital budget referred to in section 17(2).
- (2) Revenue projections in the budget must be realistic, taking into account –
 - (a) projected revenue for the current year based on collection levels to date; and
 - (b) actual revenue collected in previous years.”

The following table is a summary of the 2026/2027 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source (excluding capital transfers)

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands					
Financial Performance					
Property rates	212 727	215 090	223 164	233 493	257 160
Service charges	755 688	788 495	876 275	966 920	1 075 712
Investment revenue	81 529	104 459	93 978	100 484	104 292
Transfer and subsidies - Operational	342 208	208 818	209 787	212 636	224 488
Other own revenue	93 773	266 839	294 618	173 386	229 957
Total Revenue (excluding capital transfers and contributions)	1 485 925	1 583 700	1 697 821	1 686 919	1 891 609

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, **capital transfers and contributions are excluded** from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Summary of revenue classified by municipal vote (including capital transfers)

Vote Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Revenue by Vote					
Vote 1 - Corporate Services	11 982	16 149	14 135	14 296	14 462
Vote 2 - Civil Services	354 006	369 701	361 042	378 011	409 755
Vote 3 - Council	265	265	269	273	278
Vote 4 - Electricity Services	586 280	610 849	702 550	757 332	852 618
Vote 5 - Financial Services	387 011	414 299	419 656	441 799	462 790
Vote 6 - Development Services	204 042	250 539	230 338	136 523	197 564
Vote 7 - Municipal Manager	-	8	300	-	-
Vote 8 - Protection Services	62 905	63 729	66 515	71 674	77 681
Total Revenue by Vote	1 606 491	1 725 539	1 794 805	1 799 909	2 015 148

Percentage portion of Revenue Sources from Total Revenue:-

R thousand	Adjustment Budget		2026/27 Medium Term Revenue & Expenditure Framework					
	2025/2026 (R'000)	%	2026/2027 (R'000)	%	2027/2028 (R'000)	%	2028/2029 (R'000)	%
Revenue by Source								
Property rates	215 090	14%	223 164	13%	233 493	14%	257 160	14%
Service charges - Electricity	572 557	36%	639 416	38%	714 731	42%	806 998	43%
Service charges - Water	107 755	7%	118 228	7%	123 885	7%	129 812	7%
Service charges - Waste Water Management	63 518	4%	68 497	4%	71 743	4%	75 141	4%
Service charges - Waste Management	44 665	3%	50 134	3%	56 561	3%	63 760	3%
Rental from Fixed Assets	1 921	0%	2 209	0%	2 331	0%	2 459	0%
Sale of Goods and Rendering of Services	15 776	1%	16 713	1%	17 695	1%	18 735	1%
Interest earned - external investments	104 459	7%	93 978	6%	100 484	6%	104 292	6%
Interest earned - outstanding debtors	3 749	0%	3 936	0%	4 133	0%	4 340	0%
Fines, penalties and forfeits	39 146	2%	42 945	3%	47 227	3%	51 936	3%
Licences and permits	5 669	0%	5 848	0%	6 187	0%	6 546	0%
Agency services	7 194	0%	7 194	0%	7 194	0%	7 194	0%
Construction Contract Revenue	170 304	11%	190 326	11%	60 942	4%	112 444	6%
Transfer and subsidies - Operational	208 818	13%	209 787	12%	212 636	13%	224 488	12%
Other revenue	19 934	1%	20 566	1%	22 470	1%	24 587	1%
Gains	3 145	0%	4 881	0%	5 207	0%	1 715	0%
Total Revenue (excluding capital transfers)	1 583 700	100%	1 697 821	100%	1 686 919	100%	1 891 609	100%
Total Revenue from Property Rates and Service Charges	1 003 585	63%	1 099 439	65%	1 200 414	71%	1 332 872	70%

Revenue generated from property rates and services charges form a significant percentage of the revenue basket for the Municipality. In the 2026/2027 financial year, revenue from property rates and services charges amounts to R 1.1 billion or 65 per cent of total revenue mix (**growth of 9.6%**). This figure increases to an estimated R 1.2 billion or 71 per cent (**growth of 9.2%**) and R 1.3 billion or 70 per cent (**growth of 11%**) in the respective outer financial years of the 2026/2027 MTREF.

The municipality remains highly dependent on internal revenue sources to fund the budget and in this regard the municipality is cognisant of the fact that this source must be grown responsibly. For this reason, the municipality should strive to at least maintain these revenue streams and if possible explore all other additional avenues to increase revenue from additional sources.

More than 90 per cent of revenue is derived from the following sources:

- 1) Operating and Capital Grants
- 2) Fines
- 3) Property Rates
- 4) Service Charges

1.4.1 Operating and Capital Grants

Grants usually fluctuates upwards or downwards from year-to-year as the revenue recognition for such grants depends only on compliance with any conditions attached to such grants and it is also dependent on the funding made available from the other spheres of Government.

The following grant allocations/receipts are **included in the budget** of the municipality:

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<u>Operating Transfers and Grants</u>					
National Government:	172 479 876	172 479 876	193 881 000	187 798 000	190 509 000
Local Government Equitable Share	165 310 000	165 310 000	175 682 000	185 898 000	188 509 000
Finance Management	1 700 000	1 700 000	1 800 000	1 900 000	2 000 000
EPWP Incentive	1 969 000	1 969 000	2 121 000	-	-
Integrated National Electrification Programme	3 500 876	3 500 876	14 278 000	-	-
Provincial Government:	170 793 868	177 534 468	205 832 000	85 380 000	146 023 000
Community Development: Workers	59 000	59 000	39 000	39 000	39 000
Human Settlements	136 181 868	142 212 868	176 848 000	60 942 000	112 444 000
Title Deeds Restoration	81 000	81 000	297 000	250 000	270 000
Libraries	12 384 000	12 384 000	12 916 000	13 086 000	13 218 000
Maintenance and Construction of Transport Infrastructure	11 900 000	11 900 000	4 765 000	186 000	8 686 000
Municipal Service Delivery & Capacity Building Grant	-	709 600	-	-	-
Establishment of a K9 Unit	4 350 000	4 350 000	4 473 000	4 666 000	4 876 000
Establishment of a Reaction/Rural Safety Unit	5 838 000	5 838 000	5 944 000	6 211 000	6 490 000
Municipal Fire Service Capacity Support Grant	-	-	250 000	-	-
Regional Socio-Economic Projects (RSEP)	-	-	300 000	-	-
Total Operating Transfers and Grants	343 273 744	350 014 344	399 713 000	273 178 000	336 532 000
<u>Capital Transfers and Grants</u>					
National Government:	60 270 124	60 270 124	55 539 000	49 940 000	51 704 000
Municipal Infrastructure Grant (MIG)	25 405 000	25 405 000	25 680 000	28 129 000	28 907 000
Integrated National Electrification Programme	17 821 124	17 821 124	29 859 000	21 811 000	22 797 000
Water Services Infrastructure Grant	17 044 000	17 044 000	-	-	-
Municipal Disaster Response Grant	-	-	-	-	-
Provincial Government:	60 302 132	79 106 000	41 445 000	63 050 000	71 835 000
Human Settlements	58 112 132	76 916 000	41 355 000	63 000 000	71 785 000
Libraries	50 000	50 000	90 000	50 000	50 000
Municipal Fire Service Capacity Support Grant	550 000	550 000	-	-	-
Regional Socio-Economic Projects (RSEP)	90 000	90 000	-	-	-
Municipal Water Resilience Grant	1 500 000	1 500 000	-	-	-
Total Capital Transfers and Grants	120 572 256	139 376 124	96 984 000	112 990 000	123 539 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	463 846 000	489 390 468	496 697 000	386 168 000	460 071 000

1.4.2 PROPERTY RATES AND SERVICE CHARGES ASSUMPTIONS

1.4.2.1 Property Rates

The draft property rates increase for the 2026/2027 financial year is limited to **3.7%** for residential and all other categories of property. Growth of 0.05% is incorporated and increases over the remaining MTREF period is limited to **4.1%** for both residential properties and business and state-owned properties.

The main categories of rateable properties for purposes of levying rates (Rate in the Rand determined for the relevant property category) for the 2026/2027 financial year are as follows:

Property Rates	2025/2026	2026/2027	2027/2028	2028/2029	2026/27	2027/28	2029/30	2026/27	2027/28	2029/30
Residential Properties	0.005623	0.005831	0.006070	0.006319	3.70%	4.10%	4.10%	0.000208	0.000239	0.000249
Businesses, Commercial, Industrial and State owned Properties	0.009374	0.009721	0.010119	0.010534	3.70%	4.10%	4.10%	0.000347	0.000399	0.000415

Refer to the resolution dealing with the property rate changes on all other property categories.

The following stipulations in the Property Rates Policy applicable to the 2026/2027 year are highlighted:

Exemptions and Reductions

- **Residential Properties:** For all residential properties, the municipality will not levy a rate on the first R15 000 of the property's market value. The R15 000 is the statutory impermissible rate as per section 17(1)(h) of the Municipal Property Rates Act.

Rebates in respect of a category of owners of property are as follows:

- **Indigent owners:** 100 per cent rebate will be granted to registered indigent owners in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens, qualifying indigent owners and disabled persons:** A rebate to an amount equal to the rates payable on the first amount of the valuation of such property to a limit of R400 000 for the 2026/2027 financial year.

1.4.2.2 Sanitation and Impact of Tariff Increases

The draft tariff increases of **4.9%** for residential households and **5.9%** for businesses, which is above the estimated headline inflation rate, is needed to deliver the service effectively. This will further support future critical upgrades of the wastewater treatment works in the Swartland Municipal Area. The sewerage service consists of various charges for which the tariff listing must be consulted.

R thousand	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Revenue – Sanitation	108 192	106 626	112 016	117 772
Expenditure – Sanitation	74 240	70 094	73 927	77 662
Net Surplus / (Deficit)	33 953	36 532	38 089	40 111
Net Surplus / (Deficit) %	31.4%	34.3%	34.0%	34.1%
Capital Grants	7 000			
Revenue – Sanitation (excl. capital grants)	101 192	106 626	112 016	117 772
Net Surplus / (Deficit) (excl. capital grants)	26 953	36 532	38 089	40 111
Net Surplus / (Deficit) % (excl. capital grants)	26.6%	34.3%	34.0%	34.1%

The following draft Sanitation tariffs were incorporated in the 2026/2027 MTREF:

Sanitation	2025/2026	2026/2027	2027/2028	2028/2029	2026/27	2027/28	2029/30	2026/27	2027/28	2029/30
Households (including indigents), Flats and Semi-detached households pm	R 312.14	R 327.43	R 343.48	R 360.31	4.90%	4.90%	4.90%	R 15.29	R 16.04	R 16.83
Businesses, Industrial, Schools, Churches, Sport Facilities, etc. pm	R 312.14	R 330.56	R 350.06	R 370.71	5.90%	5.90%	5.90%	R 18.42	R 19.50	R 20.65
NB: The above charges for registered indigent households are subsidised.										

1.4.2.3 Sale of Water and Impact of Tariff Increases

The draft tariff increases are :- **average increase of 5%** for the first 20kls thereafter a **4.7%** increase for the higher residential consumptive blocks, a **4.5%** increase for all businesses and government institutions. The draft tariff increases, which are above the estimated headline inflation rate, are needed given the extent of water infrastructure investment required over the MTREF, compounded by illegal connections.

Bulk water purchases from the WCDM increase to around R 7.61 p/kl from 1 July 2026 due to higher operational costs and increases from the Department of Water Affairs.

R thousand	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Revenue – Water	139 767	149 620	173 592	181 536
Expenditure – Water	118 446	122 579	129 235	137 935
Net Surplus / (Deficit)	21 321	27 041	44 358	43 601
Net Surplus / (Deficit) %	15.3%	18.1%	25.6%	24.0%
Capital Grants	6 689	10 754	28 129	28 907
Revenue – Water (excl. capital grants)	133 078	138 866	145 463	152 629
Net Surplus / (Deficit) (excl. capital grants)	14 631	16 287	16 229	14 694
Net Surplus / (Deficit) % (excl. capital grants)	11.0%	11.7%	11.2%	9.6%

Water losses during 2023/24 and 2024/25 audited financial years were disclosed at 18.79 per cent and 19.66 per cent respectively.

The following draft Water tariffs were incorporated in the 2026/2027 MTREF and increases for households (residential) and non-residential are as follows:

Water	2025/2026	2026/2027	2027/2028	2028/2029	2026/27	2027/28	2029/30	2026/27	2027/28	2029/30
Network Charge: Residential, Indigent and Agricultural	R 84.19	R 87.47	R 91.76	R 96.26	3.90%	4.90%	4.90%	R 3.28	R 4.29	R 4.50
Network Charge: Business, Agricultural, Sport Clubs and Government Institutions	R 140.37	R 146.68	R 153.87	R 161.41	4.50%	4.90%	4.90%	R 6.32	R 7.19	R 7.54
Equitable Share: 6 kl Free	R 11.20	R 11.75	R 12.33	R 12.93	4.90%	4.90%	4.90%	R 0.55	R 0.58	R 0.60
Residential: 0 - 6kl	R 6.88	R 7.29	R 7.72	R 8.18	5.90%	5.90%	5.90%	R 0.41	R 0.43	R 0.46
Residential: 7 - 10kl	R 11.20	R 11.75	R 12.33	R 12.93	4.90%	4.90%	4.90%	R 0.55	R 0.58	R 0.60
Residential: 11-15kl	R 21.05	R 22.04	R 23.12	R 24.26	4.70%	4.90%	4.90%	R 0.99	R 1.08	R 1.13
Residential: 16 - 20kl	R 27.04	R 28.31	R 29.70	R 31.16	4.70%	4.90%	4.90%	R 1.27	R 1.39	R 1.46
Residential: 21 - 25kl	R 39.72	R 41.58	R 43.62	R 45.76	4.70%	4.90%	4.90%	R 1.87	R 2.04	R 2.14
Residential: 26 - 35 kl	R 59.73	R 62.54	R 65.60	R 68.82	4.70%	4.90%	4.90%	R 2.81	R 3.06	R 3.21
Residential: 36 kl >	R 111.38	R 116.62	R 122.33	R 128.33	4.70%	4.90%	4.90%	R 5.23	R 5.71	R 5.99
Business/Commercial/Industrial	R 27.57	R 28.81	R 30.22	R 31.70	4.50%	4.90%	4.90%	R 1.24	R 1.41	R 1.48
Government Institutions	R 31.27	R 32.67	R 34.27	R 35.95	4.50%	4.90%	4.90%	R 1.41	R 1.60	R 1.68
Sport Clubs	R 29.23	R 30.37	R 31.86	R 33.42	3.90%	4.90%	4.90%	R 1.14	R 1.49	R 1.56
Schools and Registered Old Age Homes	R 15.48	R 16.09	R 16.87	R 17.70	3.90%	4.90%	4.90%	R 0.60	R 0.79	R 0.83

1.4.2.4 Waste Removal and Impact of Tariff Increases

The draft tariff increases of **8.9%** for residential households and **11.5%** for businesses. The additional percentage above estimated headline inflation is equal to R10.54 per month based on the residential tariff and is needed to ensure that the cost of providing the service is fully funded over the longer term as the service is **currently rendered at a shortfall**. Over the remaining MTREF period, the tariff increase will remain at 8.9%, given the extent of investment required over the longer term.

The public to note that the costs associated with cleaning public open spaces due to illegal dumping and littering, place a huge financial burden on the municipality and therefore the public are requested to please report illegal dumping.

R thousand	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Revenue – Waste Removal	88 860	80 004	88 008	97 342
Expenditure – Waste Removal	72 210	71 468	76 595	87 286
Net Surplus / (Deficit)	16 651	8 536	11 413	10 055
Net Surplus / (Deficit) %	18.7%	10.7%	13.0%	10.3%
Capital Grants	17 316			
Revenue – Waste Removal (excl. capital grants)	71 545	80 004	88 008	97 342
Net Surplus / (Deficit) (excl. capital grants)	(665)	8 536	11 413	10 055
Net Surplus / (Deficit) % (excl. capital grants)	(0.9%)	10.7%	13.0%	10.3%

The following draft Waste removal tariffs were incorporated in the 2026/2027 MTREF:

Waste Removal	2025/2026	2026/2027	2027/2028	2028/2029	2026/27	2027/28	2029/30	2026/27	2027/28	2029/30
	Removal of residential (incl. indigents) refuse pm	R 202.74	R 220.78	R 240.43	R 261.83	8.90%	8.90%	8.90%	R 18.04	R 19.65
Removal of business refuse pm (Black Bags or 1x240 litre drum)	R 243.48	R 271.48	R 302.70	R 337.51	11.50%	11.50%	11.50%	R 28.00	R 31.22	R 34.81
NB: The above charges for registered indigent households are subsidised.										

1.4.2.5 Sale of Electricity and Impact of Tariff Increases

At this stage, the draft increase for the purchase of electricity is based on an increase of 9.12% from Eskom against an average increase of 9.01% as announced by NERSA. Swartland's proposed electricity tariff increase amounts to **11.44%**. The proposed tariff increases of the municipal tariffs are preliminary and subject to public participation and NERSA's decision which should be made available on 11 May 2026, where after Council to resolve on same during final adoption in May.

As per the indication in the application that will be submitted to NERSA it is proposed to redo the Cost of Supply study in 2026/27 to take into account the following developments in 2027/28, which could have an impact on the cost of especially the bulk purchases:

- 1) The commissioning of the 132/11 kV de Hoop substation;
- 2) The upgrading of the Notified Maximum Demand Yzerfontein and Darling;
- 3) The potential procurement of renewable energy from the planned Klipkoppie 10 MW;
- 4) Renewal or not of the existing PPA with Darling Green Utility after March 2028;
- 5) Extensive public participation that would be required for restructuring of electricity tariff that might be proposed based on the CoS study.

That Council for now abide with the proposed electricity tariffs that are submitted, bearing in mind that it is still subject to public participation and NERSA's process.

R thousand	Adjustment Budget	2026/27 Medium Term Revenue & Expenditure Framework		
	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)	2028/2029 (R'000)
Revenue – Electricity	610 849	702 550	757 332	852 618
Expenditure – Electricity	569 630	688 285	652 725	725 073
Net Surplus / (Deficit)	41 219	14 265	104 608	127 545
Net Surplus / (Deficit) %	6.7%	2.0%	13.8%	15.0%
Capital Grants		29 859	21 811	22 797
Revenue – Electricity (excl. capital grants)	610 849	672 691	735 521	829 821
Net Surplus / (Deficit) (excl. capital grants)	41 219	(15 594)	82 797	104 748
Net Surplus / (Deficit) % (excl. capital grants)	6.7%	(2.3%)	11.3%	12.6%

NB: 2026/27 include the Eskom's portion of the feed to the De Hoop substation sorting under Contracted services (Construction Contracts) and will be partially funded by INEP (R14 278 000) leaving a shortfall of R44 672 748 to be funded by council; with the resultant effect of a reduced surplus as council does not want to burden the public with these additional cash outflows. Also, the Substation Bulk Upgrade: Yzerfontein and Darling amounting to R36.5 million.

Electricity losses during the 2023/24 and 2024/25 audited financial years were achieved at at low 5.73% per cent and 3.2% per cent respectively.

The following table shows the draft increases on electricity tariffs for customers over the 2026/2027 MTREF period (**Please consult the detailed tariff listing for all the electricity tariffs**), keeping in mind that NERSA determines same on an annual basis and therefore reliance cannot be placed on the figures in the 2 outer years.

Electricity		2025/2026	2026/2027	2027/2028	2028/2029	2026/27	2027/28	2029/30	2026/27	2027/28	2029/30
1	Residential Consumers Network charge	R 403.96	R 450.18	R 502.98	R 560.07	11.44%	11.73%	11.35%	R 46.21	R 52.81	R 57.09
1	(0-50kWh)	R 2.0375	R 2.2706	R 2.5370	R 2.8249	11.44%	11.73%	11.35%	R 0.2331	R 0.2663	R 0.2879
1	(51-350kWh)	R 2.6199	R 2.9196	R 3.2620	R 3.6323	11.44%	11.73%	11.35%	R 0.2997	R 0.3425	R 0.3702
1	(351-600kWh)	R 3.6871	R 4.1089	R 4.5909	R 5.1119	11.44%	11.73%	11.35%	R 0.4218	R 0.4820	R 0.5211
1	(>600kWh)	R 4.3421	R 4.8388	R 5.4064	R 6.0200	11.44%	11.73%	11.35%	R 0.4967	R 0.5676	R 0.6136
2	Commercial / Non Standard .per kWh	R 3.3994	R 3.7882	R 4.2326	R 4.7130	11.44%	11.73%	11.35%	R 0.3889	R 0.4444	R 0.4804
2	Commercial Basic < 20KVA	R 1 027.49	R 1 145.03	R 1 279.34	R 1 424.55	11.44%	11.73%	11.35%	R 117.54	R 134.31	R 145.21
2	Commercial Basic 20 to 40 KVA	R 1 351.51	R 1 506.12	R 1 682.79	R 1 873.78	11.44%	11.73%	11.35%	R 154.61	R 176.67	R 191.00
2	Commercial Basic >40 KVA	R 2 466.62	R 2 748.81	R 3 071.24	R 3 419.83	11.44%	11.73%	11.35%	R 282.18	R 322.43	R 348.59
2	Commercial Basic < 20KVA per kWh	R 3.3994	R 3.7882	R 4.2326	R 4.7130	11.44%	11.73%	11.35%	R 0.3889	R 0.4444	R 0.4804
2	Commercial Basic 20 to 40 KVA per kWh	R 3.3994	R 3.7882	R 4.2326	R 4.7130	11.44%	11.73%	11.35%	R 0.3889	R 0.4444	R 0.4804
2	Commercial Basic >40 KVA per kWh	R 3.3994	R 3.7882	R 4.2326	R 4.7130	11.44%	11.73%	11.35%	R 0.3889	R 0.4444	R 0.4804
3	Maximum Demand Supply for Bulk Consumers	R 2 792.58	R 3 112.06	R 3 477.10	R 3 871.75	11.44%	11.73%	11.35%	R 319.47	R 365.04	R 394.65
3	Plus: Active Energy - kWh	R 1.3275	R 1.4794	R 1.6529	R 1.8405	11.44%	11.73%	11.35%	R 0.1519	R 0.1735	R 0.1876
3	Max. Demand KVA	R 537.25	R 598.71	R 668.94	R 744.87	11.44%	11.73%	11.35%	R 61.46	R 70.23	R 75.93
5	Alternative - Households 20 Amp.:-		R -	R -	R -						
5	(0-50kWh)	R 1.8680	R 2.0816	R 2.3258	R 2.5898	11.44%	11.73%	11.35%	R 0.2137	R 0.2442	R 0.2640
5	(51-350kWh)	R 2.4500	R 2.7303	R 3.0506	R 3.3968	11.44%	11.73%	11.35%	R 0.2803	R 0.3203	R 0.3462
5	(351-600kWh)	R 3.4930	R 3.8926	R 4.3492	R 4.8428	11.44%	11.73%	11.35%	R 0.3996	R 0.4566	R 0.4936
5	(>600kWh)	R 4.1979	R 4.6782	R 5.2269	R 5.8202	11.44%	11.73%	11.35%	R 0.4802	R 0.5487	R 0.5933
6	Street lightning	R 2.1503	R 2.3963	R 2.6774	R 2.9813	11.44%	11.73%	11.35%	R 0.2460	R 0.2811	R 0.3039
7	Pre-paid meter system (Indigent Residential)		R -	R -	R -						
7	NB: In those instances where a Network Charge is applicable to indigent consumers, it will be fully subsidised on their account.		R -	R -	R -						
7	(0-50kWh)	R 1.8680	R 2.0816	R 2.3258	R 2.5898	11.44%	11.73%	11.35%	R 0.2137	R 0.2442	R 0.2640
7	(51-350kWh)	R 2.4500	R 2.7303	R 3.0506	R 3.3968	11.44%	11.73%	11.35%	R 0.2803	R 0.3203	R 0.3462
7	(351-600kWh)	R 3.4930	R 3.8926	R 4.3492	R 4.8428	11.44%	11.73%	11.35%	R 0.3996	R 0.4566	R 0.4936
7	(>600kWh)	R 4.1979	R 4.6782	R 5.2269	R 5.8202	11.44%	11.73%	11.35%	R 0.4802	R 0.5487	R 0.5933
10	Time Of Use Tariff for Bulk Consumers: Fixed	R 2 792.58	R 3 112.06	R 3 477.10	R 3 871.75	11.44%	11.73%	11.35%	R 319.47	R 365.04	R 394.65
10	Tou Low Consumption		R -	R -	R -						
10	Low Season (Sept - May) Peak period per kWh	R 2.3017	R 2.5650	R 2.8659	R 3.1912	11.44%	11.73%	11.35%	R 0.2633	R 0.3009	R 0.3253
10	Low Season (Sept - May) Standard period per kWh	R 1.5840	R 1.7652	R 1.9723	R 2.1962	11.44%	11.73%	11.35%	R 0.1812	R 0.2071	R 0.2239
10	Low Season (Sept - May) Off-peak period per kWh	R 1.0047	R 1.1196	R 1.2509	R 1.3929	11.44%	11.73%	11.35%	R 0.1149	R 0.1313	R 0.1420

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on various households:

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Rand/cent						
Monthly Account for Household - 'Middle Income Range'						
Rates and services charges:						
Property rates	327.99	327.99	3.7%	340.12	354.07	368.58
Electricity: Basic levy	403.96	403.96	11.44%	403.96	430.63	459.56
Electricity: Consumption	3 546.43	3 546.43	11.44%	3 952.14	4 415.73	4 916.92
Water: Basic levy	84.19	84.19	3.9%	87.47	91.76	96.26
Water: Consumption	326.61	326.61	5%	342.54	359.76	377.86
Sanitation	312.14	312.14	4.9%	327.43	343.48	360.31
Refuse removal	202.74	202.74	8.9%	220.78	240.43	261.83
sub-total	5 204.06	5 204.06	9.0%	5 674.47	6 235.86	6 841.32
VAT on Services	731.41	731.41		800.15	882.27	970.91
Total large household bill:	5 935.47	5 935.47	9.1%	6 474.62	7 118.13	7 812.23
% increase/-decrease	11.1%	-	(18.5%)	9.1%	9.9%	9.8%
Monthly Account for Household - 'Affordable Range'						
Rates and services charges:						
Property rates	234.28	234.28	3.7%	242.94	252.91	263.27
Electricity: Basic levy	403.96	403.96	11.44%	403.96	430.63	459.56
Electricity: Consumption	1 440.90	1 440.90	11.44%	1 605.74	1 794.09	1 997.72
Water: Basic levy	84.19	84.19	3.9%	87.47	91.76	96.26
Water: Consumption	86.12	86.12	5%	90.76	95.64	100.79
Sanitation	312.14	312.14	4.9%	327.43	343.48	360.31
Refuse removal	202.74	202.74	8.9%	220.78	240.43	261.83
sub-total	2 764.33	2 764.33	7.8%	2 979.09	3 248.93	3 539.75
VAT on Services	379.51	379.51		410.42	449.40	491.47
Total small household bill:	3 143.84	3 143.84	7.8%	3 389.52	3 698.34	4 031.22
% increase/-decrease	10.7%	-	(27.2%)	7.8%	9.1%	9.0%
Monthly Account for Household - 'Indigent'						
Household receiving free basic services						
Rates and services charges:						
Property rates	91.37	91.37	3.7%	94.75	98.63	102.68
Electricity: Basic levy	-	-	11.44%	-	-	-
Electricity: Consumption	735.01	735.01	11.44%	819.10	915.18	1 019.05
Water: Basic levy	-	-	3.9%	-	-	-
Water: Consumption	44.82	44.82	5%	47.01	49.32	51.73
Sanitation	-	-	4.9%	-	-	-
Refuse removal	-	-	8.9%	-	-	-
sub-total	871.20	871.20	10.3%	960.86	1 063.13	1 173.46
VAT on Services	116.97	116.97		129.92	144.67	160.62
Total small household bill:	988.17	988.17	10.4%	1 090.78	1 207.80	1 334.08
% increase/-decrease	11.6%	-	(10.3%)	10.4%	10.7%	10.5%

1.4.3 Fines

Fines represent approximately 3 per cent of the revenue mix of the municipality. The 2026/2027 MTREF again leaves room for much improvement in the recovery rate of fines in order to maximize the revenue stream in a bid to further improve service delivery. **Currently the payment rate in respect of fines results in an unsustainable increase in the impairment provision.**

The department is reminded on an annual basis to investigate alternative methods to materially improve the collection rate relating to fines as this trend has now been experienced for the last 6-8 years. This expenditure is increasingly becoming an additional burden on rate payers given the impact it has on the impairment provision.

1.5 Operating Expenditure Framework

Prior to the tabling of the Draft budget, comprehensive workshops and engagements took place with the various directorates to ensure that effect is given to organisation wide quality sustainable service delivery in line with council's longer-term service delivery resilience aims. The objective in the main was to safeguard against spiralling expenditure placing the cost of services beyond affordability levels.

This proved very challenging given the limitations placed on tariff increases (to still keep the basket of goods and services affordable) compared to the MTREF's operational expenditure requirements and the fact that very little scope exists for additional savings given the municipality's proven corporate culture in respect of cost containment. It is becoming increasingly challenging to fund community and other services by way of the municipality's basket of basic services and revenue generated through municipal property taxes.

The following table is a high level summary of the 2026/2027 MTREF (classified per main type of operating expenditure):

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands					
Employee costs	368 788	375 844	395 702	423 145	453 534
Remuneration of councillors	12 630	12 850	13 567	14 105	14 665
Depreciation, amortisation and impairment	133 697	125 306	117 434	125 089	132 496
Interest, Dividends and Rent on Land	9 954	8 836	7 275	7 990	8 776
Inventory consumed and bulk purchases	552 865	566 574	614 588	673 612	746 583
Transfers and subsidies	4 073	3 666	3 467	3 516	3 624
Other expenditure	376 802	422 309	533 195	329 458	409 110
Total Expenditure	1 458 809	1 515 385	1 685 226	1 576 915	1 768 787

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2026/2027 financial year totals R 395.7 million, which equates to 23.5 per cent of total operating expenditure. This result is in line with the national norm of 25% - 40%.
- A concerted effort was again made to limit expenditure on training in an attempt to keep tariffs within the limits of the reduced realistically anticipated revenue streams, with an amount of R 1 862 747 budgeted for training in the 2026/2027 operating budget. This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and ongoing training programmes already covered, **but more-over the necessitated curbing of expenditure given the worsening disposable income levels of the paying public.**
- The expense associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- The provision of debt impairment was determined based on the current collection rates of receivables, negatively influenced by the prevailing economic conditions.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations are expected to remain high over the MTREF. These high appropriations can mainly be attributed to the large capital program employed by the municipality in recent years as well as the valuation method used during the implementation of Directive 7. Compared to industry benchmarks, the depreciation figure is considered to be very high.
- Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the West Coast District Municipality. The indicative annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
- Other expenditure comprises of various line items relating to the daily operations of the municipality.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

1.5.1 Priority given to repairs and maintenance

National Treasury observed that budget appropriations for asset renewal as part of the capital program and operational repairs and maintenance of existing asset infrastructure is still not receiving adequate priority by municipalities, regardless of guidance supplied in previous Budget Circulars. Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget of municipalities.

The bulk of "repairs and maintenance" are done through the capital budget by way of refurbishment. The portion in the operating budget is adequate to secure the ongoing health of the Municipality's infrastructure.

The ratios for the 2026/2027 MTREF are shown below:

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	20.3%	20.0%	22.1%	34.0%	42.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	46.6%	45.9%	46.5%	81.6%	113.3%
<i>R&M as a % of PPE & Investment Property</i>	4.0%	3.5%	3.3%	3.0%	3.5%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	6.6%	5.7%	5.2%	6.6%	8.5%

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement are contained in Table A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is financed by the municipality's unconditional equitable share grant, allocated in terms of the Constitution to local government, and received in terms of the annual Division of Revenue Act.

Indigent property rates and service charges expenditure (including growth projections) totals R 97.9 million in 2026/2027 and it will increase to R 115.1 million and R 135.8 million in the outer years of the MTREF. **These totals do not include financing of other community services, servicing informal settlements and actual expenditure incurred on indigent consumers.**

Subsidies for indigent households are set out below:

1.	Rates free of charge to the value based on market value of the property to the maximum of R105 000 (R15 000 impermissible tax excluded)
2.	50 kWh free electricity per month (which shall include the network charge of electricity for the month where a conventional meter is applicable)
3.	6 kilolitres of water free per month plus the 100% subsidised network charge
4.	Free refuse x 4 removals per month
5.	Free sewerage per month

For the month of **February 2026**, support was provided to 8 918 indigent households:

- Number receiving Property Rates discount: 7 545
- Number with access to free basic water: 8 895 (and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 5 857
- Number provided by ESKOM: 2 289
- Number with access to free basic sanitation: 8 528
- Number with access to free basic refuse removal: 8 918

1.6 Capital expenditure

Based on appropriations per vote, the allocations are as follows:

Vote Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Capital expenditure - Vote					
Multi-year expenditure to be appropriated					
Vote 1 - Corporate Services	-	-	-	-	-
Vote 2 - Civil Services	94 706	103 658	94 871	127 309	163 631
Vote 3 - Council	-	-	-	-	-
Vote 4 - Electricity Services	75 133	23 033	39 006	48 093	49 118
Vote 5 - Financial Services	-	-	-	-	-
Vote 6 - Development Services	58 712	89 655	47 434	63 000	71 785
Vote 7 - Municipal Manager	-	-	-	-	-
Vote 8 - Protection Services	-	-	-	-	-
Capital multi-year expenditure sub-total	228 552	216 347	181 311	238 403	284 534
Single-year expenditure to be appropriated					
Vote 1 - Corporate Services	573	448	354	277	229
Vote 2 - Civil Services	49 284	48 835	25 204	28 414	39 227
Vote 3 - Council	12	12	132	12	12
Vote 4 - Electricity Services	13 033	12 077	21 192	24 373	21 874
Vote 5 - Financial Services	168	82	986	434	525
Vote 6 - Development Services	364	364	2 461	94	98
Vote 7 - Municipal Manager	12	42	12	12	12
Vote 8 - Protection Services	1 800	1 844	9 202	627	1 240
Capital single-year expenditure sub-total	65 247	63 703	59 543	54 242	63 218
Total Capital Expenditure - Vote	293 799	280 050	240 854	292 645	347 752

More information on the breakdown of the capital budget can be found in the tables to follow.

1.7 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2026/2027 MTREF budget.

MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands					
<u>Financial Performance</u>					
Property rates	212 727	215 090	223 164	233 493	257 160
Service charges	755 688	788 495	876 275	966 920	1 075 712
Investment revenue	81 529	104 459	93 978	100 484	104 292
Transfer and subsidies - Operational	342 208	208 818	209 787	212 636	224 488
Other own revenue	93 773	266 839	294 618	173 386	229 957
Total Revenue (excluding capital transfers and contributions)	1 485 925	1 583 700	1 697 821	1 686 919	1 891 609
Employee costs	368 788	375 844	395 702	423 145	453 534
Remuneration of councillors	12 630	12 850	13 567	14 105	14 665
Depreciation, amortisation and impairment	133 697	125 306	117 434	125 089	132 496
Interest, Dividends and Rent on Land	9 954	8 836	7 275	7 990	8 776
Inventory consumed and bulk purchases	552 865	566 574	614 588	673 612	746 583
Transfers and subsidies	4 073	3 666	3 467	3 516	3 624
Other expenditure	376 802	422 309	533 195	329 458	409 110
Total Expenditure	1 458 809	1 515 385	1 685 226	1 576 915	1 768 787
Surplus/(Deficit)	27 116	68 316	12 595	110 004	122 822
Transfers and subsidies - capital (monetary)	120 566	141 797	96 984	112 990	123 539
Transfers and subsidies - capital (in-kind)	-	41	-	-	-
Surplus/(Deficit) after capital transfers & contributions	147 681	210 154	109 579	222 994	246 361
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-
Surplus/(Deficit) for the year	147 681	210 154	109 579	222 994	246 361
<u>Capital expenditure & funds sources</u>					
Capital expenditure	293 799	280 050	240 854	292 645	347 752
Transfers recognised - capital	120 287	141 520	97 016	112 983	123 532
Borrowing	30 000	-	-	-	-
Internally generated funds	143 512	138 530	143 838	179 662	224 219
Total sources of capital funds	293 799	280 050	240 854	292 645	347 752
<u>Financial position</u>					
Total current assets	1 146 461	1 309 594	1 488 260	1 745 535	2 000 134
Total non current assets	2 670 947	2 688 076	2 793 375	2 941 903	3 137 180
Total current liabilities	156 461	185 660	348 351	519 193	709 796
Total non current liabilities	227 630	185 069	196 763	208 730	221 642
Community wealth/Equity	3 433 317	3 626 941	3 736 520	3 959 515	4 205 876
<u>Cash flows</u>					
Net cash from (used) operating	341 602	373 358	297 040	370 619	387 813
Net cash from (used) investing	148	47 407	(270 137)	(339 689)	(391 332)
Net cash from (used) financing	23 956	(32 711)	500	150	200
Cash/cash equivalents at the year end	895 335	1 065 074	1 092 476	1 123 556	1 120 237
<u>Cash backing/surplus reconciliation</u>					
Cash and investments available	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Application of cash and investments	339 921	415 333	490 204	546 685	645 708
Balance - surplus (shortfall)	555 414	649 740	602 272	576 871	474 529
<u>Asset management</u>					
Asset register summary (WDV)	2 233 505	2 541 778	2 686 273	2 783 010	2 923 181
Depreciation	128 145	122 359	114 371	121 873	129 119
Renewal and Upgrading of Existing Assets	59 658	56 107	53 167	99 419	146 198
Repairs and Maintenance	88 157	87 943	87 507	84 130	103 035
<u>Free services</u>					
Cost of Free Basic Services provided	(80 693)	(80 693)	(84 150)	(89 513)	(95 220)
Revenue cost of free services provided	(4 180)	(4 318)	(4 998)	(5 348)	(5 722)

MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is an illustration of the budgeted financial performance in relation to revenue and expenditure per standard classification. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Functional Classification Description R thousand	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional					
Governance and administration	389 717	419 012	422 148	444 203	465 259
Executive and council	265	265	269	273	278
Finance and administration	389 452	418 747	421 879	443 930	464 981
Internal audit	–	–	–	–	–
Community and public safety	262 229	310 486	293 182	203 639	269 749
Community and social services	13 027	24 013	17 278	16 956	52 529
Sport and recreation	5 939	6 239	6 520	6 052	6 415
Public safety	49 236	50 060	53 888	58 290	63 494
Housing	194 028	230 174	215 496	122 341	147 311
Economic and environmental services	39 587	46 569	40 687	21 132	30 884
Planning and development	5 592	6 287	7 624	6 912	7 323
Road transport	33 995	40 283	33 063	14 220	23 562
Trading services	914 931	949 445	1 038 782	1 130 931	1 249 250
Energy sources	586 262	610 831	702 532	757 314	852 600
Water management	135 595	139 767	149 620	173 592	181 536
Waste water management	106 188	109 988	106 626	112 016	117 772
Waste management	86 886	88 860	80 004	88 008	97 342
Other	26	26	5	5	5
Total Revenue - Functional	1 606 491	1 725 539	1 794 805	1 799 909	2 015 148
Expenditure - Functional					
Governance and administration	198 566	201 626	216 166	228 428	241 021
Executive and council	30 531	30 714	31 389	32 734	34 123
Finance and administration	165 245	168 057	181 988	192 833	203 847
Internal audit	2 789	2 855	2 789	2 861	3 051
Community and public safety	322 271	345 330	386 108	286 395	355 446
Community and social services	30 804	33 275	32 930	35 129	37 363
Sport and recreation	42 431	42 605	47 523	50 643	53 882
Public safety	107 805	116 149	125 455	135 112	145 257
Housing	141 231	153 301	180 200	65 511	118 943
Economic and environmental services	108 231	98 238	104 388	101 986	114 742
Planning and development	17 956	17 915	22 940	22 733	22 030
Road transport	90 275	80 323	81 448	79 253	92 712
Trading services	827 409	867 986	976 316	957 746	1 055 100
Energy sources	556 387	588 014	685 776	650 045	722 204
Water management	117 662	118 677	122 579	129 235	137 935
Waste water management	85 910	88 881	96 493	101 872	107 675
Waste management	67 452	72 413	71 468	76 595	87 286
Other	2 332	2 206	2 247	2 360	2 479
Total Expenditure - Functional	1 458 809	1 515 385	1 685 226	1 576 915	1 768 787
Surplus/(Deficit) for the year	147 681	210 154	109 579	222 994	246 361

NB: The above surplus amounts include capital grants which results in a skewed surplus.

MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is an illustration of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality.

Vote Description R thousand	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote					
Vote 1 - Corporate Services	11 982	16 149	14 135	14 296	14 462
Vote 2 - Civil Services	354 006	369 701	361 042	378 011	409 755
Vote 3 - Council	265	265	269	273	278
Vote 4 - Electricity Services	586 280	610 849	702 550	757 332	852 618
Vote 5 - Financial Services	387 011	414 299	419 656	441 799	462 790
Vote 6 - Development Services	204 042	250 539	230 338	136 523	197 564
Vote 7 - Municipal Manager	-	8	300	-	-
Vote 8 - Protection Services	62 905	63 729	66 515	71 674	77 681
Total Revenue by Vote	1 606 491	1 725 539	1 794 805	1 799 909	2 015 148
Expenditure by Vote to be appropriated					
Vote 1 - Corporate Services	49 233	55 687	51 868	55 508	58 776
Vote 2 - Civil Services	431 330	429 799	432 298	449 813	490 899
Vote 3 - Council	25 469	25 414	26 263	27 263	28 289
Vote 4 - Electricity Services	559 645	590 606	710 431	676 486	750 289
Vote 5 - Financial Services	84 577	84 884	94 746	100 847	107 623
Vote 6 - Development Services	172 555	184 321	216 254	102 510	156 191
Vote 7 - Municipal Manager	11 298	11 682	12 160	12 574	13 392
Vote 8 - Protection Services	124 701	132 992	141 206	151 914	163 327
Total Expenditure by Vote	1 458 809	1 515 385	1 685 226	1 576 915	1 768 787
Surplus/(Deficit) for the year	147 681	210 154	109 579	222 994	246 361

MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Table A4 represents the revenue per source as well as the expenditure per type. This classification is aligned to the GRAP disclosures requirements in the annual financial statements of the municipality.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Revenue					
Exchange Revenue					
Service charges - Electricity	548 246	572 557	639 416	714 731	806 998
Service charges - Water	103 605	107 755	118 228	123 885	129 812
Service charges - Waste Water Management	61 128	63 518	68 497	71 743	75 141
Service charges - Waste Management	42 709	44 665	50 134	56 561	63 760
Sale of Goods and Rendering of Services	14 664	15 776	16 713	17 695	18 735
Agency services	7 194	7 194	6 626	7 024	7 445
Interest earned from Receivables	3 821	3 749	3 936	4 133	4 340
Interest earned from Current and Non Current Assets	81 529	104 459	93 978	100 484	104 292
Rental from Fixed Assets	1 759	1 921	2 209	2 331	2 459
Construction Contract Revenue	-	170 304	190 326	60 942	112 444
Development Charges	3 000	3 462	3 661	3 878	4 108
Operational Revenue	1 885	1 885	1 876	1 972	2 074
Non-Exchange Revenue					
Property rates	212 727	215 090	223 164	233 493	257 160
Fines, penalties and forfeits	38 363	39 146	42 945	47 227	51 936
Licences or permits	5 669	5 669	5 848	6 187	6 546
Transfer and subsidies - Operational	342 208	208 818	209 787	212 636	224 488
Interest	2 253	2 193	2 303	2 418	2 539
Operational Revenue	12 484	12 394	13 294	14 373	15 616
Gains on disposal of Fixed and Intangible Assets	2 680	3 145	4 881	5 207	1 715
Total Revenue (excluding capital transfers and contributions)	1 485 925	1 583 700	1 697 821	1 686 919	1 891 609
Expenditure					
Employee related costs	368 788	375 844	395 702	423 145	453 534
Remuneration of councillors	12 630	12 850	13 567	14 105	14 665
Bulk purchases - electricity	479 999	495 451	543 158	597 946	665 741
Inventory consumed	72 865	71 123	71 429	75 666	80 842
Debt impairment	5 959	35 581	42 707	46 672	51 016
Depreciation, amortisation and impairment	133 697	125 306	117 434	125 089	132 496
Interest, Dividends and Rent on Land	9 954	8 836	7 275	7 990	8 776
Contracted services	231 960	262 960	361 813	147 103	214 606
Transfers and subsidies	4 073	3 666	3 467	3 516	3 624
Irrecoverable debts written off	41 008	22 797	21 723	22 887	24 032
Operational costs	67 124	71 228	72 641	76 701	80 405
Disposal of Fixed and Intangible Assets	17 260	12 840	18 122	19 028	19 979
Other Losses	13 490	16 903	16 189	17 067	19 071
Total Expenditure	1 458 809	1 515 385	1 685 226	1 576 915	1 768 787
Surplus/(Deficit)	27 116	68 316	12 595	110 004	122 822
Transfers and subsidies - capital (monetary allocations)	120 566	141 797	96 984	112 990	123 539
Transfers and subsidies - capital (in-kind)	-	41	-	-	-
Surplus/(Deficit) after capital transfers & contributions	147 681	210 154	109 579	222 994	246 361
Income Tax	-	-	-	-	-
Surplus/(Deficit) for the year	147 681	210 154	109 579	222 994	246 361

MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget (National, Provincial and Other grants and transfers, External borrowing and internally generated funds from current and prior year surpluses). The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Vote Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Capital expenditure - Vote					
Multi-year expenditure to be appropriated					
Vote 2 - Civil Services	94 706	103 658	94 871	127 309	163 631
Vote 4 - Electricity Services	75 133	23 033	39 006	48 093	49 118
Vote 6 - Development Services	58 712	89 655	47 434	63 000	71 785
Capital multi-year expenditure sub-total	228 552	216 347	181 311	238 403	284 534
Single-year expenditure to be appropriated					
Vote 1 - Corporate Services	573	448	354	277	229
Vote 2 - Civil Services	49 284	48 835	25 204	28 414	39 227
Vote 3 - Council	12	12	132	12	12
Vote 4 - Electricity Services	13 033	12 077	21 192	24 373	21 874
Vote 5 - Financial Services	168	82	986	434	525
Vote 6 - Development Services	364	364	2 461	94	98
Vote 7 - Municipal Manager	12	42	12	12	12
Vote 8 - Protection Services	1 800	1 844	9 202	627	1 240
Capital single-year expenditure sub-total	65 247	63 703	59 543	54 242	63 218
Total Capital Expenditure - Vote	293 799	280 050	240 854	292 645	347 752
Capital Expenditure - Functional					
Governance and administration	4 267	2 685	5 818	3 355	6 779
Executive and council	24	34	144	24	24
Finance and administration	4 243	2 651	5 674	3 331	6 755
Community and public safety	14 390	14 093	20 869	5 349	47 161
Community and social services	10 343	9 922	3 081	2 247	38 199
Sport and recreation	2 247	2 327	8 586	2 475	7 722
Public safety	1 800	1 844	9 202	627	1 240
Economic and environmental services	97 186	132 780	91 801	76 605	68 622
Planning and development	12 760	24 188	13 353	13 517	13 746
Road transport	84 426	108 592	78 447	63 088	54 877
Trading services	177 955	130 492	122 367	207 336	225 189
Energy sources	86 083	33 983	55 676	69 739	67 098
Water management	31 588	30 955	46 672	95 682	97 880
Waste water management	21 338	26 563	14 008	33 272	37 016
Waste management	38 946	38 992	6 011	8 642	23 195
Total Capital Expenditure - Functional	293 799	280 050	240 854	292 645	347 752
Funded by:					
National Government	60 270	49 893	55 539	49 940	51 704
Provincial Government	60 016	91 310	41 477	63 043	71 828
Transfers and subsidies - capital (monetary allocations)	-	318	-	-	-
Transfers recognised - capital	120 287	141 520	97 016	112 983	123 532
Borrowing	30 000	-	-	-	-
Internally generated funds	143 512	138 530	143 838	179 662	224 219
Total Capital Funding	293 799	280 050	240 854	292 645	347 752

MBRR Table A6 - Budgeted Financial Position

Table A6 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits; Consumer debtors; Property, plant and equipment; Trade and other payables; Provisions non-current; Changes in net assets; and Reserves.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
ASSETS					
Current assets					
Cash and cash equivalents	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Trade and other receivables from exchange transactions	121 920	127 476	174 589	242 888	319 857
Receivables from non-exchange transactions	52 683	44 133	44 070	56 631	76 277
Current portion of non-current receivables	(287)	-	-	-	-
Inventory	40 407	22 476	23 888	25 418	26 823
VAT Receivable	35 344	48 821	151 612	295 417	455 315
Other current assets	1 058	1 615	1 624	1 624	1 624
Total current assets	1 146 461	1 309 594	1 488 260	1 745 535	2 000 134
Non current assets					
Investments	-	-	-	-	-
Investment property	23 852	22 891	22 578	22 259	21 940
Property, plant and equipment	2 642 408	2 660 367	2 766 078	2 915 010	3 110 691
Heritage assets	4 121	4 121	4 121	4 121	4 121
Intangible assets	566	698	598	514	428
Total non current assets	2 670 947	2 688 076	2 793 375	2 941 903	3 137 180
TOTAL ASSETS	3 817 408	3 997 670	4 281 635	4 687 438	5 137 314
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Financial liabilities	8 325	268	268	268	268
Consumer deposits	20 160	21 483	21 983	22 133	22 333
Trade and other payables from exchange transactions	90 183	117 478	171 904	198 791	229 296
Trade and other payables from non-exchange transactions	4 581	7 728	7 739	7 739	7 739
Provision	23 708	15 520	-	-	-
VAT Payable	9 505	23 184	139 709	283 514	443 411
Other current liabilities	-	-	6 748	6 748	6 748
Total current liabilities	156 461	185 660	348 351	519 193	709 796
Non current liabilities					
Financial liabilities	48 988	-	-	-	-
Provision	83 898	89 476	81 847	89 837	98 613
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	94 744	95 593	114 916	118 893	123 029
Total non current liabilities	227 630	185 069	196 763	208 730	221 642
TOTAL LIABILITIES	384 091	370 729	545 115	727 923	931 438
NET ASSETS	3 433 317	3 626 941	3 736 520	3 959 515	4 205 876
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	2 974 224	3 120 992	3 161 365	3 278 900	3 366 098
Reserves and funds	459 093	505 949	575 155	680 615	839 778
Other	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	3 433 317	3 626 941	3 736 520	3 959 515	4 205 876

MBRR Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. The net effect of the budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents. The net effect of the budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents. The cash levels below include unspent grants and long-term investments over the MTREF.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	203 845	206 090	213 848	212 078	228 332
Service charges	741 336	772 802	861 875	901 857	1 002 213
Other revenue	323 218	530 749	422 729	302 594	344 103
Transfers and Subsidies - Operational	343 708	209 337	212 296	214 740	261 944
Transfers and Subsidies - Capital	115 548	119 984	94 486	110 886	86 083
Interest	81 529	104 459	93 978	100 484	104 292
Dividends	-	-	-	-	-
Payments					
Suppliers and employees	(1 460 203)	(1 564 240)	(1 598 705)	(1 468 505)	(1 635 531)
Finance charges	(3 305)	(2 156)	-	-	-
Transfers and Subsidies	(4 073)	(3 666)	(3 467)	(3 516)	(3 624)
NET CASH FROM/(USED) OPERATING ACTIVITIES	341 602	373 358	297 040	370 619	387 813
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 680	3 145	4 881	5 207	1 715
Decrease (increase) in non-current receivables	-	-	-	-	-
Decrease (increase) in non-current investments	333 119	366 329	-	-	-
Insurance Refund - Capital	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-
Payments					
Capital assets	(335 652)	(322 067)	(275 018)	(344 896)	(393 047)
Retention (Capital)	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	148	47 407	(270 137)	(339 689)	(391 332)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	-	-	-	-	-
Borrowing long term/refinancing	30 000	-	-	-	-
Increase (decrease) in consumer deposits	-	625	500	150	200
Payments					
Repayment of borrowing	(6 044)	(33 336)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	23 956	(32 711)	500	150	200
NET INCREASE/ (DECREASE) IN CASH HELD	365 706	388 054	27 403	31 080	(3 319)
Cash/cash equivalents at the year begin:	529 629	677 020	1 065 074	1 092 476	1 123 556
Cash/cash equivalents at the year end:	895 335	1 065 074	1 092 476	1 123 556	1 120 237

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget and NT Circular 132. As part of the budgeting and planning guidelines that informed the compilation of the 2026/2027 MTREF, the end objective of the medium-term framework **was to ensure the budget is funded and aligned to section 18 of the MFMA.**

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Cash and investments available					
Cash/cash equivalents at the year end	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Other current investments > 90 days	-	-	-	-	-
Non current Investments	-	-	-	-	-
Cash and investments available:	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Application of cash and investments					
Unspent conditional transfers	3 015	7 728	7 739	7 739	7 739
Statutory requirements	(25 839)	(25 637)	(27 293)	(28 425)	(29 133)
Other working capital requirements	(120 056)	(88 227)	(65 398)	(113 244)	(172 676)
Other provisions	23 708	15 520			
Long term investments committed	-	-	-	-	-
Reserves to be backed by cash/investments	459 093	505 949	575 155	680 615	839 778
Total Application of cash and investments:	339 921	415 333	490 204	546 685	645 708
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief	555 414	649 740	602 272	576 871	474 529
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief	555 414	649 740	602 272	576 871	474 529

MBRR Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

The **2026/2027** capital expenditure on the renewal and upgrading of existing capital assets is 22.1%, for 2027/28 increases to 34% and 42% for 2028/29.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
CAPITAL EXPENDITURE					
Total New Assets	234 140	223 943	187 687	193 226	201 553
<i>Roads Infrastructure</i>	63 812	87 658	63 631	41 598	19 012
<i>Storm water Infrastructure</i>	–	1 464	–	–	–
<i>Electrical Infrastructure</i>	76 703	24 603	42 326	47 413	46 198
<i>Water Supply Infrastructure</i>	8 165	11 332	23 846	48 814	35 260
<i>Sanitation Infrastructure</i>	13 843	17 604	8 800	9 236	3 762
<i>Solid Waste Infrastructure</i>	33 616	34 006	610	2 300	17 000
Infrastructure	196 140	176 667	139 214	149 361	121 232
Community Facilities	2 050	1 835	8 678	1 100	1 700
Sport and Recreation Facilities	9 978	9 692	4 699	2 104	37 856
Community Assets	12 028	11 527	13 377	3 204	39 556
Operational Buildings	380	280	35	–	300
Housing	12 574	15 709	12 141	13 401	13 626
Other Assets	12 954	15 989	12 176	13 401	13 926
Licences and Rights	–	–	250	1 750	2 100
Intangible Assets	–	–	250	1 750	2 100
Computer Equipment	2 583	1 668	5 022	3 227	4 444
Furniture and Office Equipment	665	760	857	723	1 215
Machinery and Equipment	3 258	3 088	1 587	1 459	8 625
Transport Assets	6 113	5 835	15 104	20 002	10 406
Land	400	8 410	100	100	50
Total Renewal of Existing Assets	26 141	26 141	14 587	27 410	44 473
<i>Roads Infrastructure</i>	20 500	20 500	13 387	20 000	30 000
<i>Water Supply Infrastructure</i>	480	480	–	–	–
<i>Sanitation Infrastructure</i>	4 461	4 461	500	7 220	7 323
Infrastructure	25 441	25 441	13 887	27 220	37 323
Sport and Recreation Facilities	–	–	–	–	6 950
Community Assets	–	–	–	–	6 950
Machinery and Equipment	700	700	700	190	200
Total Upgrading of Existing Assets	33 517	29 966	38 580	72 009	101 726
<i>Roads Infrastructure</i>	–	308	–	–	200
<i>Storm water Infrastructure</i>	550	550	550	550	550
<i>Electrical Infrastructure</i>	8 080	8 020	8 430	15 850	16 900
<i>Water Supply Infrastructure</i>	22 887	19 087	21 100	46 809	62 076
<i>Sanitation Infrastructure</i>	2 000	2 000	7 500	8 600	21 800
Infrastructure	33 517	29 966	37 580	71 809	101 526
Sport and Recreation Facilities	–	–	1 000	200	200
Community Assets	–	–	1 000	200	200
Total Capital Expenditure	293 799	280 050	240 854	292 645	347 752
<i>Roads Infrastructure</i>	84 312	108 466	77 018	61 598	49 212
<i>Storm water Infrastructure</i>	550	2 014	550	550	550
<i>Electrical Infrastructure</i>	84 783	32 623	50 756	63 263	63 098
<i>Water Supply Infrastructure</i>	31 533	30 900	44 946	95 622	97 336
<i>Sanitation Infrastructure</i>	20 304	24 065	16 800	25 056	32 884
<i>Solid Waste Infrastructure</i>	33 616	34 006	610	2 300	17 000
Infrastructure	255 098	232 074	190 681	248 390	260 080
Community Facilities	2 050	1 835	8 678	1 100	1 700
Sport and Recreation Facilities	9 978	9 692	5 699	2 304	45 006
Community Assets	12 028	11 527	14 377	3 404	46 706
Operational Buildings	380	280	35	–	300
Housing	12 574	15 709	12 141	13 401	13 626
Other Assets	12 954	15 989	12 176	13 401	13 926
Licences and Rights	–	–	250	1 750	2 100
Intangible Assets	–	–	250	1 750	2 100
Computer Equipment	2 583	1 668	5 022	3 227	4 444
Furniture and Office Equipment	665	760	857	723	1 215
Machinery and Equipment	3 958	3 788	2 287	1 649	8 825
Transport Assets	6 113	5 835	15 104	20 002	10 406
Land	400	8 410	100	100	50
TOTAL CAPITAL EXPENDITURE - Asset class	293 799	280 050	240 854	292 645	347 752

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
ASSET REGISTER SUMMARY - PPE (WDV)	2 233 505	2 541 778	2 686 273	2 783 010	2 923 181
<i>Roads Infrastructure</i>	485 095	644 724	714 804	750 933	770 034
<i>Storm water Infrastructure</i>	118 725	202 984	200 374	196 203	191 172
<i>Electrical Infrastructure</i>	377 813	415 445	427 501	455 494	492 296
<i>Water Supply Infrastructure</i>	430 678	432 237	445 623	471 736	547 560
<i>Sanitation Infrastructure</i>	428 446	473 138	472 811	465 516	466 927
<i>Solid Waste Infrastructure</i>	38 530	27 997	56 747	51 645	48 439
Infrastructure	1 879 287	2 196 525	2 317 860	2 391 526	2 516 428
Community Assets	119 823	119 236	120 227	117 289	109 665
Heritage Assets	4 121	4 121	4 121	4 121	4 121
Investment properties	23 852	22 891	22 578	22 259	21 940
Other Assets	50 641	46 438	60 487	70 697	82 231
Intangible Assets	566	698	598	514	428
Computer Equipment	2 614	2 434	2 463	5 804	8 433
Furniture and Office Equipment	2 205	2 757	2 543	2 267	1 782
Machinery and Equipment	9 816	13 351	13 605	12 248	10 091
Transport Assets	51 458	52 980	53 229	61 427	73 320
Land	89 123	80 348	88 563	94 858	94 743
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 233 505	2 541 778	2 686 273	2 783 010	2 923 181
EXPENDITURE OTHER ITEMS	216 302	210 302	201 878	206 003	232 154
Depreciation	128 145	122 359	114 371	121 873	129 119
Repairs and Maintenance by Asset Class	88 157	87 943	87 507	84 130	103 035
<i>Roads Infrastructure</i>	20 921	20 957	13 169	6 742	16 847
<i>Storm water Infrastructure</i>	24 311	24 359	26 147	27 680	29 738
<i>Electrical Infrastructure</i>	5 794	5 294	6 928	7 337	7 771
<i>Water Supply Infrastructure</i>	2 011	2 128	2 225	2 308	2 394
<i>Sanitation Infrastructure</i>	6 151	6 125	6 429	6 653	6 887
<i>Solid Waste Infrastructure</i>	10 272	10 302	10 648	11 295	16 338
Infrastructure	69 462	69 165	65 545	62 015	79 977
Community Facilities	2 533	2 442	2 792	2 910	2 883
Sport and Recreation Facilities	1 072	1 533	1 288	1 324	1 362
Community Assets	3 605	3 975	4 080	4 234	4 246
Operational Buildings	1 260	1 330	1 882	1 457	1 525
Housing	1 624	1 147	2 104	1 643	933
Other Assets	2 884	2 477	3 987	3 100	2 458
Computer Equipment	402	402	420	420	420
Furniture and Office Equipment	72	72	75	74	75
Machinery and Equipment	1 532	1 540	1 752	1 748	1 901
Transport Assets	10 201	10 312	11 648	12 539	13 959
TOTAL EXPENDITURE OTHER ITEMS	216 302	210 302	201 878	206 003	232 154
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	20.3%	20.0%	22.1%	34.0%	42.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	46.6%	45.9%	46.5%	81.6%	113.2%
<i>R&M as a % of PPE & Investment Property</i>	4.0%	3.5%	3.3%	3.0%	3.5%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Prop</i>	6.6%	5.7%	5.2%	6.6%	8.5%

MBRR Table A10 - Basic Service Delivery Measurement

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets					
Water:					
Piped water inside dwelling	32 872	32 872	32 872	32 872	32 872
Piped water inside yard (but not in dwelling)	3 232	3 232	3 232	3 232	3 232
Using public tap (at least min.service level)	212	212	212	212	212
Other water supply (at least min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	36 316	36 316	36 316	36 316	36 316
Using public tap (< min.service level)	-	-	-	-	-
Other water supply (< min.service level)	2 823	2 823	2 823	2 823	2 823
No water supply	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	2 823	2 823	2 823	2 823	2 823
Total number of households	39 139	39 139	39 139	39 139	39 139
Sanitation/sewerage:					
Flush toilet (connected to sewerage)	33 744	33 744	33 744	33 744	33 744
Flush toilet (with septic tank)	3 887	3 887	3 887	3 887	3 887
Chemical toilet	29	29	29	29	29
Pit toilet (ventilated)	37	37	37	37	37
Other toilet provisions (> min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	37 697	37 697	37 697	37 697	37 697
Bucket toilet	991	991	991	991	991
Other toilet provisions (< min.service level)	141	141	141	141	141
No toilet provisions	310	310	310	310	310
<i>Below Minimum Service Level sub-total</i>	1 442	1 442	1 442	1 442	1 442
Total number of households	39 139	39 139	39 139	39 139	39 139
Energy:					
Electricity (at least min.service level)	38 631	38 631	38 631	38 631	38 631
Electricity - prepaid (min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	38 631	38 631	38 631	38 631	38 631
Electricity (< min.service level)	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-
Other energy sources	508	508	508	508	508
<i>Below Minimum Service Level sub-total</i>	508	508	508	508	508
Total number of households	39 139	39 139	39 139	39 139	39 139
Refuse:					
Removed at least once a week	32 675	32 675	32 675	32 675	32 675
<i>Minimum Service Level and Above sub-total</i>	32 675	32 675	32 675	32 675	32 675
Removed less frequently than once a week	480	480	480	480	480
Using communal refuse dump	897	897	897	897	897
Using own refuse dump	4 863	4 863	4 863	4 863	4 863
Other rubbish disposal	204	204	204	204	204
No rubbish disposal	20	20	20	20	20
<i>Below Minimum Service Level sub-total</i>	6 464	6 464	6 464	6 464	6 464
Total number of households	39 139	39 139	39 139	39 139	39 139

Reference: Data set supplied by the Strategic office.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
<u>Households receiving Free Basic Service</u>					
Water (6 kilolitres per household per month)	9 042	9 042	9 162	9 437	9 720
Sanitation (free minimum level service)	8 686	8 686	8 784	9 048	9 319
Electricity/other energy (50kwh per household per month)	8 344	8 344	8 022	8 263	8 511
Refuse (removed at least once a week)	9 027	9 027	9 186	10 135	11 228
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>					
Water (6 kilolitres per indigent household per month)	(16 801)	(16 801)	(17 102)	(18 128)	(19 216)
Sanitation (free sanitation service to indigent households)	(33 753)	(33 753)	(33 953)	(35 990)	(38 150)
Electricity/other energy (50kwh per indigent household per month)	(8 903)	(8 903)	(9 861)	(10 649)	(11 501)
Refuse (removed once a week for indigent households)	(21 236)	(21 236)	(23 235)	(24 745)	(26 353)
<u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u>					
	-	-	-	-	-
Total cost of FBS provided	(80 693)	(80 693)	(84 150)	(89 513)	(95 220)
<u>Highest level of free service provided per household</u>					
Property rates (R value threshold)	105 000	105 000	105 000	105 000	105 000
Water (kilolitres per household per month)	6	6	6	6	6
Sanitation (Rand per household per month)	312.14	312.14	327.43	343.48	360.31
Electricity (kwh per household per month)	50	50	50	50	50
Refuse (average litres per week)	202.74	202.74	220.78	240.43	261.83
<u>Revenue cost of subsidised services provided (R'000)</u>					
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	(7 480)	(7 618)	(8 998)	(9 348)	(9 722)
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-
Other	3 300	3 300	4 000	4 000	4 000
Total revenue cost of subsidised services provided	(4 180)	(4 318)	(4 998)	(5 348)	(5 722)

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

POLITICAL OVERSIGHT OVER THE BUDGET PROCESS

Section 53 (1) (a) of the MFMA (no 56 of 2003) stipulates that the Mayor of a municipality must provide general political guidance over the budget process and the priorities that must guide the preparation of a budget.

Political oversight of the budget process is necessary to ensure that the needs and priorities of the community, as set out in the IDP, are properly linked to the municipality's spending plans.

The mayoral committee is one of the key assurance providers in accomplishing the linkage between the IDP and the Budget of a municipality.

SCHEDULE OF KEY DEADLINES RELATING TO THE BUDGET PROCESS

The mayor must, according to the MFMA, co-ordinate the processes for preparing the annual budget and for reviewing the municipality's IDP, budget and related policies. The mayor therefore tabled a schedule of key deadlines with regards to the budgetary process and the review of the municipality's IDP, in council at least 10 months before the start of the next financial year.

PURPOSE OF THE BUDGET AND IDP PROCESS PLAN

The purpose of the process plan is to indicate the various planned activities and strategies on which the municipality will embark to compose its Integrated Development Plan for the five year cycle (2026/27 – 2030/31) and the budget for the 2026/2027 financial year and the two outer years.

The process plan enhances integration and alignment between the IDP and the Budget, thereby ensuring the development of an IDP-based budget. It fulfils the role of an operational framework for the IDP and Budget process outlining the manner in which this process was undertaken. In addition, it identifies the activities in the processes around the key statutory annual operational processes of the budget and IDP compilation, performance management implementation and the adoption of the municipality's annual report.

The Mayor tabled in Council the required IDP and budget time schedule on 22 August 2025. Key dates applicable to the process were:

- **November 2025** – Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **October / November 2025** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **29 January 2026** - Council considered and approved the 2025/26 Mid-year Review and Adjustment Budget;

- **February / March 2026** - Finalise detailed draft operating and capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate and align to IDP documentation and draft SDBIP, finalise budget policies;
- **31 March 2026** - Tabling in Council of the draft 2026/2027 IDP and MTREF Budget for public consultation;
- **April 2026** – Public consultation by means of written comments;
- **22 April 2026 @ 12 midday** - Closing date for written comments;
- **23 April - 14 May 2026** – Finalisation of the 2026/2027 IDP and MTREF Budget, taking into consideration comments received from the public, comments from National and Provincial Treasury; and
- **28 May 2026** - Tabling of the 2026/2027 IDP and Final MTREF budget before Council for consideration and approval.

2.1.1 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

2.1.2 Community Consultation

Members of the community will be given the opportunity to provide written comments and inputs on the draft budget presented to them and consideration will be given to the inputs received from the public.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The 2026/2027 MTREF was in the main informed by the IDP process outcomes and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.2.1 Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	MTDP Service Outcome	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
R thousand							
Community safety and wellbeing	Manage Development Services	180	9 544	2 713	2 178	37 532	
	Manage Community Development	149	149	171	39	39	
	Manage Multi-Purpose Centres	31	9 395	2 542	2 139	37 493	
	Manage Environmental and Occupational Health	-	-	-	-	-	
	Manage Protection Services	62 905	63 729	66 515	71 674	77 681	
	Manage Protection Services	-	-	-	-	-	
	Manage Civil Protection	573	573	-	-	-	
	Manage Licensing and Registration Services	13 096	13 096	12 627	13 385	14 188	
	Manage Traffic and Law Enforcement	48 423	49 248	53 242	57 972	63 158	
	Manage Fire and Emergency Services	565	565	370	25	26	
	Manage the Harbour Yzerfontein	247	247	276	292	310	
	Economic transformation	Facilitate economic development in the municipal area	-	-	-	-	-
	A healthy and sustainable environment	Manage Development Services	203 862	240 995	227 625	134 346	160 032
Manage Development Services		1	1	1	2	2	
Manage Planning and Valuations		1 419	1 706	2 531	1 831	1 938	
Manage Building Control		4 173	4 573	4 793	5 080	5 385	
Manage Human Settlements		194 028	230 174	215 496	122 341	147 311	
Manage the Caravan Park Yzerfontein		4 241	4 541	4 803	5 091	5 397	
A connected and innovative local government	Manage Corporate Services	11 982	16 156	14 435	14 296	14 462	
	Manage Corporate Services, Secretariat and Records and Ward Committees	104	144	204	204	204	
	Manage Human Resource Services	549	3 054	400	400	400	
	Manage Properties, Contracts and Legal Administration	308	308	326	346	366	
	Manage Libraries	10 995	12 617	13 200	13 342	13 486	
	Manage Marketing And Tourism	26	26	5	5	5	
	Manage Financial Services	387 011	414 299	419 656	441 799	462 790	
	Manage Finance (Credit Control, Income, Expenditure, etc)	168 342	193 268	189 648	201 009	197 857	
	Manage Rates	216 969	219 332	228 207	238 890	262 934	
	Manage Financial Management Grant	1 700	1 700	1 800	1 900	2 000	
	Manage Council Expenses	265	265	269	273	278	
	Quality and reliable services	Manage Civil Engineering Services	940 286	980 550	1 063 592	1 135 343	1 262 373
		Manage Civil Engineering Services	-	-	150	-	-
Manage Cemeteries		971	971	1 038	1 090	1 145	
Manage Parks and Recreational Areas		644	644	656	-	-	
Manage Proclaimed Roads		11 936	11 936	4 803	226	8 729	
Manage Sewerage		105 857	108 192	106 626	112 016	117 772	
Manage Waste Water Treatment Works		-	-	-	-	-	
Manage Sportsgrounds		480	480	452	316	335	
Manage Streets		8 963	15 251	15 633	609	645	
Manage Storm water		331	1 795	-	-	-	
Manage Swimming Pools		574	574	609	645	684	
Manage Water Provision		135 595	139 767	149 620	173 592	181 536	
Manage Municipal Property		1 769	1 231	1 451	1 508	1 567	
Manage Refuse Removal		86 886	88 860	80 004	88 008	97 342	
Manage Electricity Distribution		586 280	610 849	702 550	757 332	852 618	
Total Revenue (including capital transfers and contributions)		1 606 491	1 725 539	1 794 805	1 799 909	2 015 148	

2.2.2 Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Community safety and wellbeing	Manage Development Services	9 358	9 137	9 495	10 054	10 678
	Manage Community Development	4 946	4 687	4 873	5 128	5 414
	Manage Multi-Purpose Centres	1 893	1 920	1 997	2 134	2 294
	Manage Environmental and Occupational Health	2 520	2 530	2 625	2 793	2 970
	Manage Protection Services	124 701	132 992	141 206	151 914	163 327
	Manage Protection Services	3 119	3 215	2 386	2 552	2 732
	Manage Civil Protection	862	862	371	379	386
	Manage Licensing and Registration Services	12 708	12 559	12 993	13 871	14 952
	Manage Traffic and Law Enforcement	93 223	101 354	110 113	118 822	127 949
	Manage Fire and Emergency Services	14 256	14 469	14 797	15 705	16 681
Manage the Harbour Yzerfontein	533	533	545	585	627	
Economic transformation	Facilitate economic development in the municipal area	-	-	300	300	300
A healthy and sustainable environment	Manage Development Services	163 197	175 184	206 758	92 456	145 513
	Manage Development Services	3 145	3 206	3 376	3 618	3 868
	Manage Planning and Valuations	10 293	10 023	13 798	13 203	11 855
	Manage Building Control	4 384	4 532	5 068	5 465	5 847
	Manage Human Settlements	141 231	153 301	180 200	65 511	118 943
	Manage the Caravan Park Yzerfontein	4 144	4 122	4 316	4 660	5 000
A connected and innovative local government	Manage Corporate Services	49 233	55 687	51 868	55 508	58 776
	Manage Corporate Services, Secretariat and Records and Ward Committees	16 048	17 086	16 461	17 795	18 794
	Manage Human Resource Services	8 338	10 946	8 650	9 085	9 345
	Manage Properties, Contracts and Legal Administration	7 832	7 786	8 444	9 000	9 627
	Manage Libraries	14 624	17 604	16 065	17 269	18 532
	Manage Marketing And Tourism	2 390	2 265	2 247	2 360	2 479
	Manage Electrical Engineering Services	21 924	20 977	22 146	23 761	25 216
	Manage ICT Services	21 924	20 977	22 146	23 761	25 216
	Manage the Office of the Municipal Manager	11 298	11 682	11 860	12 274	13 092
	Manage the Office of the Municipal Manager	5 062	5 301	5 126	5 471	5 834
	Manage Internal Audit	2 957	3 022	2 961	3 037	3 231
	Manage Strategic Services	3 279	3 359	3 774	3 766	4 028
	Manage Financial Services	84 577	84 884	94 746	100 847	107 623
	Manage Financial Administration	2 536	2 641	2 724	2 911	3 109
	Manage Supply Chain Management	11 999	12 088	12 037	12 845	13 710
	Manage the Budget and Treasury Office	6 705	6 868	7 159	7 554	7 976
	Manage Finance (Credit Control, Income, Expenditure, etc)	55 891	53 797	62 506	66 506	71 100
Manage Assets	2 464	2 500	2 845	3 058	3 228	
Manage Fleet	1 446	1 457	1 608	1 755	1 914	
Manage Rates	1 968	3 965	4 207	4 463	4 735	
Manage Financial Management Grant	1 568	1 568	1 660	1 755	1 851	

Strategic Objective	MTDP Service Outcome	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand						
	Manage Council Expenses					
	Manage Council Expenses	25 469	25 414	26 263	27 263	28 289
Quality and reliable services	Manage Civil Engineering Services	969 050	999 429	1 120 583	1 102 538	1 215 972
	Manage Civil Engineering Services	4 480	4 764	4 987	5 328	5 696
	Manage Cemeteries	1 033	802	1 179	1 220	1 110
	Manage Parks and Recreational Areas	25 986	25 242	25 912	27 683	29 640
	Manage Proclaimed Roads	15 033	15 033	6 647	462	10 205
	Manage Sewerage	48 867	51 848	46 264	48 065	49 561
	Manage Waste Water Treatment Works	22 460	22 392	23 831	25 862	28 101
	Manage Sportsgrounds	8 493	8 599	9 044	9 483	9 840
	Manage Streets	66 371	56 568	61 809	64 920	67 555
	Manage Storm water	24 657	24 715	26 399	27 945	30 013
	Manage Swimming Pools	6 281	7 115	8 251	8 818	9 402
	Manage Water Provision	117 430	118 446	122 579	129 235	137 935
	Manage Municipal Property	22 992	22 066	23 930	24 198	24 555
	Manage Refuse Removal	40 950	45 668	42 269	46 922	51 011
	Manage Street Cleaning	9 250	9 431	10 851	10 241	11 003
	Manage Solid Waste Disposal (Landfill Sites)	17 048	17 110	18 348	19 432	25 272
	Manage Electrical Engineering Services	2 195	2 477	2 509	2 680	2 869
	Manage Electricity Distribution	533 046	564 661	683 145	647 239	719 214
	Manage Street Lighting	2 479	2 492	2 631	2 805	2 990
Total Expenditure		1 458 809	1 515 385	1 685 226	1 576 915	1 768 787

2.2.3 Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	MTDP Service Outcome	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand						
Community safety and wellbeing	Manage Development Services					
	Manage Multi-Purpose Centres	9 900	9 614	2 859	2 104	37 456
	Manage Protection Services					
	Manage Fire and Emergency Services	1 022	1 065	1 272	427	1 040
Economic transformation	Facilitate economic development in the municipal area	778	778	7 930	200	200
		-	-	1 100	-	-
A healthy and sustainable environment	Manage Development Services					
	Manage Development Services	50	45	52	54	56
	Manage Planning and Valuations	78	78	-	-	-
	Manage Human Settlements	49 012	80 241	44 846	60 896	34 329
A connected and innovative local government	Manage the Caravan Park Yzerfontein	36	41	1 038	40	42
	Manage Corporate Services					
	Manage Corporate Services, Secretariat and Records and Ward Committees	430	140	132	134	86
	Manage Properties, Contracts and Legal Administration	100	265	100	100	100
	Manage Libraries	43	43	122	43	43
	Manage Electrical Engineering Services					
	Manage ICT Services	2 083	1 127	4 522	2 727	3 894
	Manage the Office of the Municipal Manager					
	Manage the Office of the Municipal Manager	12	42	12	12	12
	Manage Financial Services					
	Manage Financial Administration	63	59	36	38	40
	Manage Finance (Credit Control, Income, Expenditure, etc)	105	22	950	396	485
	Manage Council Expenses					
Manage Council Expenses	12	12	132	12	12	
Quality and reliable services	Manage Civil Engineering Services					
	Manage Civil Engineering Services	58	56	60	62	64
	Manage Cemeteries	300	-	-	-	600
	Manage Parks and Recreational Areas	1 252	1 252	1 960	1 995	2 030
	Manage Sewerage	3 536	3 536	6 238	11 394	10 508
	Manage Waste Water Treatment Works	10 261	10 261	2 000	12 220	22 323
	Manage Sportsgrounds	959	1 034	5 587	440	200
	Manage Streets	60 741	72 041	56 229	32 590	41 965
	Manage Storm water	618	2 082	620	622	624
	Manage Swimming Pools	-	-	-	-	5 450
	Manage Water Provision	25 758	21 958	41 335	87 722	93 651
	Manage Municipal Property	1 562	1 282	34	36	2 250
	Manage Refuse Removal	38 946	38 992	6 011	8 642	23 195
	Manage Electrical Engineering Services	400	460	540	500	520
	Manage Electricity Distribution	85 683	33 523	55 136	69 239	66 578
Total Capital Expenditure	52	293 799	280 050	240 854	292 645	347 752

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

2.2.4 Measurable performance objectives

Description	Unit of measurement	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Community safety and wellbeing						
<u>Manage Development Services</u>						
Manage Multi-Purpose Centres	Completion of	9 900	9 614	2 859	2 104	37 456
<u>Manage Protection Services</u>		1 800	1 844	9 202	627	1 240
Manage Protection Services	Completion of	1 022	1 065	1 272	427	1 040
Manage Licensing and Registration Services	Completion of	-	-	-	-	-
Manage Traffic and Law Enforcement	Completion of	-	-	-	-	-
Manage Fire and Emergency Services	Completion of	778	778	7 930	200	200
Economic transformation						
Facilitate economic development in the municipal area	Completion of	-	-	1 100	-	-
A healthy and sustainable environment						
<u>Manage Development Services</u>		49 176	80 406	45 936	60 990	34 427
Manage Development Services	Completion of	50	45	52	54	56
Manage Planning and Valuations	Completion of	78	78	-	-	-
Manage Building Control	Completion of	-	-	-	-	-
Manage Human Settlements	Completion of	49 012	80 241	44 846	60 896	34 329
Manage the Caravan Park Yzerfontein	Completion of	36	41	1 038	40	42
A connected and innovative local government						
<u>Manage Corporate Services</u>		573	448	354	277	229
Manage Corporate Services, Secretariat and Records and Ward Committees	Completion of	430	140	132	134	86
Manage Human Resource Services	Completion of	-	-	-	-	-
Manage Properties, Contracts and Legal Administration	Completion of	100	265	100	100	100
Manage Libraries	Completion of	43	43	122	43	43
Manage Marketing And Tourism	Completion of	-	-	-	-	-

Description	Unit of measurement	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Manage ICT Services	Completion of	2 083	1 127	4 522	2 727	3 894
Manage the Office of the Municipal Manager						
Manage the Office of the Municipal Manager	Completion of	12	42	12	12	12
Manage Financial Services		168	82	986	434	525
Manage Financial Administration	Completion of	63	59	36	38	40
Manage Finance (Credit Control, Income, Expenditure,etc)	Completion of	105	22	950	396	485
Manage Council Expenses	Completion of	12	12	132	12	12
Quality and reliable services		230 074	186 476	175 752	225 462	269 956
Manage Civil Engineering Services	Completion of	58	56	60	62	64
Manage Cemeteries	Completion of	300	-	-	-	600
Manage Parks and Recreational Areas	Completion of	1 252	1 252	1 960	1 995	2 030
Manage Sewerage	Completion of	3 536	3 536	6 238	11 394	10 508
Manage Waste Water Treatment Works	Completion of	10 261	10 261	2 000	12 220	22 323
Manage Sportsgrounds	Completion of	959	1 034	5 587	440	200
Manage Streets	Completion of	60 741	72 041	56 229	32 590	41 965
Manage Storm water	Completion of	618	2 082	620	622	624
Manage Water Storage	Completion of	25 758	21 958	41 335	87 722	93 651
Manage Municipal Property	Completion of	1 562	1 282	34	36	2 250
Manage Refuse Removal	Completion of	38 946	38 992	6 011	8 642	23 195
Manage Electrical Engineering Services	Completion of	400	460	540	500	520
Manage Electricity Distribution	Completion of	85 683	33 523	55 136	69 239	66 578
		293 799	280 050	240 854	292 645	347 752

2.3 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies / by-laws.

No.	Policy/Plan Name	Reviewed (Yes / No)	Amended (Yes / No)
1.	Tariff Policy	Yes	No
2.	Property Rates Policy	Yes	Yes
3.	Credit Control and Debt Collection Policy	Yes	No
4.	Indigent Policy	Yes	Yes
5.	Cash Management and Investment Policy	Yes	Yes
6.	Asset Management Policy	Yes	Yes
7.	Fleet Management Policy	Yes	No
8.	Supply Chain Management Policy	Yes	Yes
9.	Budget Implementation Policy	Yes	Yes
10.	Funding and Reserves Policy	Yes	Yes
11.	Debt and Borrowing Policy	Yes	No
12.	Virement Policy	Yes	No
13.	Travel and Subsistence Policy	Yes	Yes
14.	Cost Containment Policy	Yes	No
15.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	Yes	No
16.	Insurance Management Policy	Yes	No
17.	Preferential Procurement Policy	Yes	Yes
18.	Grants-in-aid policy	Yes	Yes

All the above policies amendments will be made available on the Municipality's website.

2.3.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy are reviewed annually. The Credit Control and Debt Collection Policy was reviewed and not amended for the 2026/2027 financial year.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, they are entitled to free basic services as per the Indigent Policy. The Indigent Policy was reviewed and amended for the 2026/2027 financial year.

2.3.2 Asset Management, Infrastructure Investment and Funding Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition, the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The policy was reviewed and amended for the 2026/2027 financial year.

2.3.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in January 2006. The policy was reviewed and amended for the 2026/2027 financial year.

2.3.4 Budget Implementation and Virement Policy

The Budget Implementation Policy was approved in May 2016. The policy was reviewed and amended for the 2026/2027 financial year.

The Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The policy was reviewed and not amended for the 2026/2027 financial year.

2.3.5 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was reviewed and amended for the 2026/2027 financial year. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

Swartland Municipality strives to maintain a cost coverage ratio of between 4 to 6 months at all times, which is well above the norm in local government and the cost coverage as per A-schedule SA8 is between 9.1 and 10.4 months (including long-term investments) for the 2026/2027 MTREF. (**Note:** this cost coverage does not refer to the annual cash / cost coverage ratio in the AFS as prescribed by Circular 71).

2.3.6 Tariff Policy

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was reviewed and not amended for the 2026/2027 financial year.

2.4 Overview of budget assumptions

2.4.1 External factors

The Swartland population increased from 113 782 (2011) to 133 762 (2016) and 148 331 (2022) as new households urbanize and in-migrate. This, coupled with the multiplier effect of the high unemployment rate in South Africa could place enormous pressure on the revenue streams and especially the recovery rate of debtors. The audited recovery rate for the 2023/24 year was 95.83%, 96.71% (both excluding fines) for 2024/25 and a planned 95% of billings for the 2026/2027 MTREF. Other factors include the following previously mentioned:

- Middle East War, Brent crude increasing by around 50% since start, will result in continued upward pressure on cost of living;
- Resultant reduced disposable income levels compounding prevailing poverty levels/conditions in our area;
- Funding to address additional service delivery challenges; i.e service delivery fit for future need;
- How do we position SM against/safeguarding scams, the vulnerable and ultimately creating the desired investment destination by remaining resilient;
- More expensive/expanded service delivery model tipping scale?
- Revenue leakage where approved tariffs are not billed for other services not part of the municipal account;
- Fuel price increases and its impact on disposable income levels;
- National risks impacting financial sustainability;
- Increasing cost of fuel on the municipal operations;
- Slower recovery of the economy;
- Ability to collect revenue in challenging environments;
- The upward pressure and multiplier effect of increases in staff salaries above inflation.

2.4.2 Interest rates for borrowing and investment of funds

Interest rates are currently under control, all things remaining equal with the inflation rate currently being slightly above the new-target of the South African Reserve Bank.

2.4.3 Collection rate for revenue services

The base assumption is that tariff and rate increases will increase at a rate slightly above CPI over the long term and leaves the concern whether this is sustainable over the longer term. The rate of revenue collection for 2026/2027 is currently expressed as a percentage (95 per cent) of annual billings. Cash flow is assumed to be 95 per cent of billings. The potential of over-performance of any increased collections or arrear collections will however be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.4.4 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.4.5 Salary increases

That Council takes note of the increases of senior management and staff which is negotiated and determined at a national level:

- In respect of all personnel, an increase of **4.75%** for 2026/2027; **5.25%** for 2027/2028 and **5.25%** for the 2028/2029 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
- All salary adjustments are adequately budgeted for;
- Provision has been made for a **3%** increase for political office bearers.

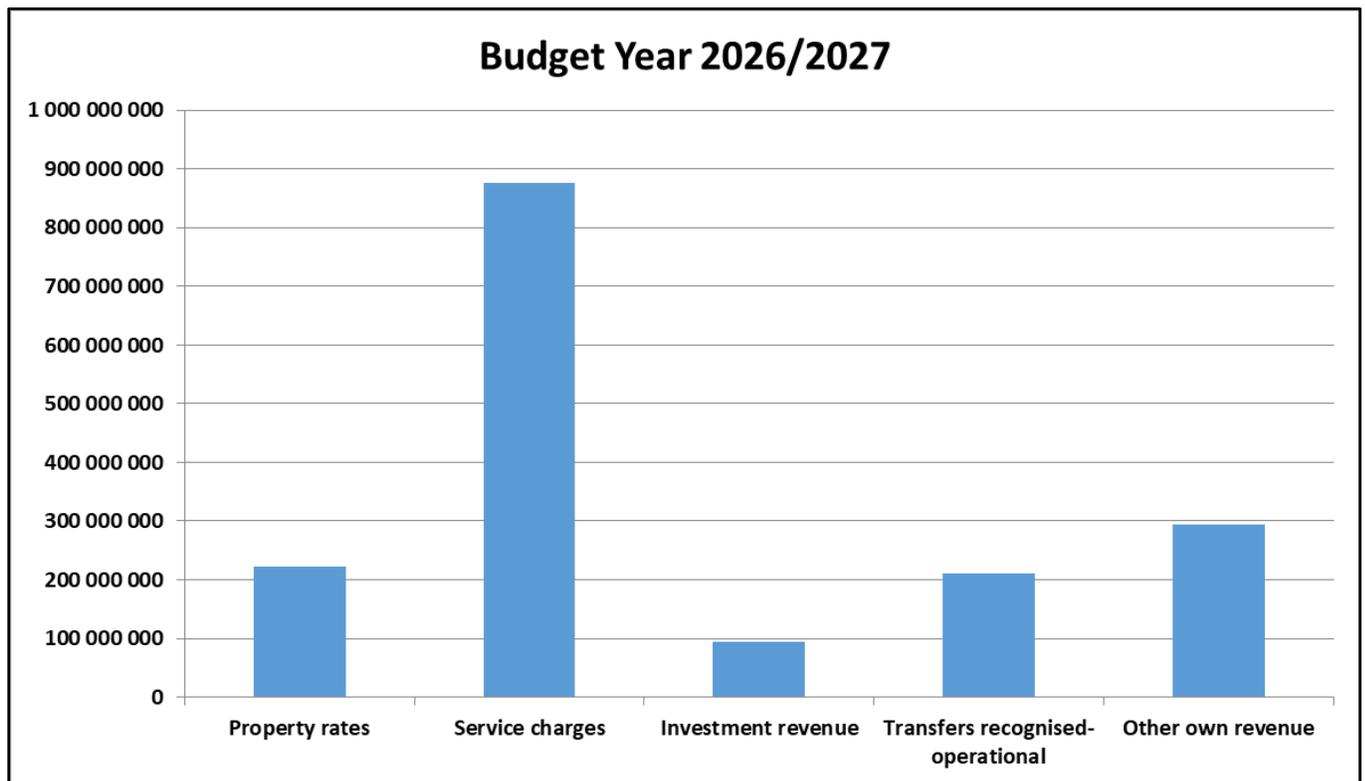
2.5 Overview of budget funding

2.5.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands					
Financial Performance					
Property rates	212 727	215 090	223 164	233 493	257 160
Service charges	755 688	788 495	876 275	966 920	1 075 712
Investment revenue	81 529	104 459	93 978	100 484	104 292
Transfer and subsidies - Operational	342 208	208 818	209 787	212 636	224 488
Other own revenue	93 773	266 839	294 618	173 386	229 957
Total Revenue (excluding capital transfers and contributions)	1 485 925	1 583 700	1 697 821	1 686 919	1 891 609

The following graph is a breakdown of the operational revenue per main category for the 2026/2027 financial year.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right and being cost-reflective assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal.

Investment revenue contributes significantly to the revenue base of the Municipality. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget process. Further initiatives will need to be considered for revenue growth, revenue protection and preventing revenue leakage going forward.

2.5.2 Detail Investment Information / Investment particulars by maturity

All investments are transferred to the current account at year-end. However, excess cash is invested periodically to ensure maximum return.

2.5.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves analysis for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Budget cash flow statement

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	203 845	206 090	213 848	212 078	228 332
Service charges	741 336	772 802	861 875	901 857	1 002 213
Other revenue	323 218	530 749	422 729	302 594	344 103
Transfers and Subsidies - Operational	343 708	209 337	212 296	214 740	261 944
Transfers and Subsidies - Capital	115 548	119 984	94 486	110 886	86 083
Interest	81 529	104 459	93 978	100 484	104 292
Dividends	-	-	-	-	-
Payments					
Suppliers and employees	(1 460 203)	(1 564 240)	(1 598 705)	(1 468 505)	(1 635 531)
Finance charges	(3 305)	(2 156)	-	-	-
Transfers and Subsidies	(4 073)	(3 666)	(3 467)	(3 516)	(3 624)
NET CASH FROM/(USED) OPERATING ACTIVITIES	341 602	373 358	297 040	370 619	387 813
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 680	3 145	4 881	5 207	1 715
Decrease (increase) in non-current receivables	-	-	-	-	-
Decrease (increase) in non-current investments	333 119	366 329	-	-	-
Insurance Refund - Capital	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-
Payments					
Capital assets	(335 652)	(322 067)	(275 018)	(344 896)	(393 047)
Retention (Capital)	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	148	47 407	(270 137)	(339 689)	(391 332)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	-	-	-	-	-
Borrowing long term/refinancing	30 000	-	-	-	-
Increase (decrease) in consumer deposits	-	625	500	150	200
Payments					
Repayment of borrowing	(6 044)	(33 336)	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	23 956	(32 711)	500	150	200
NET INCREASE/ (DECREASE) IN CASH HELD	365 706	388 054	27 403	31 080	(3 319)
Cash/cash equivalents at the year begin:	529 629	677 020	1 065 074	1 092 476	1 123 556
Cash/cash equivalents at the year end:	895 335	1 065 074	1 092 476	1 123 556	1 120 237

2.5.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA.

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality’s budget must be ‘funded’. Non-compliance with section 18 is not tolerable because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

Cash backed reserves/accumulated surplus reconciliation

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Cash and investments available					
Cash/cash equivalents at the year end	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Other current investments > 90 days	-	-	-	-	-
Non current Investments	-	-	-	-	-
Cash and investments available:	895 335	1 065 074	1 092 476	1 123 556	1 120 237
Application of cash and investments					
Unspent conditional transfers	3 015	7 728	7 739	7 739	7 739
Statutory requirements	(25 839)	(25 637)	(27 293)	(28 425)	(29 133)
Other working capital requirements	(120 056)	(88 227)	(65 398)	(113 244)	(172 676)
Other provisions	23 708	15 520			
Long term investments committed	-	-	-	-	-
Reserves to be backed by cash/investments	459 093	505 949	575 155	680 615	839 778
Total Application of cash and investments:	339 921	415 333	490 204	546 685	645 708
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief	555 414	649 740	602 272	576 871	474 529
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief	555 414	649 740	602 272	576 871	474 529

From the above table it can be seen that the cash and investments available over the MTREF will be sufficient to cover all commitments. Commitments include the following:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due.
- The **Capital Replacement Reserve** must be **cash-backed**.

2.5.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. These measures are listed below:

- Cash/cash equivalent position
- Cash plus investments less application of funds
- Monthly average payments covered by cash or cash equivalents
- Surplus/deficit excluding depreciation off-sets
- Property Rates/service charge revenue as a percentage increase less macro inflation target
- Cash receipts as a percentage of ratepayer and other revenue
- Debt impairment expense as a percentage of billable revenue
- Capital payments percentage of capital expenditure
- Transfers/grants revenue as a percentage of Government transfers/grants available
- Consumer debtors change (Current and Non-current)
- Repairs and maintenance expenditure level
- Asset renewal/rehabilitation expenditure level

2.6 Expenditure on grants

Expenditure on transfers and grant programmes

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
<u>Operating Transfers and Grants</u>					
National Government:	172 479 876	172 479 876	193 881 000	187 798 000	190 509 000
Local Government Equitable Share	165 310 000	165 310 000	175 682 000	185 898 000	188 509 000
Finance Management	1 700 000	1 700 000	1 800 000	1 900 000	2 000 000
EPWP Incentive	1 969 000	1 969 000	2 121 000	-	-
Integrated National Electrification Programme	3 500 876	3 500 876	14 278 000	-	-
Provincial Government:	170 793 868	177 534 468	205 832 000	85 380 000	146 023 000
Community Development Workers	59 000	59 000	39 000	39 000	39 000
Human Settlements	136 181 868	142 212 868	176 848 000	60 942 000	112 444 000
Title Deeds Restoration	81 000	81 000	297 000	250 000	270 000
Libraries	12 384 000	12 384 000	12 916 000	13 086 000	13 218 000
Maintenance and Construction of Transport Infrastructure	11 900 000	11 900 000	4 765 000	186 000	8 686 000
Municipal Service Delivery & Capacity Building Grant	-	709 600	-	-	-
Establishment of a K9 Unit	4 350 000	4 350 000	4 473 000	4 666 000	4 876 000
Establishment of a Reaction/Rural Safety Unit	5 838 000	5 838 000	5 944 000	6 211 000	6 490 000
Municipal Fire Service Capacity Support Grant	-	-	250 000	-	-
Regional Socio-Economic Projects (RSEP)	-	-	300 000	-	-
Total Operating Transfers and Grants	343 273 744	350 014 344	399 713 000	273 178 000	336 532 000
<u>Capital Transfers and Grants</u>					
National Government:	60 270 124	60 270 124	55 539 000	49 940 000	51 704 000
Municipal Infrastructure Grant (MIG)	25 405 000	25 405 000	25 680 000	28 129 000	28 907 000
Integrated National Electrification Programme	17 821 124	17 821 124	29 859 000	21 811 000	22 797 000
Water Services Infrastructure Grant	17 044 000	17 044 000	-	-	-
Municipal Disaster Response Grant	-	-	-	-	-
Provincial Government:	60 302 132	79 106 000	41 445 000	63 050 000	71 835 000
Human Settlements	58 112 132	76 916 000	41 355 000	63 000 000	71 785 000
Libraries	50 000	50 000	90 000	50 000	50 000
Municipal Fire Service Capacity Support Grant	550 000	550 000	-	-	-
Regional Socio-Economic Projects (RSEP)	90 000	90 000	-	-	-
Municipal Water Resilience Grant	1 500 000	1 500 000	-	-	-
Total Capital Transfers and Grants	120 572 256	139 376 124	96 984 000	112 990 000	123 539 000
TOTAL RECEIPTS OF TRANSFERS & GRANTS	463 846 000	489 390 468	496 697 000	386 168 000	460 071 000

2.7 Allocations and grants made by the municipality

The following cash allocations are provided for in the budget of the municipality:

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Monetary Transfers to Organisations					
<i>Old age homes, Child & Youth Care</i>	1 833	1 829	2 039	2 107	2 174
<i>SPCA</i>	375	–	–	–	–
<i>NSRI</i>	40	40	42	43	44
<i>Museums</i>	314	297	308	318	328
<i>Bergriver Canoe Marathon</i>	30	30	30	30	30
<i>Sport Bodies/Developmental & Social Upliftment</i>	370	370	370	370	370
<i>Public Safety: SM Area</i>	500	500	–	–	–
Total Monetary Transfers To Organisations	3 462	3 066	2 789	2 868	2 947
Monetary Transfers to Groups of Individuals					
<i>Welfare organisations</i>	511	511	390	401	412
<i>Top achievers</i>	30	18	30	30	30
<i>Project Linked Support (Title Deeds)</i>	70	70	258	217	235
Total Monetary Transfers To Groups Of Individuals:	611	600	678	648	677
TOTAL Monetary TRANSFERS AND GRANTS	4 073	3 666	3 467	3 516	3 624
TOTAL In-Kind TRANSFERS AND GRANTS	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	4 073	3 666	3 467	3 516	3 624

2.8 Councillor and employee benefits

Summary of councillor and staff benefits



Summary of Employee and Councillor remuneration R thousand	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Councillors (Political Office Bearers plus Other)					
Allowances and Service Related Benefits					
Basic Salary	9 528	9 713	10 110	10 524	10 954
Cell phone Allowance	1 081	1 081	1 119	1 164	1 210
Travelling Allowance	811	811	811	811	811
Total Allowances and Service Related Benefits	11 420	11 605	12 040	12 499	12 975
Social Contributions					
Medial Aid Benefits	232	246	270	297	327
Pension Fund Contributions	978	999	1 257	1 309	1 362
Total Social Contributions	1 210	1 245	1 527	1 606	1 690
Total Councillors	12 630	12 850	13 567	14 105	14 665
% increase	-	1.7%	5.6%	4.0%	4.0%
Senior Managers of the Municipality					
Salaries and Allowances					
Basic Salary	10 738	10 969	10 936	11 787	12 703
Bonuses	1 302	1 924	1 962	2 065	2 174
Allowance					
Cellular and Telephone	302	302	302	302	302
Travel or Motor Vehicle	916	814	664	664	664
Total Allowance	1 218	1 116	966	966	966
Service Related Benefits					
Leave Pay	37	37	12	13	14
Total Service Related Benefits	37	37	12	13	14
Total Salaries and Allowances	13 295	14 045	13 877	14 831	15 856
Social Contributions					
Bargaining Council	134	134	155	167	180
Group Life Insurance	236	253	278	300	323
Medical	469	490	509	560	607
Pension	2 032	2 062	2 027	2 184	2 354
Unemployment Insurance	15	15	15	16	17
Total Social Contributions	2 885	2 953	2 984	3 228	3 482
Post-retirement Benefit					
Medical	809	809	851	894	938
Total Post-retirement Benefit	809	809	851	894	938
Costs Capitalised to PPE	-	-	-	-	-
Sub Total - Senior Managers of Municipality	16 989	17 807	17 712	18 952	20 277
% increase	-	4.8%	(0.5%)	7.0%	7.0%
Other Municipal Staff					
Salaries and Allowances					
Basic Salary	212 813	215 382	227 360	243 624	262 288
Allowance					
Cellular and Telephone	648	709	704	704	704
Housing Benefits	9 504	9 555	9 761	10 310	10 890
Travel or Motor Vehicle	6 726	8 128	8 929	8 929	8 929
Total Allowance	16 878	18 392	19 395	19 943	20 523
Service Related Benefits					
Acting	1 282	1 386	1 337	1 407	1 481
Bonus	17 064	17 091	17 895	19 286	20 786
Leave Pay	3 296	3 296	2 565	2 700	2 842
Long Service Award	2 966	3 278	3 487	3 663	3 863
Overtime	15 909	15 909	16 979	17 896	18 863
Scarcity	-	-	-	-	-
Standby Allowance	9 410	9 470	9 851	10 368	10 912
Total Service Related Benefits	49 928	50 430	52 114	55 320	58 748
Total Salaries and Allowances	279 620	284 204	298 868	318 887	341 559
Social Contributions					
Group Life Insurance	4 612	4 846	5 338	5 753	6 200
Medical	17 357	17 601	19 168	21 085	22 898
Pension	37 131	37 151	38 799	41 816	45 068
Unemployment Insurance	1 469	1 504	1 596	1 720	1 854
Total Social Contributions	60 569	61 102	64 900	70 373	76 019
Post-retirement Benefit					
Medical	11 611	12 731	14 221	14 932	15 679
Total Post-retirement Benefit	11 611	12 731	14 221	14 932	15 679
Costs Capitalised to PPE	-	-	-	-	-
Sub Total - Other Municipal Staff	351 800	358 037	377 990	404 193	433 257
% increase	-	1.8%	-	6.9%	7.2%
Total Parent Municipality	381 418	388 694	409 269	437 250	468 198
Board Members of Entities					
Total Municipal Entities	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	381 418	388 694	409 269	437 250	468 198
% increase	-	1.9%	5.3%	6.8%	7.1%
TOTAL MANAGERS AND STAFF	-68-368 788	375 844	395 702	423 145	453 534

2.9 Monthly targets for revenue, expenditure and capital

2.9.1 Monthly projections of revenue and expenditure to be collected for each source

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue															
Exchange Revenue															
Service charges - Electricity	46 677	49 874	49 874	50 514	51 153	52 432	53 711	54 990	56 908	57 548	58 187	57 548	639 416	714 731	806 998
Service charges - Water	8 049	8 184	7 778	6 966	10 754	11 295	12 107	13 460	12 513	10 890	8 860	7 372	118 228	123 885	129 812
Service charges - Waste Water Management	5 717	5 728	5 702	5 698	5 732	5 742	5 727	5 698	5 703	5 708	5 712	5 628	68 497	71 743	75 141
Service charges - Waste Management	4 178	4 178	4 178	4 178	4 178	4 178	4 178	4 178	4 179	4 178	4 178	4 174	50 134	56 561	63 760
Sale of Goods and Rendering of Services	896	1 195	1 512	2 116	1 456	1 265	1 507	1 414	1 358	1 480	1 194	1 319	16 713	17 695	18 735
Agency services	563	568	596	610	603	590	563	550	470	477	530	506	6 626	7 024	7 445
Interest earned from Receivables	328	328	328	328	328	328	328	328	328	328	328	328	3 936	4 133	4 340
Interest earned from Current and Non Current Assets	948	1 204	1 099	1 083	3 358	1 156	1 029	1 040	1 144	1 075	957	79 886	93 978	100 484	104 292
Rental from Fixed Assets	184	185	182	184	185	180	182	186	185	184	186	185	2 209	2 331	2 459
Construction Contract Revenue	9 001	15 861	18 678	14 191	18 006	17 247	9 001	16 482	18 457	21 854	20 457	11 091	190 326	60 942	112 444
Development Charges	307	311	297	303	308	289	294	314	310	307	312	310	3 661	3 878	4 108
Operational Revenue	153	159	150	162	162	141	150	153	154	158	161	173	1 876	1 972	2 074
Non-Exchange Revenue															
Property rates	18 639	18 593	19 058	18 361	18 825	18 872	18 918	18 965	19 754	18 175	19 058	15 945	223 164	233 493	257 160
Fines, penalties and forfeits	21	22	22	22	21	21	21	22	22	22	21	42 708	42 945	47 227	51 936
Licences or permits	493	509	505	512	496	493	499	515	521	515	502	288	5 848	6 187	6 546
Transfer and subsidies - Operational	76 629	2 867	2 856	2 816	2 788	57 300	2 547	2 716	50 179	2 861	2 963	3 266	209 787	212 636	224 488
Interest	192	192	192	192	192	192	192	192	192	192	192	192	2 303	2 418	2 539
Operational Revenue	1 088	1 098	1 098	1 100	1 101	1 105	1 109	1 113	1 119	1 121	1 122	1 121	13 294	14 373	15 616
Gains on disposal of Fixed and Intangible Assets	281	281	281	281	281	1 381	281	281	281	281	281	696	4 881	5 207	1 715
Total Revenue (excluding capital transfers and	174 344	111 335	114 385	109 615	119 927	174 207	112 346	122 596	173 777	127 353	125 202	232 735	1 697 821	1 686 919	1 891 609

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand															
Expenditure															
Employee related costs	28 156	29 685	29 484	29 571	48 575	29 719	29 456	29 729	29 672	29 889	29 701	52 064	395 702	423 145	453 534
Remuneration of councillors	1 065	1 065	1 065	1 065	1 827	1 065	1 065	1 065	1 065	1 065	1 065	1 088	13 567	14 105	14 665
Bulk purchases - electricity	39 651	42 366	42 366	42 910	43 453	44 539	45 625	46 712	48 341	48 884	49 427	48 884	543 158	597 946	665 741
Inventory consumed	2 763	2 778	2 766	2 736	2 803	2 781	2 803	2 754	2 768	2 804	2 708	40 965	71 429	75 666	80 842
Debt impairment	196	196	196	196	196	196	196	196	196	196	196	40 548	42 707	46 672	51 016
Depreciation, amortisation and impairment	-	-	11 743	11 743	11 743	11 743	11 743	11 743	11 743	11 743	11 743	11 743	117 434	125 089	132 496
Interest, Dividends and Rent on Land	-	-	-	-	-	-	-	-	-	-	-	7 275	7 275	7 990	8 776
Contracted services	12 953	68 007	30 282	29 982	30 282	25 805	27 005	29 505	27 105	27 105	27 005	27 079	362 113	147 403	214 906
Transfers and subsidies	166	156	1 142	562	542	127	62	460	62	62	62	67	3 467	3 516	3 624
Irrecoverable debts written off	-	-	-	-	-	-	-	13 034	-	-	-	8 689	21 723	22 887	24 032
Operational costs	5 509	5 099	8 788	5 099	4 859	5 099	4 859	5 099	4 859	6 048	4 859	12 162	72 341	76 401	80 105
Disposal of Fixed and Intangible Assets	-	-	-	-	-	3 262	-	-	-	-	-	14 860	18 122	19 028	19 979
Other Losses	-	-	-	-	-	-	-	-	-	-	-	16 189	16 189	17 067	19 071
Total Expenditure	90 459	149 354	127 833	123 863	144 280	124 337	122 815	140 297	125 811	127 797	126 768	281 613	1 685 226	1 576 915	1 768 787
Surplus/(Deficit)	83 884	(38 019)	(13 449)	(14 248)	(24 352)	49 871	(10 469)	(17 701)	47 966	(444)	(1 566)	(48 878)	12 595	110 004	122 822
Transfers and subsidies - capital (monetary)	2 034	8 428	8 428	8 936	8 757	8 548	8 607	8 846	8 996	8 787	8 816	7 802	96 984	112 990	123 539
Surplus/(Deficit) for the year	85 918	(29 591)	(5 020)	(5 313)	(15 596)	58 418	(1 862)	(8 855)	56 961	8 342	7 251	(41 076)	109 579	222 994	246 361

2.9.2 Monthly projections of expenditure (operating and capital) and revenue for each function

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional															
Governance and administration	57 975	21 071	21 415	20 717	23 462	49 447	21 209	21 270	46 360	20 523	21 288	97 413	422 148	444 203	465 259
Executive and council	22	22	22	22	22	22	22	22	22	22	22	22	269	273	278
Finance and administration	57 952	21 048	21 392	20 694	23 439	49 425	21 186	21 247	46 337	20 500	21 266	97 391	421 879	443 930	464 981
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	10 317	20 977	24 080	20 016	23 328	22 314	14 190	21 679	23 768	27 291	25 702	59 521	293 182	203 639	269 749
Community and social services	1 223	1 460	1 460	1 460	1 460	1 460	1 460	1 460	1 460	1 460	1 460	1 460	17 278	16 956	52 529
Sport and recreation	265	311	607	1 071	596	381	702	542	536	638	343	527	6 520	6 052	6 415
Public safety	933	957	947	906	878	838	638	806	927	951	1 054	44 054	53 888	58 290	63 494
Housing	7 896	18 249	21 067	16 580	20 394	19 636	11 390	18 871	20 846	24 243	22 846	13 480	215 496	122 341	147 311
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	3 132	3 558	3 606	3 767	3 555	3 557	3 464	3 538	3 416	3 432	3 484	2 178	40 687	21 132	30 884
Planning and development	607	654	674	816	630	653	574	642	592	612	621	550	7 624	6 912	7 323
Road transport	2 525	2 904	2 932	2 951	2 925	2 904	2 890	2 896	2 824	2 820	2 863	1 628	33 063	14 220	23 562
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	104 954	74 157	73 711	74 050	78 339	107 436	82 090	84 955	109 229	84 893	83 544	81 424	1 038 782	1 130 931	1 249 250
Energy sources	53 805	53 879	53 865	55 020	55 487	60 342	57 890	59 431	65 249	61 930	62 606	63 028	702 532	757 314	852 600
Water management	16 523	9 453	9 047	8 236	12 024	18 109	13 376	14 729	18 157	12 159	10 130	7 676	149 620	173 592	181 536
Waste water management	20 325	6 076	6 050	6 046	6 080	17 229	6 076	6 046	14 606	6 056	6 060	5 976	106 626	112 016	117 772
Waste management	14 300	4 748	4 748	4 748	4 748	11 756	4 748	4 749	11 217	4 749	4 748	4 744	80 004	88 008	97 342
Other	0	0	0	0	0	0	0	0	0	0	0	0	5	5	5
Total Revenue - Functional	176 378	119 763	122 813	118 550	128 684	182 755	120 953	131 442	182 773	136 139	134 018	240 537	1 794 805	1 799 909	2 015 148

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure - Functional															
Governance and administration	15 691	15 124	20 896	16 386	22 263	16 421	15 912	17 619	15 910	17 122	15 908	26 914	216 166	228 428	241 021
Executive and council	2 008	2 007	5 866	2 437	3 855	2 344	1 937	2 335	1 937	2 886	1 936	1 842	31 389	32 734	34 123
Finance and administration	13 475	12 909	14 823	13 741	18 076	13 870	13 768	15 077	13 766	14 028	13 763	24 693	181 988	192 833	203 847
Internal audit	208	208	208	208	333	208	208	208	208	208	208	379	2 789	2 861	3 051
Community and public safety	11 025	27 765	29 141	29 135	35 484	29 303	29 149	33 149	29 142	29 149	29 129	74 537	386 108	286 395	355 446
Community and social services	2 286	2 308	2 438	2 438	3 824	2 532	2 438	2 438	2 438	2 438	2 438	4 916	32 930	35 129	37 363
Sport and recreation	3 061	3 189	3 773	3 771	5 195	3 824	3 775	3 772	3 773	3 775	3 770	5 844	47 523	50 643	53 882
Public safety	5 375	5 961	6 614	6 610	10 008	6 629	6 619	10 592	6 614	6 620	6 606	47 207	125 455	135 112	145 257
Housing	303	16 307	16 317	16 317	16 457	16 318	16 317	16 347	16 317	16 317	16 317	16 570	180 200	65 511	118 943
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	4 335	5 890	7 467	7 462	8 977	9 894	7 474	7 466	7 468	7 475	7 458	23 022	104 388	101 986	114 742
Planning and development	1 758	1 758	1 759	1 759	2 569	1 760	1 760	1 760	1 760	1 760	1 760	2 778	22 940	22 733	22 030
Road transport	2 577	4 133	5 708	5 703	6 408	8 134	5 714	5 706	5 708	5 715	5 698	20 244	81 448	79 253	92 712
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	59 350	100 278	70 270	70 583	77 474	68 421	70 221	81 766	73 233	73 754	74 214	156 753	976 316	957 746	1 055 100
Energy sources	47 476	87 860	52 977	53 305	55 605	50 863	52 910	57 101	55 939	56 441	56 951	58 347	685 776	650 045	722 204
Water management	2 422	2 645	4 454	4 453	5 648	4 559	4 456	10 446	4 454	4 456	4 451	70 136	122 579	129 235	137 935
Waste water management	5 161	5 376	7 828	7 822	9 828	7 956	7 836	8 585	7 828	7 836	7 816	12 621	96 493	101 872	107 675
Waste management	4 291	4 397	5 011	5 003	6 393	5 043	5 020	5 634	5 011	5 021	4 996	15 649	71 468	76 595	87 286
Other	58	297	58	298	82	298	58	298	58	298	58	387	2 247	2 360	2 479
Total Expenditure - Functional	90 459	149 354	127 833	123 863	144 280	124 337	122 815	140 297	125 811	127 797	126 768	281 613	1 685 226	1 576 915	1 768 787
Surplus/(Deficit)	85 918	(29 591)	(5 020)	(5 313)	(15 596)	58 418	(1 862)	(8 855)	56 961	8 342	7 251	(41 076)	109 579	222 994	246 361

Description	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional															
<i>Governance and administration</i>	8	15	917	2 708	1 993	18	8	8	40	-	-	100	5 818	3 355	6 779
Executive and council	-	7	38	91	8	-	-	-	-	-	-	-	144	24	24
Finance and administration	8	8	879	2 617	1 985	18	8	8	40	-	-	100	5 674	3 331	6 755
<i>Community and public safety</i>	1 730	2 667	854	1 165	7 281	1 370	2 981	1 272	540	1 009	-	-	20 869	5 349	47 161
Community and social services	1 430	1 455	54	-	31	10	30	72	-	-	-	-	3 081	2 247	38 199
Sport and recreation	300	1 212	800	1 165	850	1 360	1 001	1 100	250	547	-	-	8 586	2 475	7 722
Public safety	-	-	-	-	6 400	-	1 950	100	290	462	-	-	9 202	627	1 240
<i>Economic and environmental services</i>	6 183	6 066	6 822	9 466	9 928	5 128	4 928	11 037	10 233	8 818	9 077	4 116	91 801	76 605	68 622
Planning and development	1 332	1 214	970	986	1 077	1 176	976	1 257	966	966	1 466	966	13 353	13 517	13 746
Road transport	4 852	4 852	5 852	8 480	8 852	3 952	3 952	9 781	9 267	7 852	7 610	3 149	78 447	63 088	54 877
<i>Trading services</i>	3 893	7 728	5 544	8 654	10 254	15 514	7 963	19 139	13 547	13 521	9 489	7 124	122 367	207 336	225 189
Energy sources	3 102	6 387	3 202	4 802	5 002	10 887	4 052	6 764	5 402	4 279	1 597	200	55 676	69 739	67 098
Water management	361	912	1 912	3 412	3 972	2 778	2 912	5 426	4 765	7 262	6 462	6 495	46 672	95 682	97 880
Waste water management	429	429	429	439	969	967	949	2 179	3 379	1 979	1 429	429	14 008	33 272	37 016
Waste management	-	-	-	-	310	882	50	4 769	-	-	-	-	6 011	8 642	23 195
Total Capital Expenditure - Functional	11 813	16 476	14 137	21 992	29 456	22 031	15 880	31 456	24 360	23 348	18 565	11 340	240 854	292 645	347 752
Funded by:															
National Government	4 000	6 500	3 000	7 128	6 000	4 500	4 000	6 500	6 000	5 093	2 266	552	55 539	49 940	51 704
Provincial Government	4 812	4 446	3 192	3 192	3 292	3 202	3 222	3 354	3 192	3 192	3 192	3 192	41 477	63 043	71 828
Transfers recognised - capital	8 812	10 946	6 192	10 320	9 292	7 702	7 222	9 854	9 192	8 285	5 458	3 744	97 016	112 983	123 532
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	3 002	5 530	7 945	11 673	20 164	14 329	8 658	21 602	15 168	15 063	13 108	7 596	143 838	179 662	224 219
Total Capital Funding	11 813	16 476	14 137	21 992	29 456	22 031	15 880	31 456	24 360	23 348	18 565	11 340	240 854	292 645	347 752

2.10 Capital expenditure details

The following four tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets, then the repair and maintenance of assets and finally the depreciation per asset class with overlapping due to the nature of some transactions.

2.10.1 Capital expenditure on new assets by asset class

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Capital expenditure on new assets by Asset Class/Sub-class					
Infrastructure	196 140	176 667	139 214	149 361	121 232
Roads Infrastructure	63 812	87 658	63 631	41 598	19 012
<i>Roads</i>	63 812	87 658	63 631	41 598	19 012
Storm water Infrastructure	–	1 464	–	–	–
<i>Storm water Conveyance</i>	–	1 464	–	–	–
Electrical Infrastructure	76 703	24 603	42 326	47 413	46 198
<i>MV Substations</i>	52 320	220	220	7 413	280
<i>MV Networks</i>	10 315	10 315	25 800	36 600	35 318
<i>LV Networks</i>	14 068	14 068	16 306	3 400	10 600
<i>Capital Spares</i>	–	–	–	–	–
Water Supply Infrastructure	8 165	11 332	23 846	48 814	35 260
<i>Reservoirs</i>	–	–	2 500	15 065	14 500
<i>Distribution</i>	8 165	11 332	21 346	33 748	20 760
Sanitation Infrastructure	13 843	17 604	8 800	9 236	3 762
<i>Reticulation</i>	13 843	17 604	8 800	9 236	3 762
Solid Waste Infrastructure	33 616	34 006	610	2 300	17 000
<i>Landfill Sites</i>	33 036	33 736	–	–	–
<i>Waste Transfer Stations</i>	–	–	300	300	–
<i>Waste Processing Facilities</i>	–	–	–	2 000	17 000
<i>Waste Drop-off Points</i>	580	270	310	–	–
Community Assets	12 028	11 527	13 377	3 204	39 556
Community Facilities	2 050	1 835	8 678	1 100	1 700
<i>Fire/Ambulance Stations</i>	–	–	6 400	–	–
<i>Libraries</i>	–	–	78	–	–
<i>Cemeteries/Crematoria</i>	300	–	–	–	600
<i>Parks</i>	1 100	1 110	1 100	1 100	1 100
<i>Public Ablution Facilities</i>	650	725	–	–	–
<i>Markets</i>	–	–	1 100	–	–
Sport and Recreation Facilities	9 978	9 692	4 699	2 104	37 856
<i>Indoor Facilities</i>	9 900	9 614	2 859	2 104	37 456
<i>Outdoor Facilities</i>	78	78	1 840	–	400
Other assets	12 954	15 989	12 176	13 401	13 926
Operational Buildings	380	280	35	–	300
<i>Municipal Offices</i>	380	280	35	–	–
<i>Stores</i>	–	–	–	–	300
Housing	12 574	15 709	12 141	13 401	13 626
<i>Social Housing</i>	12 574	15 709	12 141	13 401	13 626
Intangible Assets	–	–	250	1 750	2 100
Servitudes	–	–	–	–	–
Licences and Rights	–	–	250	1 750	2 100
<i>Computer Software and Applications</i>	–	–	250	1 750	2 100
Computer Equipment	2 583	1 668	5 022	3 227	4 444
Computer Equipment	2 583	1 668	5 022	3 227	4 444
Furniture and Office Equipment	665	760	857	723	1 215
Furniture and Office Equipment	665	760	857	723	1 215
Machinery and Equipment	3 258	3 088	1 587	1 459	8 625
Machinery and Equipment	3 258	3 088	1 587	1 459	8 625
Transport Assets	6 113	5 835	15 104	20 002	10 406
Transport Assets	6 113	5 835	15 104	20 002	10 406
Land	400	8 410	100	100	50
Land	400	8 410	100	100	50
Total Capital Expenditure on new assets	237 440	223 943	187 687	193 226	201 553

2.10.2 Capital expenditure on the renewal of existing assets by asset class

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Capital expenditure on renewal of existing assets by Asset Class/Sub-class					
Infrastructure	25 441	25 441	13 887	27 220	37 323
Roads Infrastructure	20 500	20 500	13 387	20 000	30 000
<i>Roads</i>	20 500	20 500	13 387	20 000	30 000
Water Supply Infrastructure	480	480	-	-	-
<i>Pump Stations</i>	480	480	-	-	-
Sanitation Infrastructure	4 461	4 461	500	7 220	7 323
<i>Pump Station</i>	-	-	500	7 220	6 923
<i>Reticulation</i>	4 461	4 461	-	-	-
<i>Waste Water Treatment Works</i>	-	-	-	-	400
Community Assets	-	-	-	-	6 950
Community Facilities	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	6 950
<i>Indoor Facilities</i>	-	-	-	-	1 500
<i>Outdoor Facilities</i>	-	-	-	-	5 450
Machinery and Equipment	700	700	700	190	200
Machinery and Equipment	700	700	700	190	200
Total Capital Expenditure on renewal of existing asset	26 141	26 141	14 587	27 410	44 473
Renewal of Existing Assets as % of total capex	8.9%	9.3%	6.1%	9.4%	12.8%
Renewal of Existing Assets as % of deprecn"	20.4%	21.4%	12.8%	22.5%	34.4%

2.10.3 Capital expenditure on the upgrading of existing assets by asset class

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class					
Infrastructure	33 517	29 966	37 580	71 809	101 526
Roads Infrastructure	-	308	-	-	200
<i>Roads</i>	-	308	-	-	200
Storm water Infrastructure	550	550	550	550	550
<i>Storm water Conveyance</i>	550	550	550	550	550
Electrical Infrastructure	8 080	8 020	8 430	15 850	16 900
<i>MV Switching Stations</i>	4 880	4 820	5 880	9 000	9 800
<i>MV Networks</i>	1 300	1 300	1 300	5 600	5 700
<i>LV Networks</i>	1 900	1 900	1 250	1 250	1 400
Water Supply Infrastructure	22 887	19 087	21 100	46 809	62 076
<i>Reservoirs</i>	500	500	4 500	1 422	2 480
<i>Bulk Mains</i>	6 043	1 743	-	-	-
<i>Distribution</i>	15 544	16 044	15 800	44 587	58 776
<i>PRV Stations</i>	800	800	800	800	820
Sanitation Infrastructure	2 000	2 000	7 500	8 600	21 800
<i>Reticulation</i>	1 500	1 500	6 000	3 600	6 800
<i>Waste Water Treatment Works</i>	500	500	1 500	5 000	15 000
Community Assets	-	-	1 000	200	200
Community Facilities	-	-	-	-	-
Sport and Recreation Facilities	-	-	1 000	200	200
<i>Outdoor Facilities</i>	-	-	1 000	200	200
Total Capital Expenditure on upgrading of existing asset	33 517	29 966	38 580	72 009	101 726
<i>Upgrading of Existing Assets as % of total capex</i>	11.4%	10.7%	16.0%	24.6%	29.3%
<i>Upgrading of Existing Assets as % of deprecn"</i>	26.2%	24.5%	33.7%	59.1%	78.8%

2.10.4 Repairs and maintenance expenditure by asset class

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand					
Repairs and maintenance expenditure by Asset Class/Sub-class					
Infrastructure	69 462	69 165	65 545	62 015	79 977
Roads Infrastructure	20 921	20 957	13 169	6 742	16 847
<i>Roads</i>	20 801	20 837	13 045	6 614	16 716
<i>Road Furniture</i>	120	120	124	127	131
Storm water Infrastructure	24 311	24 359	26 147	27 680	29 738
<i>Storm water Conveyance</i>	24 311	24 359	26 147	27 680	29 738
Electrical Infrastructure	5 794	5 294	6 928	7 337	7 771
<i>MV Substations</i>	206	488	365	394	424
<i>MV Networks</i>	2 014	1 200	2 735	2 863	2 999
<i>LV Networks</i>	3 574	3 606	3 828	4 080	4 348
Water Supply Infrastructure	2 011	2 128	2 225	2 308	2 394
<i>Reservoirs</i>	1 475	1 476	1 520	1 566	1 613
<i>Pump Stations</i>	168	126	132	139	145
<i>Distribution</i>	368	526	573	604	636
Sanitation Infrastructure	6 151	6 125	6 429	6 653	6 887
<i>Pump Station</i>	1 061	1 063	1 095	1 128	1 162
<i>Waste Water Treatment Works</i>	5 090	5 062	5 333	5 525	5 725
Solid Waste Infrastructure	10 272	10 302	10 648	11 295	16 338
<i>Landfill Sites</i>	10 272	10 302	10 648	11 295	16 338
Community Assets	3 605	3 975	4 080	4 234	4 246
Community Facilities	2 533	2 442	2 792	2 910	2 883
<i>Halls</i>	452	652	684	716	751
<i>Centres</i>	1 787	1 534	1 610	1 691	1 776
<i>Libraries</i>	50	50	50	50	50
<i>Cemeteries/Crematoria</i>	123	136	317	322	176
<i>Parks</i>	120	70	131	131	131
Sport and Recreation Facilities	1 072	1 533	1 288	1 324	1 362
<i>Indoor Facilities</i>	100	250	200	200	200
<i>Outdoor Facilities</i>	972	1 283	1 088	1 124	1 162
Other assets	2 884	2 477	3 987	3 100	2 458
Operational Buildings	1 260	1 330	1 882	1 457	1 525
<i>Municipal Offices</i>	1 260	1 330	1 882	1 457	1 525
Housing	1 624	1 147	2 104	1 643	933
<i>Staff Housing</i>	240	293	307	323	339
<i>Social Housing</i>	1 384	854	1 797	1 320	594
Computer Equipment	402	402	420	420	420
Computer Equipment	402	402	420	420	420
Furniture and Office Equipment	72	72	75	74	75
Furniture and Office Equipment	72	72	75	74	75
Machinery and Equipment	1 532	1 540	1 752	1 748	1 901
Machinery and Equipment	1 532	1 540	1 752	1 748	1 901
Transport Assets	10 201	10 312	11 648	12 539	13 959
Transport Assets	10 201	10 312	11 648	12 539	13 959
Total Repairs and Maintenance Expenditure	88 157	87 943	87 507	84 130	103 035
R&M as a % of PPE & Investment Property	4.0%	3.5%	3.3%	3.0%	3.5%
R&M as % Operating Expenditure	6.0%	5.8%	5.2%	5.3%	5.8%

2.10.5 Detailed capital budget per municipal function and directorate

R thousand	Function	Project Description	Vote	Fin Source	Type	Asset Class	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
							Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:											
<i>List all capital projects grouped by Function</i>											
Community and Social Services	Libraries: Furniture and Office Equipment	Vote 1 - Corporate Serv	Provincial Government	New	Furniture and Office Equipment	43	43	43	43	43	
Community and Social Services	Buildings & Swartland Halls: Furniture and Office Equipment	Vote 1 - Corporate Serv	Internally generated funds	New	Furniture and Office Equipment	100	265	100	100	100	
Community and Social Services	New Cemetery: Chatsworth	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	300	-	-	-	600	
Community and Social Services	Kalbaskraal SEF (Prof. Fees)	Vote 6 - Development Se	Provincial Government	New	Community Assets	9 300	9 364	1 517	-	-	
Community and Social Services	Riverlands SEF (Planning)	Vote 6 - Development Se	Internally generated funds	New	Community Assets	600	250	350	-	-	
Community and Social Services	Social Economic Facility: Riverlands	Vote 6 - Development Se	Provincial Government	New	Community Assets	-	-	248	526	9 364	
Community and Social Services	Social Economic Facility: Darling	Vote 6 - Development Se	Provincial Government	New	Community Assets	-	-	248	526	9 364	
Community and Social Services	Social Economic Facility: Koringberg	Vote 6 - Development Se	Provincial Government	New	Community Assets	-	-	248	526	9 364	
Community and Social Services	Social Economic Facility: Malmesbury	Vote 6 - Development Se	Provincial Government	New	Community Assets	-	-	248	526	9 364	
Community and Social Services	LED Units/Trading Stalls: Moorreesburg	Vote 6 - Development Se	Internally generated funds	New	Community Assets	-	-	1 100	-	-	
Community and Social Services	Abbotsdale Library: Shelving	Vote 1 - Corporate Serv	Provincial Government	New	Community Assets	-	-	31	-	-	
Community and Social Services	Moorreesburg Library: Shelving	Vote 1 - Corporate Serv	Provincial Government	New	Community Assets	-	-	47	-	-	
Community and Social Services	Riverlands Serviced Sites (Prof Fees)	Vote 6 - Development Se	Provincial Government	New	Housing	-	-	135	333	333	
Community and Social Services	Chatsworth Serviced Sites (Prof Fees)	Vote 6 - Development Se	Provincial Government	New	Housing	-	-	271	-	-	
Finance and Administration	Buildings & Maintenance: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	32	32	34	36	50	
Finance and Administration	Riebeek Kasteel Stores: Ablution Facilities	Vote 2 - Civil Services	Internally generated funds	New	Operational Buildings	280	280	-	-	-	
Finance and Administration	Monitoring Office/Building: YZF	Vote 2 - Civil Services	Internally generated funds	New	Operational Buildings	100	-	-	-	-	
Finance and Administration	Painting Machine: Mechanical drive	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	350	103	-	-	-	
Finance and Administration	New Cherry Picker	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	800	867	-	-	-	
Finance and Administration	Wesbank Community Hall - Upgrades and disability access	Vote 2 - Civil Services	Internally generated funds	Renewal	Community Assets	-	-	-	-	500	
Finance and Administration	Rosenhof Community Hall - Upgrades, additions and disability	Vote 2 - Civil Services	Internally generated funds	Renewal	Community Assets	-	-	-	-	500	
Finance and Administration	Yzerfontein Community Hall: Disability Facilities and upgrading	Vote 2 - Civil Services	Internally generated funds	Renewal	Community Assets	-	-	-	-	500	
Finance and Administration	Malmesbury Stores: New Abattoir Street boundary wall	Vote 2 - Civil Services	Internally generated funds	New	Operational Buildings	-	-	-	-	300	
Finance and Administration	Yzerfontein: Replace boardwalk	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	-	-	-	-	400	
Planning and Development	Civil: Furniture and Office Equipment	Vote 2 - Civil Services	Internally generated funds	New	Furniture and Office Equipment	58	56	60	62	64	
Planning and Development	Development Services: Furniture and Office Equipment	Vote 6 - Development Se	Internally generated funds	New	Furniture and Office Equipment	50	45	52	54	56	
Planning and Development	Darling Intercultural Space: Stage Roofstructure Design	Vote 6 - Development Se	Provincial Government	New	Sport and Recreation Facilities	78	78	-	-	-	

R thousand	Function	Project Description	Vote	Fin Source	Type	Asset Class	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
							Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	Planning and Development	Malmesbury De Hoop Serviced Sites (Prof Fees)	Vote 6 - Development Services	Provincial Government	New	Housing	4 062	6 268	2 895	2 472	-
	Planning and Development	Silver Town: Bulk Services (Prof Fees/ Construction)	Vote 6 - Development Services	Provincial Government	New	Housing	1 400	1 000	1 243	5 000	-
	Planning and Development	Darling Serviced Sites (327) Prof Fees Phase 2	Vote 6 - Development Services	Provincial Government	New	Housing	-	257	140	591	2 072
	Planning and Development	Purchasing of Land: Silvertown	Vote 6 - Development Services	Provincial Government	New	Housing	-	8 300	-	-	-
	Planning and Development	Silvertown: Professional Fees	Vote 6 - Development Services	Provincial Government	New	Housing	2 107	3 189	2 118	2 118	11 221
	Planning and Development	De Hoop Bulk: Prof Fees (Phase 4)	Vote 6 - Development Services	Internally generated funds	New	Housing	200	200	-	-	-
	Planning and Development	Dalsig: Internal Services (Prof Fees)	Vote 6 - Development Services	Provincial Government	New	Housing	2 353	2 343	2 887	2 887	-
	Planning and Development	Dalsig: Bulk (Prof Fees)	Vote 6 - Development Services	Provincial Government	New	Housing	2 452	2 452	2 452	-	-
	Road Transport	Roads Swartland: Construction of New Roads	Vote 2 - Civil Services	Internally generated funds	New	Roads Infrastructure	31 438	36 438	27 015	10 000	5 000
	Road Transport	Roads Swartland: Construction of New Roads (MIG)	Vote 2 - Civil Services	National Government	New	Roads Infrastructure	7 589	7 589	13 298	-	-
	Road Transport	Ward Committee Projects: Roads (Acquisitions:Outsourced)	Vote 2 - Civil Services	Internally generated funds	New	Roads Infrastructure	1 000	1 000	1 000	1 000	1 000
	Road Transport	Ward Committee Projects: Roads (Materials and Supplies)	Vote 2 - Civil Services	Internally generated funds	New	Roads Infrastructure	100	100	100	100	100
	Road Transport	Roads Swartland: Resealing of Roads (MIG)	Vote 2 - Civil Services	National Government	Renewal	Roads Infrastructure	500	500	1 628	-	-
	Road Transport	Roads Swartland: Resealing of Roads (CRR)	Vote 2 - Civil Services	Internally generated funds	Renewal	Roads Infrastructure	20 000	20 000	11 759	20 000	30 000
	Road Transport	Roads: CK43174 Trailer	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	57	63	-	-	-
	Road Transport	Roads: CK14865 Nissan UD85	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	1 429	-	-
	Road Transport	Roads: CK43175 Betonmenger	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	57	63	-	-	-
	Road Transport	Roads: CK13286 Nissan UD85	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	1 490	-
	Road Transport	Riverlands Disaster: Roads and associated earth works	Vote 2 - Civil Services	National Government	New	Roads Infrastructure	-	5 980	-	-	-
	Road Transport	Access road and Intersection Upgrading: Illinge Lethu	Vote 2 - Civil Services	Donation	Upgrading	Roads Infrastructure	-	308	-	-	-
	Road transport	Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Stormwater)	Vote 6 - Development Services	Provincial Government	New	Roads Infrastructure	23 685	36 551	17 218	26 813	-
	Road transport	De Hoop Bulk: Streets - Darling Link (Phase 4)	Vote 6 - Development Services	Internally generated funds	New	Roads Infrastructure	-	-	5 000	-	-
	Road transport	Darling Serviced Sites (394) Roads and Stormwater	Vote 6 - Development Services	Provincial Government	New	Roads Infrastructure	-	-	-	3 685	12 912
	Road transport	Roads: CK35769 Wheel loader	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	-	-	2 880
	Road transport	Roads: CK31709 Replace with Tractor plus tank	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	790
	Road transport	Roads: CK28034 Bomag Roller	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	-	-	1 995
	Road transport	Upgrading: Darling Road/Peperboom Street Intersection	Vote 2 - Civil Services	Internally generated funds	Upgrading	Roads Infrastructure	-	-	-	-	200
	Sport and Recreation	Ward Committee Projects: Parks (Acquisitions:Outsourced)	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	1 000	1 080	1 000	1 000	1 000
	Sport and Recreation	Ward Committee Projects: Parks (Materials and Supplies)	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	100	20	100	100	100
	Sport and Recreation	Parks: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	152	152	170	175	177

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	Sport and Recreation	Parks: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	152	152	170	175	177
	Sport and Recreation	Parks: CK28370 John Deere Tractor	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	690	-	-
	Sport and Recreation	Parks: CK26025 John Deere Tractor	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	720	-
	Sport and Recreation	Koringberg Sport Field: Ablution Facilities	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	650	725	-	-	-
	Sport and Recreation	Sportgrounds: Blower Mower: sn 19346-7845 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	94	-	-
	Sport and Recreation	Sportgrounds: Blower Mower: sn 43409-1653 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	94	-	-
	Sport and Recreation	Sportgrounds: Water Canon: sn 9955 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	55	-	-
	Sport and Recreation	Sportgrounds: Water Canon: sn 17941 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	55	-	-
	Sport and Recreation	Concrete Safety Wall between Moorreesburg Sportsgrounds	Vote 2 - Civil Services	Internally generated funds	New	Community Assets	-	-	1 840	-	-
	Sport and Recreation	Installation of Pipeline between R/Kasteel Rugby Field and W	Vote 2 - Civil Services	Internally generated funds	New	Sanitation Infrastructure	-	-	3 450	-	-
	Sport and Recreation	Sportgrounds: Blower Mower: sn 15678 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	85	85	-	-	-
	Sport and Recreation	Sportgrounds: Blower Mower: sn 12803 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	85	85	-	-	-
	Sport and Recreation	Sportgrounds: Blower Mower: sn 34299-13011 (replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	85	85	-	-	-
	Sport and Recreation	Sportgrounds: Water Canon: sn 17945(replace)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	53	53	-	-	-
	Sport and Recreation	YZF Caravan Park: Machinery and Equipment	Vote 6 - Development Se	Internally generated funds	New	Machinery and Equipment	36	41	38	40	42
	Sport and Recreation	Parks: CK39191 MF290 Tractor	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	753
	Sport and Recreation	Moorreesburg Swimming Pool: Fibre lining	Vote 2 - Civil Services	Internally generated funds	Renewal	Community Assets	-	-	-	-	3 650
	Sport and Recreation	Darling Swimming Pool: Fibre lining	Vote 2 - Civil Services	Internally generated funds	Renewal	Community Assets	-	-	-	-	1 800
	Sport and Recreation	Mobile Pavilions: New and Replacement	Vote 2 - Civil Services	Internally generated funds	Upgrading	Community Assets	-	-	-	200	200
	Sport and Recreation	Tractor Drawn Slasher (x3)	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	-	240	-
	Sport and Recreation	Refurbishment and Upgrading of YZF Caravan park Facilities	Vote 6 - Development Se	Internally generated funds	Upgrading	Community Assets	-	-	1 000	-	-
	Waste Management	Highlands: Development of new cell	Vote 2 - Civil Services	Internally generated funds	New	Solid Waste Infrastructure	14 166	6 120	-	-	-
	Waste Management	Highlands: Development of new cell (MIG)	Vote 2 - Civil Services	National Government	New	Solid Waste Infrastructure	9 270	17 316	-	-	-
	Waste Management	Equipment : Refuse bins, traps, skips (Swartland)	Vote 2 - Civil Services	Internally generated funds	Renewal	Machinery and Equipment	700	700	700	190	200
	Waste Management	Refuse Removal: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	30	32	20	30	32
	Waste Management	Koringberg: New Transfer Station	Vote 2 - Civil Services	Internally generated funds	New	Solid Waste Infrastructure	580	270	310	-	-
	Waste Management	Refuse: CK29021 Nissan UD35	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	989	-	-
	Waste Management	Refuse: CK37359 Nissan UD330	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	3 613	3 495	-	-	-
	Waste Management	Refuse: CK43134 Nissan UD35A	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	987	759	-	-	-

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Waste Management	Refuse: New compactor to extend capacity	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	3 681	-	-	
Waste Management	Refuse: CK33676 Nissan UD35	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	1 031	-	
Waste Management	Refuse: CK49955 Nissan UD36	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	1 031	-	
Waste Management	Organic Waste Diversion: Dirty Material Recycling Facility	Vote 2 - Civil Services	Internally generated funds	New	Solid Waste Infrastructure	-	-	-	2 000	17 000	
Waste Management	Highlands: Security Wall (CRR)	Vote 2 - Civil Services	Internally generated funds	New	Solid Waste Infrastructure	6 450	10 300	-	-	-	
Waste Management	Highlands: Security Wall (MIG)	Vote 2 - Civil Services	National Government	New	Solid Waste Infrastructure	3 150	-	-	-	-	
Waste Management	Refuse Removal: Furniture and Office Equipment	Vote 2 - Civil Services	Internally generated funds	New	Furniture and Office Equipment	-	-	12	12	12	
Waste Management	Refuse: CK21380 Nissan G300 & Hyskraan	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	2 651	
Waste Management	Tipper for Illegal Dumping	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	1 300	
Waste Management	Tractor Loader Backhoe (TLB) for illegal dumping	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	-	-	-	-	2 000	
Waste Management	Refuse: New compactor to extend capacity	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	4 049	-	
Waste Management	Landfill sites and Transfer stations: Gate house/Access Control	Vote 2 - Civil Services	Internally generated funds	New	Solid Waste Infrastructure	-	-	300	300	-	
Waste Water Management	Malmesbury WWTW: Replace Clarifier Mechanical Equipment	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	2 800	2 800	-	-	-	
Waste Water Management	Malmesbury WWTW: Replace Clarifier Mechanical Equipment	Vote 2 - Civil Services	Provincial Government	Renewal	Sanitation Infrastructure	261	261	-	-	-	
Waste Water Management	Sewerage Works: Darling (CRR)	Vote 2 - Civil Services	Internally generated funds	Upgrading	Sanitation Infrastructure	500	500	1 500	5 000	15 000	
Waste Water Management	Malmesbury WWTW: Replace Membranes	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	-	-	500	6 500	6 923	
Waste Water Management	Darling WWTW: SCADA Systems	Vote 2 - Civil Services	National Government	New	Sanitation Infrastructure	3 350	3 350	-	-	-	
Waste Water Management	Moorreesburg WWTW: SCADA Systems	Vote 2 - Civil Services	National Government	New	Sanitation Infrastructure	3 350	3 350	-	-	-	
Waste Water Management	Schoonspruit Pipe Replacement	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	1 400	1 400	-	-	-	
Waste Water Management	Equipment : Sewerage Telemetry	Vote 2 - Civil Services	Internally generated funds	New	Sanitation Infrastructure	220	220	200	200	200	
Waste Water Management	Sewerage: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	36	36	-	40	42	
Waste Water Management	Pipe Replacement: Obsolete Infrastructure	Vote 2 - Civil Services	Internally generated funds	Upgrading	Sanitation Infrastructure	1 500	1 500	6 000	3 000	4 000	
Waste Water Management	Abbotsdale: Rising Main	Vote 2 - Civil Services	Internally generated funds	Upgrading	Sanitation Infrastructure	-	-	-	-	800	
Waste Water Management	Replace: Mobile Generator	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	380	380	-	-	-	
Waste Water Management	Riebeek Kasteel network upgrade, Master Plan SRKS1.2 & 1	Vote 2 - Civil Services	Internally generated funds	Upgrading	Sanitation Infrastructure	-	-	-	600	2 000	
Waste Water Management	Sewerage: CK14612 Nissan UD290	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	2 854	-	
Waste Water Management	Stormwater Network (Acquisitions:Outsourced)	Vote 2 - Civil Services	Internally generated funds	Upgrading	Storm water Infrastructure	500	500	500	500	500	
Waste Water Management	Stormwater Network (Materials and Supplies)	Vote 2 - Civil Services	Internally generated funds	Upgrading	Storm water Infrastructure	20	20	20	20	20	
Waste Water Management	Stormwater Network (Compensation of Employees)	Vote 2 - Civil Services	Internally generated funds	Upgrading	Storm water Infrastructure	30	30	30	30	30	

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	Waste Water Management	Stormwater: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	68	68	70	72	74
	Waste Water Management	Riverlands Disaster: Stormwater and associated earth works	Vote 2 - Civil Services	National Government	New	Storm water Infrastructure	-	1 464	-	-	-
	Waste Water Management	Darling Serviced Sites (394) Sewerage	Vote 6 - Development Se	Provincial Government	New	Sanitation Infrastructure	-	-	-	1 017	3 562
	Waste Water Management	Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)	Vote 6 - Development Se	Provincial Government	New	Sanitation Infrastructure	6 923	10 684	5 150	8 020	-
	Waste Water Management	Darling WWTW: Fencing/Perimeter protection	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	-	-	-	-	200
	Waste Water Management	Malmesbury WWTW: Fencing/Perimeter protection	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	-	-	-	-	200
	Waste Water Management	Moorreesburg WWTW: Inlet Works Rake Screen	Vote 2 - Civil Services	Internally generated funds	Renewal	Sanitation Infrastructure	-	-	-	720	-
	Waste Water Management	Sewerage: Furniture and Office Equipment	Vote 2 - Civil Services	Internally generated funds	New	Furniture and Office Equipment	-	-	38	-	-
	Waste Water Management	Sewerage: CK50003 Nissan UD	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	2 984
	Waste Water Management	Sewerage: CK50648 Nissan NP300 Bakkie	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	482
	Waste Water Management	Sewer Jet Truck for blockages (Jet Vac Combination)	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	4 700	-
	Water Management	Water networks: Upgrades and Replacement	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	4 000	4 000	4 000	5 000	8 000
	Water Management	Water networks: Upgrades and Replacement	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	6 700	6 700	-	-	-
	Water Management	Water: Upgrading water reticulation network: PRV's, flow control	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	800	800	800	800	820
	Water Management	Bulk water infrastructure (emergency spending)	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	700	700	800	900	1 000
	Water Management	Connections: Water Meters (New/Replacements) (Acquisition)	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	10	10	10	10	10
	Water Management	Connections: Water Meters (New/Replacements) (Materials)	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	1 025	1 025	1 129	1 242	1 368
	Water Management	Water: Machinery and Equipment	Vote 2 - Civil Services	Internally generated funds	New	Machinery and Equipment	55	55	53	56	59
	Water Management	Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipeline	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	800	800	1 717	4 947	-
	Water Management	Chatsworth/Riverlands upgrade bulk water supply	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	5 000	700	2 400	15 000	5 000
	Water Management	Upgrading: Ongegend Water Supply System (Reservoir and	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	500	500	4 500	-	-
	Water Management	Water: CK10564 Replace with DC 4x4 Bakkie	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	639	-	-
	Water Management	Water: CK43172 Trailer	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	40	-	-
	Water Management	Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipeline	Vote 2 - Civil Services	National Government	New	Water Supply Infrastructure	-	-	10 754	-	-
	Water Management	Swartland WTW Upgrade and Capacity extension	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	500	500	1 500	10 000	30 000
	Water Management	Chatsworth/Riverlands upgrade bulk water supply (MIG)	Vote 2 - Civil Services	National Government	New	Water Supply Infrastructure	-	-	-	4 589	8 152
	Water Management	Chatsworth/Riverlands upgrade bulk water supply - WRG	Vote 2 - Civil Services	Provincial Government	Upgrading	Water Supply Infrastructure	1 043	1 043	-	-	-
	Water Management	Kalbaskraal Booster: Replace pumpsets	Vote 2 - Civil Services	Internally generated funds	Renewal	Water Supply Infrastructure	480	480	-	-	-
	Water Management	Swartland Bulk Water Supply System: S2.1 Kasteelberg to Ri	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	500	2 500	5 765	-

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	Water Management	Swartland Bulk Water Supply System: S2.1 Kasteelberg to Ri	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	-	-	-	8 422	-
	Water Management	Swartland Bulk Water Supply System: S2.2 Kasteelberg to Ri	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	-	-	5 000	3 187
	Water Management	Swartland Bulk Water Supply System: S2.2 Kasteelberg to Ri	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	-	-	-	2 500	5 336
	Water Management	Darling New Reservoir - CRR	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	-	-	-	-	2 000
	Water Management	Riebeeck Kasteel: New Reservoir	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	500	500	2 500	3 086	8 000
	Water Management	Riebeeck Kasteel: New Reservoir (SRKWB3) (MIG)	Vote 2 - Civil Services	National Government	New	Water Supply Infrastructure	-	-	-	11 979	4 000
	Water Management	Swartland Bulk Water Supply System: Riebeeck Kasteel: Rese	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	-	-	782	814
	Water Management	Swartland Bulk Water Supply System: Riebeeck Kasteel: Rese	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	-	-	-	640	666
	Water Management	Safeguarding Water Infrastructure	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	3 644	3 644	-	-	-
	Water Management	Malmesbury De Hoop Serviced Sites Phase 1 (Water)	Vote 6 - Development Se	Provincial Government	New	Water Supply Infrastructure	5 830	8 997	4 337	6 753	-
	Water Management	Darling Serviced Sites (394) Water	Vote 6 - Development Se	Provincial Government	New	Water Supply Infrastructure	-	-	-	1 207	4 230
	Water Management	De Hoop Bulk: Water - Wesbank (Phase 3)	Vote 6 - Development Se	Internally generated funds	New	Water Supply Infrastructure	-	-	1 000	-	-
	Water Management	Water: Furniture and Office Equipment	Vote 2 - Civil Services	Internally generated funds	New	Furniture and Office Equipment	-	-	5	5	5
	Water Management	Swartland WTW Upgrade and Capacity extension	Vote 2 - Civil Services	National Government	Upgrading	Water Supply Infrastructure	-	-	-	-	10 753
	Water Management	Swartland Bulk Water Supply System: S2.3 Kasteelberg to Ri	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	-	-	-	500
	Water Management	Swartland Bulk Water Supply System: Swartland WTW - Kast	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	-	-	-	1 000
	Water Management	Development of 5/6 erven in Panorama Malmesbury	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	-	-	-	-	2 000
	Water Management	Water: CK47091 Isuzu KB250 Bakkie	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	-	-	482
	Water Management	Water: New Crew Cab 2.3Ton Light Truck	Vote 2 - Civil Services	Internally generated funds	New	Transport Assets	-	-	990	-	-
	Water Management	Chatsworth/Riverlands: Additional Storage 5MI	Vote 2 - Civil Services	Internally generated funds	New	Water Supply Infrastructure	-	-	-	-	500
	Water Management	Bokomo Road: Pipe replacement	Vote 2 - Civil Services	Internally generated funds	Upgrading	Water Supply Infrastructure	-	-	7 000	7 000	-
	Energy Sources	Malmesbury De Hoop 132/11kV Substation, 132kV transmiss	Vote 4 - Electricity Servic	National Government	New	Electrical Infrastructure	17 821	-	-	-	-
	Energy Sources	Malmesbury De Hoop 132/11kV Substation, 132kV transmiss	Vote 4 - Electricity Servic	Internally generated funds	New	Electrical Infrastructure	4 279	-	-	6 693	-
	Energy Sources	Malmesbury De Hoop 132/11kV Substation, 132kV transmiss	Vote 4 - Electricity Servic	Borrowing	New	Electrical Infrastructure	29 700	-	-	-	-
	Energy Sources	Malmesbury De Hoop 132/11kV Substation, 132kV transmiss	Vote 4 - Electricity Servic	Borrowing	New	Electrical Infrastructure	300	-	-	-	-
	Energy Sources	Replace oil insulated switchgear and equipment (Acquisitions	Vote 4 - Electricity Servic	Internally generated funds	Upgrading	Electrical Infrastructure	4 000	4 000	5 000	7 000	7 000
	Energy Sources	Replace oil insulated switchgear and equipment (Materials a	Vote 4 - Electricity Servic	Internally generated funds	Upgrading	Electrical Infrastructure	500	500	500	500	800
	Energy Sources	LV Upgrading: Swartland (Acquisitions:Outsourced)	Vote 4 - Electricity Servic	Internally generated funds	Upgrading	Electrical Infrastructure	100	100	100	100	200
	Energy Sources	LV Upgrading: Swartland (Materials and Supplies)	Vote 4 - Electricity Servic	Internally generated funds	Upgrading	Electrical Infrastructure	1 150	1 150	1 150	1 150	1 200

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Energy Sources		MV Upgrading: Swartland (Acquisitions:Outsourced)	Vote 4 - Electricity Service	Internally generated funds	Upgrading	Electrical Infrastructure	100	100	100	100	200
Energy Sources		MV Upgrading: Swartland (Materials and Supplies)	Vote 4 - Electricity Service	Internally generated funds	Upgrading	Electrical Infrastructure	1 200	1 200	1 200	1 300	1 300
Energy Sources		Streetlight, kiosk and polebox replacement Swartland	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	650	650	650	650	800
Energy Sources		Protection and Scada Upgrading: Swartland	Vote 4 - Electricity Service	Internally generated funds	Upgrading	Electrical Infrastructure	380	320	380	1 500	2 000
Energy Sources		Substation Fencing: Swartland (Acquisitions:Outsourced)	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	200	200	200	200	250
Energy Sources		Substation Fencing: Swartland (Materials and Supplies)	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	20	20	20	20	30
Energy Sources		Communication, Monitoring and Related equipment	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	200	200	200	300	350
Energy Sources		Moorreesburg Development 600 IRDP erven. Electrical infra	Vote 4 - Electricity Service	National Government	New	Electrical Infrastructure	-	-	6 660	-	-
Energy Sources		Moorreesburg Development 600 IRDP erven. Electrical infra	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	7 550	7 550	1 190	-	-
Energy Sources		Moorreesburg Bulk Infrastructure: Municipal network	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	2 000	4 800	-
Energy Sources		Darling 184 IRDP erven. Electrical bulk supply, infrastructure	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	5 168	5 168	-	-	-
Energy Sources		Malmesbury De Hoop Serviced Sites (2000) -INEP	Vote 4 - Electricity Service	National Government	New	Electrical Infrastructure	-	-	18 093	21 811	22 797
Energy Sources		Malmesbury De Hoop Serviced Sites (2000) (Acquisitions:O	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	10 315	10 065	3 207	489	5 021
Energy Sources		Malmesbury De Hoop Serviced Sites (2000) (Compensatio	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	250	-	-	-
Energy Sources		Malmesbury MV Lines from Eskom Main sub	Vote 4 - Electricity Service	Internally generated funds	Upgrading	Electrical Infrastructure	-	-	-	4 200	4 200
Energy Sources		Bulk upgrading from Eskom supply Point to Yzerfontein netwo	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	500	6 000	7 500
Energy Sources		Yzerfontein 6 industrial erven. Electrical bulk supply and infra	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	-	1 500	-
Energy Sources		Elec: CK24542 Isuzu FRR500 & Hyskraan MRB	Vote 4 - Electricity Service	Internally generated funds	New	Transport Assets	-	-	-	2 128	-
Energy Sources		De Hoop to Industrial Area: 11 kV Cable	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	2 000	2 000	-
Energy Sources		Air conditioners: New and Replacement	Vote 4 - Electricity Service	Internally generated funds	New	Furniture and Office Equipment	250	250	250	250	350
Energy Sources		Connections: Electricity Meters (New/Replacements) (Acquis	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	20	20	20	20	20
Energy Sources		Connections: Electricity Meters (New/Replacements) (Materi	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	930	930	1 380	1 430	1 480
Energy Sources		Emergency Power Supply and Energy Savings Initiatives	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	300	300	300	350	200
Energy Sources		Equipment: Electric	Vote 4 - Electricity Service	Internally generated funds	New	Machinery and Equipment	400	460	540	500	520
Energy Sources		Streetlights Eskom AOS	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	400	400	400	600	600
Energy Sources		Traffic Light Controlling Equipment	Vote 4 - Electricity Service	Internally generated funds	New	Machinery and Equipment	150	150	-	-	-
Energy Sources		Elec: CK43210 Case Bachee Loader	Vote 4 - Electricity Service	Internally generated funds	New	Transport Assets	-	-	-	1 348	-
Energy Sources		Darling 394 IRDP erven (Phase 2). Electrical bulk supply, inf	Vote 4 - Electricity Service	National Government	New	Electrical Infrastructure	-	-	5 106	-	-
Energy Sources		Darling 394 IRDP erven (Phase 2). Electrical bulk supply, inf	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	-	500	7 500

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Energy Sources		Upgrade of Traffic Light Controlling Equipment and infrastructure	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	200	200	200
Energy Sources		Cherry Picker	Vote 4 - Electricity Service	Internally generated funds	New	Transport Assets	-	-	1 900	-	-
Energy Sources		Smart Metering Management System	Vote 4 - Electricity Service	Internally generated funds	New	Intangible Assets	-	-	-	1 000	1 500
Energy Sources		Klipfontein Substation 4th Feederbay	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	-	500	-
Energy Sources		Smart City Connectivity	Vote 4 - Electricity Service	Internally generated funds	New	Intangible Assets	-	-	250	600	600
Energy Sources		Trailer mounted Mobile Cherry Picker	Vote 4 - Electricity Service	Internally generated funds	New	Transport Assets	-	-	980	-	-
Energy Sources		Replace Mini Excavators (fit onto existing trailer)	Vote 4 - Electricity Service	Internally generated funds	New	Machinery and Equipment	-	-	-	-	480
Energy Sources		1 Ton Light Delivery Vehicle: Malmesbury Depot	Vote 4 - Electricity Service	Internally generated funds	New	Transport Assets	-	-	500	-	-
Energy Sources		Infill Connections: Phola Park	Vote 4 - Electricity Service	Internally generated funds	New	Electrical Infrastructure	-	-	700	-	-
Finance and Administration		Corporate: Furniture and Office Equipment	Vote 1 - Corporate Service	Internally generated funds	New	Furniture and Office Equipment	30	30	32	34	36
Finance and Administration		Expropriation of plays	Vote 1 - Corporate Service	Internally generated funds	New	Land	400	110	100	100	50
Finance and Administration		Information Technology: Computer Equipment	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	75	75	75	75	75
Finance and Administration		Printers	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	60	60	65	65	65
Finance and Administration		DeskTops	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	306	306	351	361	337
Finance and Administration		Notebooks	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	486	601	1 482	506	457
Finance and Administration		Terminals	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	40	40	-	-	-
Finance and Administration		Monitor Replacements	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	45	45	-	-	60
Finance and Administration		Communications and equipment: Time and Attendance	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	1 071	-	-	-	1 250
Finance and Administration		Storage Area Network (SAN)	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	-	-	2 549	-	-
Finance and Administration		New Server SM virtual environment	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	-	-	-	1 470	-
Finance and Administration		Financial: Furniture and Office Equipment	Vote 5 - Financial Service	Internally generated funds	New	Furniture and Office Equipment	63	59	36	38	40
Finance and Administration		Meter Installation Handheld Devices	Vote 5 - Financial Service	Internally generated funds	New	Furniture and Office Equipment	-	-	40	43	375
Finance and Administration		Meterreading Handhelds	Vote 5 - Financial Service	Internally generated funds	New	Furniture and Office Equipment	80	-	80	-	80
Finance and Administration		Asset Recording Handhelds	Vote 5 - Financial Service	Internally generated funds	New	Furniture and Office Equipment	-	-	-	58	-
Finance and Administration		Finance: CK40664 Panel Van	Vote 5 - Financial Service	Internally generated funds	New	Transport Assets	-	-	-	295	-
Finance and Administration		Indigent Screening Solution	Vote 5 - Financial Service	Internally generated funds	New	Furniture and Office Equipment	25	22	-	-	30
Finance and Administration		Core Switch Replacement	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	-	-	-	-	1 550
Finance and Administration		IT Spare Equipment for backup	Vote 4 - Electricity Service	Internally generated funds	New	Computer Equipment	-	-	-	100	100
Finance and Administration		FireWall	Vote 4 - Electricity Service	Internally generated funds	New	Intangible Assets	-	-	-	150	-

R thousand	Function	Project Description	Vote	Fin Source	Type	Asset Class	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
							Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	Finance and Administration	New Passenger Vehicle 1.5	Vote 5 - Financial Services	Internally generated funds	New	Transport Assets	-	-	265	-	-
	Finance and Administration	New S/C Bakkie 4x4	Vote 5 - Financial Services	Internally generated funds	New	Transport Assets	-	-	565	-	-
	Executive and Council	MM: Furniture and Office Equipment	Vote 7 - Municipal Management	Internally generated funds	New	Furniture and Office Equipment	12	12	12	12	12
	Executive and Council	Park equipment: Tosca street	Vote 7 - Municipal Management	Donation	New	Community Assets	-	10	-	-	-
	Executive and Council	Risk Management Devices	Vote 7 - Municipal Management	Internally generated funds	New	Furniture and Office Equipment	-	20	-	-	-
	Executive and Council	Council: Furniture and Office Equipment	Vote 3 - Council	Internally generated funds	New	Furniture and Office Equipment	12	12	12	12	12
	Executive and Council	Council Chambers: Additional Chairs	Vote 3 - Council	Internally generated funds	New	Furniture and Office Equipment	-	-	85	-	-
	Executive and Council	Council Chambers: Shelving	Vote 3 - Council	Internally generated funds	New	Operational Buildings	-	-	35	-	-
	Public Safety	Protection: Machinery and Equipment	Vote 8 - Protection Services	Internally generated funds	New	Machinery and Equipment	60	60	65	70	75
	Public Safety	Traffic: CK41293 Toyota Hilux DC 2.5D SRX	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	712	712	-	-	-
	Public Safety	Traffic and Law: CK32531 (Replace with D/C Bakkie 4x2)	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	-	558	-	-
	Public Safety	New Fire Arms & Replacements	Vote 8 - Protection Services	Internally generated funds	New	Machinery and Equipment	250	250	-	-	-
	Public Safety	Traffic and Law: CK18530 Polo Vivo 1.6	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	-	-	357	-
	Public Safety	Fire Fighting: Machinery and Equipment	Vote 8 - Protection Services	Internally generated funds	New	Machinery and Equipment	300	300	300	200	200
	Public Safety	Fire Fighting: Hazmat Equipment	Vote 8 - Protection Services	Provincial Government	New	Machinery and Equipment	478	478	-	-	-
	Public Safety	Donated PPE: Computer Equipment	Vote 8 - Protection Services	Internally generated funds	New	Computer Equipment	-	41	-	-	-
	Public Safety	Donated PPE: Transport Assets	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	2	-	-	-
	Public Safety	Traffic and Law: CK36311 Nissan UD40	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	-	-	-	965
	Public Safety	New D/C Bakkie 4x4	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	-	649	-	-
	Public Safety	Purchase of Fire Station from WCDM (Wesbank)	Vote 8 - Protection Services	Internally generated funds	New	Community Assets	-	-	6 400	-	-
	Public Safety	New S/C Bakkie 4x4 Longwheel base (x2)	Vote 8 - Protection Services	Internally generated funds	New	Transport Assets	-	-	1 230	-	-
	Total Capital Expenditure						293 799	280 050	240 854	292 645	347 752

2.11 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Full compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial Government and National Treasury.

2. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

3. Audit Committee

An Audit Committee has been established and is fully functional.

4. Budget Steering Committee

A Budget Steering Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The draft SDBIP document was tabled with the approval of the draft 2026/2027 MTREF budget. The final SDBIP document will be tabled after the approval of the final 2026/2027 MTREF budget. The SDBIP was aligned and informed by the 2026/2027 MTREF budget.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. Policies

Refer to section 2.3.

2.12 Other supporting documents

All other supporting schedules are available on request and will also be placed on the website.

2.13 Manager's quality certificate

I Joggie Scholtz....., Municipal Manager of Swartland Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Joggie Scholtz

Municipal Manager of Swartland Municipality

Signature:  _____

Date:

25	03	2026
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