

# **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 final budget.

### 1.2 Council Resolutions

The following council resolutions pertaining to the adoption/approval of the final multi-year capital and operating budgets, final budget and related policies, property tax rates, tariffs and other service charges for 2026/2027; 2027/2028 and 2028/2029;

- (a) That having considered all of the representations (**Annexure A, Inputs received on Draft Budget**) received by 22 April 2026, in its entirety, including the inputs made during the Mayoral Consultative Forum meeting held on 15 April 2026:- ***the municipality’s position/responses to the formal input be maintained where no adjustments could be made, but that the following amendments*** (unless otherwise stated herein under) ***to the final MTREF be made, as allowed for i.t.o MFMA section 23:-***
- i. That R2.5 million be prioritized towards the Swartland Bulk WTW’s and Conveyance Upgrade/Renewal and Capacity extension;
  - ii. That around R7 million in additional capital projects were added due to Mayoral and Public Inputs;
  - iii. That the draft publicised electricity tariffs which was proposed to increase by 11.44% is now limited to average between 8.26% - 8.37% for residential consumers which resulted in further reduced revenue of R17.3 million, resulting in the electricity service being rendered at a deficit of R32 million for 2026-2027;
  - iv. That no further increase in rebates is possible given the reduced revenue due to the above reduction and that the current increased rebate of R400 000 be maintained;
  - v. That the most optimal funding mix can only be determined in line with council’s longer term financial and service delivery sustainability strategy, when the planning of the bulk water treatment work’s progress is such that it allows for informed holistic financial decision-making.
- (b) That the Municipal Manager be authorised by Council to prioritise funding for critical service delivery posts during the 2026/27 mid-year performance evaluations, due to the expansion of households and developments in the Swartland municipal area;
- (c) That council notes the analysis received from the Provincial Treasury (SIME report) dealing with the draft MTREF (**Annexure A, Inputs received on Draft Budget**);
- (d) That the Director: Civil Engineering Services attend to the Cost of Supply Studies for Water and Sanitations Services, including Solid Waste Services;
- (e) 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 11<sup>th</sup> 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 and a further shortfall of around R17m due to the 11.44% electricity increase that was reduced to between 8.26% - 8.37% for residential consumers;

- (f) 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;
- (g) That council takes note that the project 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 B: 2026/2027 – 2028/2029 Final Budget and Tariff File**) and approve same;
- (h) That council prior to approving the final capital projects above R 50 million as listed in (**Annexure C: 2026/2027 – 2030/2031 Capital Projects ito Sec 19**), first consider the projected costs 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;
- (i) 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 around R300 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.

- (j) That council deemed it appropriate to consider the entire final capital program excluding the 7 projects above R 50 million, listed in **(Annexure C: 2026/2027 – 2030/2031 Capital Projects to 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;
- (k) That council note that of the 7 projects, the following 2 projects (Swartland Bulk Water Conveyance and WTW’s: Upgrade and Extension) are such that it is only in the initial pre-feasibility and planning stages, meaning that it was not possible, given this juncture, to determine future costs having an impact on the budget/s and therefore Council can only note these projects which can only be approved for tender in subsequent budget processes, and that Council specifically note that the impact of these 2 projects in the context of Sec 19 has not been finalised to determine how tariffs will be impacted beyond the MTREF;
- (l) That council considers the funding sources linked to council’s final capital program and take note that these funding sources are available and have not been committed for other purposes;

| FINANCING SOURCES                                    | FINAL BUDGET<br>2026/27 | FINAL BUDGET<br>2027/28 | FINAL BUDGET<br>2028/29 |
|--|-------------------------|-------------------------|-------------------------|
| Capital Replacement Reserve (CRR)                    | R 153 403 305           | R 179 661 565           | R 221 719 078           |
| 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            |
| LG Financial Management Grant (FMG)                  | R 60 000                | R -                     | R -                     |
| Dept. Cultural Affairs and Sport                     | R 121 739               | R 43 478                | R 43 478                |
| <b>GRAND TOTAL</b>                                   | <b>R 250 479 044</b>    | <b>R 292 645 043</b>    | <b>R 345 251 556</b>    |

- (m) That council approves the final capital projects as part of its consolidated capital program as per **(Annexure B: 2026/2027 – 2028/2029 Final Budget and Tariff File)**;
- (n) That the following final 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<br>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            | 52 875                        | 55 508           | 58 776           | 53 229                    | 55 785           | 59 005           |
| Vote 2 - Civil Services       | 129 241                     | 155 723        | 200 358        | 426 905                       | 449 915          | 491 638          | 556 146                   | 605 638          | 691 996          |
| Vote 3 - Council              | 132                         | 12             | 12             | 26 563                        | 27 563           | 28 589           | 26 695                    | 27 575           | 28 601           |
| Vote 4 - Electricity Services | 60 658                      | 72 466         | 70 992         | 710 009                       | 676 879          | 750 134          | 770 667                   | 749 345          | 821 127          |
| Vote 5 - Financial Services   | 986                         | 434            | 525            | 94 818                        | 100 835          | 107 583          | 95 803                    | 101 269          | 108 108          |
| Vote 6 - Development Services | 49 895                      | 63 094         | 71 883         | 216 463                       | 103 049          | 156 644          | 266 358                   | 166 143          | 228 527          |
| 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          | 141 283                       | 152 076          | 163 449          | 150 484                   | 152 703          | 164 689          |
| <b>Grand Total</b>            | <b>250 479</b>              | <b>292 645</b> | <b>345 252</b> | <b>1 681 076</b>              | <b>1 578 399</b> | <b>1 770 206</b> | <b>1 931 555</b>          | <b>1 871 044</b> | <b>2 115 457</b> |

- (o) That the final 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<br>2025/2026 | Mid-Year ADJB<br>2025/2026 | Final Budget<br>2026/2027 | Final Budget<br>2027/2028 | Final Budget<br>2028/2029 |
|------------------------------------|------------------------------|----------------------------|---------------------------|---------------------------|---------------------------|
| Capital budget                     | 293 798 527                  | 280 050 142                | 250 479 044               | 292 645 043               | 345 251 556               |
| Operating Expenditure              | 1 458 809 231                | 1 515 384 860              | 1 681 075 756             | 1 578 398 645             | 1 770 205 740             |
| Operating Revenue                  | 1 606 490 727                | 1 725 538 886              | 1 782 975 897             | 1 785 672 327             | 1 988 666 820             |
| <b>Budgeted (Surplus)/ Deficit</b> | <b>(147 681 496)</b>         | <b>(210 154 026)</b>       | <b>(101 900 141)</b>      | <b>(207 273 683)</b>      | <b>(218 461 080)</b>      |
| Less: Capital Grants               | 120 565 734                  | 141 838 438                | 96 984 000                | 112 990 000               | 123 539 000               |
| <b>(Surplus)/ Deficit</b>          | <b>(27 115 762)</b>          | <b>(68 315 588)</b>        | <b>(4 916 141)</b>        | <b>(94 283 683)</b>       | <b>(94 922 080)</b>       |

- (p) That council approves the notice given in terms of section 14(1) and (2) of the Local Government: Municipal Property Rates Act, 2004, to levy/implement the final 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;

| Category of property   | Rate ratio | Cent amount in the Rand rate |
|--|------------|------------------------------|
| 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.

- (q) That council approve the final property tax rates, tariff structures and charges for water, refuse removal, sewerage, electricity and other sundry charges as set out in **(Annexure B: 2026/2027 – 2028/2029 Final Budget and Tariff File)**;
- (r) That council approve the electricity tariffs as final for the 2026/2027 financial year;
- (s) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure D: Budget Report and A-Schedules 2026/2027 – 2028/2029)**;
- (t) That **the amendments** to the budget and related policies as set out in **(Annexure E: Final Amended Budget & Related Policies 2026/2027)** hereto, be approved as final;
- (u) 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;
- (v) That the training budget of around R 1 862 747 (own funding) for the 2026/2027 financial year be approved as final;
- (w) 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 as per the NT guidance for political office bearers.
- (x) 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 **10.9%** from the current to the new financial year and the revenue streams with growth in revenue of **6.5% (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 **5.7 months** for 2026/27, **6.9 months** for 2027/28 and **9.7 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 **R4 916 141**, for 2027/28 an amount of **R 94 283 683** and for 2028/29 an amount of **R 94 922 080**;
- (y) 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;
- (z) That Council take note that the budget was prepared in the new mSCOA Version 7.1 as required by National Treasury, noting the various functional limitations in the financial system;
- (aa) That Council specifically adhere to the requirements of the Provincial and National Treasury Budget Circulars, where possible, as enclosed in “**Annexure F: Budget Circulars**”;
- (bb) 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;
- (cc) That Council takes note of the mSCOA progress as per the attached Roadmap “**Annexure G: mSCOA Roadmap**”, **as a result of functionality challenges in the financial system, compounded by ongoing changes to the mSCOA chart.**

**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 Circulars No. 132 and No. 134 supported and guided the compilation of the 2026/2027 Medium-term Revenue and Expenditure Framework.

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 was communicated through the normal legally required advertisements, our website and budget documentation in this regard was made available at municipal buildings and libraries, as advertised to allow for input up until **midday on 22 April 2026**.

In line with Section 23 of the MFMA, the budget steering committee had an engagement on 13 May 2026, to consolidate and to consider council's extended service delivery model's funding requirements and to provide an opportunity for the Chief Financial Officer to discuss the representations received from the public relating to the draft MTREF. **Consideration was given to the individual representations, but moreover the proposals to adjust the draft budget and what such or how any amendments would affect the funding of the final budget**, keeping in mind that council would not be allowed to adopt an unfunded budget, deviating from realistically modelled anticipated revenues, as per the NT Budget Circulars.

This was done for purposes of putting the Executive Mayor in an informed position when considering the potential for amendments to the draft budget, given the confines as a result of the lower rates and tariffs, which informed the draft MTREF, compared to the higher tariffs modelled and communicated during the 2025-2026 MTREF process.

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, underpinned by past audited- and current performance, informed revenue modelling.

**The following were highlighted in NT’s Budget Circular 132 and 134 (dated 5 December 2025 and 20 March 2026) to inform the 2026-2027 Final 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 the March 2026, **Budget Circular 134**, NT recommends the following macro-economic forecasts to be considered when preparing the Final 2026/27 MTREF municipal budgets:

| <b>Table 1: Macroeconomic performance and projections, 2025 - 2029</b> |         |          |          |         |         |
|--|---------|----------|----------|---------|---------|
| Fiscal year  | 2024/25 | 2025/26  | 2026/27  | 2027/28 | 2028/29 |
|  | Actual  | Estimate | Forecast |         |         |
| CPI Inflation  | 4.4%    | 3.2%     | 3.4%     | 3.3%    | 3.2%    |

**NB:** It is envisaged that inflation for 2026 would in all probability increase to 4% or higher, contrary to the NT-guideline, 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.*

- **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.

To ensure compliance with the Budget and Reporting Regulations, the Budget Steering Committee gave effect to their technical advisory role in strengthening local government finances at a meeting held on the 13th of May 2026.

**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;
- Agricultural and local economy downturn due to much higher input costs;
- 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           | 250 479   | 292 645           | 345 252           |
| Operating expenditure | 1 515 385         | 1 681 076   | 1 578 399         | 1 770 206         |
| <b>TOTAL</b>          | <b>1 795 435</b>  | <b>1 931 555</b>                                    | <b>1 871 044</b>  | <b>2 115 457</b>  |

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

| 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         | 1 685 992   | 1 672 682         | 1 865 128         |
| Total Operating Expenditure   | 1 515 385         | 1 681 076   | 1 578 399         | 1 770 206         |
| <b>Surplus / (Deficit) including Transfers and subsidies - capital for the year</b> | <b>210 154</b>    | <b>101 900</b>                                      | <b>207 274</b>    | <b>218 461</b>    |
| Transfers and subsidies - capital   | 141 838           | 96 984  | 112 990           | 123 539           |
| <b>Surplus / (Deficit) excluding Transfers and subsidies - capital for the year</b> | <b>68 316</b>     | <b>4 916</b>  | <b>94 284</b>     | <b>94 922</b>     |

Total operating revenue excluding capital grants for the 2026/27 financial year has been appropriated at around R 1.69 billion and is expected to grow by 6.5 per cent or around R 102.3 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 0.8 per cent and increase by 11.5 per cent respectively, equating to total revenue growth of R 281.4 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 1.68 billion and translates into a budgeted surplus of R 4.9 million (excluding capital transfers). When compared to the 2025/26 Mid-Year Adjustment Budget, operational expenditure is projected to grow by 10.9 per cent in the 2026/27 financial year. For the two outer years, operational expenditure will decrease by 6.1 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 254.8 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 follows:

**NB: The surplus amounts in the table below, include capital grants which results in a skewed surplus.**



| 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) |
| <b>Revenue &amp; Expenditure by Vote</b>       |                       |                  |                 |                       |                  |                 |                       |                  |                 |                     |
| <b>Vote 1 - Corporate Services</b>             | <b>15 183</b>         | <b>52 875</b>    | <b>(37 692)</b> | <b>14 308</b>         | <b>55 508</b>    | <b>(41 200)</b> | <b>14 474</b>         | <b>58 776</b>    | <b>(44 302)</b> |                     |
| 1.1 - Administration                           | 204                   | 16 461           | (16 257)        | 204                   | 17 795           | (17 591)        | 204                   | 18 794           | (18 590)        |                     |
| 1.2 - Human Resources                          | 1 437                 | 9 658            | (8 221)         | 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           | 337                   | 8 444            | (8 107)         | 357                   | 9 000            | (8 643)         | 379                   | 9 627            | (9 248)         |                     |
| <b>Vote 2 - Civil Services</b>                 | <b>361 961</b>        | <b>426 905</b>   | <b>(64 944)</b> | <b>379 365</b>        | <b>449 915</b>   | <b>(70 550)</b> | <b>411 586</b>        | <b>491 638</b>   | <b>(80 052)</b> |                     |
| 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                 | 23 939           | (22 489)        | 1 508                 | 24 221           | (22 713)        | 1 567                 | 24 577           | (23 010)        |                     |
| 2.4 - Parks and Recreational Areas             | 656                   | 25 912           | (25 256)        |                       | 27 683           | (27 683)        |                       | 30 157           | (30 157)        |                     |
| 2.5 - Proclaimed Roads                         | 4 803                 | 6 660            | (1 857)         | 226                   | 477              | (251)           | 8 729                 | 10 205           | (1 476)         |                     |
| 2.6 - Refuse Removals                          | 80 123                | 42 269           | 37 854          | 88 134                | 46 922           | 41 211          | 97 475                | 51 011           | 46 464          |                     |
| 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                        | 107 280               | 46 264           | 61 016          | 113 089               | 48 065           | 65 024          | 119 306               | 49 544           | 69 762          |                     |
| 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                | 61 453           | (45 820)        | 609                   | 64 979           | (64 370)        | 645                   | 67 594           | (66 949)        |                     |
| 2.13 - Stormwater                              |                       | 26 399           | (26 399)        |                       | 27 945           | (27 945)        |                       | 30 013           | (30 013)        |                     |
| 2.14 - Swimming Pools                          | 755                   | 8 251            | (7 496)         | 800                   | 8 818            | (8 018)         | 848                   | 9 402            | (8 554)         |                     |
| 2.15 - Water Distribution                      | 149 620               | 117 519          | 32 101          | 173 592               | 129 239          | 44 353          | 181 536               | 138 111          | 43 425          |                     |
| <b>Vote 3 - Council</b>                        | <b>269</b>            | <b>26 563</b>    | <b>(26 294)</b> | <b>273</b>            | <b>27 563</b>    | <b>(27 289)</b> | <b>278</b>            | <b>28 589</b>    | <b>(28 312)</b> |                     |
| 3.1 - Council General Expenses                 | 269                   | 26 563           | (26 294)        | 273                   | 27 563           | (27 289)        | 278                   | 28 589           | (28 312)        |                     |
| <b>Vote 4 - Electricity Services</b>           | <b>685 248</b>        | <b>710 009</b>   | <b>(24 761)</b> | <b>738 001</b>        | <b>676 879</b>   | <b>61 122</b>   | <b>820 167</b>        | <b>750 134</b>   | <b>70 033</b>   |                     |
| 4.1 - Administration                           |                       | 2 509            | (2 509)         |                       | 2 680            | (2 680)         |                       | 2 869            | (2 869)         |                     |
| 4.2 - Distribution                             | 685 248               | 682 718          | 2 530           | 738 001               | 647 620          | 90 381          | 820 167               | 719 047          | 101 119         |                     |
| 4.3 - Street Lighting                          |                       | 2 631            | (2 631)         |                       | 2 805            | (2 805)         |                       | 2 990            | (2 990)         |                     |
| 4.4 - IT Services                              | -                     | 22 151           | (22 151)        | -                     | 23 774           | (23 774)        | -                     | 25 228           | (25 228)        |                     |
| <b>Vote 5 - Financial Services</b>             | <b>423 087</b>        | <b>94 818</b>    | <b>328 269</b>  | <b>445 449</b>        | <b>100 835</b>   | <b>344 614</b>  | <b>466 834</b>        | <b>107 583</b>   | <b>359 251</b>  |                     |
| 5.1 - Administration                           |                       | 2 724            | (2 724)         |                       | 2 911            | (2 911)         |                       | 3 109            | (3 109)         |                     |
| 5.2 - Finance                                  | 190 920               | 62 506           | 128 415         | 202 366               | 66 506           | 135 860         | 199 302               | 71 100           | 128 202         |                     |
| 5.3 - Budget and Treasury                      |                       | 7 159            | (7 159)         |                       | 7 554            | (7 554)         |                       | 7 976            | (7 976)         |                     |
| 5.4 - Asset Management                         |                       | 2 925            | (2 925)         |                       | 3 138            | (3 138)         |                       | 3 308            | (3 308)         |                     |
| 5.5 - Grants and Subsidies - FMG               | 1 800                 | 1 652            | 148             | 1 900                 | 1 663            | 237             | 2 000                 | 1 731            | 269             |                     |
| 5.6 - Fleet Management                         |                       | 1 608            | (1 608)         |                       | 1 755            | (1 755)         |                       | 1 914            | (1 914)         |                     |
| 5.7 - Property Rates                           | 230 367               | 4 207            | 226 160         | 241 184               | 4 463            | 236 720         | 265 531               | 4 735            | 260 796         |                     |
| 5.8 - Supply Chain Management                  |                       | 12 037           | (12 037)        |                       | 12 845           | (12 845)        |                       | 13 710           | (13 710)        |                     |
| <b>Vote 6 - Development Services</b>           | <b>230 410</b>        | <b>216 463</b>   | <b>13 947</b>   | <b>136 600</b>        | <b>103 049</b>   | <b>33 551</b>   | <b>197 645</b>        | <b>156 644</b>   | <b>41 001</b>   |                     |
| 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                 | 4 520            | 283             | 5 091                 | 5 165            | (74)            | 5 397                 | 5 499            | (102)           |                     |
| 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                  | 2 604                 | 13 798           | (11 194)        | 1 908                 | 13 203           | (11 294)        | 2 019                 | 11 855           | (9 836)         |                     |
| 6.6 - Building Control                         | 4 793                 | 5 068            | (275)           | 5 080                 | 5 465            | (384)           | 5 385                 | 5 847            | (462)           |                     |
| 6.7 - Housing                                  | 215 496               | 180 206          | 35 290          | 122 341               | 65 544           | 56 797          | 147 311               | 118 897          | 28 414          |                     |
| 6.8 - Occupational Health and Safety           |                       | 2 625            | (2 625)         |                       | 2 793            | (2 793)         |                       | 2 970            | (2 970)         |                     |
| <b>Vote 7 - Municipal Manager</b>              | <b>300</b>            | <b>12 160</b>    | <b>(11 860)</b> | <b>-</b>              | <b>12 574</b>    | <b>(12 574)</b> | <b>-</b>              | <b>13 392</b>    | <b>(13 392)</b> |                     |
| 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)         |                     |
| <b>Vote 8 - Protection Services</b>            | <b>66 517</b>         | <b>141 283</b>   | <b>(74 765)</b> | <b>71 676</b>         | <b>152 076</b>   | <b>(80 400)</b> | <b>77 683</b>         | <b>163 449</b>   | <b>(85 766)</b> |                     |
| 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                    | 15 695           | (15 669)        | 26                    | 16 656           | (16 630)        |                     |
| 8.4 - Harbour Yzerfontein                      | 278                   | 545              | (267)           | 294                   | 585              | (291)           | 311                   | 627              | (315)           |                     |
| 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                | 110 190          | (56 948)        | 57 972                | 118 995          | (61 023)        | 63 158                | 128 096          | (64 938)        |                     |
| <b>Total Revenue &amp; Expenditure by Vote</b> | <b>1 782 976</b>      | <b>1 681 076</b> | <b>101 900</b>  | <b>1 785 672</b>      | <b>1 578 399</b> | <b>207 274</b>  | <b>1 988 667</b>      | <b>1 770 206</b> | <b>218 461</b>  |                     |

**The municipality is in a very privileged position to be able to invest a total of R 554.8 million of its own reserves over the 2026/27 MTREF.**

The following final 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) | %           |
| <b>Funded by:</b>            |                   |             |   |             |                   |             |                   |             |
| National Government          | 49 893            | 18%         | 55 539  | 22%         | 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%         | 153 463   | 61%         | 179 662           | 61%         | 221 719           | 64%         |
| <b>Total Capital Funding</b> | <b>280 050</b>    | <b>100%</b> | <b>250 479</b>                                      | <b>100%</b> | <b>292 645</b>    | <b>100%</b> | <b>345 252</b>    | <b>100%</b> |

The total final Capital budget for 2026/2027 amounts to **R 250.5** million with around **R 153.5** 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 888.4** million. An increase of **R 61.9** 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 (where it was available) of projects/programmes are reflected in the **attached Annexure**.

### 1.3.1 Financial indicators and benchmarks

The following table sets out the municipality's 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 |
| <b><u>Borrowing Management</u></b>               |  |                      |                 |   |                        |                        |
| 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%                   |
| <b><u>Safety of Capital</u></b>                  |  |                      |                 |   |                        |                        |
| Gearing  | Long Term Borrowing/ Funds & Reserves  | 10.7%                | 0.0%            | 0.0%  | 0.0%                   | 0.0%                   |
| <b><u>Liquidity</u></b>                          |  |                      |                 |   |                        |                        |
| Current Ratio                                    | Current assets/current liabilities   | 7:1                  | 7:1             | 4:1   | 4:1                    | 6:1                    |
| <b><u>Revenue Management</u></b>                 |  |                      |                 |   |                        |                        |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing   | 95.0%                | 95.0%           | 95.0%   | 95.0%                  | 95.0%                  |
| <b><u>Creditors Management</u></b>               |  |                      |                 |   |                        |                        |
| Creditors System Efficiency                      | % of Creditors Paid Within Terms (within MFMA' s 65(e))                                | 100.0%               | 100.0%          | 100.0%  | 100.0%                 | 100.0%                 |
| <b><u>Other Indicators</u></b>                   |  |                      |                 |   |                        |                        |
| Electricity Distribution Losses (2)              | Total Volume Losses (kW) technical   | 10 745               | 8 792           | 9 231   | 9 693                  | 10 178                 |
|  | Total Cost of Losses (Rand '000)   | 23 104               | 18 905          | 21 489  | 21 907                 | 29 475                 |
|  | % 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           | 10 066  | 10 458                 | 10 866                 |
|  | % 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%           | 23.5%   | 25.3%                  | 24.3%                  |
| Remuneration                                     | Total remuneration/(Total Revenue - capital  | 25.7%                | 24.5%           | 24.3%   | 26.1%                  | 25.1%                  |
| Repairs & Maintenance                            | R&M/(Total Revenue excluding capital   | 5.9%                 | 5.6%            | 5.6%  | 5.5%                   | 6.0%                   |
| Finance charges & Depreciation                   | FC&D/(Total Revenue - capital revenue)   | 9.7%                 | 8.5%            | 7.4%  | 8.1%                   | 7.7%                   |
| <b><u>IDP regulation financial viability</u></b> |  |                      |                 |   |                        |                        |
| i. Debt coverage                                 | (Total Operating Revenue - Operating Grants)/Debt service payments due within          | 13.1                 | 10.0            | 15.7  | 14.5                   | 15.7                   |
| iii. Cost coverage                               | (Available cash + Investments)/monthly fixed   | 9.2                  | 9.0             | 5.7   | 6.9                    | 9.7                    |

## 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 minimum 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 a municipality should have one and half to two times the cash and cash equivalents on hand to meet its current liabilities, which should translate into a liquidity ratio of 1,5-2:1. Anything below 2 in this context indicates a shortage of 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 23.5% and 25.3%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 24.3% and 26.1%. 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 99 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 |
| <b>R thousands</b>   |                      |                  |   |                        |                        |
| <b>Financial Performance</b>   |                      |                  |   |                        |                        |
| Property rates   | 212 727              | 215 090          | 226 095   | 236 614                | 260 642                |
| Service charges  | 755 688              | 788 495          | 860 199   | 949 239                | 1 045 484              |
| Investment revenue   | 81 529               | 104 459          | 93 978  | 100 484                | 104 292                |
| Transfer and subsidies - Operational                                 | 342 208              | 208 818          | 210 824   | 212 636                | 224 488                |
| Other own revenue  | 93 773               | 266 839          | 294 896   | 173 710                | 230 222                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>1 485 925</b>     | <b>1 583 700</b> | <b>1 685 992</b>                                    | <b>1 672 682</b>       | <b>1 865 128</b>       |

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 |
| <b>R thousand</b>             |                      |                  |   |                        |                        |
| <b>Revenue by Vote</b>        |                      |                  |   |                        |                        |
| Vote 1 - Corporate Services   | 11 982               | 16 149           | 15 183  | 14 308                 | 14 474                 |
| Vote 2 - Civil Services       | 354 006              | 369 701          | 361 961   | 379 365                | 411 586                |
| Vote 3 - Council              | 265                  | 265              | 269   | 273                    | 278                    |
| Vote 4 - Electricity Services | 586 280              | 610 849          | 685 248   | 738 001                | 820 167                |
| Vote 5 - Financial Services   | 387 011              | 414 299          | 423 087   | 445 449                | 466 834                |
| Vote 6 - Development Services | 204 042              | 250 539          | 230 410   | 136 600                | 197 645                |
| Vote 7 - Municipal Manager    | -                    | 8                | 300   | -                      | -                      |
| Vote 8 - Protection Services  | 62 905               | 63 729           | 66 517  | 71 676                 | 77 683                 |
| <b>Total Revenue by Vote</b>  | <b>1 606 491</b>     | <b>1 725 539</b> | <b>1 782 976</b>                                    | <b>1 785 672</b>       | <b>1 988 667</b>       |

**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) | %           |
| <b>Revenue by Source</b>                                     |                   |             |   |             |                   |             |                   |             |
| Property rates   | 215 090           | 14%         | 226 095   | 13%         | 236 614           | 14%         | 260 642           | 14%         |
| Service charges - Electricity                                | 572 557           | 36%         | 622 287   | 37%         | 695 593           | 42%         | 774 871           | 42%         |
| Service charges - Water                                      | 107 755           | 7%          | 118 228   | 7%          | 123 885           | 7%          | 129 812           | 7%          |
| Service charges - Waste Water Management                     | 63 518            | 4%          | 69 531  | 4%          | 73 180            | 4%          | 77 019            | 4%          |
| Service charges - Waste Management                           | 44 665            | 3%          | 50 153  | 3%          | 56 581            | 3%          | 63 781            | 3%          |
| Rental from Fixed Assets                                     | 1 921             | 0%          | 2 220   | 0%          | 2 343             | 0%          | 2 472             | 0%          |
| Sale of Goods and Rendering of Services                      | 15 776            | 1%          | 17 034  | 1%          | 18 035            | 1%          | 19 095            | 1%          |
| Interest earned from Current and Non Current Assets          | 104 459           | 7%          | 93 978  | 6%          | 100 484           | 6%          | 104 292           | 6%          |
| Interest earned from Receivables                             | 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%          | 6 626   | 0%          | 7 024             | 0%          | 7 445             | 0%          |
| Construction Contract Revenue                                | 170 304           | 11%         | 190 326   | 11%         | 60 942            | 4%          | 112 444           | 6%          |
| Transfer and subsidies - Operational                         | 208 818           | 13%         | 210 824   | 13%         | 212 636           | 13%         | 224 488           | 12%         |
| Operational Revenue  | 19 934            | 1%          | 21 081  | 1%          | 22 614            | 1%          | 24 229            | 1%          |
| Gains on disposal of Fixed and Intangible Assets             | 3 145             | 0%          | 4 881   | 0%          | 5 207             | 0%          | 1 715             | 0%          |
| <b>Total Revenue (excluding capital transfers)</b>           | <b>1 583 700</b>  | <b>100%</b> | <b>1 685 992</b>                                    | <b>100%</b> | <b>1 672 682</b>  | <b>100%</b> | <b>1 865 128</b>  | <b>100%</b> |
| <b>Total Revenue from Property Rates and Service Charges</b> | <b>1 003 585</b>  | <b>63%</b>  | <b>1 086 294</b>                                    | <b>64%</b>  | <b>1 185 852</b>  | <b>71%</b>  | <b>1 306 126</b>  | <b>70%</b>  |

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 64 per cent of the total revenue mix (**growth of 8.2%**). 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 10.1%**) 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 |
| <b><u>Operating Transfers and Grants</u></b>       |                      |                    |   |                     |                     |
| <b>National Government:</b>                        | <b>172 479 876</b>   | <b>172 479 876</b> | <b>193 881 000</b>                                  | <b>187 798 000</b>  | <b>190 509 000</b>  |
| 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 Incentiv e                                    | 1 969 000            | 1 969 000          | 2 121 000   | -                   | -                   |
| Integrated National Electrification Programme      | 3 500 876            | 3 500 876          | 14 278 000  | -                   | -                   |
| <b>Provincial Government:</b>                      | <b>170 793 868</b>   | <b>177 534 468</b> | <b>205 832 000</b>                                  | <b>85 380 000</b>   | <b>146 023 000</b>  |
| 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 Infrastr | 11 900 000           | 11 900 000         | 4 765 000   | 186 000             | 8 686 000           |
| Municipal Service Delivery & Capacity Building G   | -                    | 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   | -                   | -                   |
| <b>Total Operating Transfers and Grants</b>        | <b>343 273 744</b>   | <b>350 014 344</b> | <b>399 713 000</b>                                  | <b>273 178 000</b>  | <b>336 532 000</b>  |
| <b><u>Capital Transfers and Grants</u></b>         |                      |                    |   |                     |                     |
| <b>National Government:</b>                        | <b>60 270 124</b>    | <b>60 270 124</b>  | <b>55 539 000</b>                                   | <b>49 940 000</b>   | <b>51 704 000</b>   |
| 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                  | -                    | -                  | -   | -                   | -                   |
| <b>Provincial Government:</b>                      | <b>60 302 132</b>    | <b>79 106 000</b>  | <b>41 445 000</b>                                   | <b>63 050 000</b>   | <b>71 835 000</b>   |
| 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          | -   | -                   | -                   |
| <b>Total Capital Transfers and Grants</b>          | <b>120 572 256</b>   | <b>139 376 124</b> | <b>96 984 000</b>                                   | <b>112 990 000</b>  | <b>123 539 000</b>  |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>    | <b>463 846 000</b>   | <b>489 390 468</b> | <b>496 697 000</b>                                  | <b>386 168 000</b>  | <b>460 071 000</b>  |

## 1.4.2 PROPERTY RATES AND SERVICE CHARGES ASSUMPTIONS

### 1.4.2.1 Property Rates

The final 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 **4.4%** for both residential properties and business and state-owned properties.

The main categories of rateable properties for purposes of levying rates (Cent amount in the Rand rate 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  | 0.006088  | 0.006355  | 3.70%   | 4.40%   | 4.40%   | 0.000208 | 0.000257 | 0.000268 |
| Businesses, Commercial, Industrial and State owned Properties | 0.009374  | 0.009721  | 0.010149  | 0.010595  | 3.70%   | 4.40%   | 4.40%   | 0.000347 | 0.000428 | 0.000447 |

**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 final tariff increases of **4.9%** for residential households and **5.9%** for businesses, which is above the estimated headline inflation rate, is needed to render 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           | 107 280   | 113 089           | 119 306           |
| Expenditure – Sanitation                                | 74 240            | 70 094  | 73 927            | 77 645            |
| <b>Net Surplus / (Deficit)</b>                          | <b>33 953</b>     | <b>37 186</b>                                       | <b>39 162</b>     | <b>41 661</b>     |
| <b>Net Surplus / (Deficit) %</b>                        | <b>31.4%</b>      | <b>34.7%</b>  | <b>34.6%</b>      | <b>34.9%</b>      |
| Capital Grants  | 7 000             |   |                   |                   |
| <b>Revenue – (excl. capital grants)</b>                 | <b>101 192</b>    | <b>107 280</b>                                      | <b>113 089</b>    | <b>119 306</b>    |
| <b>Net Surplus / (Deficit) – (excl. capital grants)</b> | <b>26 953</b>     | <b>37 186</b>                                       | <b>39 162</b>     | <b>41 661</b>     |
| <b>Net Surplus / (Deficit) % (excl. capital grants)</b> | <b>26.6%</b>      | <b>34.7%</b>  | <b>34.6%</b>      | <b>34.9%</b>      |

The following final 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 |
| <b>NB:</b> The above charges for registered indigent households are subsidised. |           |           |           |           |         |         |         |         |         |         |

#### 1.4.2.3 Sale of Water and Impact of Tariff Increases

The final 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 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           | 117 519   | 129 239           | 138 111           |
| <b>Net Surplus / (Deficit)</b>                          | <b>21 321</b>     | <b>32 101</b>                                       | <b>44 353</b>     | <b>43 425</b>     |
| <b>Net Surplus / (Deficit) %</b>                        | <b>15.3%</b>      | <b>21.5%</b>  | <b>25.6%</b>      | <b>23.9%</b>      |
| Capital Grants  | 11 544            | 10 754  | 28 129            | 28 907            |
| <b>Revenue – (excl. capital grants)</b>                 | <b>128 223</b>    | <b>138 866</b>                                      | <b>145 463</b>    | <b>152 629</b>    |
| <b>Net Surplus / (Deficit) – (excl. capital grants)</b> | <b>9 777</b>      | <b>21 347</b>                                       | <b>16 224</b>     | <b>14 518</b>     |
| <b>Net Surplus / (Deficit) % (excl. capital grants)</b> | <b>7.6%</b>       | <b>15.4%</b>  | <b>11.2%</b>      | <b>9.5%</b>       |

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 final 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 final 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            | 80 123  | 88 134            | 97 475            |
| Expenditure – Waste Removal                             | 72 210            | 71 468  | 76 595            | 87 286            |
| <b>Net Surplus / (Deficit)</b>                          | <b>16 651</b>     | <b>8 654</b>  | <b>11 539</b>     | <b>10 189</b>     |
| <b>Net Surplus / (Deficit) %</b>                        | <b>18.7%</b>      | <b>10.8%</b>  | <b>13.1%</b>      | <b>10.5%</b>      |
| Capital Grants  | 17 316            |   |                   |                   |
| <b>Revenue – (excl. capital grants)</b>                 | <b>71 545</b>     | <b>80 123</b>                                       | <b>88 134</b>     | <b>97 475</b>     |
| <b>Net Surplus / (Deficit) – (excl. capital grants)</b> | <b>(665)</b>      | <b>8 654</b>  | <b>11 539</b>     | <b>10 189</b>     |
| <b>Net Surplus / (Deficit) % (excl. capital grants)</b> | <b>(0.9%)</b>     | <b>10.8%</b>  | <b>13.1%</b>      | <b>10.5%</b>      |

The following final 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 | R 21.40 |
| 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 |
| <b>NB:</b> The above charges for registered indigent households are subsidised. |           |           |           |           |         |         |         |         |         |         |

### 1.4.2.5 Sale of Electricity and Impact of Tariff Increases

The average Eskom increase to municipalities as approved by NERSA in March 2026 amounts to 9.01% while the real increase to Swartland was calculated to be 9.12%. This increase in the bulk purchase cost from Eskom, which constitutes almost 88% of total expenditure, is due to be implemented on 01 July 2026. Based on this increase and other costs that are included in the cost of supply study that was done, Swartland submitted an application to NERSA for an increase of 11.44% from the current year's tariffs.

After careful consideration of all the inputs received during the public participation process, the Mayor's Consultative forum, the Mayoral Committee's request to keep the increase as low as possible and NERSA's decision, we are pleased to announce that the final average increase, compared to the existing electricity tariffs would be limited to an average of between 8.26% and 8.37% for 2026/27. This is even lower than Eskom's average increase of 8.76% to their customers that took effect on 01 April 2026.

As per the submission to NERSA the Cost of Supply study must be redone 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 at Yzerfontein and Darling;
- 3) The potential procurement of renewable energy from the planned Klipkoppie 10 MW IPP;
- 4) The 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 tariffs that could be an outcome of the new CoS study.

| 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           | 685 248   | 738 001           | 820 167           |
| Expenditure – Electricity                               | 569 630           | 687 858   | 653 105           | 724 907           |
| <b>Net Surplus / (Deficit)</b>                          | <b>41 219</b>     | <b>(2 610)</b>                                      | <b>84 896</b>     | <b>95 260</b>     |
| <b>Net Surplus / (Deficit) %</b>                        | <b>6.7%</b>       | <b>-0.4%</b>  | <b>11.5%</b>      | <b>11.6%</b>      |
| Capital Grants  |                   | 29 859  | 21 811            | 22 797            |
| <b>Revenue – (excl. capital grants)</b>                 | <b>610 849</b>    | <b>655 389</b>                                      | <b>716 190</b>    | <b>797 370</b>    |
| <b>Net Surplus / (Deficit) – (excl. capital grants)</b> | <b>41 219</b>     | <b>(32 469)</b>                                     | <b>63 085</b>     | <b>72 463</b>     |
| <b>Net Surplus / (Deficit) % (excl. capital grants)</b> | <b>6.7%</b>       | <b>(5.0%)</b>                                       | <b>8.8%</b>       | <b>9.1%</b>       |

**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. A further shortfall of around R17m due to the 11.44% electricity increase that was reduced to between 8.26% - 8.37% for residential consumers. The draft publicised electricity tariffs which was proposed to increase by 11.44% is now limited to average between 8.26% -

8.37% for residential consumers which resulted in further reduced revenue of R17.3 million, resulting in the electricity service being rendered at a deficit of R32 million for 2026-2027.

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

The following table shows the final 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 437.31   | R 488.61   | R 544.06   | 8.25%   | 11.73%  | 11.35%  | R 33.35  | R 51.30  | R 55.46  |
| 1           | (0-50kWh)   | R 2.0375   | R 2.2057   | R 2.4644   | R 2.7441   | 8.25%   | 11.73%  | 11.35%  | R 0.1682 | R 0.2587 | R 0.2797 |
| 1           | (51-350kWh)   | R 2.6199   | R 2.8361   | R 3.1688   | R 3.5284   | 8.25%   | 11.73%  | 11.35%  | R 0.2162 | R 0.3327 | R 0.3597 |
| 1           | (351-600kWh)  | R 3.6871   | R 3.9913   | R 4.4595   | R 4.9656   | 8.25%   | 11.73%  | 11.35%  | R 0.3042 | R 0.4682 | R 0.5062 |
| 1           | (>600kWh)   | R 4.3421   | R 4.7004   | R 5.2518   | R 5.8478   | 8.25%   | 11.73%  | 11.35%  | R 0.3583 | R 0.5514 | R 0.5961 |
| 2           | Commercial / Non Standard .per kWh  | R 3.3994   | R 3.6799   | R 4.1116   | R 4.5782   | 8.25%   | 11.73%  | 11.35%  | R 0.2805 | R 0.4317 | R 0.4667 |
| 2           | Commercial Basic < 20KVA  | R 1 027.49 | R 1 112.27 | R 1 242.74 | R 1 383.79 | 8.25%   | 11.73%  | 11.35%  | R 84.78  | R 130.47 | R 141.05 |
| 2           | Commercial Basic 20 to 40 KVA   | R 1 351.51 | R 1 463.04 | R 1 634.65 | R 1 820.19 | 8.25%   | 11.73%  | 11.35%  | R 111.53 | R 171.61 | R 185.53 |
| 2           | Commercial Basic >40 KVA  | R 2 466.62 | R 2 670.17 | R 2 983.38 | R 3 321.99 | 8.25%   | 11.73%  | 11.35%  | R 203.55 | R 313.21 | R 338.61 |
| 2           | Commercial Basic < 20KVA per kWh  | R 3.3994   | R 3.6799   | R 4.1116   | R 4.5782   | 8.25%   | 11.73%  | 11.35%  | R 0.2805 | R 0.4317 | R 0.4667 |
| 2           | Commercial Basic 20 to 40 KVA per kWh   | R 3.3994   | R 3.6799   | R 4.1116   | R 4.5782   | 8.25%   | 11.73%  | 11.35%  | R 0.2805 | R 0.4317 | R 0.4667 |
| 2           | Commercial Basic >40 KVA per kWh  | R 3.3994   | R 3.6799   | R 4.1116   | R 4.5782   | 8.25%   | 11.73%  | 11.35%  | R 0.2805 | R 0.4317 | R 0.4667 |
| 5           | Alternative - Households 20 Amp.-:  |            |            |            |            |         |         |         |          |          |          |
| 5           | (0-50kWh)   | R 1.8680   | R 2.0222   | R 2.2594   | R 2.5158   | 8.26%   | 11.73%  | 11.35%  | R 0.1542 | R 0.2372 | R 0.2564 |
| 5           | (51-350kWh)   | R 2.4500   | R 2.6536   | R 2.9649   | R 3.3014   | 8.31%   | 11.73%  | 11.35%  | R 0.2036 | R 0.3113 | R 0.3365 |
| 5           | (351-600kWh)  | R 3.4930   | R 3.7813   | R 4.2248   | R 4.7044   | 8.25%   | 11.73%  | 11.35%  | R 0.2883 | R 0.4435 | R 0.4795 |
| 5           | (>600kWh)   | R 4.1979   | R 4.5443   | R 5.0773   | R 5.6536   | 8.25%   | 11.73%  | 11.35%  | R 0.3464 | R 0.5330 | R 0.5763 |
| 6           | Street lightning  | R 2.1503   | R 2.3278   | R 2.6009   | R 2.8960   | 8.25%   | 11.73%  | 11.35%  | R 0.1775 | R 0.2731 | R 0.2952 |
| 7           | Pre-paid meter system (Indigent Residential)  |            |            |            |            |         |         |         |          |          |          |
| 7           | <b>NB: In those instances where a Network Charge is applicable to indigent consumers, it will be fully subsidised on their account.</b> |            |            |            |            |         |         |         |          |          |          |
| 7           | (0-50kWh)   | R 1.8680   | R 2.0222   | R 2.2594   | R 2.5158   | 8.26%   | 11.73%  | 11.35%  | R 0.1542 | R 0.2372 | R 0.2564 |
| 7           | (51-350kWh)   | R 2.4500   | R 2.6536   | R 2.9649   | R 3.3014   | 8.31%   | 11.73%  | 11.35%  | R 0.2036 | R 0.3113 | R 0.3365 |
| 7           | (351-600kWh)  | R 3.4930   | R 3.7813   | R 4.2248   | R 4.7044   | 8.25%   | 11.73%  | 11.35%  | R 0.2883 | R 0.4435 | R 0.4795 |
| 7           | (>600kWh)   | R 4.1979   | R 4.5443   | R 5.0773   | R 5.6536   | 8.25%   | 11.73%  | 11.35%  | R 0.3464 | R 0.5330 | R 0.5763 |
| 10          | Time Of Use Tariff for Bulk Consumers: Fixed c  | R 2 792.58 | R 3 023.03 | R 3 377.63 | R 3 760.99 | 8.25%   | 11.73%  | 11.35%  | R 230.45 | R 354.60 | R 383.36 |
| 10          | Tou Low Consumption   |            |            | R -        | R -        |         |         |         |          |          |          |
| 10          | Low Season (Sept - May) Peak period per kWh   | R 2.3017   | R 2.4918   | R 2.7841   | R 3.1001   | 8.26%   | 11.73%  | 11.35%  | R 0.1901 | R 0.2923 | R 0.3160 |
| 10          | Low Season (Sept - May) Standard period per k   | R 1.5840   | R 1.7146   | R 1.9157   | R 2.1332   | 8.24%   | 11.73%  | 11.35%  | R 0.1306 | R 0.2011 | R 0.2174 |
| 10          | Low Season (Sept - May) Off-peak period per k   | R 1.0047   | R 1.0874   | R 1.2150   | R 1.3528   | 8.24%   | 11.73%  | 11.35%  | R 0.0827 | R 0.1276 | R 0.1379 |
| 10          | Tou high Consumption  |            |            |            |            |         |         |         |          |          |          |
| 10          | High Season (Jun - Aug) Peak period per kWh   | R 7.0565   | R 7.6388   | R 8.5348   | R 9.5035   | 8.25%   | 11.73%  | 11.35%  | R 0.5823 | R 0.8960 | R 0.9687 |
| 10          | High Season (Jun - Aug) Standard Period per   | R 2.1376   | R 2.3139   | R 2.5853   | R 2.8788   | 8.25%   | 11.73%  | 11.35%  | R 0.1763 | R 0.2714 | R 0.2934 |
| 10          | High Season (Jun - Aug) Off-peak Period per k   | R 1.1606   | R 1.2563   | R 1.4037   | R 1.5630   | 8.25%   | 11.73%  | 11.35%  | R 0.0957 | R 0.1474 | R 0.1593 |
| 10          | Maximum demand per KVA  | R 360.32   | R 390.06   | R 435.81   | R 485.28   | 8.25%   | 11.73%  | 11.35%  | R 29.74  | R 45.75  | R 49.46  |
| 12          | Pre-paid Meter System (Non-Indigent Residential)  |            |            |            |            |         |         |         |          |          |          |
| 12          | (0-350kWh)  | R 3.8227   | R 4.1381   | R 4.6235   | R 5.1483   | 8.25%   | 11.73%  | 11.35%  | R 0.3154 | R 0.4854 | R 0.5248 |
| 12          | > 350 kWh   | R 4.1624   | R 4.5060   | R 5.0346   | R 5.6060   | 8.25%   | 11.73%  | 11.35%  | R 0.3436 | R 0.5286 | R 0.5714 |

### 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<br>% incr.                      | Budget Year 2026/27 | Budget Year +1 2027/28 | Budget Year +2 2028/29 |
| <b>Rand/cent</b>   |                      |                 |   |                     |                        |                        |
| <b><u>Monthly Account for Household - 'Middle Income Range'</u></b>                              |                      |                 |   |                     |                        |                        |
| <b>Rates and services charges:</b>   |                      |                 |   |                     |                        |                        |
| Property rates   | 327.99               | 327.99          | 3.7%  | 340.12              | 354.07                 | 368.58                 |
| Electricity: Basic levy  | 403.96               | 403.96          | 8.25%   | 437.31              | 488.61                 | 544.06                 |
| Electricity: Consumption   | 3 546.43             | 3 546.43        | 8.25%   | 3 839.10            | 4 289.43               | 4 776.28               |
| 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                 |
| <b>sub-total</b>   | <b>5 204.06</b>      | <b>5 204.06</b> | <b>7.5%</b>   | <b>5 594.77</b>     | <b>6 167.54</b>        | <b>6 785.18</b>        |
| VAT on Services  | 731.41               | 731.41          |   | 788.20              | 872.02                 | 962.49                 |
| <b>Total large household bill:</b>   | <b>5 935.47</b>      | <b>5 935.47</b> | <b>7.5%</b>   | <b>6 382.96</b>     | <b>7 039.56</b>        | <b>7 747.67</b>        |
| <b>% increase/-decrease</b>  | <b>11.1%</b>         | <b>-</b>        | <b>(32.4%)</b>                                      | <b>7.5%</b>         | <b>10.3%</b>           | <b>10.1%</b>           |
| <b><u>Monthly Account for Household - 'Affordable Range'</u></b>                                 |                      |                 |   |                     |                        |                        |
| <b>Rates and services charges:</b>   |                      |                 |   |                     |                        |                        |
| Property rates   | 234.28               | 234.28          | 3.7%  | 242.94              | 252.91                 | 263.27                 |
| Electricity: Basic levy  | 403.96               | 403.96          | 8.25%   | 437.31              | 488.61                 | 544.06                 |
| Electricity: Consumption   | 1 440.90             | 1 440.90        | 8.25%   | 1 559.81            | 1 742.78               | 1 940.58               |
| 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                 |
| <b>sub-total</b>   | <b>2 764.33</b>      | <b>2 764.33</b> | <b>7.3%</b>   | <b>2 966.51</b>     | <b>3 255.60</b>        | <b>3 567.11</b>        |
| VAT on Services  | 379.51               | 379.51          |   | 408.54              | 450.40                 | 495.57                 |
| <b>Total small household bill:</b>   | <b>3 143.84</b>      | <b>3 143.84</b> | <b>7.4%</b>   | <b>3 375.05</b>     | <b>3 706.00</b>        | <b>4 062.68</b>        |
| <b>% increase/-decrease</b>  | <b>10.7%</b>         | <b>-</b>        | <b>(31.5%)</b>                                      | <b>7.4%</b>         | <b>9.8%</b>            | <b>9.6%</b>            |
| <b><u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u></b> |                      |                 |   |                     |                        |                        |
| <b>Rates and services charges:</b>   |                      |                 |   |                     |                        |                        |
| Property rates   | 91.37                | 91.37           | 3.7%  | 94.75               | 98.63                  | 102.68                 |
| Electricity: Basic levy  | -                    | -               | 8.26%   | -                   | -                      | -                      |
| Electricity: Consumption   | 735.01               | 735.01          | 8.26%   | 796.08              | 889.46                 | 990.41                 |
| 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%  | -                   | -                      | -                      |
| <b>sub-total</b>   | <b>871.20</b>        | <b>871.20</b>   | <b>7.6%</b>   | <b>937.84</b>       | <b>1 037.41</b>        | <b>1 144.82</b>        |
| VAT on Services  | 116.97               | 116.97          |   | 126.46              | 140.82                 | 156.32                 |
| <b>Total small household bill:</b>   | <b>988.17</b>        | <b>988.17</b>   | <b>7.7%</b>   | <b>1 064.31</b>     | <b>1 178.23</b>        | <b>1 301.15</b>        |
| <b>% increase/-decrease</b>  | <b>11.6%</b>         | <b>-</b>        | <b>(33.4%)</b>                                      | <b>7.7%</b>         | <b>10.7%</b>           | <b>10.4%</b>           |

### 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 and Final 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 |
| <b>R thousands</b>                        |                      |                  |   |                        |                        |
| <b>Financial Performance</b>              |                      |                  |   |                        |                        |
| Employee costs                            | 368 788              | 375 844          | 396 203   | 423 054                | 453 414                |
| Remuneration of councillors               | 12 630               | 12 850           | 13 567  | 14 105                 | 14 665                 |
| Depreciation, amortisation and impairment | 133 697              | 125 306          | 117 797   | 126 839                | 134 169                |
| 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          | 613 969   | 673 045                | 746 071                |
| Transfers and subsidies                   | 4 073                | 3 666            | 3 767   | 3 816                  | 3 924                  |
| Other expenditure                         | 376 802              | 422 309          | 528 498   | 329 550                | 409 187                |
| <b>Total Expenditure</b>                  | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2026/2027 financial year totals R 396.2 million, which equates to 23.6 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 around R 1 862 747 budgeted for training in the 2026/2027 operating budget (Excluding an amount of R545 154 from SETA and R810 000 from CHIETA). 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%           | 23.3%   | 34.0%                  | 41.6%                  |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i>                | 46.6%                | 45.9%           | 50.9%   | 80.4%                  | 109.9%                 |
| <i>R&amp;M as a % of PPE &amp; Investment Property</i>                         | 4.0%                 | 3.5%            | 3.5%  | 3.3%                   | 3.8%                   |
| <i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Property</i> | 6.6%                 | 5.7%            | 5.7%  | 6.9%                   | 8.7%                   |

### 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 101.2 million in 2026/2027 and it will increase to R 118.6 million and R 139.7 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 <b>R105 000</b> (R15 000 impermissible tax excluded)          |
| 2. | <b>50 kWh</b> free electricity per month (which shall include the network charge of electricity for the month where a conventional meter is applicable) |
| 3. | <b>6 kilolitres</b> of water free per month plus the 100% subsidised network charge   |
| 4. | Free refuse x <b>4 removals</b> per month   |
| 5. | <b>Free sewerage</b> per month  |

For the month of **April 2026**, support was provided to 9 255 indigent households:

- Number receiving Property Rates discount: 7 602
- Number with access to free basic water: 9 213 (and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 6 295

- Number provided by ESKOM: 2 327
- Number with access to free basic sanitation: 8 871
- Number with access to free basic refuse removal: 9 255

## 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 |
| <b>R thousand</b>                                 |                      |                 |   |                        |                        |
| <b>Capital expenditure - Vote</b>                 |                      |                 |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>  |                      |                 |   |                        |                        |
| Vote 2 - Civil Services                           | 94 706               | 103 658         | 97 371  | 127 309                | 161 131                |
| 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                 |
| <b>Capital multi-year expenditure sub-total</b>   | <b>228 552</b>       | <b>216 347</b>  | <b>183 811</b>                                      | <b>238 403</b>         | <b>282 034</b>         |
| <b>Single-year expenditure to be appropriated</b> |                      |                 |   |                        |                        |
| Vote 1 - Corporate Services                       | 573                  | 448             | 354   | 277                    | 229                    |
| Vote 2 - Civil Services                           | 49 284               | 48 835          | 31 869  | 28 414                 | 39 227                 |
| Vote 3 - Council                                  | 12                   | 12              | 132   | 12                     | 12                     |
| Vote 4 - Electricity Services                     | 13 033               | 12 077          | 21 652  | 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                  |
| <b>Capital single-year expenditure sub-total</b>  | <b>65 247</b>        | <b>63 703</b>   | <b>66 668</b>                                       | <b>54 242</b>          | <b>63 218</b>          |
| <b>Total Capital Expenditure - Vote</b>           | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

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 |
| <b>R thousands</b>   |                      |                  |   |                        |                        |
| <b>Financial Performance</b>   |                      |                  |   |                        |                        |
| Property rates   | 212 727              | 215 090          | 226 095   | 236 614                | 260 642                |
| Service charges  | 755 688              | 788 495          | 860 199   | 949 239                | 1 045 484              |
| Investment revenue   | 81 529               | 104 459          | 93 978  | 100 484                | 104 292                |
| Transfer and subsidies - Operational                                 | 342 208              | 208 818          | 210 824   | 212 636                | 224 488                |
| Other own revenue  | 93 773               | 266 839          | 294 896   | 173 710                | 230 222                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>1 485 925</b>     | <b>1 583 700</b> | <b>1 685 992</b>                                    | <b>1 672 682</b>       | <b>1 865 128</b>       |
| Employee costs   | 368 788              | 375 844          | 396 203   | 423 054                | 453 414                |
| Remuneration of councillors  | 12 630               | 12 850           | 13 567  | 14 105                 | 14 665                 |
| Depreciation, amortisation and impairment                            | 133 697              | 125 306          | 117 797   | 126 839                | 134 169                |
| 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          | 613 969   | 673 045                | 746 071                |
| Transfers and subsidies  | 4 073                | 3 666            | 3 767   | 3 816                  | 3 924                  |
| Other expenditure  | 376 802              | 422 309          | 528 498   | 329 550                | 409 187                |
| <b>Total Expenditure</b>   | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit)</b>   | <b>27 116</b>        | <b>68 316</b>    | <b>4 916</b>  | <b>94 284</b>          | <b>94 922</b>          |
| Transfers and subsidies - capital (monetary)                         | 120 566              | 141 797          | 96 984  | 112 990                | 123 539                |
| Transfers and subsidies - capital (in-kind)                          | -                    | 41               | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |
| Share of Surplus/Deficit attributable to Associate                   | -                    | -                | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |
| <b>Capital expenditure &amp; funds sources</b>                       |                      |                  |   |                        |                        |
| <b>Capital expenditure</b>   | <b>293 799</b>       | <b>280 050</b>   | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |
| Transfers recognised - capital                                       | 120 287              | 141 520          | 97 016  | 112 983                | 123 532                |
| Borrowing  | 30 000               | -                | -   | -                      | -                      |
| Internally generated funds   | 143 512              | 138 530          | 153 463   | 179 662                | 221 719                |
| <b>Total sources of capital funds</b>                                | <b>293 799</b>       | <b>280 050</b>   | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |
| <b>Financial position</b>  |                      |                  |   |                        |                        |
| Total current assets   | 1 146 461            | 1 309 594        | 936 289   | 1 034 774              | 1 505 280              |
| Total non current assets   | 2 670 947            | 2 688 076        | 3 202 637   | 3 349 415              | 3 140 518              |
| Total current liabilities  | 156 461              | 185 660          | 213 321   | 239 344                | 269 580                |
| Total non current liabilities  | 227 630              | 185 069          | 196 763   | 208 730                | 221 642                |
| Community wealth/Equity  | 3 433 317            | 3 626 941        | 3 728 841   | 3 936 115              | 4 154 576              |
| <b>Cash flows</b>  |                      |                  |   |                        |                        |
| Net cash from (used) operating                                       | 341 602              | 373 358          | 288 562   | 408 844                | 442 146                |
| Net cash from (used) investing                                       | 148                  | 47 407           | (683 170)   | (331 335)              | 4 676                  |
| Net cash from (used) financing                                       | 23 956               | (32 711)         | 500   | 150                    | 200                    |
| <b>Cash/cash equivalents at the year end</b>                         | <b>895 335</b>       | <b>1 065 074</b> | <b>670 966</b>                                      | <b>748 625</b>         | <b>1 195 647</b>       |
| <b>Cash backing/surplus reconciliation</b>                           |                      |                  |   |                        |                        |
| Cash and investments available                                       | 895 335              | 1 065 074        | 1 070 966   | 1 148 625              | 1 195 647              |
| Application of cash and investments                                  | 339 921              | 415 333          | 509 517   | 627 215                | 803 673                |
| <b>Balance - surplus (shortfall)</b>                                 | <b>555 414</b>       | <b>649 740</b>   | <b>561 450</b>                                      | <b>521 410</b>         | <b>391 974</b>         |
| <b>Asset management</b>  |                      |                  |   |                        |                        |
| Asset register summary (WDV)   | 2 233 505            | 2 541 778        | 2 685 910   | 2 790 522              | 2 929 019              |
| Depreciation   | 128 145              | 122 359          | 114 734   | 123 623                | 130 792                |
| Renewal and Upgrading of Existing Assets                             | 59 658               | 56 107           | 58 449  | 99 419                 | 143 698                |
| Repairs and Maintenance  | 88 157               | 87 943           | 94 640  | 92 043                 | 111 349                |
| <b>Free services</b>   |                      |                  |   |                        |                        |
| Cost of Free Basic Services provided                                 | 80 693               | 80 693           | 83 650  | 88 983                 | 94 658                 |
| Revenue cost of free services provided                               | 7 480                | 7 618            | 8 998   | 9 294                  | 9 610                  |

**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<br>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 |
| <b>Revenue - Functional</b>                         |                      |                  |   |                        |                        |
| <b>Governance and administration</b>                | <b>389 717</b>       | <b>419 012</b>   | <b>426 616</b>                                      | <b>447 853</b>         | <b>469 302</b>         |
| Executive and council                               | 265                  | 265              | 269   | 273                    | 278                    |
| Finance and administration                          | 389 452              | 418 747          | 426 347   | 447 580                | 469 025                |
| Internal audit                                      | –                    | –                | –   | –                      | –                      |
| <b>Community and public safety</b>                  | <b>262 229</b>       | <b>310 486</b>   | <b>293 342</b>                                      | <b>203 807</b>         | <b>269 928</b>         |
| Community and social services                       | 13 027               | 24 013           | 17 289  | 16 967                 | 52 542                 |
| Sport and recreation                                | 5 939                | 6 239            | 6 666   | 6 207                  | 6 580                  |
| Public safety                                       | 49 236               | 50 060           | 53 890  | 58 292                 | 63 495                 |
| Housing   | 194 028              | 230 174          | 215 496   | 122 341                | 147 311                |
| <b>Economic and environmental services</b>          | <b>39 587</b>        | <b>46 569</b>    | <b>40 760</b>                                       | <b>21 208</b>          | <b>30 966</b>          |
| Planning and development                            | 5 592                | 6 287            | 7 697   | 6 989                  | 7 404                  |
| Road transport                                      | 33 995               | 40 283           | 33 063  | 14 220                 | 23 562                 |
| <b>Trading services</b>                             | <b>914 931</b>       | <b>949 445</b>   | <b>1 022 253</b>                                    | <b>1 112 798</b>       | <b>1 218 466</b>       |
| Energy sources                                      | 586 262              | 610 831          | 685 230   | 737 983                | 820 149                |
| Water management                                    | 135 595              | 139 767          | 149 620   | 173 592                | 181 536                |
| Waste water management                              | 106 188              | 109 988          | 107 280   | 113 089                | 119 306                |
| Waste management                                    | 86 886               | 88 860           | 80 123  | 88 134                 | 97 475                 |
| <b>Other</b>  | <b>26</b>            | <b>26</b>        | <b>5</b>  | <b>5</b>               | <b>5</b>               |
| <b>Total Revenue - Functional</b>                   | <b>1 606 491</b>     | <b>1 725 539</b> | <b>1 782 976</b>                                    | <b>1 785 672</b>       | <b>1 988 667</b>       |
| <b>Expenditure - Functional</b>                     |                      |                  |   |                        |                        |
| <b>Governance and administration</b>                | <b>198 566</b>       | <b>201 626</b>   | <b>217 559</b>                                      | <b>228 751</b>         | <b>241 316</b>         |
| Executive and council                               | 30 531               | 30 714           | 31 689  | 33 034                 | 34 423                 |
| Finance and administration                          | 165 245              | 168 057          | 183 081   | 192 856                | 203 842                |
| Internal audit                                      | 2 789                | 2 855            | 2 789   | 2 861                  | 3 051                  |
| <b>Community and public safety</b>                  | <b>322 271</b>       | <b>345 330</b>   | <b>386 394</b>                                      | <b>287 097</b>         | <b>356 537</b>         |
| Community and social services                       | 30 804               | 33 275           | 32 930  | 35 129                 | 37 363                 |
| Sport and recreation                                | 42 431               | 42 605           | 47 726  | 51 149                 | 54 899                 |
| Public safety                                       | 107 805              | 116 149          | 125 532   | 135 275                | 145 379                |
| Housing   | 141 231              | 153 301          | 180 206   | 65 544                 | 118 897                |
| <b>Economic and environmental services</b>          | <b>108 231</b>       | <b>98 238</b>    | <b>104 046</b>                                      | <b>102 060</b>         | <b>114 781</b>         |
| Planning and development                            | 17 956               | 17 915           | 22 940  | 22 733                 | 22 030                 |
| Road transport                                      | 90 275               | 80 323           | 81 106  | 79 327                 | 92 752                 |
| <b>Trading services</b>                             | <b>827 409</b>       | <b>867 986</b>   | <b>970 830</b>                                      | <b>958 132</b>         | <b>1 055 093</b>       |
| Energy sources                                      | 556 387              | 588 014          | 685 349   | 650 425                | 722 038                |
| Water management                                    | 117 662              | 118 677          | 117 519   | 129 239                | 138 111                |
| Waste water management                              | 85 910               | 88 881           | 96 493  | 101 872                | 107 658                |
| Waste management                                    | 67 452               | 72 413           | 71 468  | 76 595                 | 87 286                 |
| <b>Other</b>  | <b>2 332</b>         | <b>2 206</b>     | <b>2 247</b>  | <b>2 360</b>           | <b>2 479</b>           |
| <b>Total Expenditure - Functional</b>               | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit) for the year</b>               | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |

**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<br>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 |
| <b>Revenue by Vote</b>                        |                      |                  |   |                        |                        |
| Vote 1 - Corporate Services                   | 11 982               | 16 149           | 15 183  | 14 308                 | 14 474                 |
| Vote 2 - Civil Services                       | 354 006              | 369 701          | 361 961   | 379 365                | 411 586                |
| Vote 3 - Council                              | 265                  | 265              | 269   | 273                    | 278                    |
| Vote 4 - Electricity Services                 | 586 280              | 610 849          | 685 248   | 738 001                | 820 167                |
| Vote 5 - Financial Services                   | 387 011              | 414 299          | 423 087   | 445 449                | 466 834                |
| Vote 6 - Development Services                 | 204 042              | 250 539          | 230 410   | 136 600                | 197 645                |
| Vote 7 - Municipal Manager                    | –                    | 8                | 300   | –                      | –                      |
| Vote 8 - Protection Services                  | 62 905               | 63 729           | 66 517  | 71 676                 | 77 683                 |
| <b>Total Revenue by Vote</b>                  | <b>1 606 491</b>     | <b>1 725 539</b> | <b>1 782 976</b>                                    | <b>1 785 672</b>       | <b>1 988 667</b>       |
| <b>Expenditure by Vote to be appropriated</b> |                      |                  |   |                        |                        |
| Vote 1 - Corporate Services                   | 49 233               | 55 687           | 52 875  | 55 508                 | 58 776                 |
| Vote 2 - Civil Services                       | 431 330              | 429 799          | 426 905   | 449 915                | 491 638                |
| Vote 3 - Council                              | 25 469               | 25 414           | 26 563  | 27 563                 | 28 589                 |
| Vote 4 - Electricity Services                 | 559 645              | 590 606          | 710 009   | 676 879                | 750 134                |
| Vote 5 - Financial Services                   | 84 577               | 84 884           | 94 818  | 100 835                | 107 583                |
| Vote 6 - Development Services                 | 172 555              | 184 321          | 216 463   | 103 049                | 156 644                |
| Vote 7 - Municipal Manager                    | 11 298               | 11 682           | 12 160  | 12 574                 | 13 392                 |
| Vote 8 - Protection Services                  | 124 701              | 132 992          | 141 283   | 152 076                | 163 449                |
| <b>Total Expenditure by Vote</b>              | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit) for the year</b>         | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |

**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 |
| <b>R thousand</b>  |                      |                  |   |                        |                        |
| <b>Revenue</b>   |                      |                  |   |                        |                        |
| <b>Exchange Revenue</b>  |                      |                  |   |                        |                        |
| Service charges - Electricity  | 548 246              | 572 557          | 622 287   | 695 593                | 774 871                |
| Service charges - Water  | 103 605              | 107 755          | 118 228   | 123 885                | 129 812                |
| Service charges - Waste Water Management                             | 61 128               | 63 518           | 69 531  | 73 180                 | 77 019                 |
| Service charges - Waste Management                                   | 42 709               | 44 665           | 50 153  | 56 581                 | 63 781                 |
| Sale of Goods and Rendering of Services                              | 14 664               | 15 776           | 17 034  | 18 035                 | 19 095                 |
| 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            | 2 220   | 2 343                  | 2 472                  |
| 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                  |
| <b>Non-Exchange Revenue</b>  |                      |                  |   |                        |                        |
| Property rates   | 212 727              | 215 090          | 226 095   | 236 614                | 260 642                |
| 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          | 210 824   | 212 636                | 224 488                |
| Interest   | 2 253                | 2 193            | 2 303   | 2 418                  | 2 539                  |
| Operational Revenue  | 12 484               | 12 394           | 13 240  | 14 346                 | 15 508                 |
| Gains on disposal of Fixed and Intangible Assets                     | 2 680                | 3 145            | 4 881   | 5 207                  | 1 715                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>1 485 925</b>     | <b>1 583 700</b> | <b>1 685 992</b>                                    | <b>1 672 682</b>       | <b>1 865 128</b>       |
| <b>Expenditure</b>   |                      |                  |   |                        |                        |
| Employee related costs   | 368 788              | 375 844          | 396 203   | 423 054                | 453 414                |
| 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           | 70 811  | 75 099                 | 80 331                 |
| Debt impairment  | 5 959                | 35 581           | 42 707  | 46 672                 | 51 016                 |
| Depreciation, amortisation and impairment                            | 133 697              | 125 306          | 117 797   | 126 839                | 134 169                |
| Interest, Dividends and Rent on Land                                 | 9 954                | 8 836            | 7 275   | 7 990                  | 8 776                  |
| Contracted services  | 231 960              | 262 960          | 361 914   | 147 173                | 214 661                |
| Transfers and subsidies  | 4 073                | 3 666            | 3 767   | 3 816                  | 3 924                  |
| Irrecoverable debts written off                                      | 41 008               | 22 797           | 21 723  | 22 887                 | 24 032                 |
| Operational costs  | 67 124               | 71 228           | 67 844  | 76 723                 | 80 427                 |
| 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                 |
| <b>Total Expenditure</b>   | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit)</b>   | <b>27 116</b>        | <b>68 316</b>    | <b>4 916</b>  | <b>94 284</b>          | <b>94 922</b>          |
| Transfers and subsidies - capital (monetary allocations)             | 120 566              | 141 797          | 96 984  | 112 990                | 123 539                |
| Transfers and subsidies - capital (in-kind)                          | -                    | 41               | -   | -                      | -                      |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |
| Income Tax   | -                    | -                | -   | -                      | -                      |
| <b>Surplus/(Deficit) for the year</b>                                | <b>147 681</b>       | <b>210 154</b>   | <b>101 900</b>                                      | <b>207 274</b>         | <b>218 461</b>         |

**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 |
| <b>R thousand</b>  |                      |                 |   |                        |                        |
| <b>Capital expenditure - Vote</b>                        |                      |                 |   |                        |                        |
| <b>Multi-year expenditure to be appropriated</b>         |                      |                 |   |                        |                        |
| Vote 2 - Civil Services                                  | 94 706               | 103 658         | 97 371  | 127 309                | 161 131                |
| 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                 |
| <b>Capital multi-year expenditure sub-total</b>          | <b>228 552</b>       | <b>216 347</b>  | <b>183 811</b>                                      | <b>238 403</b>         | <b>282 034</b>         |
| <b>Single-year expenditure to be appropriated</b>        |                      |                 |   |                        |                        |
| Vote 1 - Corporate Services                              | 573                  | 448             | 354   | 277                    | 229                    |
| Vote 2 - Civil Services                                  | 49 284               | 48 835          | 31 869  | 28 414                 | 39 227                 |
| Vote 3 - Council   | 12                   | 12              | 132   | 12                     | 12                     |
| Vote 4 - Electricity Services                            | 13 033               | 12 077          | 21 652  | 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                  |
| <b>Capital single-year expenditure sub-total</b>         | <b>65 247</b>        | <b>63 703</b>   | <b>66 668</b>                                       | <b>54 242</b>          | <b>63 218</b>          |
| <b>Total Capital Expenditure - Vote</b>                  | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |
| <b>Capital Expenditure - Functional</b>                  |                      |                 |   |                        |                        |
| <b>Governance and administration</b>                     | <b>4 267</b>         | <b>2 685</b>    | <b>6 218</b>  | <b>3 355</b>           | <b>6 779</b>           |
| Executive and council                                    | 24                   | 34              | 144   | 24                     | 24                     |
| Finance and administration                               | 4 243                | 2 651           | 6 074   | 3 331                  | 6 755                  |
| <b>Community and public safety</b>                       | <b>14 390</b>        | <b>14 093</b>   | <b>23 140</b>                                       | <b>5 349</b>           | <b>47 161</b>          |
| Community and social services                            | 10 343               | 9 922           | 3 081   | 2 247                  | 38 199                 |
| Sport and recreation                                     | 2 247                | 2 327           | 10 857  | 2 475                  | 7 722                  |
| Public safety  | 1 800                | 1 844           | 9 202   | 627                    | 1 240                  |
| <b>Economic and environmental services</b>               | <b>97 186</b>        | <b>132 780</b>  | <b>95 855</b>                                       | <b>76 605</b>          | <b>68 622</b>          |
| Planning and development                                 | 12 760               | 24 188          | 13 353  | 13 517                 | 13 746                 |
| Road transport   | 84 426               | 108 592         | 82 501  | 63 088                 | 54 877                 |
| <b>Trading services</b>                                  | <b>177 955</b>       | <b>130 492</b>  | <b>125 267</b>                                      | <b>207 336</b>         | <b>222 689</b>         |
| Energy sources   | 86 083               | 33 983          | 56 076  | 69 739                 | 67 098                 |
| Water management   | 31 588               | 30 955          | 49 172  | 95 682                 | 95 380                 |
| 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                 |
| <b>Total Capital Expenditure - Functional</b>            | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |
| <b>Funded by:</b>  |                      |                 |   |                        |                        |
| 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             | -   | -                      | -                      |
| <b>Transfers recognised - capital</b>                    | <b>120 287</b>       | <b>141 520</b>  | <b>97 016</b>                                       | <b>112 983</b>         | <b>123 532</b>         |
| <b>Borrowing</b>   | <b>30 000</b>        | <b>-</b>        | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>Internally generated funds</b>                        | <b>143 512</b>       | <b>138 530</b>  | <b>153 463</b>                                      | <b>179 662</b>         | <b>221 719</b>         |
| <b>Total Capital Funding</b>                             | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

## 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 |
| <b>R thousand</b>                                       |                      |                  |   |                        |                        |
| <b>ASSETS</b>   |                      |                  |   |                        |                        |
| <b>Current assets</b>                                   |                      |                  |   |                        |                        |
| Cash and cash equivalents                               | 895 335              | 1 065 074        | 670 966   | 748 625                | 1 195 647              |
| Trade and other receivables from exchange transactions  | 121 920              | 127 476          | 173 736   | 192 394                | 213 199                |
| Receivables from non-exchange transactions              | 52 683               | 44 133           | 44 229  | 44 301                 | 45 062                 |
| Current portion of non-current receivables              | (287)                | –                | –   | –                      | –                      |
| Inventory   | 40 407               | 22 476           | 24 506  | 26 603                 | 28 521                 |
| VAT Receivable  | 35 344               | 48 821           | 21 227  | 21 227                 | 21 227                 |
| Other current assets                                    | 1 058                | 1 615            | 1 624   | 1 624                  | 1 624                  |
| <b>Total current assets</b>                             | <b>1 146 461</b>     | <b>1 309 594</b> | <b>936 289</b>                                      | <b>1 034 774</b>       | <b>1 505 280</b>       |
| <b>Non current assets</b>                               |                      |                  |   |                        |                        |
| Investments   | –                    | –                | 400 000   | 400 000                | –                      |
| Investment property                                     | 23 852               | 22 891           | 22 578  | 22 259                 | 21 940                 |
| Property, plant and equipment                           | 2 642 408            | 2 660 367        | 2 775 339   | 2 922 521              | 3 114 030              |
| Heritage assets   | 4 121                | 4 121            | 4 121   | 4 121                  | 4 121                  |
| Intangible assets                                       | 566                  | 698              | 598   | 514                    | 428                    |
| <b>Total non current assets</b>                         | <b>2 670 947</b>     | <b>2 688 076</b> | <b>3 202 637</b>                                    | <b>3 349 415</b>       | <b>3 140 518</b>       |
| <b>TOTAL ASSETS</b>                                     | <b>3 817 408</b>     | <b>3 997 670</b> | <b>4 138 926</b>                                    | <b>4 384 189</b>       | <b>4 645 798</b>       |
| <b>LIABILITIES</b>                                      |                      |                  |   |                        |                        |
| <b>Current liabilities</b>                              |                      |                  |   |                        |                        |
| 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          | 167 005   | 192 878                | 222 914                |
| Trade and other payables from non-exchange transactions | 4 581                | 7 728            | 7 994   | 7 994                  | 7 994                  |
| Provision   | 23 708               | 15 520           | –   | –                      | –                      |
| VAT Payable   | 9 505                | 23 184           | 9 323   | 9 323                  | 9 323                  |
| Other current liabilities                               | –                    | –                | 6 748   | 6 748                  | 6 748                  |
| <b>Total current liabilities</b>                        | <b>156 461</b>       | <b>185 660</b>   | <b>213 321</b>                                      | <b>239 344</b>         | <b>269 580</b>         |
| <b>Non current liabilities</b>                          |                      |                  |   |                        |                        |
| 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                |
| <b>Total non current liabilities</b>                    | <b>227 630</b>       | <b>185 069</b>   | <b>196 763</b>                                      | <b>208 730</b>         | <b>221 642</b>         |
| <b>TOTAL LIABILITIES</b>                                | <b>384 091</b>       | <b>370 729</b>   | <b>410 084</b>                                      | <b>448 074</b>         | <b>491 222</b>         |
| <b>NET ASSETS</b>                                       | <b>3 433 317</b>     | <b>3 626 941</b> | <b>3 728 841</b>                                    | <b>3 936 115</b>       | <b>4 154 576</b>       |
| <b>COMMUNITY WEALTH/EQUITY</b>                          |                      |                  |   |                        |                        |
| Accumulated surplus/(deficit)                           | 2 974 224            | 3 120 992        | 3 129 020   | 3 225 804              | 3 271 185              |
| Reserves and funds                                      | 459 093              | 505 949          | 599 821   | 710 311                | 883 391                |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>                    | <b>3 433 317</b>     | <b>3 626 941</b> | <b>3 728 841</b>                                    | <b>3 936 115</b>       | <b>4 154 576</b>       |

## 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 |
| <b>R thousand</b>                                |                      |                 |   |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Property rates                                   | 203 845              | 206 090         | 216 632   | 226 717                | 249 641                |
| Service charges                                  | 741 336              | 772 802         | 845 882   | 933 747                | 1 028 673              |
| Other revenue                                    | 323 218              | 530 749         | 426 657   | 285 082                | 368 895                |
| Transfers and Subsidies - Operational            | 343 708              | 209 337         | 212 296   | 212 636                | 224 488                |
| Transfers and Subsidies - Capital                | 115 548              | 119 984         | 95 478  | 112 990                | 123 539                |
| Interest   | 81 529               | 104 459         | 93 978  | 100 484                | 104 292                |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Suppliers and employees                          | (1 460 203)          | (1 564 240)     | (1 598 893)   | (1 458 995)            | (1 653 458)            |
| Finance charges                                  | (3 305)              | (2 156)         | -   | -                      | -                      |
| Transfers and Subsidies                          | (4 073)              | (3 666)         | (3 467)   | (3 816)                | (3 924)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> | <b>341 602</b>       | <b>373 358</b>  | <b>288 562</b>                                      | <b>408 844</b>         | <b>442 146</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Proceeds on disposal of PPE                      | 2 680                | 3 145           | 4 881   | 5 207                  | 1 715                  |
| Decrease (increase) in non-current investments   | 333 119              | 366 329         | (400 000)   | -                      | 400 000                |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Capital assets                                   | (335 652)            | (322 067)       | (288 051)   | (336 542)              | (397 039)              |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> | <b>148</b>           | <b>47 407</b>   | <b>(683 170)</b>                                    | <b>(331 335)</b>       | <b>4 676</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Short term loans                                 | -                    | -               | -   | -                      | -                      |
| Borrowing long term/refinancing                  | 30 000               | -               | -   | -                      | -                      |
| Increase (decrease) in consumer deposits         | -                    | 625             | 500   | 150                    | 200                    |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Repayment of borrowing                           | (6 044)              | (33 336)        | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> | <b>23 956</b>        | <b>(32 711)</b> | <b>500</b>  | <b>150</b>             | <b>200</b>             |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     | <b>365 706</b>       | <b>388 054</b>  | <b>(394 108)</b>                                    | <b>77 659</b>          | <b>447 021</b>         |
| Cash/cash equivalents at the year begin:         | 529 629              | 677 020         | 1 065 074   | 670 966                | 748 625                |
| Cash/cash equivalents at the year end:           | 895 335              | 1 065 074       | 670 966   | 748 625                | 1 195 647              |

**Note:** The Cash/cash equivalents at year-end in 2026/27 decrease due to the R 400 million investment that will be invested for three years and maturing in 2028/29 as long-term investments are not readily available within a 12-month period. Currently in dispute with NT regarding the mSCOA treatment of LT-investments which have been logged on the NT FAQ database.

### 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 Circulars 132 and 134.

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 that the budget is funded from realistically anticipated revenue streams in order to ensure compliance with 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 |
| <b>R thousand</b>  |                      |                  |   |                        |                        |
| <b>Cash and investments available</b>  |                      |                  |   |                        |                        |
| Cash/cash equivalents at the year end  | 895 335              | 1 065 074        | 670 966   | 748 625                | 1 195 647              |
| Other current investments > 90 days  | -                    | -                | -   | -                      | -                      |
| Non current investments  | -                    | -                | 400 000   | 400 000                | -                      |
| <b>Cash and investments available:</b>   | <b>895 335</b>       | <b>1 065 074</b> | <b>1 070 966</b>                                    | <b>1 148 625</b>       | <b>1 195 647</b>       |
| <b>Application of cash and investments</b>                                     |                      |                  |   |                        |                        |
| Unspent conditional transfers  | 3 015                | 7 728            | 7 694   | 7 694                  | 7 694                  |
| Statutory requirements   | (25 839)             | (25 637)         | (28 006)  | (29 666)               | (31 720)               |
| Other working capital requirements   | (120 056)            | (88 227)         | (69 993)  | (61 124)               | (55 692)               |
| Other provisions   | 23 708               | 15 520           | -   | -                      | -                      |
| Reserves to be backed by cash/investments                                      | 459 093              | 505 949          | 599 821   | 710 311                | 883 391                |
| <b>Total Application of cash and investments:</b>                              | <b>339 921</b>       | <b>415 333</b>   | <b>509 517</b>                                      | <b>627 215</b>         | <b>803 673</b>         |
| <b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief</b> | <b>555 414</b>       | <b>649 740</b>   | <b>561 450</b>                                      | <b>521 410</b>         | <b>391 974</b>         |
| <b>Creditors transferred to Debt Relief - Non-Current portion</b>              | <b>-</b>             | <b>-</b>         | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief</b> | <b>555 414</b>       | <b>649 740</b>   | <b>561 450</b>                                      | <b>521 410</b>         | <b>391 974</b>         |

### 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 23.3%, 2027/28 increases to 34% and 2028/29 increases to 41.6%.

| 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 |
| <b>R thousand</b>                                |                      |                 |   |                        |                        |
| <b>CAPITAL EXPENDITURE</b>                       |                      |                 |   |                        |                        |
| <b><u>Total New Assets</u></b>                   | <b>234 140</b>       | <b>223 943</b>  | <b>192 030</b>                                      | <b>193 226</b>         | <b>201 553</b>         |
| <i>Roads Infrastructure</i>                      | 63 812               | 87 658          | 66 085  | 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          | 22 846  | 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                 |
| <b>Infrastructure</b>                            | <b>196 140</b>       | <b>176 667</b>  | <b>140 668</b>                                      | <b>149 361</b>         | <b>121 232</b>         |
| Community Facilities                             | 2 050                | 1 835           | 8 907   | 1 100                  | 1 700                  |
| Sport and Recreation Facilities                  | 9 978                | 9 692           | 6 899   | 2 104                  | 37 856                 |
| <b>Community Assets</b>                          | <b>12 028</b>        | <b>11 527</b>   | <b>15 806</b>                                       | <b>3 204</b>           | <b>39 556</b>          |
| Operational Buildings                            | 380                  | 280             | 35  | –                      | 300                    |
| Housing  | 12 574               | 15 709          | 12 141  | 13 401                 | 13 626                 |
| <b>Other Assets</b>                              | <b>12 954</b>        | <b>15 989</b>   | <b>12 176</b>                                       | <b>13 401</b>          | <b>13 926</b>          |
| Licences and Rights                              | –                    | –               | 250   | 1 750                  | 2 100                  |
| <b>Intangible Assets</b>                         | <b>–</b>             | <b>–</b>        | <b>250</b>  | <b>1 750</b>           | <b>2 100</b>           |
| <b>Computer Equipment</b>                        | <b>2 583</b>         | <b>1 668</b>    | <b>5 482</b>  | <b>3 227</b>           | <b>4 444</b>           |
| <b>Furniture and Office Equipment</b>            | <b>665</b>           | <b>760</b>      | <b>857</b>  | <b>723</b>             | <b>1 215</b>           |
| <b>Machinery and Equipment</b>                   | <b>3 258</b>         | <b>3 088</b>    | <b>1 587</b>  | <b>2 806</b>           | <b>8 625</b>           |
| <b>Transport Assets</b>                          | <b>6 113</b>         | <b>5 835</b>    | <b>15 104</b>                                       | <b>18 654</b>          | <b>10 406</b>          |
| <b>Land</b>                                      | <b>400</b>           | <b>8 410</b>    | <b>100</b>  | <b>100</b>             | <b>50</b>              |
| <b><u>Total Renewal of Existing Assets</u></b>   | <b>26 141</b>        | <b>26 141</b>   | <b>16 187</b>                                       | <b>27 410</b>          | <b>44 473</b>          |
| <i>Roads Infrastructure</i>                      | 20 500               | 20 500          | 14 987  | 20 000                 | 30 000                 |
| <i>Water Supply Infrastructure</i>               | 480                  | 480             | –   | –                      | –                      |
| <i>Sanitation Infrastructure</i>                 | 4 461                | 4 461           | 500   | 7 220                  | 7 323                  |
| <b>Infrastructure</b>                            | <b>25 441</b>        | <b>25 441</b>   | <b>15 487</b>                                       | <b>27 220</b>          | <b>37 323</b>          |
| Sport and Recreation Facilities                  | –                    | –               | –   | –                      | 6 950                  |
| <b>Community Assets</b>                          | <b>–</b>             | <b>–</b>        | <b>–</b>  | <b>–</b>               | <b>6 950</b>           |
| <b>Machinery and Equipment</b>                   | <b>700</b>           | <b>700</b>      | <b>700</b>  | <b>190</b>             | <b>200</b>             |
| <b><u>Total Upgrading of Existing Assets</u></b> | <b>33 517</b>        | <b>29 966</b>   | <b>42 262</b>                                       | <b>72 009</b>          | <b>99 226</b>          |
| <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          | 24 600  | 46 809                 | 59 576                 |
| <i>Sanitation Infrastructure</i>                 | 2 000                | 2 000           | 7 500   | 8 600                  | 21 800                 |
| <b>Infrastructure</b>                            | <b>33 517</b>        | <b>29 966</b>   | <b>41 080</b>                                       | <b>71 809</b>          | <b>99 026</b>          |
| Community Facilities                             | –                    | –               | 182   | –                      | –                      |
| Sport and Recreation Facilities                  | –                    | –               | 1 000   | 200                    | 200                    |
| <b>Community Assets</b>                          | <b>–</b>             | <b>–</b>        | <b>1 182</b>  | <b>200</b>             | <b>200</b>             |
| <b><u>Total Capital Expenditure</u></b>          | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |
| <i>Roads Infrastructure</i>                      | 84 312               | 108 466         | 81 072  | 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          | 47 446  | 95 622                 | 94 836                 |
| <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                 |
| <b>Infrastructure</b>                            | <b>255 098</b>       | <b>232 074</b>  | <b>197 235</b>                                      | <b>248 390</b>         | <b>257 580</b>         |
| Community Facilities                             | 2 050                | 1 835           | 9 089   | 1 100                  | 1 700                  |
| Sport and Recreation Facilities                  | 9 978                | 9 692           | 7 899   | 2 304                  | 45 006                 |
| <b>Community Assets</b>                          | <b>12 028</b>        | <b>11 527</b>   | <b>16 988</b>                                       | <b>3 404</b>           | <b>46 706</b>          |
| Operational Buildings                            | 380                  | 280             | 35  | –                      | 300                    |
| Housing  | 12 574               | 15 709          | 12 141  | 13 401                 | 13 626                 |
| <b>Other Assets</b>                              | <b>12 954</b>        | <b>15 989</b>   | <b>12 176</b>                                       | <b>13 401</b>          | <b>13 926</b>          |
| Licences and Rights                              | –                    | –               | 250   | 1 750                  | 2 100                  |
| <b>Intangible Assets</b>                         | <b>–</b>             | <b>–</b>        | <b>250</b>  | <b>1 750</b>           | <b>2 100</b>           |
| <b>Computer Equipment</b>                        | <b>2 583</b>         | <b>1 668</b>    | <b>5 482</b>  | <b>3 227</b>           | <b>4 444</b>           |
| <b>Furniture and Office Equipment</b>            | <b>665</b>           | <b>760</b>      | <b>857</b>  | <b>723</b>             | <b>1 215</b>           |
| <b>Machinery and Equipment</b>                   | <b>3 958</b>         | <b>3 788</b>    | <b>2 287</b>  | <b>2 996</b>           | <b>8 825</b>           |
| <b>Transport Assets</b>                          | <b>6 113</b>         | <b>5 835</b>    | <b>15 104</b>                                       | <b>18 654</b>          | <b>10 406</b>          |
| <b>Land</b>                                      | <b>400</b>           | <b>8 410</b>    | <b>100</b>  | <b>100</b>             | <b>50</b>              |
| <b>TOTAL CAPITAL EXPENDITURE - Asset class</b>   | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

| 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 |
| <b>R thousand</b>  |                      |                  |   |                        |                        |
| <b>ASSET REGISTER SUMMARY - PPE (WDV)</b>                                  | 2 233 505            | 2 541 778        | 2 685 910   | 2 790 522              | 2 929 019              |
| <i>Roads Infrastructure</i>  | 485 095              | 644 724          | 714 770   | 754 860                | 773 868                |
| <i>Storm water Infrastructure</i>  | 118 725              | 202 984          | 200 374   | 196 203                | 191 237                |
| <i>Electrical Infrastructure</i>   | 377 813              | 415 445          | 427 540   | 454 875                | 491 629                |
| <i>Water Supply Infrastructure</i>   | 430 678              | 432 237          | 445 623   | 474 121                | 549 682                |
| <i>Sanitation Infrastructure</i>   | 428 446              | 473 138          | 472 811   | 465 516                | 466 943                |
| <i>Solid Waste Infrastructure</i>  | 38 530               | 27 997           | 56 747  | 51 645                 | 48 439                 |
| <b>Infrastructure</b>  | <b>1 879 287</b>     | <b>2 196 525</b> | <b>2 317 865</b>                                    | <b>2 397 219</b>       | <b>2 521 799</b>       |
| <b>Community Assets</b>  | <b>119 823</b>       | <b>119 236</b>   | <b>120 023</b>                                      | <b>119 201</b>         | <b>110 585</b>         |
| <b>Heritage Assets</b>   | <b>4 121</b>         | <b>4 121</b>     | <b>4 121</b>  | <b>4 121</b>           | <b>4 121</b>           |
| <b>Investment properties</b>   | <b>23 852</b>        | <b>22 891</b>    | <b>22 578</b>                                       | <b>22 259</b>          | <b>21 940</b>          |
| <b>Other Assets</b>  | <b>50 641</b>        | <b>46 438</b>    | <b>60 487</b>                                       | <b>70 697</b>          | <b>82 231</b>          |
| <b>Intangible Assets</b>   | <b>566</b>           | <b>698</b>       | <b>598</b>  | <b>514</b>             | <b>428</b>             |
| <b>Computer Equipment</b>  | <b>2 614</b>         | <b>2 434</b>     | <b>2 426</b>  | <b>6 134</b>           | <b>8 670</b>           |
| <b>Furniture and Office Equipment</b>                                      | <b>2 205</b>         | <b>2 757</b>     | <b>2 543</b>  | <b>2 327</b>           | <b>1 904</b>           |
| <b>Machinery and Equipment</b>   | <b>9 816</b>         | <b>13 351</b>    | <b>13 596</b>                                       | <b>12 156</b>          | <b>9 914</b>           |
| <b>Transport Assets</b>  | <b>51 458</b>        | <b>52 980</b>    | <b>53 111</b>                                       | <b>61 037</b>          | <b>72 684</b>          |
| <b>Land</b>  | <b>89 123</b>        | <b>80 348</b>    | <b>88 563</b>                                       | <b>94 858</b>          | <b>94 743</b>          |
| <b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>                            | <b>2 233 505</b>     | <b>2 541 778</b> | <b>2 685 910</b>                                    | <b>2 790 522</b>       | <b>2 929 019</b>       |
| <b>EXPENDITURE OTHER ITEMS</b>   | <b>216 302</b>       | <b>210 302</b>   | <b>209 374</b>                                      | <b>215 666</b>         | <b>242 140</b>         |
| <u>Depreciation</u>  | 128 145              | 122 359          | 114 734   | 123 623                | 130 792                |
| <u>Repairs and Maintenance by Asset Class</u>                              | <b>88 157</b>        | <b>87 943</b>    | <b>94 640</b>                                       | <b>92 043</b>          | <b>111 349</b>         |
| <i>Roads Infrastructure</i>  | 20 921               | 20 957           | 13 248  | 7 231                  | 17 347                 |
| <i>Storm water Infrastructure</i>  | 24 311               | 24 359           | 26 147  | 27 680                 | 29 738                 |
| <i>Electrical Infrastructure</i>   | 5 794                | 5 294            | 8 139   | 8 611                  | 9 113                  |
| <i>Water Supply Infrastructure</i>   | 2 011                | 2 128            | 4 670   | 4 881                  | 5 103                  |
| <i>Sanitation Infrastructure</i>   | 6 151                | 6 125            | 8 483   | 8 816                  | 9 163                  |
| <i>Solid Waste Infrastructure</i>  | 10 272               | 10 302           | 10 648  | 11 295                 | 16 338                 |
| <b>Infrastructure</b>  | <b>69 462</b>        | <b>69 165</b>    | <b>71 335</b>                                       | <b>68 514</b>          | <b>86 802</b>          |
| Community Facilities   | 2 533                | 2 442            | 3 593   | 3 753                  | 3 771                  |
| Sport and Recreation Facilities  | 1 072                | 1 533            | 1 727   | 1 787                  | 1 849                  |
| <b>Community Assets</b>  | <b>3 605</b>         | <b>3 975</b>     | <b>5 320</b>  | <b>5 540</b>           | <b>5 620</b>           |
| Operational Buildings  | 1 260                | 1 330            | 1 882   | 1 457                  | 1 525                  |
| Housing  | 1 624                | 1 147            | 2 104   | 1 643                  | 933                    |
| <b>Other Assets</b>  | <b>2 884</b>         | <b>2 477</b>     | <b>3 987</b>  | <b>3 100</b>           | <b>2 458</b>           |
| <b>Computer Equipment</b>  | <b>402</b>           | <b>402</b>       | <b>523</b>  | <b>528</b>             | <b>534</b>             |
| <b>Furniture and Office Equipment</b>                                      | <b>72</b>            | <b>72</b>        | <b>75</b>   | <b>74</b>              | <b>75</b>              |
| <b>Machinery and Equipment</b>   | <b>1 532</b>         | <b>1 540</b>     | <b>1 752</b>  | <b>1 748</b>           | <b>1 901</b>           |
| <b>Transport Assets</b>  | <b>10 201</b>        | <b>10 312</b>    | <b>11 648</b>                                       | <b>12 539</b>          | <b>13 959</b>          |
| <b>TOTAL EXPENDITURE OTHER ITEMS</b>                                       | <b>216 302</b>       | <b>210 302</b>   | <b>209 374</b>                                      | <b>215 666</b>         | <b>242 140</b>         |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i>        | 20.3%                | 20.0%            | 23.3%   | 34.0%                  | 41.6%                  |
| <i>Renewal and upgrading of Existing Assets as % of deprec</i>             | 46.6%                | 45.9%            | 50.9%   | 80.4%                  | 109.9%                 |
| <i>R&amp;M as a % of PPE &amp; Investment Property</i>                     | 4.0%                 | 3.5%             | 3.5%  | 3.3%                   | 3.8%                   |
| <i>Renewal and upgrading and R&amp;M as a % of PPE and Investment Prop</i> | 6.6%                 | 5.7%             | 5.7%  | 6.9%                   | 8.7%                   |

**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 |
| <b>Household service targets</b>                 |                      |                 |   |                        |                        |
| <b><u>Water:</u></b>                             |                      |                 |   |                        |                        |
| Piped water inside dwelling                      | 40 623               | 40 623          | 40 623  | 40 623                 | 40 623                 |
| Piped water inside yard (but not in dwelling)    | 3 500                | 3 500           | 3 500   | 3 500                  | 3 500                  |
| Using public tap (at least min.service level)    | 246                  | 246             | 246   | 246                    | 246                    |
| <i>Minimum Service Level and Above sub-total</i> | 44 369               | 44 369          | 44 369  | 44 369                 | 44 369                 |
| Using public tap (< min.service level)           | 162                  | 162             | 162   | 162                    | 162                    |
| Other water supply (< min.service level)         | 324                  | 324             | 324   | 324                    | 324                    |
| <i>Below Minimum Service Level sub-total</i>     | 486                  | 486             | 486   | 486                    | 486                    |
| <b>Total number of households</b>                | <b>44 855</b>        | <b>44 855</b>   | <b>44 855</b>                                       | <b>44 855</b>          | <b>44 855</b>          |
| <b><u>Sanitation/sewerage:</u></b>               |                      |                 |   |                        |                        |
| Flush toilet (connected to sewerage)             | 41 153               | 41 153          | 41 153  | 41 153                 | 41 153                 |
| Flush toilet (with septic tank)                  | 2 279                | 2 279           | 2 279   | 2 279                  | 2 279                  |
| Chemical toilet                                  | 108                  | 108             | 108   | 108                    | 108                    |
| Pit toilet (ventilated)                          | 73                   | 73              | 73  | 73                     | 73                     |
| Other toilet provisions (> min.service level)    | 93                   | 93              | 93  | 93                     | 93                     |
| <i>Minimum Service Level and Above sub-total</i> | 43 706               | 43 706          | 43 706  | 43 706                 | 43 706                 |
| Bucket toilet                                    | 944                  | 944             | 944   | 944                    | 944                    |
| Other toilet provisions (< min.service level)    | 57                   | 57              | 57  | 57                     | 57                     |
| No toilet provisions                             | 148                  | 148             | 148   | 148                    | 148                    |
| <i>Below Minimum Service Level sub-total</i>     | 1 149                | 1 149           | 1 149   | 1 149                  | 1 149                  |
| <b>Total number of households</b>                | <b>44 855</b>        | <b>44 855</b>   | <b>44 855</b>                                       | <b>44 855</b>          | <b>44 855</b>          |
| <b><u>Energy:</u></b>                            |                      |                 |   |                        |                        |
| Electricity (at least min.service level)         | 43 985               | 43 985          | 43 985  | 43 985                 | 43 985                 |
| <i>Minimum Service Level and Above sub-total</i> | 43 985               | 43 985          | 43 985  | 43 985                 | 43 985                 |
| Other energy sources                             | 871                  | 871             | 871   | 871                    | 871                    |
| <i>Below Minimum Service Level sub-total</i>     | 871                  | 871             | 871   | 871                    | 871                    |
| <b>Total number of households</b>                | <b>44 856</b>        | <b>44 856</b>   | <b>44 856</b>                                       | <b>44 856</b>          | <b>44 856</b>          |
| <b><u>Refuse:</u></b>                            |                      |                 |   |                        |                        |
| Removed at least once a week                     | 39 195               | 39 195          | 39 195  | 39 195                 | 39 195                 |
| <i>Minimum Service Level and Above sub-total</i> | 39 195               | 39 195          | 39 195  | 39 195                 | 39 195                 |
| Removed less frequently than once a week         | 607                  | 607             | 607   | 607                    | 607                    |
| Using communal refuse dump                       | 2 071                | 2 071           | 2 071   | 2 071                  | 2 071                  |
| Using own refuse dump                            | 2 403                | 2 403           | 2 403   | 2 403                  | 2 403                  |
| Other rubbish disposal                           | 333                  | 333             | 333   | 333                    | 333                    |
| No rubbish disposal                              | 246                  | 246             | 246   | 246                    | 246                    |
| <i>Below Minimum Service Level sub-total</i>     | 5 660                | 5 660           | 5 660   | 5 660                  | 5 660                  |
| <b>Total number of households</b>                | <b>44 855</b>        | <b>44 855</b>   | <b>44 855</b>                                       | <b>44 855</b>          | <b>44 855</b>          |

**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 |
| <b><u>Households receiving Free Basic Service</u></b>   |                      |                 |   |                        |                        |
| 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                 |
| <b><u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u></b>                             |                      |                 |   |                        |                        |
| 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          | 33 453  | 35 460                 | 37 588                 |
| 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                 |
| <b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>                    |                      |                 |   |                        |                        |
|   | -                    | -               | -   | -                      | -                      |
| <b>Total cost of FBS provided</b>   | <b>80 693</b>        | <b>80 693</b>   | <b>83 650</b>                                       | <b>88 983</b>          | <b>94 658</b>          |
| <b><u>Highest level of free service provided per household</u></b>  |                      |                 |   |                        |                        |
| 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                 |
| <b><u>Revenue cost of subsidised services provided (R'000)</u></b>  |                      |                 |   |                        |                        |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA) | 7 480                | 7 618           | 8 998   | 9 294                  | 9 610                  |
| 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)  | -                    | -               | -   | -                      | -                      |
| <b>Total revenue cost of subsidised services provided</b>   | <b>7 480</b>         | <b>7 618</b>    | <b>8 998</b>  | <b>9 294</b>           | <b>9 610</b>           |

## 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 operating 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 |                  |
| <b>R thousand</b>  |  |  |                  |   |                        |                        |                  |
| <b>Community safety and wellbeing</b>                                | <b>Manage Development Services</b>                                     | <b>180</b>                               | <b>9 544</b>     | <b>2 713</b>  | <b>2 178</b>           | <b>37 532</b>          |                  |
|  | Manage Community Development   | 149                                      | 149              | 171   | 39                     | 39                     |                  |
|  | Manage Multi-Purpose Centres   | 31                                       | 9 395            | 2 542   | 2 139                  | 37 493                 |                  |
|  | <b>Manage Protection Services</b>                                      | <b>62 905</b>                            | <b>63 729</b>    | <b>66 517</b>                                       | <b>71 676</b>          | <b>77 683</b>          |                  |
|  | 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              | 278   | 294                    | 311                    |                  |
| <b>Economic transformation</b>                                       | <b>Facilitate economic development in the municipal area</b>           | -  | -                | -   | -                      | -                      |                  |
| <b>A healthy and sustainable environment</b>                         | <b>Manage Development Services</b>                                     | <b>203 862</b>                           | <b>240 995</b>   | <b>227 697</b>                                      | <b>134 422</b>         | <b>160 114</b>         |                  |
|  | Manage Development Services  | 1  | 1                | 1   | 2                      | 2                      |                  |
|  | Manage Planning and Valuations   | 1 419                                    | 1 706            | 2 604   | 1 908                  | 2 019                  |                  |
|  | 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                  |                  |
| <b>A connected and innovative local government</b>                   | <b>Manage Corporate Services</b>                                       | <b>11 982</b>                            | <b>16 156</b>    | <b>15 483</b>                                       | <b>14 308</b>          | <b>14 474</b>          |                  |
|  | Manage Corporate Services, Secretariat and Records and Ward Committees | 104                                      | 144              | 204   | 204                    | 204                    |                  |
|  | Manage Human Resource Services   | 549                                      | 3 054            | 1 437   | 400                    | 400                    |                  |
|  | Manage Properties, Contracts and Legal Administration                  | 308                                      | 308              | 337   | 357                    | 379                    |                  |
|  | Manage Libraries   | 10 995                                   | 12 617           | 13 200  | 13 342                 | 13 486                 |                  |
|  | Manage Marketing And Tourism   | 26                                       | 26               | 5   | 5                      | 5                      |                  |
|  | <b>Manage Financial Services</b>                                       | <b>387 011</b>                           | <b>414 299</b>   | <b>423 087</b>                                      | <b>445 449</b>         | <b>466 834</b>         |                  |
|  | Manage Finance (Credit Control, Income, Expenditure, etc)              | 168 342                                  | 193 268          | 190 920   | 202 366                | 199 302                |                  |
|  | Manage Rates   | 216 969                                  | 219 332          | 230 367   | 241 184                | 265 531                |                  |
|  | Manage Financial Management Grant                                      | 1 700                                    | 1 700            | 1 800   | 1 900                  | 2 000                  |                  |
|  | <b>Manage Council Expenses</b>   | <b>265</b>                               | <b>265</b>       | <b>269</b>  | <b>273</b>             | <b>278</b>             |                  |
|  | <b>Quality and reliable services</b>                                   | <b>Manage Civil Engineering Services</b> | <b>940 286</b>   | <b>980 550</b>                                      | <b>1 047 209</b>       | <b>1 117 366</b>       | <b>1 231 753</b> |
|  |  | 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          | 107 280   | 113 089                | 119 306                |                  |
| 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              | 755   | 800                    | 848                    |                  |
| 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           | 80 123  | 88 134                 | 97 475                 |                  |
| Manage Electricity Distribution                                      |  | 586 280                                  | 610 849          | 685 248   | 738 001                | 820 167                |                  |
| <b>Total Revenue (including capital transfers and contributions)</b> |  | <b>1 606 491</b>                         | <b>1 725 539</b> | <b>1 782 976</b>                                    | <b>1 785 672</b>       | <b>1 988 667</b>       |                  |

## 2.2.2 Reconciliation between the IDP strategic objectives and budgeted operating 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 |
| <b>R thousand</b>                                  |  |                      |                 |   |                        |                        |
| <b>Community safety and wellbeing</b>              |  | <b>9 358</b>         | <b>9 137</b>    | <b>9 495</b>  | <b>10 054</b>          | <b>10 678</b>          |
|  | <b>Manage Development Services</b>                                     |                      |                 |   |                        |                        |
|  | 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                  |
|  | <b>Manage Protection Services</b>                                      | <b>124 701</b>       | <b>132 992</b>  | <b>141 283</b>                                      | <b>152 076</b>         | <b>163 449</b>         |
|  | 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         | 110 190   | 118 995                | 128 096                |
|  | Manage Fire and Emergency Services                                     | 14 256               | 14 469          | 14 797  | 15 695                 | 16 656                 |
|  | Manage the Harbour Yzerfontein   | 533                  | 533             | 545   | 585                    | 627                    |
| <b>Economic transformation</b>                     | <b>Facilitate economic development in the municipal area</b>           | <b>-</b>             | <b>-</b>        | <b>300</b>  | <b>300</b>             | <b>300</b>             |
| <b>A healthy and sustainable environment</b>       | <b>Manage Development Services</b>                                     | <b>163 197</b>       | <b>175 184</b>  | <b>206 968</b>                                      | <b>92 995</b>          | <b>145 966</b>         |
|  | 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         | 180 206   | 65 544                 | 118 897                |
|  | Manage the Caravan Park Yzerfontein                                    | 4 144                | 4 122           | 4 520   | 5 165                  | 5 499                  |
| <b>A connected and innovative local government</b> | <b>Manage Corporate Services</b>                                       | <b>49 233</b>        | <b>55 687</b>   | <b>52 875</b>                                       | <b>55 508</b>          | <b>58 776</b>          |
|  | 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          | 9 658   | 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                  |
|  | <b>Manage Electrical Engineering Services</b>                          |                      |                 |   |                        |                        |
|  | Manage ICT Services  | <b>21 924</b>        | <b>20 977</b>   | <b>22 151</b>                                       | <b>23 774</b>          | <b>25 228</b>          |
|  | <b>Manage the Office of the Municipal Manager</b>                      | <b>11 298</b>        | <b>11 682</b>   | <b>11 860</b>                                       | <b>12 274</b>          | <b>13 092</b>          |
|  | 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                  |
|  | <b>Manage Financial Services</b>                                       | <b>84 577</b>        | <b>84 884</b>   | <b>94 818</b>                                       | <b>100 835</b>         | <b>107 583</b>         |
|  | 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           | 2 925   | 3 138                  | 3 308                  |
|  | 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           | 1 652   | 1 663                  | 1 731                  |

| 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 |
| <b>R thousand</b>                    |  |                      |                  |   |                        |                        |
|                                      | <b>Manage Council Expenses</b>               |                      |                  |   |                        |                        |
|                                      | Manage Council Expenses                      | 25 469               | 25 414           | 26 563  | 27 563                 | 28 589                 |
| <b>Quality and reliable services</b> | <b>Manage Civil Engineering Services</b>     | <b>969 050</b>       | <b>999 429</b>   | <b>1 114 763</b>                                    | <b>1 103 020</b>       | <b>1 216 545</b>       |
|                                      | 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                 | 30 157                 |
|                                      | Manage Proclaimed Roads                      | 15 033               | 15 033           | 6 660   | 477                    | 10 205                 |
|                                      | Manage Sewerage                              | 48 867               | 51 848           | 46 264  | 48 065                 | 49 544                 |
|                                      | 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           | 61 453  | 64 979                 | 67 594                 |
|                                      | 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          | 117 519   | 129 239                | 138 111                |
|                                      | Manage Municipal Property                    | 22 992               | 22 066           | 23 939  | 24 221                 | 24 577                 |
|                                      | 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          | 682 718   | 647 620                | 719 047                |
|                                      | Manage Street Lighting                       | 2 479                | 2 492            | 2 631   | 2 805                  | 2 990                  |
| <b>Total Expenditure</b>             |  | <b>1 458 809</b>     | <b>1 515 385</b> | <b>1 681 076</b>                                    | <b>1 578 399</b>       | <b>1 770 206</b>       |

### 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 |
| <b>R thousand</b>                                  |  |                      |                 |   |                        |                        |
| <b>Community safety and wellbeing</b>              | <b>Manage Development Services</b>                                     |                      |                 |   |                        |                        |
|  | 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                  |
| <b>Economic transformation</b>                     | <b>Facilitate economic development in the municipal area</b>           | 778                  | 778             | 7 930   | 200                    | 200                    |
|  |  | –                    | –               | 1 100   | –                      | –                      |
| <b>A healthy and sustainable environment</b>       | <b>Manage Development Services</b>                                     |                      |                 |   |                        |                        |
|  | 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                 |
| <b>A connected and innovative local government</b> | Manage the Caravan Park Yzerfontein                                    | 36                   | 41              | 1 038   | 40                     | 42                     |
|  | <b>Manage Corporate Services</b>                                       |                      |                 |   |                        |                        |
|  | 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                     |
|  | <b>Manage Electrical Engineering Services</b>                          |                      |                 |   |                        |                        |
|  | Manage ICT Services  | 2 083                | 1 127           | 4 582   | 2 727                  | 3 894                  |
|  | <b>Manage the Office of the Municipal Manager</b>                      |                      |                 |   |                        |                        |
|  | Manage the Office of the Municipal Manager                             | 12                   | 42              | 12  | 12                     | 12                     |
|  | <b>Manage Financial Services</b>                                       |                      |                 |   |                        |                        |
|  | Manage Financial Administration  | 63                   | 59              | 36  | 38                     | 40                     |
|  | Manage Finance (Credit Control, Income, Expenditure, etc)              | 105                  | 22              | 950   | 396                    | 485                    |
| <b>Manage Council Expenses</b>                     |  |                      |                 |   |                        |                        |
| Manage Council Expenses                            | 12   | 12                   | 132             | 12  | 12                     |                        |
| <b>Quality and reliable services</b>               | <b>Manage Civil Engineering Services</b>                               |                      |                 |   |                        |                        |
|  | Manage Civil Engineering Services                                      | 58                   | 56              | 60  | 62                     | 64                     |
|  | Manage Cemeteries  | 300                  | –               | –   | –                      | 600                    |
|  | Manage Parks and Recreational Areas                                    | 1 252                | 1 252           | 2 031   | 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           | 7 787   | 440                    | 200                    |
|  | Manage Streets   | 60 741               | 72 041          | 60 283  | 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          | 43 835  | 87 722                 | 91 151                 |
|  | Manage Municipal Property  | 1 562                | 1 282           | 374   | 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               | 55 536          | 69 239  | 66 578                 |                        |
| <b>Total Capital Expenditure</b>                   | <b>53</b>  | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

## 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 |
| <b>Community safety and wellbeing</b>                  |                        |                      |                 |   |                        |                        |
| <b><u>Manage Development Services</u></b>              |                        |                      |                 |   |                        |                        |
| Manage Multi-Purpose Centres                           | Completion of projects | 9 900                | 9 614           | 2 859   | 2 104                  | 37 456                 |
| <b><u>Manage Protection Services</u></b>               |                        | 1 800                | 1 844           | 9 202   | 627                    | 1 240                  |
| Manage Protection Services                             | Completion of projects | 1 022                | 1 065           | 1 272   | 427                    | 1 040                  |
| Manage Fire and Emergency Services                     | Completion of projects | 778                  | 778             | 7 930   | 200                    | 200                    |
| <b>Economic transformation</b>                         |                        |                      |                 |   |                        |                        |
| Facilitate economic development in the municipal area  | Completion of projects | -                    | -               | 1 100   | -                      | -                      |
| <b>A healthy and sustainable environment</b>           |                        |                      |                 |   |                        |                        |
| <b><u>Manage Development Services</u></b>              |                        | 49 176               | 80 406          | 45 936  | 60 990                 | 34 427                 |
| Manage Development Services                            | Completion of projects | 50                   | 45              | 52  | 54                     | 56                     |
| Manage Planning and Valuations                         | Completion of projects | 78                   | 78              | -   | -                      | -                      |
| Manage Human Settlements                               | Completion of projects | 49 012               | 80 241          | 44 846  | 60 896                 | 34 329                 |
| Manage the Caravan Park Yzerfontein                    | Completion of projects | 36                   | 41              | 1 038   | 40                     | 42                     |
| <b>A connected and innovative local government</b>     |                        |                      |                 |   |                        |                        |
| <b><u>Manage Corporate Services</u></b>                |                        | 573                  | 448             | 354   | 277                    | 229                    |
| Manage Corporate Services, Secretariat and Records and | Completion of projects | 430                  | 140             | 132   | 134                    | 86                     |
| Manage Properties, Contracts and Legal Administration  | Completion of projects | 100                  | 265             | 100   | 100                    | 100                    |
| Manage Libraries                                       | Completion of projects | 43                   | 43              | 122   | 43                     | 43                     |

| 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 |
| <b><u>Manage ICT Services</u></b>                         | Completion of projects | <b>2 083</b>         | <b>1 127</b>    | <b>4 582</b>  | <b>2 727</b>           | <b>3 894</b>           |
| <b><u>Manage the Office of the Municipal Manager</u></b>  |                        |                      |                 |   |                        |                        |
| Manage the Office of the Municipal Manager                | Completion of projects | 12                   | 42              | 12  | 12                     | 12                     |
| <b><u>Manage Financial Services</u></b>                   |                        | <b>168</b>           | <b>82</b>       | <b>986</b>  | <b>434</b>             | <b>525</b>             |
| Manage Financial Administration                           | Completion of projects | 63                   | 59              | 36  | 38                     | 40                     |
| Manage Finance (Credit Control, Income, Expenditure, etc) | Completion of projects | 105                  | 22              | 950   | 396                    | 485                    |
| <b><u>Manage Council Expenses</u></b>                     | Completion of projects | <b>12</b>            | <b>12</b>       | <b>132</b>  | <b>12</b>              | <b>12</b>              |
| <b>Quality and reliable services</b>                      |                        | <b>230 074</b>       | <b>186 476</b>  | <b>185 317</b>                                      | <b>225 462</b>         | <b>267 456</b>         |
| Manage Civil Engineering Services                         | Completion of projects | 58                   | 56              | 60  | 62                     | 64                     |
| Manage Cemeteries   | Completion of projects | 300                  | -               | -   | -                      | 600                    |
| Manage Parks and Recreational Areas                       | Completion of projects | 1 252                | 1 252           | 2 031   | 1 995                  | 2 030                  |
| Manage Sewerage   | Completion of projects | 3 536                | 3 536           | 6 238   | 11 394                 | 10 508                 |
| Manage Waste Water Treatment Works                        | Completion of projects | 10 261               | 10 261          | 2 000   | 12 220                 | 22 323                 |
| Manage Sportsgrounds                                      | Completion of projects | 959                  | 1 034           | 7 787   | 440                    | 200                    |
| Manage Streets  | Completion of projects | 60 741               | 72 041          | 60 283  | 32 590                 | 41 965                 |
| Manage Storm water  | Completion of projects | 618                  | 2 082           | 620   | 622                    | 624                    |
| Manage Water Storage                                      | Completion of projects | 25 758               | 21 958          | 43 835  | 87 722                 | 91 151                 |
| Manage Municipal Property                                 | Completion of projects | 1 562                | 1 282           | 374   | 36                     | 2 250                  |
| Manage Refuse Removal                                     | Completion of projects | 38 946               | 38 992          | 6 011   | 8 642                  | 23 195                 |
| Manage Electrical Engineering Services                    | Completion of projects | 400                  | 460             | 540   | 500                    | 520                    |
| Manage Electricity Distribution                           | Completion of projects | 85 683               | 33 523          | 55 536  | 69 239                 | 66 578                 |
|   |                        | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

## 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 revised its cost coverage ratio to be at least 6 months, due to the extent of back logs in renewal infrastructure/revenue generating projects which is well above the norm in local government. The cost coverage as per A-schedule SA8 is between 5.7 and 9.7 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;
- Agricultural and local economy downturn due to much higher input costs;
- 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 as per NT guidelines for political office bearers.

The total salary bill will increase from around R 388.7 million to around R 409.8 million (5.4% increase) to make provision for nationally determined annual adjustments in salaries, other benefits such as medical aid and pension fund contributions. **The funding provision for critical posts are ongoing and could not be finalised with the budget.**

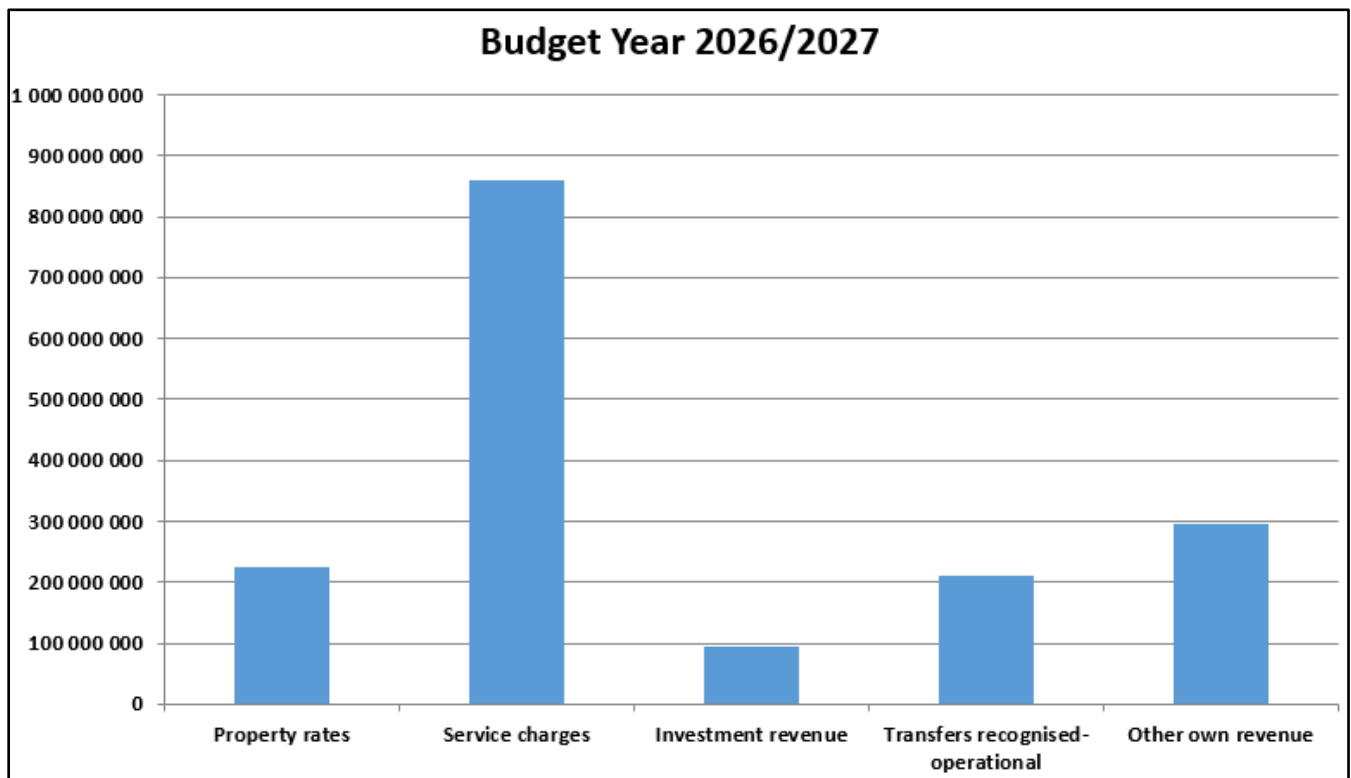
## 2.5 Overview of budget funding

### 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 |
| <b>R thousands</b>   |                      |                  |   |                        |                        |
| <b>Financial Performance</b>   |                      |                  |   |                        |                        |
| Property rates   | 212 727              | 215 090          | 226 095   | 236 614                | 260 642                |
| Service charges  | 755 688              | 788 495          | 860 199   | 949 239                | 1 045 484              |
| Investment revenue   | 81 529               | 104 459          | 93 978  | 100 484                | 104 292                |
| Transfer and subsidies - Operational                                 | 342 208              | 208 818          | 210 824   | 212 636                | 224 488                |
| Other own revenue  | 93 773               | 266 839          | 294 896   | 173 710                | 230 222                |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>1 485 925</b>     | <b>1 583 700</b> | <b>1 685 992</b>                                    | <b>1 672 682</b>       | <b>1 865 128</b>       |

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 provide 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 |
| <b>R thousand</b>                                |                      |                 |   |                        |                        |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>       |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Property rates                                   | 203 845              | 206 090         | 216 632   | 226 717                | 249 641                |
| Service charges                                  | 741 336              | 772 802         | 845 882   | 933 747                | 1 028 673              |
| Other revenue                                    | 323 218              | 530 749         | 426 657   | 285 082                | 368 895                |
| Transfers and Subsidies - Operational            | 343 708              | 209 337         | 212 296   | 212 636                | 224 488                |
| Transfers and Subsidies - Capital                | 115 548              | 119 984         | 95 478  | 112 990                | 123 539                |
| Interest   | 81 529               | 104 459         | 93 978  | 100 484                | 104 292                |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Suppliers and employees                          | (1 460 203)          | (1 564 240)     | (1 598 893)   | (1 458 995)            | (1 653 458)            |
| Finance charges                                  | (3 305)              | (2 156)         | -   | -                      | -                      |
| Transfers and Subsidies                          | (4 073)              | (3 666)         | (3 467)   | (3 816)                | (3 924)                |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> | <b>341 602</b>       | <b>373 358</b>  | <b>288 562</b>                                      | <b>408 844</b>         | <b>442 146</b>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Proceeds on disposal of PPE                      | 2 680                | 3 145           | 4 881   | 5 207                  | 1 715                  |
| Decrease (increase) in non-current investments   | 333 119              | 366 329         | (400 000)   | -                      | 400 000                |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Capital assets                                   | (335 652)            | (322 067)       | (288 051)   | (336 542)              | (397 039)              |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> | <b>148</b>           | <b>47 407</b>   | <b>(683 170)</b>                                    | <b>(331 335)</b>       | <b>4 676</b>           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                      |                 |   |                        |                        |
| <b>Receipts</b>                                  |                      |                 |   |                        |                        |
| Short term loans                                 | -                    | -               | -   | -                      | -                      |
| Borrowing long term/refinancing                  | 30 000               | -               | -   | -                      | -                      |
| Increase (decrease) in consumer deposits         | -                    | 625             | 500   | 150                    | 200                    |
| <b>Payments</b>                                  |                      |                 |   |                        |                        |
| Repayment of borrowing                           | (6 044)              | (33 336)        | -   | -                      | -                      |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> | <b>23 956</b>        | <b>(32 711)</b> | <b>500</b>  | <b>150</b>             | <b>200</b>             |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     | <b>365 706</b>       | <b>388 054</b>  | <b>(394 108)</b>                                    | <b>77 659</b>          | <b>447 021</b>         |
| Cash/cash equivalents at the year begin:         | 529 629              | 677 020         | 1 065 074   | 670 966                | 748 625                |
| Cash/cash equivalents at the year end:           | 895 335              | 1 065 074       | 670 966   | 748 625                | 1 195 647              |

## 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 |
| <b>R thousand</b>  |                      |                  |   |                        |                        |
| <b>Cash and investments available</b>  |                      |                  |   |                        |                        |
| Cash/cash equivalents at the year end  | 895 335              | 1 065 074        | 670 966   | 748 625                | 1 195 647              |
| Other current investments > 90 days  | -                    | -                | -   | -                      | -                      |
| Non current investments  | -                    | -                | 400 000   | 400 000                | -                      |
| <b>Cash and investments available:</b>   | <b>895 335</b>       | <b>1 065 074</b> | <b>1 070 966</b>                                    | <b>1 148 625</b>       | <b>1 195 647</b>       |
| <b>Application of cash and investments</b>                                     |                      |                  |   |                        |                        |
| Unspent conditional transfers  | 3 015                | 7 728            | 7 694   | 7 694                  | 7 694                  |
| Statutory requirements   | (25 839)             | (25 637)         | (28 006)  | (29 666)               | (31 720)               |
| Other working capital requirements   | (120 056)            | (88 227)         | (69 993)  | (61 124)               | (55 692)               |
| Other provisions   | 23 708               | 15 520           | -   | -                      | -                      |
| Reserves to be backed by cash/investments                                      | 459 093              | 505 949          | 599 821   | 710 311                | 883 391                |
| <b>Total Application of cash and investments:</b>                              | <b>339 921</b>       | <b>415 333</b>   | <b>509 517</b>                                      | <b>627 215</b>         | <b>803 673</b>         |
| <b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief</b> | <b>555 414</b>       | <b>649 740</b>   | <b>561 450</b>                                      | <b>521 410</b>         | <b>391 974</b>         |
| <b>Creditors transferred to Debt Relief - Non-Current portion</b>              | <b>-</b>             | <b>-</b>         | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief</b> | <b>555 414</b>       | <b>649 740</b>   | <b>561 450</b>                                      | <b>521 410</b>         | <b>391 974</b>         |

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 |
| <b><u>Operating Transfers and Grants</u></b>             |                      |                    |   |                     |                     |
| <b>National Government:</b>                              | <b>172 479 876</b>   | <b>172 479 876</b> | <b>193 881 000</b>                                  | <b>187 798 000</b>  | <b>190 509 000</b>  |
| 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  | -                   | -                   |
| <b>Provincial Government:</b>                            | <b>170 793 868</b>   | <b>177 534 468</b> | <b>205 832 000</b>                                  | <b>85 380 000</b>   | <b>146 023 000</b>  |
| 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   | -                   | -                   |
| <b>Total Operating Transfers and Grants</b>              | <b>343 273 744</b>   | <b>350 014 344</b> | <b>399 713 000</b>                                  | <b>273 178 000</b>  | <b>336 532 000</b>  |
| <b><u>Capital Transfers and Grants</u></b>               |                      |                    |   |                     |                     |
| <b>National Government:</b>                              | <b>60 270 124</b>    | <b>60 270 124</b>  | <b>55 539 000</b>                                   | <b>49 940 000</b>   | <b>51 704 000</b>   |
| 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                        | -                    | -                  | -   | -                   | -                   |
| <b>Provincial Government:</b>                            | <b>60 302 132</b>    | <b>79 106 000</b>  | <b>41 445 000</b>                                   | <b>63 050 000</b>   | <b>71 835 000</b>   |
| 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          | -   | -                   | -                   |
| <b>Total Capital Transfers and Grants</b>                | <b>120 572 256</b>   | <b>139 376 124</b> | <b>96 984 000</b>                                   | <b>112 990 000</b>  | <b>123 539 000</b>  |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>          | <b>463 846 000</b>   | <b>489 390 468</b> | <b>496 697 000</b>                                  | <b>386 168 000</b>  | <b>460 071 000</b>  |

## 2.7 Allocations and grants made by the municipality

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

| Description<br>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 |
| <b>Monetary Transfers to Organisations</b>                |                      |                 |   |                        |                        |
| <i>Old age homes, Child &amp; 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 &amp; Social Upliftment</i> | 370                  | 370             | 370   | 370                    | 370                    |
| <i>Public Safety: SM Area</i>                             | 500                  | 500             | –   | –                      | –                      |
| <b>Total Monetary Transfers To Organisations</b>          | <b>3 462</b>         | <b>3 066</b>    | <b>2 789</b>  | <b>2 868</b>           | <b>2 947</b>           |
| <b>Monetary Transfers to Groups of Individuals</b>        |                      |                 |   |                        |                        |
| <i>Welfare organisations</i>                              | 511                  | 511             | 690   | 701                    | 712                    |
| <i>Top achievers</i>                                      | 30                   | 18              | 30  | 30                     | 30                     |
| <i>Project Linked Support (Title Deeds)</i>               | 70                   | 70              | 258   | 217                    | 235                    |
| <b>Total Monetary Transfers To Groups Of Individuals:</b> | <b>611</b>           | <b>600</b>      | <b>978</b>  | <b>948</b>             | <b>977</b>             |
| <b>TOTAL Monetary TRANSFERS AND GRANTS</b>                | <b>4 073</b>         | <b>3 666</b>    | <b>3 767</b>  | <b>3 816</b>           | <b>3 924</b>           |
| <b>TOTAL In-Kind TRANSFERS AND GRANTS</b>                 | <b>–</b>             | <b>–</b>        | <b>–</b>  | <b>–</b>               | <b>–</b>               |
| <b>TOTAL TRANSFERS AND GRANTS</b>                         | <b>4 073</b>         | <b>3 666</b>    | <b>3 767</b>  | <b>3 816</b>           | <b>3 924</b>           |

## 2.8 Councillor and employee benefits

Summary of councillor and staff benefits



| Summary of Employee and Councillor remuneration<br>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 |
| <b>Councillors (Political Office Bearers plus Other)</b>      |                      |                 |   |                        |                        |
| <b>Allowances and Service Related Benefits</b>                |                      |                 |   |                        |                        |
| 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                    |
| <b>Total Allowances and Service Related Benefits</b>          | <b>11 420</b>        | <b>11 605</b>   | <b>12 040</b>                                       | <b>12 499</b>          | <b>12 975</b>          |
| <b>Social Contributions</b>                                   |                      |                 |   |                        |                        |
| Medial Aid Benefits   | 232                  | 246             | 270   | 297                    | 327                    |
| Pension Fund Contributions                                    | 978                  | 999             | 1 257   | 1 309                  | 1 362                  |
| <b>Total Social Contributions</b>                             | <b>1 210</b>         | <b>1 245</b>    | <b>1 527</b>  | <b>1 606</b>           | <b>1 690</b>           |
| <b>Total Councillors</b>                                      | <b>12 630</b>        | <b>12 850</b>   | <b>13 567</b>                                       | <b>14 105</b>          | <b>14 665</b>          |
| <b>% increase</b>   | <b>0.3%</b>          | <b>1.7%</b>     | <b>5.6%</b>   | <b>4.0%</b>            | <b>4.0%</b>            |
| <b>Senior Managers of the Municipality</b>                    |                      |                 |   |                        |                        |
| <b>Salaries and Allowances</b>                                |                      |                 |   |                        |                        |
| Basic Salary  | 10 738               | 10 969          | 10 936  | 11 787                 | 12 703                 |
| Bonuses   | 1 302                | 1 924           | 1 962   | 2 065                  | 2 174                  |
| <b>Allowance</b>  |                      |                 |   |                        |                        |
| Cellular and Telephone  | 302                  | 302             | 302   | 302                    | 302                    |
| Travel or Motor Vehicle                                       | 916                  | 814             | 664   | 664                    | 664                    |
| <b>Total Allowance</b>  | <b>1 218</b>         | <b>1 116</b>    | <b>966</b>  | <b>966</b>             | <b>966</b>             |
| <b>Service Related Benefits</b>                               |                      |                 |   |                        |                        |
| Leave Pay   | 37                   | 37              | 12  | 13                     | 14                     |
| <b>Total Service Related Benefits</b>                         | <b>37</b>            | <b>37</b>       | <b>12</b>   | <b>13</b>              | <b>14</b>              |
| <b>Total Salaries and Allowances</b>                          | <b>13 295</b>        | <b>14 045</b>   | <b>13 877</b>                                       | <b>14 831</b>          | <b>15 856</b>          |
| <b>Social Contributions</b>                                   |                      |                 |   |                        |                        |
| 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                     |
| <b>Total Social Contributions</b>                             | <b>2 885</b>         | <b>2 953</b>    | <b>2 984</b>  | <b>3 228</b>           | <b>3 482</b>           |
| <b>Post-retirement Benefit</b>                                |                      |                 |   |                        |                        |
| Medical   | 809                  | 809             | 851   | 894                    | 938                    |
| <b>Total Post-retirement Benefit</b>                          | <b>809</b>           | <b>809</b>      | <b>851</b>  | <b>894</b>             | <b>938</b>             |
| Costs Capitalised to PPE                                      |                      |                 |   |                        |                        |
| <b>Sub Total - Senior Managers of Municipality</b>            | <b>16 989</b>        | <b>17 807</b>   | <b>17 772</b>                                       | <b>18 952</b>          | <b>20 277</b>          |
| <b>% increase</b>   | <b>(12.0%)</b>       | <b>4.8%</b>     | <b>(0.5%)</b>                                       | <b>7.0%</b>            | <b>7.0%</b>            |
| <b>Other Municipal Staff</b>                                  |                      |                 |   |                        |                        |
| <b>Salaries and Allowances</b>                                |                      |                 |   |                        |                        |
| Basic Salary  | 212 813              | 215 382         | 227 861   | 243 533                | 262 168                |
| <b>Allowance</b>  |                      |                 |   |                        |                        |
| 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                  |
| <b>Total Allowance</b>  | <b>16 878</b>        | <b>18 392</b>   | <b>19 395</b>                                       | <b>19 943</b>          | <b>20 523</b>          |
| <b>Service Related Benefits</b>                               |                      |                 |   |                        |                        |
| 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                 |
| Standby Allowance   | 9 410                | 9 470           | 9 851   | 10 368                 | 10 912                 |
| <b>Total Service Related Benefits</b>                         | <b>49 928</b>        | <b>50 430</b>   | <b>52 114</b>                                       | <b>55 320</b>          | <b>58 748</b>          |
| <b>Total Salaries and Allowances</b>                          | <b>279 620</b>       | <b>284 204</b>  | <b>299 369</b>                                      | <b>318 796</b>         | <b>341 439</b>         |
| <b>Social Contributions</b>                                   |                      |                 |   |                        |                        |
| 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                  |
| <b>Total Social Contributions</b>                             | <b>60 569</b>        | <b>61 102</b>   | <b>64 900</b>                                       | <b>70 373</b>          | <b>76 019</b>          |
| <b>Post-retirement Benefit</b>                                |                      |                 |   |                        |                        |
| Medical   | 11 611               | 12 731          | 14 221  | 14 932                 | 15 679                 |
| <b>Total Post-retirement Benefit</b>                          | <b>11 611</b>        | <b>12 731</b>   | <b>14 221</b>                                       | <b>14 932</b>          | <b>15 679</b>          |
| Costs Capitalised to PPE                                      |                      |                 |   |                        |                        |
| <b>Sub Total - Other Municipal Staff</b>                      | <b>351 800</b>       | <b>358 037</b>  | <b>378 491</b>                                      | <b>404 102</b>         | <b>433 138</b>         |
| <b>% increase</b>   | <b>10.0%</b>         | <b>1.8%</b>     | <b>-</b>  | <b>6.8%</b>            | <b>7.2%</b>            |
| <b>Total Parent Municipality</b>                              | <b>67 381 418</b>    | <b>388 694</b>  | <b>409 770</b>                                      | <b>437 159</b>         | <b>468 079</b>         |
| <b>Total Municipal Entities</b>                               | <b>-</b>             | <b>-</b>        | <b>-</b>  | <b>-</b>               | <b>-</b>               |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>                | <b>381 418</b>       | <b>388 694</b>  | <b>409 770</b>                                      | <b>437 159</b>         | <b>468 079</b>         |
| <b>% increase</b>   | <b>8.5%</b>          | <b>1.9%</b>     | <b>5.4%</b>   | <b>6.7%</b>            | <b>7.1%</b>            |
| <b>TOTAL MANAGERS AND STAFF</b>                               | <b>368 788</b>       | <b>375 844</b>  | <b>396 203</b>                                      | <b>423 054</b>         | <b>453 414</b>         |

## 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 |
| <b>Revenue</b>   |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| <b>Exchange Revenue</b>                                  |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Service charges - Electricity                            | 45 427              | 48 538         | 48 538         | 49 161         | 49 783         | 51 028         | 52 272         | 53 517         | 55 384         | 56 006         | 56 628         | 56 006         | 622 287                                       | 695 593                | 774 871                |
| 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                 | 5 803               | 5 814          | 5 789          | 5 784          | 5 819          | 5 829          | 5 814          | 5 784          | 5 790          | 5 794          | 5 799          | 5 714          | 69 531  | 73 180                 | 77 019                 |
| Service charges - Waste Management                       | 4 180               | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 180          | 4 176          | 50 153  | 56 581                 | 63 781                 |
| Sale of Goods and Rendering of Services                  | 915                 | 1 222          | 1 539          | 2 144          | 1 484          | 1 292          | 1 535          | 1 441          | 1 386          | 1 507          | 1 222          | 1 347          | 17 034  | 18 035                 | 19 095                 |
| 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                                 | 185                 | 186            | 183            | 184            | 186            | 181            | 183            | 187            | 186            | 185            | 187            | 186            | 2 220   | 2 343                  | 2 472                  |
| 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                                      | 305                 | 305            | 305            | 305            | 305            | 305            | 305            | 305            | 305            | 305            | 305            | 305            | 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                  |
| <b>Non-Exchange Revenue</b>                              |                     |                |                |                |                |                |                |                |                |                |                |                |   |                        |                        |
| Property rates   | 18 981              | 18 898         | 19 368         | 18 663         | 19 133         | 19 180         | 19 227         | 19 274         | 20 073         | 18 475         | 19 368         | 15 453         | 226 095                                       | 236 614                | 260 642                |
| 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                     | 76 715              | 2 953          | 2 943          | 2 902          | 2 874          | 57 387         | 2 634          | 2 802          | 50 266         | 2 947          | 3 050          | 3 352          | 210 824                                       | 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                                      | 1 084               | 1 094          | 1 094          | 1 095          | 1 097          | 1 101          | 1 105          | 1 108          | 1 114          | 1 116          | 1 118          | 1 116          | 13 240  | 14 346                 | 15 508                 |
| 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                  |
| <b>Total Revenue (excluding capital transfers and co</b> | <b>173 624</b>      | <b>110 496</b> | <b>113 566</b> | <b>108 764</b> | <b>119 060</b> | <b>173 325</b> | <b>111 424</b> | <b>121 621</b> | <b>172 765</b> | <b>126 306</b> | <b>124 145</b> | <b>230 894</b> | <b>1 685 992</b>                              | <b>1 672 682</b>       | <b>1 865 128</b>       |

| 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 |
| <b>Revenue</b>                            |                     |                 |                 |                 |                 |                |                |                 |                |                |                |                 |   |                        |                        |
| <b>Expenditure</b>                        |                     |                 |                 |                 |                 |                |                |                 |                |                |                |                 |   |                        |                        |
| Employee related costs                    | 28 198              | 29 727          | 29 526          | 29 613          | 48 617          | 29 760         | 29 498         | 29 771          | 29 714         | 29 931         | 29 743         | 52 106          | 396 203                                       | 423 054                | 453 414                |
| 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              | 2 036               | 57 622          | 53 086          | 43 446          | 43 453          | 44 539         | 45 625         | 46 712          | 48 341         | 48 884         | 49 427         | 59 987          | 543 158                                       | 597 946                | 665 741                |
| Inventory consumed                        | 2 812               | 2 727           | 2 702           | 2 663           | 2 747           | 2 720          | 2 850          | 2 672           | 2 686          | 2 722          | 2 626          | 40 884          | 70 811  | 75 099                 | 80 331                 |
| Debt impairment                           | -                   | -               | -               | -               | -               | -              | -              | -               | -              | -              | -              | 42 707          | 42 707  | 46 672                 | 51 016                 |
| Depreciation, amortisation and impairment | 0                   | 0               | 28 990          | 9 867           | 9 867           | 9 867          | 9 867          | 9 867           | 9 867          | 9 867          | 9 867          | 9 867           | 117 797                                       | 126 839                | 134 169                |
| Interest, Dividends and Rent on Land      | -                   | -               | -               | -               | -               | -              | -              | -               | -              | -              | -              | 7 275           | 7 275   | 7 990                  | 8 776                  |
| Contracted services                       | 12 739              | 66 871          | 30 688          | 30 388          | 30 688          | 26 211         | 27 411         | 29 911          | 27 511         | 27 511         | 27 411         | 24 571          | 361 914                                       | 147 173                | 214 661                |
| Transfers and subsidies                   | 191                 | 181             | 1 167           | 587             | 567             | 152            | 87             | 485             | 87             | 87             | 87             | 92              | 3 767   | 3 816                  | 3 924                  |
| Irrecoverable debts written off           | -                   | -               | -               | -               | -               | -              | -              | 13 034          | -              | -              | -              | 8 689           | 21 723  | 22 887                 | 24 032                 |
| Operational costs                         | 5 543               | 5 133           | 8 822           | 5 133           | 4 893           | 5 133          | 4 893          | 5 133           | 4 893          | 6 082          | 4 893          | 7 291           | 67 844  | 76 723                 | 80 427                 |
| 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                 |
| <b>Total Expenditure</b>                  | <b>52 585</b>       | <b>163 327</b>  | <b>156 047</b>  | <b>122 762</b>  | <b>142 659</b>  | <b>122 710</b> | <b>121 297</b> | <b>138 650</b>  | <b>124 165</b> | <b>126 150</b> | <b>125 121</b> | <b>285 604</b>  | <b>1 681 076</b>                              | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit)</b>                  | <b>121 040</b>      | <b>(52 831)</b> | <b>(42 480)</b> | <b>(13 998)</b> | <b>(23 599)</b> | <b>50 615</b>  | <b>(9 873)</b> | <b>(17 029)</b> | <b>48 601</b>  | <b>156</b>     | <b>(976)</b>   | <b>(54 710)</b> | <b>4 916</b>                                  | <b>94 284</b>          | <b>94 922</b>          |
| Transfers and subsidies - capital         | 2 032               | 8 427           | 8 427           | 8 935           | 8 756           | 8 547          | 8 607          | 8 847           | 8 996          | 8 787          | 8 817          | 7 803           | 96 984  | 112 990                | 123 539                |
| <b>Surplus/(Deficit) for the year</b>     | <b>123 072</b>      | <b>(44 403)</b> | <b>(34 053)</b> | <b>(5 062)</b>  | <b>(14 843)</b> | <b>59 162</b>  | <b>(1 265)</b> | <b>(8 182)</b>  | <b>57 597</b>  | <b>8 944</b>   | <b>7 841</b>   | <b>(46 907)</b> | <b>101 900</b>                                | <b>207 274</b>         | <b>218 461</b>         |

**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 |
| <b>Revenue - Functional</b>                |                     |         |         |         |          |          |         |          |         |         |         |         |   |                        |                        |
| <b>Governance and administration</b>       | 58 614              | 21 462  | 21 812  | 21 105  | 23 856   | 49 842   | 21 604  | 21 666   | 46 766  | 20 908  | 21 685  | 97 298  | 426 616                                       | 447 853                | 469 302                |
| Executive and council                      | 22                  | 22      | 22      | 22      | 22       | 22       | 22      | 22       | 22      | 22      | 22      | 22      | 269   | 273                    | 278                    |
| Finance and administration                 | 58 591              | 21 439  | 21 789  | 21 083  | 23 833   | 49 819   | 21 582  | 21 643   | 46 743  | 20 886  | 21 663  | 97 275  | 426 347                                       | 447 580                | 469 025                |
| Internal audit                             | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |
| <b>Community and public safety</b>         | 10 329              | 20 990  | 24 093  | 20 029  | 23 340   | 22 327   | 14 203  | 21 692   | 23 782  | 27 305  | 25 716  | 59 535  | 293 342                                       | 203 807                | 269 928                |
| Community and social services              | 1 224               | 1 460   | 1 460   | 1 460   | 1 460    | 1 460    | 1 460   | 1 460    | 1 460   | 1 460   | 1 460   | 1 460   | 17 289  | 16 967                 | 52 542                 |
| Sport and recreation                       | 278                 | 323     | 620     | 1 083   | 608      | 393      | 714     | 554      | 549     | 650     | 355     | 540     | 6 666   | 6 207                  | 6 580                  |
| Public safety                              | 933                 | 957     | 947     | 906     | 878      | 838      | 638     | 806      | 927     | 951     | 1 054   | 44 054  | 53 890  | 58 292                 | 63 495                 |
| Housing                                    | 7 894               | 18 248  | 21 066  | 16 579  | 20 394   | 19 636   | 11 390  | 18 871   | 20 846  | 24 243  | 22 847  | 13 481  | 215 496                                       | 122 341                | 147 311                |
| Health                                     | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |
| <b>Economic and environmental services</b> | 3 138               | 3 564   | 3 612   | 3 773   | 3 561    | 3 563    | 3 470   | 3 544    | 3 422   | 3 438   | 3 490   | 2 184   | 40 760  | 21 208                 | 30 966                 |
| Planning and development                   | 613                 | 660     | 680     | 822     | 636      | 659      | 580     | 648      | 598     | 618     | 627     | 556     | 7 697   | 6 989                  | 7 404                  |
| 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                   | -                   | -       | -       | -       | -        | -        | -       | -        | -       | -       | -       | -       | -   | -                      | -                      |
| <b>Trading services</b>                    | 103 576             | 72 908  | 72 476  | 72 792  | 77 059   | 106 140  | 80 754  | 83 565   | 107 792 | 83 442  | 82 071  | 79 680  | 1 022 253                                     | 1 112 798              | 1 218 466              |
| Energy sources                             | 52 539              | 52 523  | 52 523  | 53 655  | 54 100   | 58 939   | 56 447  | 57 935   | 63 705  | 60 371  | 61 025  | 61 467  | 685 230                                       | 737 983                | 820 149                |
| 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                     | 20 211              | 6 172   | 6 147   | 6 142   | 6 177    | 17 325   | 6 172   | 6 142    | 14 702  | 6 152   | 6 157   | 5 782   | 107 280                                       | 113 089                | 119 306                |
| Waste management                           | 14 302              | 4 759   | 4 759   | 4 759   | 4 759    | 11 767   | 4 759   | 4 759    | 11 228  | 4 759   | 4 759   | 4 755   | 80 123  | 88 134                 | 97 475                 |
| <b>Other</b>                               | 0                   | 0       | 0       | 0       | 0        | 0        | 0       | 0        | 0       | 0       | 0       | 0       | 5   | 5                      | 5                      |
| <b>Total Revenue - Functional</b>          | 175 657             | 118 924 | 121 994 | 117 699 | 127 817  | 181 872  | 120 032 | 130 468  | 181 761 | 135 094 | 132 962 | 238 697 | 1 782 976                                     | 1 785 672              | 1 988 667              |



| 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 |
| <b>Expenditure - Functional</b>            |                     |                 |                |                |                 |                |                |                 |                |                |                |                 |   |                        |                        |
| <b>Governance and administration</b>       | 15 807              | 15 239          | 21 013         | 16 502         | 22 380          | 16 538         | 16 029         | 17 736          | 16 027         | 17 238         | 16 024         | 27 026          | 217 559                                       | 228 751                | 241 316                |
| Executive and council                      | 2 033               | 2 032           | 5 891          | 2 461          | 3 880           | 2 369          | 1 962          | 2 360           | 1 962          | 2 911          | 1 961          | 1 867           | 31 689  | 33 034                 | 34 423                 |
| Finance and administration                 | 13 566              | 13 000          | 14 914         | 13 833         | 18 168          | 13 962         | 13 859         | 15 168          | 13 858         | 14 119         | 13 855         | 24 779          | 183 081                                       | 192 856                | 203 842                |
| Internal audit                             | 208                 | 208             | 208            | 208            | 333             | 208            | 208            | 208             | 208            | 208            | 208            | 379             | 2 789   | 2 861                  | 3 051                  |
| <b>Community and public safety</b>         | 11 025              | 27 765          | 29 170         | 29 164         | 35 512          | 29 332         | 29 178         | 33 178          | 29 170         | 29 178         | 29 158         | 74 564          | 386 394                                       | 287 097                | 356 537                |
| 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           | 3 793          | 3 792          | 5 216           | 3 844          | 3 795          | 3 793           | 3 793          | 3 796          | 3 790          | 5 865           | 47 726  | 51 149                 | 54 899                 |
| Public safety                              | 5 375               | 5 961           | 6 622          | 6 617          | 10 016          | 6 637          | 6 627          | 10 600          | 6 622          | 6 627          | 6 613          | 47 214          | 125 532                                       | 135 275                | 145 379                |
| Housing                                    | 303                 | 16 307          | 16 317         | 16 317         | 16 457          | 16 319         | 16 317         | 16 347          | 16 317         | 16 317         | 16 317         | 16 569          | 180 206                                       | 65 544                 | 118 897                |
| Health                                     | -                   | -               | -              | -              | -               | -              | -              | -               | -              | -              | -              | -               | -   | -                      | -                      |
| <b>Economic and environmental services</b> | 4 107               | 4 740           | 7 862          | 7 857          | 9 372           | 10 289         | 7 869          | 7 861           | 7 863          | 7 870          | 7 853          | 20 503          | 104 046                                       | 102 060                | 114 781                |
| 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                             | 2 349               | 2 982           | 6 103          | 6 098          | 6 803           | 8 529          | 6 109          | 6 101           | 6 103          | 6 110          | 6 093          | 17 725          | 81 106  | 79 327                 | 92 752                 |
| Environmental protection                   | -                   | -               | -              | -              | -               | -              | -              | -               | -              | -              | -              | -               | -   | -                      | -                      |
| <b>Trading services</b>                    | 59 299              | 100 226         | 70 222         | 70 534         | 77 425          | 68 372         | 70 173         | 81 717          | 73 185         | 73 705         | 74 166         | 151 805         | 970 830                                       | 958 132                | 1 055 093              |
| Energy sources                             | 47 441              | 87 825          | 52 942         | 53 269         | 55 570          | 50 827         | 52 874         | 57 065          | 55 903         | 56 406         | 56 915         | 58 312          | 685 349                                       | 650 425                | 722 038                |
| Water management                           | 2 406               | 2 629           | 4 441          | 4 440          | 5 635           | 4 546          | 4 443          | 10 433          | 4 441          | 4 443          | 4 439          | 65 223          | 117 519                                       | 129 239                | 138 111                |
| 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                | 107 658                |
| 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                 |
| <b>Other</b>                               | 58                  | 297             | 58             | 298            | 82              | 298            | 58             | 298             | 58             | 298            | 58             | 387             | 2 247   | 2 360                  | 2 479                  |
| <b>Total Expenditure - Functional</b>      | <b>90 295</b>       | <b>148 267</b>  | <b>128 325</b> | <b>124 355</b> | <b>144 772</b>  | <b>124 829</b> | <b>123 307</b> | <b>140 789</b>  | <b>126 303</b> | <b>128 289</b> | <b>127 260</b> | <b>274 285</b>  | <b>1 681 076</b>                              | <b>1 578 399</b>       | <b>1 770 206</b>       |
| <b>Surplus/(Deficit)</b>                   | <b>85 361</b>       | <b>(29 344)</b> | <b>(6 331)</b> | <b>(6 656)</b> | <b>(16 955)</b> | <b>57 044</b>  | <b>(3 275)</b> | <b>(10 321)</b> | <b>55 458</b>  | <b>6 805</b>   | <b>5 702</b>   | <b>(35 588)</b> | <b>101 900</b>                                | <b>207 274</b>         | <b>218 461</b>         |

| 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 |
| <b>Capital Expenditure - Functional</b>       |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| <i>Governance and administration</i>          | –                   | 15            | 917           | 2 708         | 2 053         | 18            | 8             | 108           | 140           | 148           | –             | 100           | 6 218   | 3 355                  | 6 779                  |
| Executive and council                         | –                   | 7             | 38            | 91            | 8             | –             | –             | –             | –             | –             | –             | –             | 144   | 24                     | 24                     |
| Finance and administration                    | –                   | 8             | 879           | 2 617         | 2 045         | 18            | 8             | 108           | 140           | 148           | –             | 100           | 6 074   | 3 331                  | 6 755                  |
| <i>Community and public safety</i>            | 1 430               | 1 867         | 6 454         | 365           | 581           | 720           | 2 041         | 1 172         | 1 000         | 3 339         | 2 881         | 1 290         | 23 140  | 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                          | –                   | 412           | –             | 365           | 550           | 710           | 61            | 1 000         | 710           | 2 877         | 2 881         | 1 290         | 10 857  | 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         | 10 378        | 5 378         | 4 928         | 11 177        | 10 343        | 9 821         | 11 178        | 4 116         | 95 855  | 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         | 9 302         | 4 202         | 3 952         | 9 921         | 9 377         | 8 855         | 9 711         | 3 149         | 82 501  | 63 088                 | 54 877                 |
| <i>Trading services</i>                       | 3 893               | 7 728         | 5 544         | 9 574         | 10 254        | 15 514        | 8 413         | 19 289        | 14 697        | 14 651        | 9 589         | 6 124         | 125 267                                       | 207 336                | 222 689                |
| Energy sources                                | 3 102               | 6 387         | 3 202         | 4 722         | 5 002         | 10 887        | 4 002         | 6 914         | 5 552         | 4 409         | 1 697         | 200           | 56 076  | 69 739                 | 67 098                 |
| Water management                              | 361                 | 912           | 1 912         | 4 412         | 3 972         | 2 778         | 3 412         | 5 426         | 5 765         | 8 262         | 6 462         | 5 495         | 49 172  | 95 682                 | 95 380                 |
| 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                 |
| <b>Total Capital Expenditure - Functional</b> | <b>11 505</b>       | <b>15 676</b> | <b>19 737</b> | <b>22 112</b> | <b>23 266</b> | <b>21 631</b> | <b>15 390</b> | <b>31 746</b> | <b>26 180</b> | <b>27 959</b> | <b>23 647</b> | <b>11 630</b> | <b>250 479</b>                                | <b>292 645</b>         | <b>345 252</b>         |
| <b>Funded by:</b>                             |                     |               |               |               |               |               |               |               |               |               |               |               |   |                        |                        |
| 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                    | 2 694               | 4 730         | 13 545        | 11 793        | 13 974        | 13 929        | 8 168         | 21 892        | 16 988        | 19 674        | 18 190        | 7 886         | 153 463                                       | 179 662                | 221 719                |
| <b>Total Capital Funding</b>                  | <b>11 505</b>       | <b>15 676</b> | <b>19 737</b> | <b>22 112</b> | <b>23 266</b> | <b>21 631</b> | <b>15 390</b> | <b>31 746</b> | <b>26 180</b> | <b>27 959</b> | <b>23 647</b> | <b>11 630</b> | <b>250 479</b>                                | <b>292 645</b>         | <b>345 252</b>         |

## 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 |
| <b>R thousand</b>   |                      |                 |   |                        |                        |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |                      |                 |   |                        |                        |
| <b>Infrastructure</b>   | <b>196 140</b>       | <b>176 667</b>  | <b>140 668</b>                                      | <b>149 361</b>         | <b>121 232</b>         |
| Roads Infrastructure  | 63 812               | 87 658          | 66 085  | 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          | 4 500   | 14 300                 | 7 500                  |
| <i>LV Networks</i>  | 14 068               | 14 068          | 37 606  | 25 700                 | 38 418                 |
| Water Supply Infrastructure                                       | 8 165                | 11 332          | 22 846  | 48 814                 | 35 260                 |
| <i>Reservoirs</i>   | –                    | –               | 2 500   | 15 065                 | 14 500                 |
| <i>Distribution</i>   | 8 165                | 11 332          | 17 946  | 14 160                 | 7 607                  |
| 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   | –                      | –                      |
| <b>Community Assets</b>   | <b>12 028</b>        | <b>11 527</b>   | <b>15 806</b>                                       | <b>3 204</b>           | <b>39 556</b>          |
| Community Facilities  | 2 050                | 1 835           | 8 907   | 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           | 989   | 1 100                  | 1 100                  |
| <i>Public Ablution Facilities</i>                                 | 650                  | 725             | –   | –                      | –                      |
| <i>Markets</i>  | –                    | –               | 1 100   | –                      | –                      |
| Sport and Recreation Facilities                                   | 9 978                | 9 692           | 6 899   | 2 104                  | 37 856                 |
| <i>Indoor Facilities</i>  | 9 900                | 9 614           | 2 859   | 2 104                  | 37 456                 |
| <i>Outdoor Facilities</i>   | 78                   | 78              | 4 040   | –                      | 400                    |
| <b>Other assets</b>   | <b>12 954</b>        | <b>15 989</b>   | <b>12 176</b>                                       | <b>13 401</b>          | <b>13 926</b>          |
| 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                 |
| <b>Intangible Assets</b>  | <b>–</b>             | <b>–</b>        | <b>250</b>  | <b>1 750</b>           | <b>2 100</b>           |
| Serv itudes   | –                    | –               | –   | –                      | –                      |
| Licences and Rights   | –                    | –               | 250   | 1 750                  | 2 100                  |
| <i>Computer Software and Applications</i>                         | –                    | –               | 250   | 1 750                  | 2 100                  |
| <b>Computer Equipment</b>   | <b>2 583</b>         | <b>1 668</b>    | <b>5 482</b>  | <b>3 227</b>           | <b>4 444</b>           |
| Computer Equipment  | 2 583                | 1 668           | 5 482   | 3 227                  | 4 444                  |
| <b>Furniture and Office Equipment</b>                             | <b>665</b>           | <b>760</b>      | <b>857</b>  | <b>723</b>             | <b>1 215</b>           |
| Furniture and Office Equipment                                    | 665                  | 760             | 857   | 723                    | 1 215                  |
| <b>Machinery and Equipment</b>                                    | <b>3 258</b>         | <b>3 088</b>    | <b>1 587</b>  | <b>2 806</b>           | <b>8 625</b>           |
| Machinery and Equipment   | 3 258                | 3 088           | 1 587   | 2 806                  | 8 625                  |
| <b>Transport Assets</b>   | <b>6 113</b>         | <b>5 835</b>    | <b>15 104</b>                                       | <b>18 654</b>          | <b>10 406</b>          |
| Transport Assets  | 6 113                | 5 835           | 15 104  | 18 654                 | 10 406                 |
| <b>Land</b>   | <b>73 400</b>        | <b>8 410</b>    | <b>100</b>  | <b>100</b>             | <b>50</b>              |
| Land  | 400                  | 8 410           | 100   | 100                    | 50                     |
| <b>Total Capital Expenditure on new assets</b>                    | <b>234 140</b>       | <b>223 943</b>  | <b>192 030</b>                                      | <b>193 226</b>         | <b>201 553</b>         |

## 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 |
| <b>R thousand</b>   |                      |                 |   |                        |                        |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |                      |                 |   |                        |                        |
| <b>Infrastructure</b>   | <b>25 441</b>        | <b>25 441</b>   | <b>15 487</b>                                       | <b>27 220</b>          | <b>37 323</b>          |
| Roads Infrastructure  | 20 500               | 20 500          | 14 987  | 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>Reticulation</i>   | 4 461                | 4 461           | –   | –                      | –                      |
| <i>Waste Water Treatment Works</i>  | –                    | –               | 500   | 7 220                  | 7 323                  |
| <b>Community Assets</b>   | <b>–</b>             | <b>–</b>        | <b>–</b>  | <b>–</b>               | <b>6 950</b>           |
| Community Facilities  | –                    | –               | –   | –                      | –                      |
| Sport and Recreation Facilities   | –                    | –               | –   | –                      | 6 950                  |
| <i>Indoor Facilities</i>  | –                    | –               | –   | –                      | 1 500                  |
| <i>Outdoor Facilities</i>   | –                    | –               | –   | –                      | 5 450                  |
| <b>Machinery and Equipment</b>  | <b>700</b>           | <b>700</b>      | <b>700</b>  | <b>190</b>             | <b>200</b>             |
| Machinery and Equipment   | 700                  | 700             | 700   | 190                    | 200                    |
| <b>Total Capital Expenditure on renewal of existing asset</b>                     | <b>26 141</b>        | <b>26 141</b>   | <b>16 187</b>                                       | <b>27 410</b>          | <b>44 473</b>          |

### 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 |
| <b>R thousand</b>   |                      |                 |   |                        |                        |
| <b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b> |                      |                 |   |                        |                        |
| <b>Infrastructure</b>   | <b>33 517</b>        | <b>29 966</b>   | <b>41 080</b>                                       | <b>71 809</b>          | <b>99 026</b>          |
| 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           | 5 500   | 7 500                  | 7 800                  |
| <i>MV Networks</i>  | 1 300                | 1 300           | 1 680   | 7 100                  | 7 700                  |
| <i>LV Networks</i>  | 1 900                | 1 900           | 1 250   | 1 250                  | 1 400                  |
| Water Supply Infrastructure   | 22 887               | 19 087          | 24 600  | 46 809                 | 59 576                 |
| <i>Reservoirs</i>   | 500                  | 500             | 4 500   | -                      | 1 000                  |
| <i>Bulk Mains</i>   | 6 043                | 1 743           | 4 300   | 24 009                 | 11 503                 |
| <i>Distribution</i>   | 15 544               | 16 044          | 15 000  | 22 000                 | 46 253                 |
| <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                 |
| <b>Community Assets</b>   | <b>-</b>             | <b>-</b>        | <b>1 182</b>  | <b>200</b>             | <b>200</b>             |
| Community Facilities  | -                    | -               | 182   | -                      | -                      |
| Sport and Recreation Facilities   | -                    | -               | 1 000   | 200                    | 200                    |
| <i>Outdoor Facilities</i>   | -                    | -               | 1 000   | 200                    | 200                    |
| <b>Total Capital Expenditure on upgrading of existing assets</b>                    | <b>33 517</b>        | <b>29 966</b>   | <b>42 262</b>                                       | <b>72 009</b>          | <b>99 226</b>          |

### 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 |
| <b>R thousand</b>   |                      |                 |   |                        |                        |
| <b>Repairs and maintenance expenditure by Asset Class/Sub-class</b> |                      |                 |   |                        |                        |
| <b>Infrastructure</b>   | <b>69 462</b>        | <b>69 165</b>   | <b>71 335</b>                                       | <b>68 514</b>          | <b>86 802</b>          |
| Roads Infrastructure  | 20 921               | 20 957          | 13 248  | 7 231                  | 17 347                 |
| <i>Roads</i>  | 20 801               | 20 837          | 12 785  | 6 747                  | 16 840                 |
| <i>Road Furniture</i>   | 120                  | 120             | 463   | 485                    | 507                    |
| 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           | 8 139   | 8 611                  | 9 113                  |
| <i>MV Substations</i>   | 206                  | 488             | 365   | 394                    | 424                    |
| <i>MV Networks</i>  | 2 014                | 1 200           | 3 946   | 4 137                  | 4 340                  |
| <i>LV Networks</i>  | 3 574                | 3 606           | 3 828   | 4 080                  | 4 348                  |
| Water Supply Infrastructure   | 2 011                | 2 128           | 4 670   | 4 881                  | 5 103                  |
| <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             | 3 018   | 3 177                  | 3 345                  |
| Sanitation Infrastructure   | 6 151                | 6 125           | 8 483   | 8 816                  | 9 163                  |
| <i>Pump Station</i>   | 1 061                | 1 063           | 1 095   | 1 128                  | 1 162                  |
| <i>Waste Water Treatment Works</i>                                  | 5 090                | 5 062           | 5 923   | 6 146                  | 6 379                  |
| 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                 |
| <b>Community Assets</b>   | <b>3 605</b>         | <b>3 975</b>    | <b>5 320</b>  | <b>5 540</b>           | <b>5 620</b>           |
| Community Facilities  | 2 533                | 2 442           | 3 593   | 3 753                  | 3 771                  |
| <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              | 932   | 974                    | 1 019                  |
| Sport and Recreation Facilities                                     | 1 072                | 1 533           | 1 727   | 1 787                  | 1 849                  |
| <i>Indoor Facilities</i>  | 100                  | 250             | 200   | 200                    | 200                    |
| <i>Outdoor Facilities</i>   | 972                  | 1 283           | 1 527   | 1 587                  | 1 649                  |
| <b>Other assets</b>   | <b>2 884</b>         | <b>2 477</b>    | <b>3 987</b>  | <b>3 100</b>           | <b>2 458</b>           |
| 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                    |
| <b>Computer Equipment</b>   | <b>402</b>           | <b>402</b>      | <b>523</b>  | <b>528</b>             | <b>534</b>             |
| Computer Equipment  | 402                  | 402             | 523   | 528                    | 534                    |
| <b>Furniture and Office Equipment</b>                               | <b>72</b>            | <b>72</b>       | <b>75</b>   | <b>74</b>              | <b>75</b>              |
| Furniture and Office Equipment                                      | 72                   | 72              | 75  | 74                     | 75                     |
| <b>Machinery and Equipment</b>                                      | <b>1 532</b>         | <b>1 540</b>    | <b>1 752</b>  | <b>1 748</b>           | <b>1 901</b>           |
| Machinery and Equipment   | 1 532                | 1 540           | 1 752   | 1 748                  | 1 901                  |
| <b>Transport Assets</b>   | <b>10 201</b>        | <b>10 312</b>   | <b>11 648</b>                                       | <b>12 539</b>          | <b>13 959</b>          |
| Transport Assets  | 10 201               | 10 312          | 11 648  | 12 539                 | 13 959                 |
| <b>Total Repairs and Maintenance Expenditure</b>                    | <b>88 157</b>        | <b>87 943</b>   | <b>94 640</b>                                       | <b>92 043</b>          | <b>111 349</b>         |

### 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 |
|            | Community and Social Serv  | Libraries: Furniture and Office Equipment               | Vote 1 - Corporate Services   | Provincial Government      | New     | Furniture and Office Equipment | 43                   | 43              | 43  | 43                     | 43                     |
|            | Community and Social Serv  | Buildings & Swartland Halls: Furniture and Office Equip | Vote 1 - Corporate Services   | Internally generated funds | New     | Furniture and Office Equipment | 100                  | 265             | 100   | 100                    | 100                    |
|            | Community and Social Serv  | New Cemetery: Chatsworth                                | Vote 2 - Civil Services       | Internally generated funds | New     | Community Assets               | 300                  | -               | -   | -                      | 600                    |
|            | Community and Social Serv  | Kalbaskraal SEF (Prof. Fees)                            | Vote 6 - Development Services | Provincial Government      | New     | Community Assets               | 9 300                | 9 364           | 1 517   | -                      | -                      |
|            | Community and Social Serv  | Riverlands SEF (Planning)                               | Vote 6 - Development Services | Internally generated funds | New     | Community Assets               | 600                  | 250             | 350   | -                      | -                      |
|            | Community and Social Serv  | Social Economic Facility: Riverlands                    | Vote 6 - Development Services | Provincial Government      | New     | Community Assets               | -                    | -               | 248   | 526                    | 9 364                  |
|            | Community and Social Serv  | Social Economic Facility: Darling                       | Vote 6 - Development Services | Provincial Government      | New     | Community Assets               | -                    | -               | 248   | 526                    | 9 364                  |
|            | Community and Social Serv  | Social Economic Facility: Koringberg                    | Vote 6 - Development Services | Provincial Government      | New     | Community Assets               | -                    | -               | 248   | 526                    | 9 364                  |
|            | Community and Social Serv  | Social Economic Facility: Malmesbury                    | Vote 6 - Development Services | Provincial Government      | New     | Community Assets               | -                    | -               | 248   | 526                    | 9 364                  |
|            | Community and Social Serv  | LED Units/Trading Stalls: Moorreesburg                  | Vote 6 - Development Services | Internally generated funds | New     | Community Assets               | -                    | -               | 1 100   | -                      | -                      |
|            | Community and Social Serv  | Abbotsdale Library: Shelving                            | Vote 1 - Corporate Services   | Provincial Government      | New     | Community Assets               | -                    | -               | 31  | -                      | -                      |
|            | Community and Social Serv  | Moorreesburg Library: Shelving                          | Vote 1 - Corporate Services   | Provincial Government      | New     | Community Assets               | -                    | -               | 47  | -                      | -                      |
|            | Community and Social Serv  | Riverlands Serviced Sites (Prof Fees)                   | Vote 6 - Development Services | Provincial Government      | New     | Housing                        | -                    | -               | 135   | 333                    | 333                    |
|            | Community and Social Serv  | Chatsworth Serviced Sites (Prof Fees)                   | Vote 6 - Development Services | 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 | Riebeeck 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 a      | Vote 2 - Civil Services       | Internally generated funds | Renewal | Community Assets               | -                    | -               | -   | -                      | 500                    |
|            | Finance and Administration | Rosenhof Community Hall - Upgrades, additions and       | Vote 2 - Civil Services       | Internally generated funds | Renewal | Community Assets               | -                    | -               | -   | -                      | 500                    |
|            | Finance and Administration | Yzerfontein Community Hall: Disability Facilities and u | Vote 2 - Civil Services       | Internally generated funds | Renewal | Community Assets               | -                    | -               | -   | -                      | 500                    |
|            | Finance and Administration | Malmesbury Stores: New Abattoir Street boundary w       | 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                    |
|            | Finance and Administration | Panorama Erven: Fencing/Perimeter protection            | Vote 2 - Civil Services       | Internally generated funds | New     | Community Assets               | -                    | -               | 340   | -                      | -                      |
|            | 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 Equipme      | Vote 6 - Development Services | Internally generated funds | New     | Furniture and Office Equipment | 50                   | 45              | 52  | 54                     | 56                     |

| 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 | Darling Intercultural Space: Stage Roofstructure Design | Vote 6 - Development Services | Provincial Government      | New       | Sport and Recreation Facilities | 78                   | 78              | -   | -                      | -                      |
|            | 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: Outs)     | 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 Se        | 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 work    | 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 (Street       | 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 Intersectio    | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Roads Infrastructure            | -                    | -               | -   | -                      | 200                    |
|            | Road Transport           | New Parking Area: Yzerfontein (Erf 495)                 | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure            | -                    | -               | 1 500   | -                      | -                      |
|            | Road Transport           | Upgrading of Parking Area: YZF Community Hall           | Vote 2 - Civil Services       | Internally generated funds | Renewal   | Roads Infrastructure            | -                    | -               | 800   | -                      | -                      |

| 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 |
|            | Road Transport       | Partial Upgrading of Walkway : Yzerfontein Harbour        | Vote 2 - Civil Services       | Internally generated funds | Renewal   | Roads Infrastructure      | -                    | -               | 650   | -                      | -                      |
|            | Road Transport       | Resurface Cement Walkway and Slipway : Main Beach         | Vote 2 - Civil Services       | Internally generated funds | Renewal   | Roads Infrastructure      | -                    | -               | 150   | -                      | -                      |
|            | Road Transport       | Permanent Walkway : Lutie Katz (Schaap Eiland YZF)        | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure      | -                    | -               | 480   | -                      | -                      |
|            | Road Transport       | New Sidewalks and Speedbumps: Darling (Ward 6)            | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure      | -                    | -               | 170   | -                      | -                      |
|            | Road Transport       | New Sidewalks and Speedbumps: Kalbaskraal (Ward 5)        | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure      | -                    | -               | 97  | -                      | -                      |
|            | Road Transport       | New Sidewalks and Speedbumps: Abbotsdale (Ward 4)         | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure      | -                    | -               | 97  | -                      | -                      |
|            | Road Transport       | New Sidewalks and Speedbumps: Iingu Lethu (Ward 3)        | Vote 2 - Civil Services       | Internally generated funds | New       | Roads Infrastructure      | -                    | -               | 111   | -                      | -                      |
|            | Sport and Recreation | Ward Committee Projects: Parks (Acquisitions:Outsourcing) | Vote 2 - Civil Services       | Internally generated funds | New       | Community Assets          | 1 000                | 1 080           | 679   | 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                    |
|            | 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    | 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 Services | 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           | Vote 6 - Development Services | Internally generated funds | Upgrading | Community Assets          | -                    | -               | 1 000   | -                      | -                      |

| 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 |
|            | Sport and Recreation   | Park equipment: Koringberg (Ward 1)                        | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 105   | -                      | -                      |
|            | Sport and Recreation   | Park equipment: Moorreesburg (Ward 1)                      | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 105   | -                      | -                      |
|            | Sport and Recreation   | Upgrading Van Riebeek Garden: Riebeek Wes (Ward 1)         | Vote 2 - Civil Services | Internally generated funds | Upgrading | Community Assets               | -                    | -               | 182   | -                      | -                      |
|            | Sport and Recreation   | Boxed Seating Pavillions: Kalbaskraal Sportgrounds         | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 440   | -                      | -                      |
|            | Sport and Recreation   | Boxed Seating Pavillions: Riverlands Sportgrounds          | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 880   | -                      | -                      |
|            | Sport and Recreation   | Boxed Seating Pavillions: Koringberg Sportgrounds          | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 440   | -                      | -                      |
|            | Sport and Recreation   | Boxed Seating Pavillions: Riebeek-Wes Sportgrounds         | Vote 2 - Civil Services | Internally generated funds | New       | Community Assets               | -                    | -               | 440   | -                      | -                      |
|            | 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             | -   | -                      | -                      |
|            | 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    | 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             | -   | -                      | -                      |

| 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 |
|            | 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 | Riebeeck Kasteel network upgrade, Master Plan SRKS    | 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                     |
|            | 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  | Vote 2 - Civil Services       | National Government        | New       | Storm water Infrastructure     | -                    | 1 464           | -   | -                      | -                      |
|            | Waste Water Management | Darling Serviced Sites ( 394) Sewerage                | Vote 6 - Development Services | Provincial Government      | New       | Sanitation Infrastructure      | -                    | -               | -   | 1 017                  | 3 562                  |
|            | Waste Water Management | Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)  | Vote 6 - Development Services | 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, f | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | 800                  | 800             | 800   | 800                    | 820                    |

| 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 |
|            | 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) (A     | Vote 2 - Civil Services       | Internally generated funds | New       | Water Supply Infrastructure    | 10                   | 10              | 10  | 10                     | 10                     |
|            | Water Management | Connections: Water Meters (New/Replacements) (M     | 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/A       | 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 (Reserv     | 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/A       | Vote 2 - Civil Services       | National Government        | New       | Water Supply Infrastructure    | -                    | -               | 10 754  | -                      | -                      |
|            | Water Management | Chatsworth/Riverlands upgrade bulk water supply (M  | Vote 2 - Civil Services       | National Government        | New       | Water Supply Infrastructure    | -                    | -               | -   | 4 589                  | 8 152                  |
|            | Water Management | Chatsworth/Riverlands upgrade bulk water supply - V | 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 Kasteelbe  | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | -                    | 500             | 2 500   | 5 765                  | -                      |
|            | Water Management | Swartland Bulk Water Supply System: S2.1 Kasteelbe  | Vote 2 - Civil Services       | National Government        | Upgrading | Water Supply Infrastructure    | -                    | -               | -   | 8 422                  | -                      |
|            | Water Management | Swartland Bulk Water Supply System: S2.2 Kasteelbe  | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | -                    | -               | -   | 5 000                  | 3 187                  |
|            | Water Management | Swartland Bulk Water Supply System: S2.2 Kasteelbe  | 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 Kaste  | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | -                    | -               | -   | 782                    | 814                    |
|            | Water Management | Swartland Bulk Water Supply System: Riebeeck Kaste  | 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 Services | Provincial Government      | New       | Water Supply Infrastructure    | 5 830                | 8 997           | 4 337   | 6 753                  | -                      |
|            | Water Management | Darling Serviced Sites ( 394) Water                 | Vote 6 - Development Services | Provincial Government      | New       | Water Supply Infrastructure    | -                    | -               | -   | 1 207                  | 4 230                  |
|            | Water Management | De Hoop Bulk: Water - Wesbank (Phase 3)             | Vote 6 - Development Services | Internally generated funds | Upgrading | 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 Bulk Water Conveyance: Upgrade and Cap    | Vote 2 - Civil Services       | National Government        | Upgrading | Water Supply Infrastructure    | -                    | -               | -   | -                      | 10 753                 |
|            | Water Management | Swartland Bulk Water Conveyance: Upgrade and Cap    | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | 500                  | 500             | 3 000   | 8 500                  | 20 000                 |
|            | Water Management | Swartland WTW Upgrade and Capacity extension        | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure    | -                    | -               | 1 000   | 1 500                  | 7 500                  |

| 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 |
|            | Water Management | Swartland Bulk Water Supply System: S2.3 Kasteelb      | Vote 2 - Civil Services       | Internally generated funds | Upgrading | Water Supply Infrastructure | -                    | -               | -   | -                      | 500                    |
|            | Water Management | Swartland Bulk Water Supply System: Swartland WT       | 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 tra      | Vote 4 - Electricity Services | National Government        | New       | Electrical Infrastructure   | 17 821               | -               | -   | -                      | -                      |
|            | Energy Sources   | Malmesbury De Hoop 132/11kV Substation, 132kV tra      | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 4 279                | -               | -   | 6 693                  | -                      |
|            | Energy Sources   | Malmesbury De Hoop 132/11kV Substation, 132kV tra      | Vote 4 - Electricity Services | Borrowing                  | New       | Electrical Infrastructure   | 29 700               | -               | -   | -                      | -                      |
|            | Energy Sources   | Malmesbury De Hoop 132/11kV Substation, 132kV tra      | Vote 4 - Electricity Services | Borrowing                  | New       | Electrical Infrastructure   | 300                  | -               | -   | -                      | -                      |
|            | Energy Sources   | Replace oil insulated switchgear and equipment (Acc    | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 4 000                | 4 000           | 5 000   | 7 000                  | 7 000                  |
|            | Energy Sources   | Replace oil insulated switchgear and equipment (Ma     | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 500                  | 500             | 500   | 500                    | 800                    |
|            | Energy Sources   | LV Upgrading: Swartland (Acquisitions:Outsourced       | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 100                  | 100             | 100   | 100                    | 200                    |
|            | Energy Sources   | LV Upgrading: Swartland (Materials and Supplies)       | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 1 150                | 1 150           | 1 150   | 1 150                  | 1 200                  |
|            | Energy Sources   | MV Upgrading: Swartland (Acquisitions:Outsourced       | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 100                  | 100             | 100   | 100                    | 200                    |
|            | Energy Sources   | MV Upgrading: Swartland (Materials and Supplies)       | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 1 200                | 1 200           | 1 200   | 1 300                  | 1 300                  |
|            | Energy Sources   | Streetlight, kiosk and polebox replacement: Sw artland | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 650                  | 650             | 650   | 650                    | 800                    |
|            | Energy Sources   | Protection and Scada Upgrading: Swartland              | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure   | 380                  | 320             | 380   | 1 500                  | 2 000                  |
|            | Energy Sources   | Substation Fencing: Swartland (Acquisitions:Outsour    | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 200                  | 200             | 200   | 200                    | 250                    |
|            | Energy Sources   | Substation Fencing: Swartland (Materials and Suppli    | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 20                   | 20              | 20  | 20                     | 30                     |
|            | Energy Sources   | Security Surveillance: Cameras, Monitoring and Relat   | Vote 4 - Electricity Services | Internally generated funds | New       | Computer Equipment          | 200                  | 200             | 600   | 300                    | 350                    |
|            | Energy Sources   | Moorreesburg Development 600 IRDP erven. Electric      | Vote 4 - Electricity Services | National Government        | New       | Electrical Infrastructure   | -                    | -               | 6 660   | -                      | -                      |
|            | Energy Sources   | Moorreesburg Development 600 IRDP erven. Electric      | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 7 550                | 7 550           | 1 190   | -                      | -                      |
|            | Energy Sources   | Moorreesburg Bulk Infrastructure: Municipal network    | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | -                    | -               | 2 000   | 4 800                  | -                      |
|            | Energy Sources   | Darling 184 IRDP erven. Electrical bulk supply, infras | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 5 168                | 5 168           | -   | -                      | -                      |
|            | Energy Sources   | Malmesbury De Hoop Serviced Sites (2000) -INEP         | Vote 4 - Electricity Services | National Government        | New       | Electrical Infrastructure   | -                    | -               | 18 093  | 21 811                 | 22 797                 |
|            | Energy Sources   | Malmesbury De Hoop Serviced Sites (2000) (Acquisi      | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | 10 315               | 10 065          | 3 207   | 489                    | 5 021                  |
|            | Energy Sources   | Malmesbury De Hoop Serviced Sites (2000) (Comp         | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure   | -                    | 250             | -   | -                      | -                      |

| 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 |
| Energy Sources             |          | Malmesbury MV Lines from Eskom Main sub                           | Vote 4 - Electricity Services | Internally generated funds | Upgrading | Electrical Infrastructure      | -                    | -               | -   | 4 200                  | 4 200                  |
| Energy Sources             |          | Bulk upgrading from Eskom supply Point to Yzerfontein             | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | 500   | 6 000                  | 7 500                  |
| Energy Sources             |          | Yzerfontein 6 industrial erven. Electrical bulk supply            | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | -   | 1 500                  | -                      |
| Energy Sources             |          | Elec: CK24542 Isuzu FRR500 & Hyskraan MRB                         | Vote 4 - Electricity Services | Internally generated funds | New       | Transport Assets               | -                    | -               | -   | 2 128                  | -                      |
| Energy Sources             |          | De Hoop to Industrial Area: 11 kV Cable                           | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | 2 000   | 2 000                  | -                      |
| Energy Sources             |          | Air conditioners: New and Replacement                             | Vote 4 - Electricity Services | Internally generated funds | New       | Furniture and Office Equipment | 250                  | 250             | 250   | 250                    | 350                    |
| Energy Sources             |          | Connections: Electricity Meters (New/Replacements)                | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | 20                   | 20              | 20  | 20                     | 20                     |
| Energy Sources             |          | Connections: Electricity Meters (New/Replacements)                | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | 930                  | 930             | 1 380   | 1 430                  | 1 480                  |
| Energy Sources             |          | Emergency Power Supply and Energy Savings Initiative              | Vote 4 - Electricity Services | Internally generated funds | New       | Computer Equipment             | 300                  | 300             | 300   | 350                    | 200                    |
| Energy Sources             |          | Equipment: Electric   | Vote 4 - Electricity Services | Internally generated funds | New       | Machinery and Equipment        | 400                  | 460             | 540   | 500                    | 520                    |
| Energy Sources             |          | Streetlights Eskom AOS  | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | 400                  | 400             | 400   | 600                    | 600                    |
| Energy Sources             |          | Traffic Light Controlling Equipment                               | Vote 4 - Electricity Services | Internally generated funds | New       | Machinery and Equipment        | 150                  | 150             | -   | -                      | -                      |
| Energy Sources             |          | Elec: CK43210 Case Bachoe Loader                                  | Vote 4 - Electricity Services | Internally generated funds | New       | Machinery and Equipment        | -                    | -               | -   | 1 348                  | -                      |
| Energy Sources             |          | Darling 394 IRDP erven (Phase 2). Electrical bulk supply          | Vote 4 - Electricity Services | National Government        | New       | Electrical Infrastructure      | -                    | -               | 5 106   | -                      | -                      |
| Energy Sources             |          | Darling 394 IRDP erven (Phase 2). Electrical bulk supply          | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | -   | 500                    | 7 500                  |
| Energy Sources             |          | Upgrade of Traffic Light Controlling Equipment and infrastructure | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | 200   | 200                    | 200                    |
| Energy Sources             |          | Cherry Picker   | Vote 4 - Electricity Services | Internally generated funds | New       | Transport Assets               | -                    | -               | 1 900   | -                      | -                      |
| Energy Sources             |          | Smart Metering Management System                                  | Vote 4 - Electricity Services | Internally generated funds | New       | Intangible Assets              | -                    | -               | -   | 1 000                  | 1 500                  |
| Energy Sources             |          | Klipfontein Substation 4th Feederbay                              | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | -   | 500                    | -                      |
| Energy Sources             |          | Smart City Connectivity   | Vote 4 - Electricity Services | Internally generated funds | New       | Intangible Assets              | -                    | -               | 250   | 600                    | 600                    |
| Energy Sources             |          | Trailer mounted Mobile Cherry Picker                              | Vote 4 - Electricity Services | Internally generated funds | New       | Transport Assets               | -                    | -               | 980   | -                      | -                      |
| Energy Sources             |          | Replace Mini Excavators (fit onto existing trailer)               | Vote 4 - Electricity Services | Internally generated funds | New       | Machinery and Equipment        | -                    | -               | -   | -                      | 480                    |
| Energy Sources             |          | 1 Ton Light Delivery Vehicle: Malmesbury Depot                    | Vote 4 - Electricity Services | Internally generated funds | New       | Transport Assets               | -                    | -               | 500   | -                      | -                      |
| Energy Sources             |          | Infill Connections: Phola Park                                    | Vote 4 - Electricity Services | Internally generated funds | New       | Electrical Infrastructure      | -                    | -               | 700   | -                      | -                      |
| Finance and Administration |          | Corporate: Furniture and Office Equipment                         | Vote 1 - Corporate Services   | Internally generated funds | New       | Furniture and Office Equipment | 30                   | 30              | 32  | 34                     | 36                     |
| Finance and Administration |          | Expropriation of splays   | Vote 1 - Corporate Services   | Internally generated funds | New       | Land                           | 400                  | 110             | 100   | 100                    | 50                     |
| Finance and Administration |          | Information Technology: Computer Equipment                        | Vote 4 - Electricity Services | Internally generated funds | New       | Computer Equipment             | 75                   | 75              | 75  | 75                     | 75                     |
| Finance and Administration |          | Printers  | Vote 4 - Electricity Services | Internally generated funds | New       | Computer Equipment             | 60                   | 60              | 65  | 65                     | 65                     |

| 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 | DeskTops  | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | 306                  | 306             | 351   | 361                    | 337                    |
|            | Finance and Administration | Notebooks   | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | 486                  | 601             | 1 482   | 506                    | 457                    |
|            | Finance and Administration | Terminals   | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | 40                   | 40              | -   | -                      | -                      |
|            | Finance and Administration | Monitor Replacements                              | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | 45                   | 45              | -   | -                      | 60                     |
|            | Finance and Administration | Communications and equipment: Time and Attendance | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | 1 071                | -               | -   | -                      | 1 250                  |
|            | Finance and Administration | Storage Area Network (SAN)                        | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | -                    | -               | 2 549   | -                      | -                      |
|            | Finance and Administration | New Server SM virtual environment                 | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | -                    | -               | -   | 1 470                  | -                      |
|            | Finance and Administration | Financial: Furniture and Office Equipment         | Vote 5 - Financial Services   | Internally generated funds | New  | Furniture and Office Equipment | 63                   | 59              | 36  | 38                     | 40                     |
|            | Finance and Administration | Meter Installation Handheld Devices               | Vote 5 - Financial Services   | Internally generated funds | New  | Furniture and Office Equipment | -                    | -               | 40  | 43                     | 375                    |
|            | Finance and Administration | Meterreading Handhelds                            | Vote 5 - Financial Services   | Internally generated funds | New  | Furniture and Office Equipment | 80                   | -               | 80  | -                      | 80                     |
|            | Finance and Administration | Asset Recording Handhelds                         | Vote 5 - Financial Services   | Internally generated funds | New  | Furniture and Office Equipment | -                    | -               | -   | 58                     | -                      |
|            | Finance and Administration | Finance: CK40664 Panel Van                        | Vote 5 - Financial Services   | Internally generated funds | New  | Transport Assets               | -                    | -               | -   | 295                    | -                      |
|            | Finance and Administration | Indigent Screening Solution                       | Vote 5 - Financial Services   | Internally generated funds | New  | Furniture and Office Equipment | 25                   | 22              | -   | -                      | 30                     |
|            | Finance and Administration | Core Switch Replacement                           | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | -                    | -               | -   | -                      | 1 550                  |
|            | Finance and Administration | IT Spare Equipment for backup                     | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | -                    | -               | -   | 100                    | 100                    |
|            | Finance and Administration | FireWall  | Vote 4 - Electricity Services | Internally generated funds | New  | Intangible Assets              | -                    | -               | -   | 150                    | -                      |
|            | 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   | -                      | -                      |
|            | Finance and Administration | Notebooks: FMG Interns                            | Vote 4 - Electricity Services | Internally generated funds | New  | Computer Equipment             | -                    | -               | 60  | -                      | -                      |
|            | Executive and Council      | MM: Furniture and Office Equipment                | Vote 7 - Municipal Manager    | Internally generated funds | New  | Furniture and Office Equipment | 12                   | 12              | 12  | 12                     | 12                     |
|            | Executive and Council      | Park equipment: Tosca street                      | Vote 7 - Municipal Manager    | Donation                   | New  | Community Assets               | -                    | 10              | -   | -                      | -                      |
|            | Executive and Council      | Risk Management Devices                           | Vote 7 - Municipal Manager    | 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             | -   | -                      | -                      |

| 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 |
|            | Public Safety                    | Traffic and Law : CK32531 (Replace with D/C Bakkie | 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   | -                      | -                      |
|            | <b>Total Capital Expenditure</b> |  |                              |                            |      |                         | <b>293 799</b>       | <b>280 050</b>  | <b>250 479</b>                                      | <b>292 645</b>         | <b>345 252</b>         |

## 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 2026/2027 Draft MTREF budget. The final SDBIP document will be tabled after the approval of the 2026/2027 Final 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 JJ 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: Joachim Jacobus Scholtz

Municipal Manager of Swartland Municipality

Signature:

A handwritten signature in black ink, appearing to read "JJ Scholtz", written over a horizontal line.

Date:

26/05/2026

**Capital Projects with a total project cost in excess of R50 million (to give effect to Sec 19 (1) (b) of the MFMA) with the provision that the bulk upgrades to the Voëlvei Water Treatment Works and Conveyancing Network, not complying per the requirements of the MFMA, until such time that council receives the feasibility studies and financial impact on future budgets, given the extent of the renewal costs, as the funding mix has not been determined yet.**

| Project Description  | Nature  | Location           | Budget Year  | Budget Year  | Budget Year  | Budget Year  | Budget Year  | Total Project Value | Funding Sources   | Future Operational Cost  | Operating Impact absorbed by:                     | Sec 33 Triggered Y / N |
|--|---|--------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------------|--|---|------------------------|
|  |   |                    | 2026/27      | 2027/28      | 2028/29      | 2029/30      | 2030/31      | Estimate            |                   |  |   |                        |
| <b>Sewerage Works: Darling</b>   | Upgrading of Sewerage Works: Darling                            | Darling            | R 1 500 000  | R 5 000 000  | R 15 000 000 | R 40 000 000 | R 20 000 000 | R 81 500 000        | CRR               | Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Sewerage cost centre  | MTREF CRR and beyond                              | Y                      |
|  |   |                    | R -          | R -          | R -          | R 10 000 000 | R -          | R 10 000 000        | MIG               |  |   |                        |
| <b>Roads Swartland: Resealing of Roads</b>                             | Resealing of Roads in the Swartland area                        | Swartland area     | R 11 758 915 | R 20 000 000 | R 30 000 000 | R 30 000 000 | R 40 000 000 | R 131 758 915       | CRR               | Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Roads cost centre   | MTREF CRR and beyond                              | N                      |
|  |   |                    | R 1 628 085  | R -          | R -          | R -          | R -          | R 1 628 085         | MIG               |  |   |                        |
| <b>Roads Swartland: Construction of New Roads</b>                      | Construction of New Roads in the Swartland area                 | Swartland area     | R 27 015 314 | R 10 000 000 | R 5 000 000  | R 5 000 000  | R 10 000 000 | R 57 015 314        | CRR               | Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Roads cost centre   | MTREF CRR and beyond                              | N                      |
|  |   |                    | R 13 297 933 | R -          | R -          | R -          | R 10 000 000 | R 23 297 933        | MIG               |  |   |                        |
| <b>Swartland Bulk Water Conveyance: Upgrade and Capacity extension</b> | Swartland Bulk Water Conveyance: Upgrade and Capacity extension | Swartland area     | R 3 000 000  | R 8 500 000  | R 20 000 000 | R 6 444 761  | R 50 000 000 | R 87 944 761        | CRR               | Future operating costs could not be determined yet, due to the projects being in pre-feasibility and planning stages, with no implication on the current operating budget at this stage. | UNKNOWN   | Y                      |
|  |   |                    | R -          | R -          | R 10 752 555 | R 26 510 899 | R 10 000 000 | R 47 263 454        | MIG               |  |   |                        |
| <b>Swartland WTW Upgrade and Capacity extension</b>                    | Swartland WTW Upgrade and Capacity extension                    |                    | R 1 000 000  | R 1 500 000  | R 7 500 000  | R -          | R -          | R 10 000 000        | CRR               |  | UNKNOWN   | Y                      |
| <b>Malmesbury De Hoop Serviced Sites</b>                               | Sewerage  | Malmesbury De Hoop | R 8 045 112  | R 10 491 498 | R -          | R -          | R -          | R 18 536 610        | Human Settlements | Future operating costs covered by the Water, Sewerage and Roads cost centres   | Existing Water, Sewerage Revenue and Rates Regime | N                      |
|  | Water   |                    | R 4 336 768  | R 6 753 463  | R -          | R -          | R -          | R 11 090 231        | Human Settlements |  |   |                        |
|  | Roads   |                    | R 17 218 120 | R 26 813 039 | R -          | R -          | R -          | R 44 031 159        | Human Settlements |  |   |                        |
| <b>Malmesbury De Hoop Serviced Sites (2000)</b>                        | Electricity Infrastructure and Service Connections              | Malmesbury De Hoop | R 18 093 000 | R 21 811 000 | R 22 797 000 | R -          | R -          | R 62 701 000        | INEP              | Future operating costs covered by the Electricity cost centre  | MTREF CRR and beyond                              | N                      |
|  |   |                    | R 3 207 000  | R 489 000    | R 5 021 205  | R 21 765 041 | R -          | R 30 482 246        | CRR               |  |   |                        |