

SWARTLAND MUNICIPALITY

MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK 2025/2026 TO 2027/2028



ANNUAL BUDGET OF SWARTLAND MUNICIPALITY

**2025/2026 TO 2027/2028
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Part 1 – Annual Budget

1.1 Mayor's Report

Recommendation of the draft budget for purposes of public input.

1.2 Council Resolutions

The following council resolutions pertaining to the approval of the draft multi-year capital and operating budgets, amended budget and related policies, property tax rates, tariffs and other charges for 2025/2026; 2026/2027 and 2027/2028 for specific purposes of giving effect to public participation;

- (a) That council takes note that due to the late tabling of the Provincial budget and the late communication of the Provincial Gazette, the 2025/26 MTREF allocations will only be incorporated in the final budget in May – allocations are indicative at this stage;
- (b) That council takes note that the costs as envisaged by Section 19 (2)(a)(b) were derived after consultation with the respective director(s) who has confirmed the costs as per **(Annexure A: 2025/2026 – 2027/2028 Draft Budget and Tariff File)** and consider same;
- (c) That council prior to approving the capital projects above R50 million as listed in **(Annexure B: 2025/2026 – 2027/2028 Capital Projects to Sec 19)**, first consider the projected cost covering all financial years until the project is operational and the future operational costs and revenue on the project, including municipal tax and tariff implications;
- (d) That council deemed it appropriate to consider the entire capital program excluding the 4 contractually combined projects above R50 million as the aforementioned capital program's operational cost, inclusive of future costs will be covered by the rates regime and the normal cost centres found in the operational budget;
- (e) That council considers the funding sources linked to council's capital program and take note that these funding sources are available and have not been committed for other purposes;

FINANCING SOURCES	DRAFT BUDGET 2025/26	DRAFT BUDGET 2026/27	DRAFT BUDGET 2027/28
Capital Replacement Reserve (CRR)	R 128 411 923	R 138 083 611	R 156 818 041
External Loans	R 40 000 000	R -	R -
Municipal Infrastructure Grant (MIG)	R 25 405 000	R 27 293 000	R 28 388 000
Dept. of Infrastructure	R 50 294 362	R 33 735 985	R 52 476 713
Integrated National Electrification Programme (INEP)	R 17 821 124	R 20 868 000	R 21 811 000
Water Services Infrastructure Grant	R 17 044 000	R -	R -
Dept. Cultural Affairs and Sport	R 43 478	R 43 478	R -
GRAND TOTAL	R 279 019 887	R 220 024 074	R 259 493 754

- (f) That council approves the capital projects as part of its consolidated capital program as per **(Annexure A: 2025/2026 – 2027/2028 Draft Budget and Tariff File)**;
- (g) That council approves the raising of an external loan to the amount of R40 million for the new 2025/26 MTREF for the partial financing of the following capital projects: 132/11kV Eskom Schoonspruit Substation (R30.7 million) and the Development of Highlands New Landfill site Cell (R9.3 million), by means of testing the market as envisaged by MFMA section 46, requesting tenders from the financial institutions;
- (h) That the following total expenditure by vote (per directorate) be approved, which includes both operating and capital expenditure per directorate, in order that departments pro-actively prevent unauthorised expenditure;

Budget Year 2024/25	Capital Expenditure by Vote			Operating Expenditure by Vote			Total Expenditure by Vote		
R thousands	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Vote 1 - Corporate Services	573	575	534	49 311	52 396	55 729	49 885	52 971	56 263
Vote 2 - Civil Services	137 586	116 213	145 139	417 140	448 726	476 306	554 727	564 939	621 445
Vote 3 - Council	12	12	12	25 476	26 510	27 573	25 488	26 522	27 585
Vote 4 - Electricity Services	88 166	62 174	59 942	558 289	595 017	637 151	646 455	657 191	697 093
Vote 5 - Financial Services	168	76	672	84 757	91 101	97 495	84 925	91 177	98 166
Vote 6 - Development Services	51 180	39 826	52 571	176 471	209 586	49 871	227 651	249 412	102 442
Vote 7 - Municipal Manager	12	12	12	11 289	11 911	12 679	11 301	11 923	12 691
Vote 8 - Protection Services	1 322	1 136	612	124 242	130 961	138 152	125 564	132 097	138 764
Grand Total	279 020	220 024	259 494	1 446 976	1 566 208	1 494 955	1 725 996	1 786 232	1 754 448

- (i) That the draft high-level multi-year Capital and Operating budgets in respect of the **2025/2026 – 2027/2028** financial years, be approved as draft, in accordance with sections 16, 17 and 19 of the MFMA, to allow for public participation;

	Original Budget 2024/25	Adjustments Budget 2024/25	Draft Budget 2025/26	Draft Budget 2026/27	Draft Budget 2027/28
Capital budget	376 477 670	308 029 709	279 019 887	220 024 074	259 493 754
Operating Expenditure	1 189 045 717	1 210 970 777	1 446 976 385	1 566 208 166	1 494 954 545
Operating Revenue	1 458 996 894	1 475 819 204	1 586 838 910	1 664 780 877	1 598 962 787
Budgeted (Surplus)/ Deficit	(269 951 177)	(264 848 427)	(139 862 525)	(98 572 711)	(104 008 243)
Less: Capital Grants & Contributions	246 062 275	238 036 010	110 607 964	81 940 463	102 675 713
(Surplus)/ Deficit	(23 888 902)	(26 812 417)	(29 254 561)	(16 632 248)	(1 332 530)

- (j) 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 the draft property tax rates, exemptions and rebates on property reflected in the schedule below and in the property rates policy for the 2025/26 financial year with effect from 1 July 2025, for purposes of allowing for public participation;

Category of property	Rate ratio	(c/R) rate determined for the relevant property category
Residential properties	1: 1	0,5623
Business and Commercial properties	1: 1,6672	0,9374
Industrial properties	1: 1,6672	0,9374
Agricultural properties	1: 0,25	0,1406
Mining properties	1: 1,6672	0,9374
Public Service Infrastructure	1: 0,25	0,1406
Properties owned by an organ of state and used for public service purposes	1: 1,6672	0,9374
Public Benefit Organizations	1: 0	0,0000
Vacant properties	1: 1,4966	0,8415
Municipal properties	1: 0	0,0000
Conservation Areas	1: 0	0,0000
Protected Areas	1: 0	0,0000
National Monuments	1: 0	0,0000
Informal Settlements	1: 0	0,0000

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 indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- **Qualifying senior citizens 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 R300 000.

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

- (k) That council approve the draft tariff structures and charges for water, refuse removal, sewerage and other sundry charges as set out in **(Annexure A: 2025/2026 – 2027/2028 Draft Budget and Tariff File)** for purposes of allowing for public participation;
- (l) That council approve the electricity tariffs as draft for the 2025/2026 financial year, **bearing in mind that it is still subject to NERSA's final approval;**
- (m) That the phasing in of the restructured electricity tariffs, per the cost of supply study, are planned for implementation in 2026/27;

- (n) That the annual budget tables as required by the Budget and Reporting Regulations be approved as set out in **(Annexure C: Budget Report and A-Schedules 2025/2026 – 2027/2028)**;
- (o) That the **amendments** to the budget and related policies as set out in **(Annexure D: Draft Amendments to Budget & Related Policies 2025/2026)** hereto, be approved for purposes of soliciting the views and comment from the public;
- (p) That the amendments to Council's Supply Chain Management Policy, the Preferential Procurement Policy and Funding and Reserves policy be approved with effect from 1 April 2025;
- (q) That the training budget of R1 782 533 for the 2025/2026 financial year be approved as draft;
- (r) That Council takes note of the increases of the Directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:
- In respect of all personnel, an increase of **5.75%** for 2025/2026; **5.25%** for 2026/2027 and **5.75%** for the 2027/2028 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
 - All salary adjustments are adequately budgeted for;
 - Provision has been made for a **3%** increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).
- (s) 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 **19.5%** from the current to the new financial year and the revenue streams with growth in revenue of **7.5% (19.3% excluding capital grant income)** for the MTREF period as well as the cash flow statement as per **(A-schedule A7)** for the next three financial years;
- the budgeted risk factor for cash coverage for operating expenses are **9.6 months** for 2025/26, **9.2 months** for 2026/27 and **10.1 months** for 2027/28;
 - over the next three financial years the planning is such that net operating surpluses are envisaged for 2025/26 to an amount of **R 29 254 561**, for 2026/27 an amount of **R 16 632 248** and for 2027/28 an amount of **R 1 332 530 (excluding capital grant income)**, which is well **below the NT guideline of at least a surplus of 7.5%**.
- (t) That the Director: Financial Services adhere to the requirements of the Budget Circulars and Budget Reforms in the context of the reporting requirements to Provincial and National Treasury and that **MFMA Circular No.130 will be fully incorporated with the Final budget in May 2025 as it was only published on 20 March 2025**;
- (u) That Council specifically adhere to the requirements of the Provincial and National Treasury Budget Circulars as enclosed in **“Annexure E: Budget Circulars”**;

- (v) That Council take note that the budget was prepared in the new mSCOA Version 6.9 as required by National Treasury;
- (w) 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;
- (x) That the process of soliciting public input, views or comments into the draft budget, **revised** budget and related policies and budget documents, inclusive of the property taxes and tariffs to close at 12 midday on **30 April 2025**.

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

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

1.3 Executive Summary

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the Integrated Development Plan. National Treasury's MFMA Circular No. 129 supported and guided the compilation of the 2025/2026 Medium-term Revenue and Expenditure Framework. Due to timing, **MFMA Circular No.130 can only be incorporated in the Final budget in May 2025.**

As this budget constitutes the financial plan for the next 3 years, it naturally impacts the community as a whole and it is thus necessary to consult the community in a bid to create awareness and to gain support for joint ownership and responsibility in managing the municipality's financial affairs and programs. The budget will be communicated through the normal legally required advertisements, our website and budget documentation in this regard will be made available at municipal buildings and libraries as advertised to allow for input up until 30 April 2025 before the final approval of this budget on 29 May 2025. Inputs and representations shall be considered prior to final approval after which consideration will be given in line with Section 23 of the MFMA whether the draft budget needs to be revised and amended.

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

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

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

The following were highlighted in NT's Budget Circular 129 (dated 6 December 2024) to inform the Draft 2025-2026 MTREF. The updated NT Circular 130 was only issued on 20 March 2025, whilst the consideration of the draft started on 18 March 2025 already.

The South African economy and inflation targets

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment. Medium-term growth will be underpinned by household consumption on the back of rising purchasing power, moderate employment recovery and wealth gains. Continued investments in renewable energy and easing structural constraints are expected to support higher investment. Key factors for achieving faster economic growth and creating much-needed jobs include greater collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

Due to weaker economic growth and other economic factors such as the current VAT increase which puts added pressure on households, households will likely struggle to pay municipal accounts which will impact negatively on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections or for clear articulation of all the factors affecting the tariffs.

NT recommends the following macro-economic forecasts to be considered when preparing the 2025/26 MTREF municipal budgets:

Table 1: Macroeconomic performance and projections, 2023 - 2028					
Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	6.0%	4.4%	4.3%	4.6%	4.4%

NB: Inflation for 2025 is expected to average at around 4.9%, all things remaining equal, given the actual results published by STATS SA for the last 2 years.

Key focus areas for the 2025/26 budget process

- **Conditional grants and unconditional grants allocations** - Over the 2025 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.8 per cent to local government. Local government funding is projected to increase from R184.8 billion in 2025/26 to R197.9 billion in 2027/28. In 2025/26, this comprises R106.1 billion for the local government equitable share, R16.8 billion from the general fuel levy sharing with metros, and R61.8 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 2024 Medium Term Budget Policy Statement. The final details will be provided in the 2025 Budget Review. Government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These reforms are aimed to rationalise conditional grants and enhance their effectiveness and will be implemented from 2025/26.
- **The weak economic growth continues to impact municipal finances** and this has strained consumers' ability to pay for services as communicated in MFMA Circular No. 89. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally, suggesting that municipal operations, processes, and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend money that they do not have.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring that the tariffs are cost reflective for the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be 4.4 per cent; therefore, municipalities are required to justify all increases more than the projected inflation target for 2025/26 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

- **Revenue enhancement and Improved debt collection** - By making use of the available tools and smart metering systems, municipalities will be in a better position to prepare cost-reflective tariffs and credible funded budgets, budgets that align with actual revenues and expenditures. **The Smart Meters Grant Roll-Out and RT29-2024 Transversal Tender (available to all government institutions) are both useful not only to improve revenue in municipalities, but also to assist in improving debt collection. Not only can water and electricity losses be reduced, but cash can be generated up front.**

Municipalities must focus on increasing collection rates, curbing material losses, and aligning their budgets with actual financial realities.

- **Setting the Cost reflective tariffs** - It is important that municipalities periodically conduct cost of supply studies in the provision of each basic service. Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs and fixed costs e.g., salary and wages, etc. should be covered by a fixed charge. **Municipalities must ensure that when tariffs are designed, capital repayment of loans are included in the provision for depreciation, that must be budgeted for.**

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. Repairs and Maintenance need to be sufficiently covered in Employee Related Costs, Contracted Services, Operational Expenditure, and Inventory Consumed. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis.

- **Indigent Management** - It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded, also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water, and other creditors. It is important that municipalities establish and maintain credible indigent registers.
- **Pro-actively managing collection of municipal revenue in Eskom supplied areas –** NT notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – **municipalities have no other tool but the restriction of water to collect in Eskom supply areas.** Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas. The process before the supply of water is restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.
- **Eskom Bulk Tariff increases** - The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2024/25, bulk electricity costs increased by 12.7 per cent, a slight decrease as compared to 15.0 per cent in the 2023/24 municipal financial year.

Given the absence of an approved tariff increase by Eskom and no approval of Eskom tariff application available yet for the 2025/26 financial year, municipalities are cautioned to not only use the National Treasury Cost Reflective Tariff Tool, but also to do the Cost of Supply Study as prescribed by NERSA. The draft increase for bulk purchases is 11.32% and an increase of around 12% for electricity reselling.

- **Employee related costs** - The Salary and Wage Collective Agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities are expected to implement the agreement with immediate effect as from 1 July 2024. In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI. In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.
- **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 the guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors 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 councilor(s) concerned.
- **Overcrowding of KPIs in the SDBIP** - Municipalities continue to include an extensive number of KPIs in their strategic scorecard or top-layer SDBIP or without aggregating departmental output indicators or lower layer SDBIP, despite the guidance outlined in MFMA Circular No. 13. This high volume of indicators in top-layer SDBIPs can dilute focus and make monitoring cumbersome. **Municipalities are therefore encouraged to streamline their indicators by consolidating KPIs in the top-layer SDBIP, focusing on most critical indicators in achieving strategic objectives, ensuring a more manageable and effective monitoring process.**
- **NB: Updated from NT Circular 130-VAT Increase** - In the Minister's Budget speech on 12 March 2025, two increases in the standard rate of VAT were announced. The **first-rate increase of 0.5 percentage point applies from 1 May 2025**, and the second-rate increase of 0.5 percentage point will apply from 1 April 2026.

Funding choices and management issues

Given the current economic crisis 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 gets affected. **Also note that all municipalities that adopted funded budgets in 2024/25, will not be allowed to adopt unfunded budgets in 2025/26 and going forward, this implies that such budget will be referred by National/ Provincial treasury for review until the funded position is achieved.** 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 2025/2026 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 international economy – recessions)
- **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 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**
- **Key focus risk areas for the 2025/26 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 2024-25 to 2025-26
- Not having a grip on cost drivers
- Growth in expenditure outstripping growth in revenue
- Cost of overtime on none core- functions

- National risks impacting financial sustainability
- The late tabling of the National and Provincial budgets – impacting appropriation of grant allocations
- 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 expedited housing opportunities, Landfill sites cost of compliance and Rehabilitation, ± R54mil capital & R58.5mil operating
- 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 18th of March 2025.

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

- Pressure on supply and demand as a result of ongoing geopolitical conflict, compounding local inflation in the form of Food and Fuel increases which could potential see the SARB delaying reducing the repo rate or pausing rates for longer in the 2024 cycle;
- Unstable national grid and Eskom's woes impacting municipal service delivery;
- 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;
- Not having a grip on cost drivers, such as overtime on non-core functions;
- National risks impacting financial sustainability;
- 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.

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

TYPE	Adjustment Budget	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Capital expenditure	308 030	279 020	220 024	259 494
Operating expenditure	1 210 971	1 446 976	1 566 208	1 494 955
TOTAL	1 519 000	1 725 996	1 786 232	1 754 448

The following table is a consolidated overview of the 2025/26 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2025/26 MTREF (R'000)

R thousand	Adjustment Budget	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Total Operating Revenue	1 475 819	1 586 839	1 664 781	1 598 963
Total Operating Expenditure	1 210 971	1 446 976	1 566 208	1 494 955
Surplus / (Deficit) excluding capital transfers and contributions	264 848	139 863	98 573	104 008
Capital Transfers & Contributions	238 036	110 608	81 940	102 676
Surplus / (Deficit) for the year	26 812	29 255	16 632	1 333

Total operating revenue **including capital grants** for the 2025/26 financial year has been appropriated at R 1 586 839 billion and is expected to grow by 7.5 per cent (**19.3% excluding capital grant income**) or R 111 020 million for the 2025/26 financial year when compared to the 2024/25 Mid-year Adjusted Budget. For the two outer years, operational revenue will increase by 4.9 per cent and decrease by 4 per cent respectively, equating to total revenue growth of R 123 144 million over the MTREF (2025/26 to 2027/28). The outer years are based on available information at the time of compiling this report.

Total operating expenditure for the 2025/26 financial year has been appropriated at R 1 446 976 billion and translates into a budgeted surplus of R 29 255 million (**excluding capital transfers**). When compared to the 2024/25 Mid-year Adjusted Budget, operational expenditure is projected to grow by 19.5 per cent in the 2025/26 financial year; 8.2 per cent in 2026/27 and decrease by 4.5 per cent in the 2027/28 financial year (based on current assumptions) equating to total expenditure growth of R 283 984 million over the MTREF (2025/26 to 2027/28).

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.

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

Vote Description	Budget Year 2025/2026			Budget Year 2026/2027			Budget Year 2027/2028		
R thousand	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)	Revenue	Expenditure	Surplus / (Deficit)
Revenue & Expenditure by Vote									
Vote 1 - Corporate Services	11 746	49 311	(37 565)	12 150	52 396	(40 246)	12 140	55 729	(43 589)
1.1 - Administration	104	16 048	(15 945)	104	16 961	(16 857)	104	17 950	(17 846)
1.2 - Human Resources	400	8 208	(7 808)	400	8 717	(8 317)	400	9 198	(8 798)
1.3 - Libraries	10 908	14 626	(3 717)	11 292	15 637	(4 344)	11 261	16 809	(5 549)
1.4 - Marketing and Tourism	26	2 597	(2 570)	28	2 744	(2 716)	29	2 870	(2 841)
1.5 - Community Halls and Facilities	308	7 832	(7 524)	326	8 338	(8 012)	346	8 901	(8 556)
Vote 2 - Civil Services	340 796	417 140	(76 344)	344 446	448 726	(104 280)	367 701	476 306	(108 605)
2.1 - Administration		4 480	(4 480)		4 792	(4 792)		5 047	(5 047)
2.2 - Cemeteries	971	1 033	(62)	1 019	1 227	(208)	1 070	1 252	(182)
2.3 - Municipal Property Maintenance	1 769	23 072	(21 303)	1 807	23 004	(21 197)	1 846	23 531	(21 685)
2.4 - Parks and Recreational Areas	644	25 973	(25 329)		27 527	(27 527)		29 700	(29 700)
2.5 - Proclaimed Roads	226	479	(253)	237	488	(251)	40	316	(275)
2.6 - Refuse Removals	86 886	40 480	46 406	77 032	47 506	29 526	85 301	50 875	34 426
2.7 - Street Cleaning		9 250	(9 250)		8 843	(8 843)		9 098	(9 098)
2.8 - Solid Waste Disposal(Landfill Sites)		17 048	(17 048)		18 365	(18 365)		19 337	(19 337)
2.9 - Sewerage Services	103 995	48 819	55 176	103 048	51 312	51 735	109 141	53 924	55 216
2.10 - Waste Water Treatment		22 460	(22 460)		24 342	(24 342)		26 431	(26 431)
2.11 - Sportgrounds	480	8 493	(8 013)	298	8 863	(8 565)	316	9 408	(9 092)
2.12 - Streets	8 963	67 083	(58 120)	11 554	71 839	(60 285)	609	73 560	(72 951)
2.13 - Stormwater	331	24 657	(24 325)		26 778	(26 778)		28 521	(28 521)
2.14 - Swimming Pools	574	6 281	(5 707)	609	6 729	(6 120)	645	7 228	(6 582)
2.15 - Water Distribution	135 957	117 532	18 425	148 842	127 112	21 731	168 732	138 079	30 653
Vote 3 - Council	265	25 476	(25 210)	269	26 510	(26 241)	273	27 573	(27 299)
3.1 - Council General Expenses	265	25 476	(25 210)	269	26 510	(26 241)	273	27 573	(27 299)
Vote 4 - Electricity Services	583 669	558 289	25 380	623 500	595 017	28 483	664 908	637 151	27 757
4.1 - Administration		1 868	(1 868)		1 999	(1 999)		2 148	(2 148)
4.2 - Distribution		532 011	(532 011)		566 838	(566 838)		607 516	(607 516)
4.3 - Street Lighting	583 669	2 479	581 190	623 500	2 642	620 858	664 908	2 826	662 082
4.4 - IT Services	-	21 932	(21 932)	-	23 538	(23 538)	-	24 661	(24 661)
Vote 5 - Financial Services	389 622	84 757	304 864	407 750	91 101	316 648	425 923	97 495	328 428
5.1 - Administration		2 536	(2 536)		2 714	(2 714)		2 916	(2 916)
5.2 - Finance	170 952	56 074	114 879	175 497	60 577	114 919	179 260	64 827	114 434
5.3 - Budget and Treasury		6 705	(6 705)		6 832	(6 832)		7 243	(7 243)
5.4 - Asset Management		2 464	(2 464)		2 670	(2 670)		2 869	(2 869)
5.5 - Grants and Subsidies - FMG	1 700	1 566	134	1 800	1 676	124	1 900	1 705	195
5.6 - Fleet Management		1 446	(1 446)		1 597	(1 597)		1 749	(1 749)
5.7 - Property Rates	216 969	1 968	215 002	230 453	2 157	228 296	244 762	2 367	242 395
5.8 - Supply Chain Management		11 999	(11 999)		12 877	(12 877)		13 818	(13 818)
Vote 6 - Development Services	198 636	176 471	22 165	213 727	209 586	4 141	63 847	49 871	13 976
6.1 - Administration	1	3 145	(3 143)	1	3 377	(3 376)	2	3 633	(3 631)
6.2 - Caravan parks - Yzerfontein	4 241	4 144	97	4 495	4 469	26	4 765	4 773	(9)
6.3 - Community Development	38	4 928	(4 890)	38	5 253	(5 215)	38	5 553	(5 515)
6.4 - Multi-Purpose Centres	31	1 893	(1 862)	33	2 015	(1 982)	35	2 160	(2 126)
6.5 - Planning and Valuations	1 419	10 293	(8 873)	1 502	10 202	(8 700)	1 590	11 572	(9 982)
6.6 - Building Control	4 173	4 384	(211)	4 423	4 702	(279)	4 688	5 062	(374)
6.7 - Housing	188 733	145 185	43 547	203 235	176 862	26 373	52 730	14 228	38 502
6.8 - Occupational Health and Safety		2 500	(2 500)		2 704	(2 704)		2 891	(2 891)
Vote 7 - Municipal Manager	-	11 289	(11 289)	-	11 911	(11 911)	-	12 679	(12 679)
7.1 - Administration	-	5 053	(5 053)	-	5 463	(5 463)	-	5 884	(5 884)
7.2 - Strategic Planning	-	3 279	(3 279)	-	3 557	(3 557)	-	3 824	(3 824)
7.3 - Internal Audit	-	2 957	(2 957)	-	2 890	(2 890)	-	2 971	(2 971)
Vote 8 - Protection Services	62 105	124 242	(62 137)	62 939	130 961	(68 022)	64 171	138 152	(73 981)
8.1 - Administration		3 119	(3 119)		3 349	(3 349)		3 608	(3 608)
8.2 - Civil Protection	573	862	(289)		371	(371)		379	(379)
8.3 - Fire Fighting	15	12 796	(12 781)	15	13 662	(13 647)	15	14 357	(14 342)
8.4 - Harbour Yzerfontein	247	533	(286)	262	570	(308)	278	611	(333)
8.5 - Road and Traffic Regulation	13 096	12 708	388	13 882	13 727	155	14 715	14 717	(2)
8.6 - Policing and Law Enforcement	48 173	94 223	(46 050)	48 779	99 281	(50 502)	49 164	104 481	(55 317)
Total Revenue & Expenditure by Vote	1 586 839	1 446 976	139 863	1 664 781	1 566 208	98 573	1 598 963	1 494 955	104 008

The municipality is in a very privileged position to be able to invest a total of R 423 314 million of its own funds over the 2025/26 MTREF.

The following capital program is proposed as draft by the municipality:

Description	Adjustment Budget		2025/26 Medium Term Revenue & Expenditure Framework					
	2024/2025 (R'000)	%	2025/2026 (R'000)	%	2026/2027 (R'000)	%	2027/2028 (R'000)	%
Funded by:								
National Government	51 704	17%	60 270	22%	48 161	22%	50 199	19%
Provincial Government	166 190	54%	50 338	18%	33 779	15%	52 477	20%
Other Transfers and Grants	19 113	6%		0%	-	0%	-	0%
Borrowing	-	0%	40 000	14%		0%	-	0%
Internally generated funds	71 023	23%	128 412	46%	138 084	63%	156 818	60%
Total Capital Funding	308 030	100%	279 020	100%	220 024	100%	259 494	100%

The total draft Capital budget for 2025/2026 amounts to R 279 020 million with around R 128 412 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 758 538 million. An increase of R 35 883 million from the previous approved adjusted MTREF of R 722 654 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: Council to specifically note the implications of the provincial budget only being tabled on 27 March 2025, resulting in the indicative housing allocations, currently in the draft MTREF not being guaranteed. Any changes in these allocations can only be corrected in the final MTREF.

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

1.3.1 Financial indicators and benchmarks

The following table sets out the municipalities main performance objectives and benchmarks for the 2025/26 MTREF. (Derived from the National Treasury A-schedules **and not** as prescribed by Circular 71)

Description of financial indicator	Basis of calculation	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.2%	1.4%	1.1%	1.5%	1.6%
Capital Charges to Own Revenue	Finance charges & Repay ment of borrowing /Own Revenue	0.3%	0.5%	1.1%	1.4%	1.6%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	28.3%	0.0%	31.1%	0.0%	0.0%
<u>Safety of Capital</u>						
Gearing	Long Term Borrowing/ Funds & Reserves	17.5%	7.4%	13.3%	8.9%	5.7%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	4:1	6:1	7:1	7:1	6:1
<u>Revenue Management</u>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	97%	97%	95%	95%	95%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Other Indicators</u>						
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	9 883 225	9 883 225	10 744 760	11 281 998	11 846 098
	Total Cost of Losses (Rand '000)	18 516	18 516	21 893	24 505	27 459
	% Volume (units purchased and generated less units sold)/units purchased and generated	6.0%	6.0%	6.0%	6.0%	6.0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	718 854	718 854	1 127 220	1 183 581	1 242 760
	Total Cost of Losses (Rand '000)	5 161	5 161	8 319	8 560	8 808
	% 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	28.2%	27.9%	25.0%	25.0%	28.5%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.2%	28.9%	25.8%	25.8%	29.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.9%	6.2%	5.5%	5.4%	6.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11.8%	11.0%	9.8%	10.0%	11.2%
<u>IDP regulation financial viability indicators</u>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8.7%	8.9%	16.3	16.9	16.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	8.1%	8.5%	16.5%	17.3%	17.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.3	5.7	9.6	9.2	10.1

Note: The gearing ratio in the above table is not a true reflection of the municipality's borrowing position as the formula is not the same as prescribed by NT's Circular 71 ratios.

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 2025/2026 MTREF:

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

1.3.1.2 Safety of Capital

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

1.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 2, hence at no point in time should this ratio be less than 2.

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

1.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 60 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection. Current payment levels are considered problematic to the sustainability of services as a direct result of having had to relax credit control during the hard lockdown but moreover given 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 25% and 28.5%. Total remuneration as a percentage of operating revenue (excluding capital grants) over the MTREF is between 25.8% and 29.4%. 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 132 696 million for the 2025/26 financial year when compared to the 2024/25 mid-year adjustment budget, mainly due to Housing Top structure 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 objective with the exercise of tariff determination was to ensure that trade and economic services generate surpluses over the next three to five years in order to sustain quality service delivery to which our consumers in the Swartland area have become accustomed to, but more importantly to finance other community services and the refurbishment/ renewal of council’s bulk infrastructure. The objective alluded to above was however not possible with refuse removal which is currently rendered at a shortfall.

It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is credible. Every effort was made during the extensive revenue modelling exercise to apply the principles of zero based budgeting where appropriate. Items such as fuel, tyres, and bulk purchases inclusive of post-retirement benefits were analysed against past performance and the implementation of improved practices in a bid to realise potential further reductions and savings especially with the increasing fuel prices. Cost of providing services increased exponentially, especially those that is fuel and energy dependent.

The following table is a summary of the 2025/2026 MTREF (classified by main revenue source):

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

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands					
Financial Performance					
Property rates	199 371	201 371	212 727	225 789	239 635
Service charges	644 470	666 652	755 688	809 769	865 062
Investment revenue	88 998	91 790	81 529	81 397	83 247
Transfer and subsidies - Operational	190 028	188 764	332 513	368 476	207 056
Other own revenue	90 067	89 205	93 773	97 409	101 287
Total Revenue (excluding capital transfers and contributions)	1 212 935	1 237 783	1 476 231	1 582 840	1 496 287

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Revenue by Vote					
Vote 1 - Corporate Services	13 430	12 533	11 746	12 150	12 140
Vote 2 - Civil Services	327 034	330 801	340 796	344 446	367 701
Vote 3 - Council	352	403	265	269	273
Vote 4 - Electricity Services	488 867	513 102	583 669	623 500	664 908
Vote 5 - Financial Services	374 410	380 819	389 622	407 750	425 923
Vote 6 - Development Services	193 449	183 914	198 636	213 727	63 847
Vote 7 - Municipal Manager	-	80	-	-	-
Vote 8 - Protection Services	61 454	54 167	62 105	62 939	64 171
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-
Total Revenue by Vote	1 458 997	1 475 819	1 586 839	1 664 781	1 598 963

Percentage portion of Revenue Sources from Total Revenue:-

R thousand	Adjustment Budget		2025/26 Medium Term Revenue & Expenditure Framework					
	2024/2025 (R'000)	%	2025/2026 (R'000)	%	2026/2027 (R'000)	%	2027/2028 (R'000)	%
Revenue by Source								
Property rates	201 371	16%	212 727	14%	225 789	14%	239 635	16%
Service charges - electricity revenue	472 747	38%	548 246	37%	587 051	37%	625 859	42%
Service charges - water revenue	98 216	8%	103 605	7%	109 702	7%	116 159	8%
Service charges - sanitation revenue	57 625	5%	61 128	4%	65 051	4%	69 221	5%
Service charges - refuse revenue	38 064	3%	42 709	3%	47 965	3%	53 823	4%
Rental from Fixed Assets	1 930	0%	1 759	0%	1 858	0%	1 962	0%
Sale of Goods and Rendering of Services	14 129	1%	14 664	1%	15 525	1%	16 437	1%
Interest earned - external investments	91 790	7%	81 529	6%	81 397	5%	83 247	6%
Interest earned - outstanding debtors	5 786	0%	6 075	0%	6 379	0%	6 697	0%
Dividends received		0%		0%		0%		0%
Fines, penalties and forfeits	31 213	3%	38 363	3%	38 755	2%	39 151	3%
Licences and permits	5 467	0%	5 669	0%	6 003	0%	6 357	0%
Agency services	6 787	1%	7 194	0%	7 626	0%	8 084	1%
Transfers and subsidies	188 764	15%	332 513	23%	368 476	23%	207 056	14%
Other revenue	20 964	2%	17 369	1%	18 584	1%	19 918	1%
Gains	2 930	0%	2 680	0%	2 680	0%	2 680	0%
Total Revenue (excluding capital transfers and contributions)	1 237 783	100%	1 476 231	100%	1 582 840	100%	1 496 287	100%
Total Revenue from Property Rates and Service Charges	868 024	70%	968 415	66%	1 035 559	65%	1 104 697	74%

Revenue generated from property rates and services charges form a significant percentage of the revenue basket for the Municipality. In the 2025/26 financial year, revenue from property rates and services charges amounts to R 968 415 million or 66 per cent of total revenue mix (**growth of 11.6%**). This figure increases to an estimated R 1 035 559 million or 65 per cent (**growth of 6.9 %**) and R 1 104 697 million or 74 per cent (**growth of 6.7%**) in the respective outer financial years of the 2025/26 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 are currently **factored into the budget** of the municipality:

Description	Current Year 2024/2025		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
Operating Transfers and Grants					
National Government:	156 957 000	157 373 358	172 479 876	177 360 000	185 399 000
Local Government Equitable Share	153 764 000	153 764 000	165 310 000	175 560 000	183 499 000
Finance Management	1 600 000	1 600 000	1 700 000	1 800 000	1 900 000
EPWP Incentive	1 593 000	1 593 000	1 969 000	-	-
Integrated National Electrification Programme	-	416 358	3 500 876	-	-
Provincial Government:	31 427 834	30 686 103	160 613 000	192 324 000	23 324 000
Community Development Workers	38 000	38 000	38 000	38 000	38 000
Human Settlements	9 344 834	8 103 103	137 938 000	169 000 000	-
Municipal Accreditation and Capacity Building Grant	249 000	249 000	249 000	260 000	260 000
Title Deeds Restoration	30 000	30 000	26 000	-	-
Libraries	12 002 000	12 002 000	12 234 000	12 663 000	12 663 000
Proclaimed Roads Subsidy	170 000	170 000	190 000	199 000	199 000
WC Financial Management Capability Grant: Student Bursaries	-	100 000	-	-	-
Thusong Grant	150 000	150 000	-	-	-
Establishment of a Reaction	3 732 000	4 132 000	4 100 000	4 220 000	4 220 000
Establishment of a Rural Safety/K9 Unit	5 712 000	5 712 000	5 838 000	5 944 000	5 944 000
Total Operating Transfers and Grants	188 384 834	188 059 461	333 092 876	369 684 000	208 723 000
Capital Transfers and Grants					
National Government:	52 150 000	51 703 642	60 270 124	48 161 000	50 199 000
Municipal Infrastructure Grant (MIG)	29 332 000	29 302 000	25 405 000	27 293 000	28 388 000
Integrated National Electrification Programme	22 818 000	22 401 642	17 821 124	20 868 000	21 811 000
Water Services Infrastructure Grant	-	-	17 044 000	-	-
Provincial Government:	174 879 166	163 911 897	49 570 000	33 050 000	52 526 713
Human Settlements	174 289 166	163 321 897	49 520 000	33 000 000	52 476 713
Libraries	50 000	50 000	50 000	50 000	50 000
Establishment of a K9 Unit	40 000	40 000	-	-	-
Sport Development	500 000	500 000	-	-	-
Total Capital Transfers and Grants	227 029 166	215 615 539	109 840 124	81 211 000	102 725 713
TOTAL RECEIPTS OF TRANSFERS & GRANTS	415 414 000	403 675 000	442 933 000	450 895 000	311 448 713

Note: The 2025/26 MTREF Provincial Government allocations are indicative and will only be incorporated in the final budget in May, due to the provincial budget that was only tabled on 27 March 2025.

1.4.2 PROPERTY RATES AND SERVICE CHARGES ASSUMPTIONS

The objective with the exercise of tariff determination was to ensure that trade and economic services generate surpluses over the next three to five years in order to sustain quality service delivery to which our consumers in the Swartland area have become accustomed to, but more importantly to finance other community services and the refurbishment/ renewal of council's bulk infrastructure. The objective alluded to above was however not possible with refuse removal which is currently rendered at a shortfall.

Municipalities must focus on increasing collection rates, curbing material losses and aligning their budgets with actual financial realities. Municipalities must ensure that when tariffs are designed, capital repayment of loans are included in the provision for depreciation that must be budgeted for. During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. Municipalities are also urged to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring that the tariffs are **cost reflective for the financial sustainability of the municipality**.

1.4.2.1 Property Rates

The draft proposed property rates increases for the 2025/2026 financial year is **4.9%** for residential properties and **6.9%** for business and state owned properties. Growth of 0.06% is incorporated and increases over the remaining MTREF period is limited to **5.9%** for residential properties and **6.9%** for business and state owned properties.

The main categories of rateable properties for purposes of levying rates and the proposed draft rates for the 2025/26 financial year are as follows:

Property Rates	2024/2025	2025/2026	2026/2027	2027/2028	2025/26	2026/27	2027/28	2025/26	2026/27	2027/28
Residential Properties	R0.005360	R0.005623	R0.005954	R0.006306	4.9%	5.9%	5.9%	R0.000263	R0.000332	R0.000351
Businesses, Commercial, Industrial and State owned Properties	R0.008769	R0.009374	R1.002087	R1.071231	6.9%	6.9%	6.9%	R0.000605	R0.000647	R0.000691

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 2025/2026 year are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA);
- 100 per cent rebate will be granted in 2025/26 to registered indigents in terms of the Indigent Policy to a maximum valuation of R105 000;
- For qualifying senior citizens and disabled persons as defined in Council's Property Rates Policy, a rebate of the rates payable to a maximum of R300 000 of the valuation of the property will be granted to owners of rate-able property subject to application by September of the previous calendar year. The rebate mentioned above as it relates to the 2025/2026 Policy will become effective in the 2026/2027 financial year.

1.4.2.2 Sale of Water and Impact of Tariff Increases

The draft tariff increases are :- **average increase of 5.6%** for the first 20kls thereafter a **4.9%** increase for the higher residential consumptive blocks, a **5.9%** increase for all businesses, government institutions and sport clubs. The draft tariff increases, which are above the estimated headline inflation rate, are needed given the extent of water infrastructure investment required over the MTREF, compounded by illegal connections.

Bulk water purchases from the WCDM increase to around R 7.39 p/kl from 1 July 2025 due to higher operational costs, increases from the Department of Water Affairs and the compounding cost of water provision during periods of load shedding. Usage from 0 – 20KL will increase on average by 5.6% for domestic consumers.

R thousand	Adjustment Budget	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Revenue – Water	125 972	135 957	148 842	168 732
Expenditure – Water	123 300	117 532	127 112	138 079
Net Surplus / (Deficit)	2 671	18 425	21 731	30 653
Net Surplus / (Deficit) %	2%	14%	15%	18%
Capital Grants	6 689	10 344	16 313	28 388
Revenue – Water (excl. capital grants & contributions)	119 283	125 613	132 529	140 344
Net Surplus / (Deficit) (excl. capital grants & contributions)	(4 018)	8 081	5 417	2 265
Net Surplus / (Deficit) % (excl. capital grants & contributions)	(3.4%)	6.4%	4.1%	1.6%

Water losses during 2022/23 and 2023/24 audited financial years were disclosed at 13.21 per cent and 18.78 per cent respectively.

The following draft water tariffs were incorporated in the 2025/26 MTREF and increases for households (residential) and non-residential are as follows:

Water	2024/2025	2025/2026	2026/2027	2027/2028	2025/26	2026/27	2027/28
Network Charge: Residential, Indigent and Argricultural	R 79.50	R 84.19	R 89.16	R 94.42	5.90%	5.90%	5.90%
Network Charge: Business, Argricultural, Sport Clubs, Schools and Government Institutions	R 132.55	R 140.37	R 148.65	R 157.42	5.90%	5.90%	5.90%
Indigent Households: 6 kl Free	R 10.58	R 11.20	R 11.87	R 12.57	5.90%	5.90%	5.90%
Residential: 0 - 6kl	R 6.44	R 6.88	R 7.36	R 7.87	6.90%	6.90%	6.90%
Residential: 7 - 10kl	R 10.58	R 11.20	R 11.87	R 12.57	5.90%	5.90%	5.90%
Residential: 11-15kl	R 20.07	R 21.05	R 22.09	R 23.17	4.90%	4.90%	4.90%
Residential: 16 - 20kl	R 25.78	R 27.04	R 28.37	R 29.76	4.90%	4.90%	4.90%
Residential: 21 - 25kl	R 37.86	R 39.72	R 41.66	R 43.70	4.90%	4.90%	4.90%
Residential: 26 - 35 kl	R 56.94	R 59.73	R 62.66	R 65.73	4.90%	4.90%	4.90%
Residential: 36 kl >	R 106.18	R 111.38	R 116.84	R 122.57	4.90%	4.90%	4.90%
Business/Commercial/Industrial/Argricultural	R 26.03	R 27.57	R 29.19	R 30.91	5.90%	5.90%	5.90%
Sport Clubs	R 27.60	R 29.23	R 30.95	R 32.78	5.90%	5.90%	5.90%
Schools	R 14.62	R 15.48	R 16.40	R 17.36	5.90%	5.90%	5.90%
Government Institutions	R 29.52	R 31.27	R 33.11	R 35.07	5.90%	5.90%	5.90%

1.4.2.3 Sale of Electricity and Impact of Tariff Increases

At this stage, the draft increase for the purchase of electricity is based on **11.32%** and the increase for selling of electricity is around **12.72%**. The proposed tariff increases of the municipal tariffs are preliminary and subject to revision upon receipt of the tariff benchmark guidelines from NERSA. **Please consult the detailed tariff listing for the proposed draft increases.**

The municipality will need to take up an external loan to partly finance the 132/11kV Eskom Schoonspruit Substation capital project to the amount R30.7 million. This substantial investment will create capacity, which in the main is needed to support the delivery of affordable housing opportunities in the Swartland area.

Tariff Restructuring

As part of the Cost of Supply Study that was conducted in 2023/24, a tariff restructuring exercise was also done with a view to align our tariff to the actual cost of supplying various categories of customers.

Although the CoS study was submitted to NERSA as part of the Tariff increase application in April 2024, Swartland has not yet received formal feedback from NERSA that the Cost of Supply study was approved by NERSA. Effective implementation of the restructured tariff would require effective and extensive public participation, which we would like to start once NERSA has formally accepted our Cost of Supply study. It would further require the replacement of a number of our existing electricity meters.

The service is still operating at a surplus over the MTREF.

R thousand	Adjustment Budget	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Revenue – Electricity	513 102	583 669	623 500	664 908
Expenditure – Electricity	455 415	536 358	571 480	612 490
Net Surplus / (Deficit)	57 688	47 312	52 020	52 418
Net Surplus / (Deficit) %	11%	8%	8%	8%
Capital Grants	23 658	17 821	20 868	21 811
Revenue – Electricity (excl. capital grants & contributions)	489 444	565 848	602 632	643 097
Net Surplus / (Deficit) (excl. capital grants & contributions)	34 030	29 491	31 152	30 607
Net Surplus / (Deficit) % (excl. capital grants & contributions)	7.0%	5.2%	5.2%	4.8%

Electricity losses during 2022/23 and 2023/24 audited financial years were disclosed at only 5.28 per cent and 5.62 per cent respectively.

The following table shows the draft increases on electricity tariffs for customers over the 2025/26 MTREF period, 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		2024/2025	2025/2026	2026/2027	2027/2028	2025/26	2026/27	2027/28
1	Residential Consumers Network charge	R 358.38	R 403.96	R 430.63	R 459.56	12.72%	6.60%	6.72%
1	(0-50kWh)	R 1.8076	R 2.0375	R 2.1720	R 2.3180	12.72%	6.60%	6.72%
1	(51-350kWh)	R 2.3242	R 2.6199	R 2.7928	R 2.9804	12.72%	6.60%	6.72%
1	(351-600kWh)	R 3.2710	R 3.6871	R 3.9304	R 4.1946	12.72%	6.60%	6.72%
1	(>600kWh)	R 3.8521	R 4.3421	R 4.6286	R 4.9397	12.72%	6.60%	6.72%
2	Commercial / Non Standard .per kWh	R 3.0157	R 3.3994	R 3.6237	R 3.8672	12.72%	6.60%	6.72%
2	Commercial Basic < 20KVA	R 911.54	R 1 027.49	R 1 095.30	R 1 168.91	12.72%	6.60%	6.72%
2	Commercial Basic 20 to 40 KVA	R 1 198.99	R 1 351.51	R 1 440.71	R 1 537.52	12.72%	6.60%	6.72%
2	Commercial Basic >40 KVA	R 2 188.27	R 2 466.62	R 2 629.42	R 2 806.12	12.72%	6.60%	6.72%
2	Commercial Basic < 20KVA per kWh	R 3.0157	R 3.3994	R 3.6237	R 3.8672	12.72%	6.60%	6.72%
2	Commercial Basic 20 to 40 KVA per kWh	R 3.0157	R 3.3994	R 3.6237	R 3.8672	12.72%	6.60%	6.72%
2	Commercial Basic >40 KVA per kWh	R 3.0157	R 3.3994	R 3.6237	R 3.8672	12.72%	6.60%	6.72%
3	Maximum Demand Supply for Bulk Consumers: Basic	R 2 477.45	R 2 792.58	R 2 976.89	R 3 176.94	12.72%	6.60%	6.72%
3	Plus: Active Energy - kWh	R 1.1777	R 1.3275	R 1.4151	R 1.5102	12.72%	6.60%	6.72%
3	Max. Demand KVA	R 476.63	R 537.25	R 572.71	R 611.20	12.72%	6.60%	6.72%
5	Alternative - Households 20 Amp.-:-							
5	(0-50kWh)	R 1.6572	R 1.8680	R 1.9912	R 2.1250	12.72%	6.60%	6.72%
5	(51-350kWh)	R 2.1736	R 2.4500	R 2.6117	R 2.7873	12.72%	6.60%	6.72%
5	(351-600kWh)	R 3.0988	R 3.4930	R 3.7235	R 3.9738	12.72%	6.60%	6.72%
5	(>600kWh)	R 3.7242	R 4.1979	R 4.4750	R 4.7757	12.72%	6.60%	6.72%
6	Street lightning	R 1.9077	R 2.1503	R 2.2922	R 2.4463	12.72%	6.60%	6.72%
7	Pre-paid meter system (Indigent Residential)							
7	NB: In those instances where a Network Charge is applicable to indigent consumers, it will be fully subsidised on their account.							
7	(0-50kWh)	R 1.6572	R 1.8680	R 1.9912	R 2.1250	12.72%	6.60%	6.72%
7	(51-350kWh)	R 2.1736	R 2.4500	R 2.6117	R 2.7873	12.72%	6.60%	6.72%
7	(351-600kWh)	R 3.0988	R 3.4930	R 3.7235	R 3.9738	12.72%	6.60%	6.72%
7	(>600kWh)	R 3.7242	R 4.1979	R 4.4750	R 4.7757	12.72%	6.60%	6.72%
10	Time Of Use Tariff for Bulk Consumers: Fixed cost per n	R 2 477.45	R 2 792.58	R 2 976.89	R 3 176.94	12.72%	6.60%	6.72%
10	Tou Low Consumption							
10	Low Season (Sept - May) Peak period per kWh	R 2.0420	R 2.3017	R 2.4536	R 2.6185	12.72%	6.60%	6.72%
10	Low Season (Sept - May) Standard period per kWh	R 1.4053	R 1.5840	R 1.6886	R 1.8021	12.72%	6.60%	6.72%
10	Low Season (Sept - May) Off-peak period per kWh	R 0.8913	R 1.0047	R 1.0710	R 1.1429	12.72%	6.60%	6.72%
10	Tou high Consumption							
10	High Season (Jun - Aug) Peak period per kWh	R 6.2602	R 7.0565	R 7.5223	R 8.0278	12.72%	6.60%	6.72%
10	High Season (Jun - Aug) Standard Period per kWh	R 1.8964	R 2.1376	R 2.2787	R 2.4318	12.72%	6.60%	6.72%
10	High Season (Jun - Aug) Off-peak Period per kWh	R 1.0296	R 1.1606	R 1.2372	R 1.3203	12.72%	6.60%	6.72%
10	Maximum demand per KVA	R 319.66	R 360.32	R 384.11	R 409.92	12.72%	6.60%	6.72%
12	Pre-paid Meter System (Non-Indigent Residential)							
12	(0-350kWh)	R 3.3913	R 3.8227	R 4.0750	R 4.3488	12.72%	6.60%	6.72%
12	> 350 kWh	R 3.6927	R 4.1624	R 4.4372	R 4.7353	12.72%	6.60%	6.72%

1.4.2.4 Sewerage and Impact of Tariff Increases

The draft tariff increase of **5.9%** that is aligned to estimated headline inflation rate is needed to deliver the service effectively and to prevent that the service does not operate at a deficit beyond the new 2025/2026 MTREF. This will further support future critical upgrades of the wastewater treatment works in the Swartland Municipal Area. The sewerage service consist of various charges for which the tariff listing must be consulted.

R thousand	Adjustment Budget	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Revenue – Sewerage	98 052	103 995	103 048	109 141
Expenditure – Sewerage	72 661	71 279	75 654	80 355
Net Surplus / (Deficit)	25 391	32 716	27 393	28 785
Net Surplus / (Deficit) %	26%	31%	27%	26%
Capital Grants	4 094	6 700		
Revenue – Sewerage (excl. capital grants & contributions)	93 958	97 295	103 048	109 141
Net Surplus / (Deficit) (excl. capital grants & contributions)	21 297	26 016	27 393	28 785
Net Surplus / (Deficit) % (excl. capital grants & contributions)	22.7%	26.7%	26.6%	26.4%

The following draft sanitation tariffs were incorporated in the 2025/26 MTREF:

Sanitation	2024/2025	2025/2026	2026/2027	2027/2028	2025/26	2026/27	2027/28
Households (incl. indigents), Flats and Semi-detached households pm	R 294.75	R 312.14	R 330.56	R 350.06	5.90%	5.90%	5.90%
Businesses, Industrial, Schools, Churches, Sport Facilities, etc. pm	R 294.75	R 312.14	R 330.56	R 350.06	5.90%	5.90%	5.90%
NB: The above residential charge for registered indigent households are subsidised.							

1.4.2.5 Waste Removal and Impact of Tariff Increases

The draft tariff increase of **11%**, which is above the headline inflation rate and is needed to deliver the service effectively and to eventually phase out the deficit over the longer term due to the current economic conditions. The additional percentage of 6.6% above headline inflation is equal to R12.05 per month and 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 11% to prevent that the service does not operate at a deficit beyond the new 2025/2026 MTREF as a result of the Landfill sites cost of compliance and Rehabilitation amounting to R54 million from 2023/24 to 2025/26 which will require the taking up of an external loan of around R9.3 million.

The public must also 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	2025/26 Medium Term Revenue & Expenditure Framework		
	2024/2025 (R'000)	2025/2026 (R'000)	2026/2027 (R'000)	2027/2028 (R'000)
Revenue – Refuse Removal	78 382	86 886	77 032	85 301
Expenditure – Refuse Removal	65 459	66 779	74 713	79 310
Net Surplus / (Deficit)	12 923	20 107	2 318	5 991
Net Surplus / (Deficit) %	16%	23%	3%	7%
Capital Grants	15 500	17 316		
Revenue – Refuse Removal (excl. capital grants & contributions)	62 882	69 571	77 032	85 301
Net Surplus / (Deficit) (excl. capital grants & contributions)	(2 577)	2 792	2 318	5 991
Net Surplus / (Deficit) % (excl. capital grants & contributions)	(4.1%)	4.0%	3.0%	7.0%

The following draft refuse removal tariffs were incorporated in the 2025/26 MTREF:

Refuse Removal	2024/2025	2025/2026	2026/2027	2027/2028	2025/26	2026/27	2027/28
Removal of residential (incl. indigents) refuse pm (Black Bags or 1x240 litre drum)	R 182.65	R 202.74	R 225.04	R 249.80	11.00%	11.00%	11.00%
Removal of business refuse pm (Black Bags or 1x240 litre drum)		R 243.48	R 270.26	R 299.99		11.00%	11.00%
NB: The above residential charge for registered indigent households are subsidised.							

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent						
<u>Monthly Account for Household - 'Middle Income Range'</u>						
Rates and services charges:						
Property rates	312.67	312.67	4.9%	327.99	347.34	367.83
Electricity: Basic levy	358.38	358.38	12.7%	403.96	430.63	459.56
Electricity: Consumption	3 146.23	3 146.23	12.7%	3 546.43	3 780.50	4 034.55
Water: Basic levy	79.50	79.50	5.9%	84.19	89.16	94.42
Water: Consumption	310.19	310.19	5.9%	326.61	343.88	362.09
Sanitation	294.75	294.75	5.9%	312.14	330.56	350.06
Refuse removal	182.65	182.65	11.0%	202.74	225.04	249.80
sub-total	4 684.37	4 684.37	11.1%	5 204.06	5 547.10	5 918.31
VAT on Services	655.75	655.75		731.41	779.96	832.57
Total large household bill:	5 340.12	5 340.12	11.1%	5 935.47	6 327.07	6 750.88
% increase/-decrease	10.1%	10.1%	10.9%	11.1%	6.6%	6.7%
<u>Monthly Account for Household - 'Affordable Range'</u>						
Rates and services charges:						
Property rates	223.33	223.33	4.9%	234.28	248.10	262.74
Electricity: Basic levy	358.38	358.38	12.7%	403.96	430.63	459.56
Electricity: Consumption	1 278.30	1 278.30	12.7%	1 440.90	1 536.00	1 639.22
Water: Basic levy	79.50	79.50	5.9%	84.19	89.16	94.42
Water: Consumption	80.97	80.97	5.9%	86.12	91.62	97.46
Sanitation	294.75	294.75	5.9%	312.14	330.56	350.06
Refuse removal	182.65	182.65	11.0%	202.74	225.04	249.80
sub-total	2 497.88	2 497.88	10.7%	2 764.33	2 951.09	3 153.25
VAT on Services	341.18	341.18		379.51	405.45	433.58
Total small household bill:	2 839.06	2 839.06	10.7%	3 143.84	3 356.54	3 586.83
% increase/-decrease	9.2%	9.2%	16.6%	10.7%	6.8%	6.9%
<u>Monthly Account for Household - 'Indigent'</u>						
<u>Household receiving free basic services</u>						
Rates and services charges:						
Property rates	87.10	87.10	4.9%	91.37	96.76	102.47
Electricity: Basic levy	–	–	12.7%	–	–	–
Electricity: Consumption	652.07	652.07	12.7%	735.01	783.52	836.18
Water: Basic levy	–	–	5.9%	–	–	–
Water: Consumption	42.32	42.32	5.9%	44.82	47.46	50.26
Sanitation	–	–	5.9%	–	–	–
Refuse removal	–	–	11.0%	–	–	–
sub-total	826.15	826.15	5.5%	871.20	927.74	988.91
VAT on Services	104.16	104.16		116.97	124.65	132.97
Total small household bill:	930.31	930.31	6.2%	988.17	1 052.39	1 121.87
% increase/-decrease	15.5%	15.5%	(25.3%)	11.6%	6.5%	6.6%

1.4.3 Fines

Fines represent approximately 3 per cent of the revenue mix of the municipality. The 2025/26 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 the cash flow position of the municipality. **Currently the payment rate in respect of fines results in an unsustainable increase in the impairment provision.**

The department is encouraged to consider/investigate alternative methods to materially improving the collection rate relating to fines as this trend has now been experienced for the last 5 years. This expenditure is increasingly becoming an additional burden on rate payers given the impact it has on the impairment provision.

1.5 Operating Expenditure Framework

Prior to the tabling of the Draft budget, comprehensive workshops and engagements took place with the various directorates to ensure that effect is given to organisation wide quality sustainable service delivery in a bid to ensure value for money to all of Swartland Municipality's citizens. The objective in the main was to ensure efficiencies in directorates and to more importantly give effect to sound expenditure management and cost containment. 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. Our historical approach to budgets required serious re-invention and consideration given the prevailing economic conditions.

The following table is a high level summary of the 2025/26 MTREF (classified per main type of operating expenditure):

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands					
<u>Financial Performance</u>					
Employee costs	341 481	344 723	368 365	395 514	425 981
Remuneration of councillors	13 273	13 273	12 630	13 072	13 529
Depreciation and amortisation	128 253	125 316	134 341	144 497	153 683
Interest	14 689	10 569	9 954	13 945	14 111
Inventory consumed and bulk purchases	453 835	473 694	556 322	592 967	639 170
Transfers and subsidies	5 902	4 264	4 032	4 116	4 195
Other expenditure	231 611	239 132	361 333	402 097	244 285
Total Expenditure	1 189 046	1 210 971	1 446 976	1 566 208	1 494 955

- The budgeted allocation for employee related costs (excluding Remuneration of Councillors) for the 2025/26 financial year totals R 380 994 million, which equates to 26.3 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 this expenditure in an attempt to keep tariffs within the limits of the reduced realistically anticipated revenue streams, with an amount of R1 782 533 budgeted for training in the 2025/2026 operating budget. This budget is considered more than sufficient to provide for training needs within the Municipality given the historic and ongoing training programmes already covered, **but more-over the necessitated curbing of expenditure given the worsening disposable income levels of the paying public.**
- The expense associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).
- The provision of debt impairment was determined based on the current collection rates of receivables, negatively influenced by the prevailing economic conditions.
- Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations are expected to remain high over the MTREF. These high appropriations can mainly be attributed to the large capital program employed by the municipality in recent years as well as the valuation method used during the implementation of Directive 7. Compared to industry benchmarks, the depreciation figure is considered to be very high.
- Bulk purchases are directly informed by the purchase of electricity from Eskom and water from the West Coast District Municipality. The indicative annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.
- Other expenditure comprises of various line items relating to the daily operations of the municipality.
- Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital).

1.5.1 Priority given to repairs and maintenance

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

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

The ratios for the 2025/26 MTREF are shown below:

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	10.7%	13.9%	12.8%	28.7%	26.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	32.0%	34.8%	27.7%	45.5%	45.8%
<i>R&M as a % of PPE & Investment Property</i>	3.0%	3.4%	3.3%	3.4%	3.4%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4.8%	5.5%	4.9%	6.1%	6.3%

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 91 056 million in 2025/26 and it will increase to R107 523 million and R 127 691 million in the outer years of the MTREF. **These totals do not include financing of other community services, servicing informal settlements and actual expenditure incurred on indigent consumers.**

Subsidies for indigent households are set out below:

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

For the month of **February 2025**, support was provided to 8 764 indigent households:

- Number receiving Property Rates discount: 7 729
- Number with access to free basic water: 8 718 (and exempted by way of subsidy of the water network charge)
- Number with access to free basic electricity: 5 386
- Number provided by ESKOM: 2 211
- Number with access to free basic sanitation: 8 373
- Number with access to free basic refuse removal: 8 764

1.6 Capital expenditure

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

Vote Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote					
Multi-year expenditure to be appropriated					
Vote 2 - Civil Services	57 326	36 433	93 663	97 815	112 022
Vote 4 - Electricity Services	55 129	24 791	75 133	43 732	31 800
Vote 6 - Development Services	165 889	157 370	50 894	33 736	52 477
Capital multi-year expenditure sub-total	278 343	218 595	219 690	175 283	196 298
Single-year expenditure to be appropriated					
Vote 1 - Corporate Services	778	478	573	575	534
Vote 2 - Civil Services	69 710	57 936	43 924	18 398	33 118
Vote 3 - Council	878	1 287	12	12	12
Vote 4 - Electricity Services	13 843	17 170	13 033	18 442	28 142
Vote 5 - Financial Services	698	568	168	76	672
Vote 6 - Development Services	8 935	8 842	286	6 090	94
Vote 7 - Municipal Manager	412	100	12	12	12
Vote 8 - Protection Services	2 882	3 055	1 322	1 136	612
Capital single-year expenditure sub-total	98 134	89 435	59 330	44 741	63 195
Total Capital Expenditure - Vote	376 478	308 030	279 020	220 024	259 494

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 2025/26 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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands					
<u>Financial Performance</u>					
Property rates	199 371	201 371	212 727	225 789	239 635
Service charges	644 470	666 652	755 688	809 769	865 062
Investment revenue	88 998	91 790	81 529	81 397	83 247
Transfer and subsidies - Operational	190 028	188 764	332 513	368 476	207 056
Other own revenue	90 067	89 205	93 773	97 409	101 287
Total Revenue (excluding capital transfers and contributions)	1 212 935	1 237 783	1 476 231	1 582 840	1 496 287
Employee costs	341 481	344 723	368 365	395 514	425 981
Remuneration of councillors	13 273	13 273	12 630	13 072	13 529
Depreciation and amortisation	128 253	125 316	134 341	144 497	153 683
Interest	14 689	10 569	9 954	13 945	14 111
Inventory consumed and bulk purchases	453 835	473 694	556 322	592 967	639 170
Transfers and subsidies	5 902	4 264	4 032	4 116	4 195
Other expenditure	231 611	239 132	361 333	402 097	244 285
Total Expenditure	1 189 046	1 210 971	1 446 976	1 566 208	1 494 955
Surplus/(Deficit)	23 889	26 812	29 255	16 632	1 333
Transfers and subsidies - capital (monetary allocations)	246 062	238 036	110 608	81 940	102 676
Transfers and subsidies - capital (in-kind)	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	269 951	264 848	139 863	98 573	104 008
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—
Surplus/(Deficit) for the year	269 951	264 848	139 863	98 573	104 008
<u>Capital expenditure & funds sources</u>					
Capital expenditure	376 478	308 030	279 020	220 024	259 494
Transfers recognised - capital	245 992	237 007	110 608	81 940	102 676
Borrowing	36 951	—	40 000	—	—
Internally generated funds	93 535	71 023	128 412	138 084	156 818
Total sources of capital funds	376 478	308 030	279 020	220 024	259 494
<u>Financial position</u>					
Total current assets	669 334	760 215	1 172 397	1 241 336	1 284 940
Total non current assets	2 907 287	2 843 446	2 646 987	2 704 392	2 791 175
Total current liabilities	160 289	132 114	156 807	183 423	206 281
Total non current liabilities	219 781	195 152	237 078	238 234	241 755
Community wealth/Equity	3 196 551	3 276 395	3 425 498	3 524 071	3 628 079
<u>Cash flows</u>					
Net cash from (used) operating	470 661	423 576	334 223	294 375	315 138
Net cash from (used) investing	(430 201)	(350 938)	14 926	(250 348)	(295 738)
Net cash from (used) financing	29 182	(4 956)	33 956	(8 877)	(9 787)
Cash/cash equivalents at the year end	464 184	538 173	921 276	956 427	966 040
<u>Cash backing/surplus reconciliation</u>					
Cash and investments available	797 212	871 292	921 276	956 427	966 040
Application of cash and investments	622 123	597 672	425 539	534 572	691 314
Balance - surplus (shortfall)	175 090	273 621	495 737	421 855	274 726
<u>Asset management</u>					
Asset register summary (WDV)	2 179 116	2 058 653	2 224 323	2 340 725	2 388 038
Depreciation	125 851	122 914	128 788	138 667	147 853
Renewal and Upgrading of Existing Assets	40 258	42 818	35 730	63 070	67 788
Repairs and Maintenance	71 627	76 730	80 772	86 050	90 109

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

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

Functional Classification Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional					
<i>Governance and administration</i>	377 656	384 791	392 179	410 349	428 566
Executive and council	352	403	265	269	273
Finance and administration	377 305	384 389	391 913	410 079	428 292
<i>Community and public safety</i>	257 564	238 962	255 936	270 402	120 662
Community and social services	14 098	13 271	12 829	12 709	12 749
Sport and recreation	10 771	10 891	5 939	5 402	5 726
Public safety	48 570	41 282	48 436	49 057	49 457
Housing	184 126	173 519	188 733	203 235	52 730
<i>Economic and environmental services</i>	30 176	34 050	27 411	31 105	21 119
Planning and development	5 107	5 514	5 592	5 925	6 278
Road transport	25 069	28 536	21 819	25 180	14 841
<i>Trading services</i>	793 563	817 978	911 287	952 897	1 028 587
Energy sources	488 849	513 084	583 651	623 482	664 890
Water management	127 631	125 972	135 957	148 842	168 732
Waste water management	96 863	100 540	104 791	103 541	109 664
Waste management	80 220	78 382	86 886	77 032	85 301
<i>Other</i>	38	38	26	28	29
Total Revenue - Functional	1 458 997	1 475 819	1 586 839	1 664 781	1 598 963
Expenditure - Functional					
<i>Governance and administration</i>	190 151	189 505	198 361	209 686	221 350
Executive and council	30 451	29 779	30 528	31 974	33 456
Finance and administration	156 988	157 025	165 043	174 994	185 099
Internal audit	2 711	2 701	2 789	2 718	2 794
<i>Community and public safety</i>	195 859	178 371	325 736	367 422	216 107
Community and social services	28 670	29 335	30 787	32 412	34 578
Sport and recreation	40 196	39 031	42 418	44 864	48 109
Public safety	104 801	96 620	107 346	113 283	119 192
Housing	22 192	13 385	145 185	176 862	14 228
<i>Economic and environmental services</i>	91 889	92 419	94 390	100 220	104 239
Planning and development	16 965	16 324	17 956	18 462	20 458
Road transport	74 923	76 095	76 433	81 758	83 782
<i>Trading services</i>	708 641	748 301	825 952	886 201	950 461
Energy sources	452 643	470 600	555 344	592 838	636 504
Water management	108 519	123 568	117 764	127 310	138 236
Waste water management	81 920	88 498	85 862	91 118	96 171
Waste management	65 559	65 634	66 982	74 934	79 550
<i>Other</i>	2 506	2 374	2 538	2 679	2 798
Total Expenditure - Functional	1 189 046	1 210 971	1 446 976	1 566 208	1 494 955
Surplus/(Deficit) for the year	269 951	264 848	139 863	98 573	104 008

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

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

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

Vote Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote					
Vote 1 - Corporate Services	13 430	12 533	11 746	12 150	12 140
Vote 2 - Civil Services	327 034	330 801	340 796	344 446	367 701
Vote 3 - Council	352	403	265	269	273
Vote 4 - Electricity Services	488 867	513 102	583 669	623 500	664 908
Vote 5 - Financial Services	374 410	380 819	389 622	407 750	425 923
Vote 6 - Development Services	193 449	183 914	198 636	213 727	63 847
Vote 7 - Municipal Manager	–	80	–	–	–
Vote 8 - Protection Services	61 454	54 167	62 105	62 939	64 171
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
Total Revenue by Vote	1 458 997	1 475 819	1 586 839	1 664 781	1 598 963
Expenditure by Vote to be appropriated					
Vote 1 - Corporate Services	46 746	47 664	49 311	52 396	55 729
Vote 2 - Civil Services	393 895	417 444	417 140	448 726	476 306
Vote 3 - Council	26 049	25 374	25 476	26 510	27 573
Vote 4 - Electricity Services	458 585	475 934	558 289	595 017	637 151
Vote 5 - Financial Services	81 680	79 301	84 757	91 101	97 495
Vote 6 - Development Services	51 379	41 940	176 471	209 586	49 871
Vote 7 - Municipal Manager	10 030	9 985	11 289	11 911	12 679
Vote 8 - Protection Services	120 682	113 330	124 242	130 961	138 152
Vote 9 - [NAME OF VOTE 9]	–	–	–	–	–
Total Expenditure by Vote	1 189 046	1 210 971	1 446 976	1 566 208	1 494 955
Surplus/(Deficit) for the year	269 951	264 848	139 863	98 573	104 008

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 R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue					
Exchange Revenue					
Service charges - Electricity	451 420	472 747	548 246	587 051	625 859
Service charges - Water	97 940	98 216	103 605	109 702	116 159
Service charges - Waste Water Management	57 022	57 625	61 128	65 051	69 221
Service charges - Waste Management	38 087	38 064	42 709	47 965	53 823
Sale of Goods and Rendering of Services	13 619	14 129	14 664	15 525	16 437
Agency services	6 787	6 787	7 194	7 626	8 084
Interest earned from Receivables	3 407	4 115	3 821	4 013	4 213
Interest earned from Current and Non Current Assets	88 998	91 790	81 529	81 397	83 247
Rental from Fixed Assets	1 930	1 930	1 759	1 858	1 962
Operational Revenue	4 028	9 640	4 885	5 160	5 451
Non-Exchange Revenue					
Property rates	199 371	201 371	212 727	225 789	239 635
Fines, penalties and forfeits	38 991	31 213	38 363	38 755	39 151
Licences or permits	5 467	5 467	5 669	6 003	6 357
Transfer and subsidies - Operational	190 028	188 764	332 513	368 476	207 056
Interest	1 324	1 671	2 253	2 366	2 484
Operational Revenue	12 062	11 324	12 484	13 424	14 467
Gains on disposal of Assets	2 453	2 930	2 680	2 680	2 680
Total Revenue (excluding capital transfers and contributions)	1 212 935	1 237 783	1 476 231	1 582 840	1 496 287
Expenditure					
Employee related costs	341 481	344 723	368 365	395 514	425 981
Remuneration of councillors	13 273	13 273	12 630	13 072	13 529
Bulk purchases - electricity	384 927	405 920	483 500	514 559	553 306
Inventory consumed	68 908	67 774	72 822	78 408	85 864
Debt impairment	3 405	12 021	5 959	5 204	4 851
Depreciation and amortisation	128 253	125 316	134 341	144 497	153 683
Interest	14 689	10 569	9 954	13 945	14 111
Contracted services	83 092	83 410	216 107	248 657	82 363
Transfers and subsidies	5 902	4 264	4 032	4 116	4 195
Irrecoverable debts written off	45 024	43 829	41 008	43 914	46 481
Operational costs	65 587	65 369	67 509	71 235	74 941
Losses on disposal of Assets	22 793	22 793	17 260	18 122	19 028
Other Losses	11 710	11 710	13 490	14 965	16 622
Total Expenditure	1 189 046	1 210 971	1 446 976	1 566 208	1 494 955
Surplus/(Deficit)	23 889	26 812	29 255	16 632	1 333
Transfers and subsidies - capital (monetary allocations)	246 062	238 036	110 608	81 940	102 676
Surplus/(Deficit) after capital transfers & contributions	269 951	264 848	139 863	98 573	104 008
Surplus/(Deficit) for the year	269 951	264 848	139 863	98 573	104 008

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Capital expenditure - Vote					
Multi-year expenditure to be appropriated					
Vote 2 - Civil Services	57 326	36 433	93 663	97 815	112 022
Vote 4 - Electricity Services	55 129	24 791	75 133	43 732	31 800
Vote 6 - Development Services	165 889	157 370	50 894	33 736	52 477
Capital multi-year expenditure sub-total	278 343	218 595	219 690	175 283	196 298
Single-year expenditure to be appropriated					
Vote 1 - Corporate Services	778	478	573	575	534
Vote 2 - Civil Services	69 710	57 936	43 924	18 398	33 118
Vote 3 - Council	878	1 287	12	12	12
Vote 4 - Electricity Services	13 843	17 170	13 033	18 442	28 142
Vote 5 - Financial Services	698	568	168	76	672
Vote 6 - Development Services	8 935	8 842	286	6 090	94
Vote 7 - Municipal Manager	412	100	12	12	12
Vote 8 - Protection Services	2 882	3 055	1 322	1 136	612
Capital single-year expenditure sub-total	98 134	89 435	59 330	44 741	63 195
Total Capital Expenditure - Vote	376 478	308 030	279 020	220 024	259 494
Capital Expenditure - Functional					
Governance and administration	4 525	3 925	4 267	3 234	3 473
Executive and council	1 290	1 387	24	24	24
Finance and administration	3 236	2 538	4 243	3 210	3 449
Community and public safety	24 932	25 119	10 632	3 495	2 665
Community and social services	1 130	895	7 063	143	100
Sport and recreation	20 920	21 169	2 247	2 215	1 953
Public safety	2 882	3 055	1 322	1 136	612
Economic and environmental services	156 971	135 150	92 570	89 947	80 250
Planning and development	24 829	25 530	8 144	6 743	28 452
Road transport	132 142	109 620	84 426	83 203	51 798
Trading services	190 050	143 836	171 551	123 349	173 106
Energy sources	67 741	40 731	86 083	59 505	57 635
Water management	49 869	45 779	30 544	47 562	78 734
Waste water management	39 350	38 352	21 077	10 752	19 352
Waste management	33 090	18 973	33 846	5 529	17 385
Total Capital Expenditure - Functional	376 478	308 030	279 020	220 024	259 494
Funded by:					
National Government	52 150	51 704	60 270	48 161	50 199
Provincial Government	174 809	166 190	50 338	33 779	52 477
allocations) (Nat/ Prov Departm Agencies,	19 033	19 113	—	—	—
Transfers recognised - capital	245 992	237 007	110 608	81 940	102 676
Borrowing	36 951	—	40 000	—	—
Internally generated funds	93 535	71 023	128 412	138 084	156 818
Total Capital Funding	376 478	308 030	279 020	220 024	259 494

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
ASSETS					
Current assets					
Cash and cash equivalents	464 184	538 173	921 276	956 427	966 040
Trade and other receivables from exchange transactions	97 905	104 984	121 920	139 914	158 844
Receivables from non-exchange transactions	32 595	45 794	52 683	61 807	71 158
Current portion of non-current receivables	–	(287)	(287)	(287)	(287)
Inventory	29 555	38 025	40 402	43 945	46 989
VAT	44 910	32 467	35 344	38 473	41 138
Other current assets	185	1 058	1 058	1 058	1 058
Total current assets	669 334	760 215	1 172 397	1 241 336	1 284 940
Non current assets					
Investments	333 028	333 119	–	–	–
Investment property	20 041	24 327	23 852	23 374	22 892
Property, plant and equipment	2 552 627	2 481 501	2 618 448	2 676 538	2 763 992
Heritage assets	1 345	4 121	4 121	4 121	4 121
Intangible assets	246	378	566	360	170
Total non current assets	2 907 287	2 843 446	2 646 987	2 704 392	2 791 175
TOTAL ASSETS	3 576 621	3 603 660	3 819 383	3 945 729	4 076 116
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	3 544	6 044	8 877	9 987	8 552
Consumer deposits	18 846	20 160	20 160	20 160	20 360
Trade and other payables from exchange transactions	87 948	67 130	89 977	114 793	136 080
Trade and other payables from non-exchange transactions	–	8 099	4 581	2 599	2 599
Provision	13 758	23 388	23 708	24 041	24 387
VAT	36 194	7 293	9 505	11 845	14 304
Other current liabilities	–	–	–	–	–
Total current liabilities	160 289	132 114	156 807	183 423	206 281
Non current liabilities					
Financial liabilities	62 019	27 314	58 437	48 450	39 898
Provision	82 158	76 739	83 898	91 251	99 383
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	75 605	91 100	94 744	98 533	102 475
Total non current liabilities	219 781	195 152	237 078	238 234	241 755
TOTAL LIABILITIES	380 070	327 266	393 885	421 658	448 037
NET ASSETS	3 196 551	3 276 395	3 425 498	3 524 071	3 628 079
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	2 841 942	2 906 048	2 985 945	2 979 058	2 923 904
Reserves and funds	354 610	370 346	439 553	545 012	704 176
TOTAL COMMUNITY WEALTH/EQUITY	3 196 551	3 276 395	3 425 498	3 524 071	3 628 079

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	194 714	190 960	203 845	216 342	229 587
Service charges	643 646	647 860	741 336	794 305	848 578
Other revenue	284 882	288 568	323 218	333 356	332 855
Transfers and Subsidies - Operational	190 068	188 731	332 513	368 476	207 056
Transfers and Subsidies - Capital	246 022	216 724	107 090	79 958	102 676
Interest	88 998	91 790	81 529	81 397	83 247
Dividends	–	–	–	–	–
Payments					
Suppliers and employees	(1 163 758)	(1 192 906)	(1 447 972)	(1 568 751)	(1 478 687)
Interest	(8 010)	(3 889)	(3 305)	(6 592)	(5 979)
Transfers and Subsidies	(5 902)	(4 264)	(4 032)	(4 116)	(4 195)
NET CASH FROM/(USED) OPERATING ACTIVITIES	470 661	423 576	334 223	294 375	315 138
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 453	2 930	2 680	2 680	2 680
Decrease (increase) in non-current receivables	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	333 119	–	–
Payments					
Capital assets	(432 655)	(353 868)	(320 873)	(253 028)	(298 418)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(430 201)	(350 938)	14 926	(250 348)	(295 738)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	–	–	–	–	–
Borrowing long term/refinancing	40 000	–	40 000	–	–
Increase (decrease) in consumer deposits	500	500	–	–	200
Payments					
Repayment of borrowing	(11 318)	(5 456)	(6 044)	(8 877)	(9 987)
NET CASH FROM/(USED) FINANCING ACTIVITIES	29 182	(4 956)	33 956	(8 877)	(9 787)
NET INCREASE/ (DECREASE) IN CASH HELD	69 641	67 682	383 105	35 151	9 613
Cash/cash equivalents at the year begin:	394 543	470 491	538 171	921 276	956 427
Cash/cash equivalents at the year end:	464 184	538 173	921 276	956 427	966 040

NB: The increase in Cash/cash equivalents at year-end in 2025/26 is due to the maturity of the R300 million investment that was invested for three years.

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget and NT Circular 129. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF, the end objective of the medium-term framework **was to ensure the budget is funded and aligned to section 18 of the MFMA.**

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Cash and investments available					
Cash/cash equivalents at the year end	464 184	538 173	921 276	956 427	966 040
Other current investments > 90 days	–	–	–	–	–
Non current Investments	333 028	333 119	–	–	–
Cash and investments available:	797 212	871 292	921 276	956 427	966 040
Application of cash and investments					
Unspent conditional transfers	–	8 099	3 015	3 015	3 015
Unspent borrowing	–	–	–	–	–
Other working capital requirements	(70 556)	(112 106)	(40 736)	(37 496)	(40 263)
Other provisions	13 758	23 388	23 708	24 041	24 387
Long term investments committed	333 028	333 119	–	–	–
Reserves to be backed by cash/investments	354 610	370 346	439 553	545 012	704 176
Total Application of cash and investments:	622 123	597 672	425 539	534 572	691 314
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	175 090	273 621	495 737	421 855	274 726
Creditors transferred to Debt Relief - Non-Current portion	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	175 090	273 621	495 737	421 855	274 726

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.

According to Municipal Budget and Reporting Regulations (Table A9), the municipalities were advised to allocate 60 per cent of the total Capital Expenditure budget to new acquisition while the remaining 40 per cent to renewal and upgrading of the new assets.

MFMA Budget Circular 130 - Given the current challenges of aging and dilapidated infrastructure faced by the municipalities, which contributes to high level of losses, municipalities are advised to allocate at least 60 per cent of the capital expenditure to renewal/upgrading of the existing assets while 40 per cent should acquire new assets.

The 2025/26 capital expenditure on the renewal and upgrading of existing capital assets is 12.8%, for 2026/27 increases to 28.7% and 26.1% for 2027/28. Due to timing, MFMA Circular No.130 can only be incorporated in the Final budget in May 2025 and will the capital budget be reviewed again.

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
CAPITAL EXPENDITURE					
<u>Total New Assets</u>	336 219	265 211	243 290	156 954	191 706
Roads Infrastructure	117 253	94 389	68 812	66 213	26 792
Storm water Infrastructure	1 509	1 509	–	–	–
Electrical Infrastructure	61 979	34 380	81 583	52 732	48 350
Water Supply Infrastructure	38 951	34 091	18 409	9 275	49 413
Sanitation Infrastructure	26 154	25 606	16 643	5 194	7 909
Solid Waste Infrastructure	29 621	15 500	28 516	–	15 000
Infrastructure	275 466	205 475	213 964	133 415	147 463
Community Facilities	1 800	1 230	1 750	1 100	1 100
Sport and Recreation Facilities	12 341	13 306	6 620	–	–
Community Assets	14 141	14 536	8 370	1 100	1 100
Heritage Assets	–	–	–	–	–
Operational Buildings	650	380	380	–	–
Housing	16 327	17 129	8 036	6 631	28 336
Other Assets	16 977	17 509	8 416	6 631	28 336
Licences and Rights	400	400	–	–	–
Intangible Assets	400	400	–	–	–
Computer Equipment	1 790	1 790	2 583	3 168	2 757
Furniture and Office Equipment	920	935	665	477	681
Machinery and Equipment	2 187	2 675	2 780	1 858	1 497
Transport Assets	15 638	13 593	6 113	9 905	9 472
Land	8 700	8 300	400	400	400
<u>Total Renewal of Existing Assets</u>	3 410	5 711	17 600	16 200	15 190
Roads Infrastructure	–	2 268	15 500	15 500	15 000
Sanitation Infrastructure	3 000	3 000	1 400	–	–
Infrastructure	3 000	5 268	16 900	15 500	15 000
Sport and Recreation Facilities	250	250	–	–	–
Community Assets	250	250	–	–	–
Machinery and Equipment	160	193	700	700	190
<u>Total Upgrading of Existing Assets</u>	36 848	37 107	18 130	46 870	52 598
Roads Infrastructure	9 749	9 749	–	–	–
Storm water Infrastructure	250	250	550	550	1 050
Electrical Infrastructure	4 483	4 533	3 200	3 700	6 200
Water Supply Infrastructure	10 434	11 205	12 080	37 720	33 848
Sanitation Infrastructure	5 827	5 565	2 000	4 900	11 500
Infrastructure	30 744	31 302	17 830	46 870	52 598
Community Facilities	–	–	300	–	–
Sport and Recreation Facilities	6 105	5 805	–	–	–
Community Assets	6 105	5 805	300	–	–
<u>Total Capital Expenditure</u>	376 478	308 030	279 020	220 024	259 494
Roads Infrastructure	127 003	106 407	84 312	81 713	41 792
Storm water Infrastructure	1 759	1 759	550	550	1 050
Electrical Infrastructure	66 461	38 912	84 783	56 432	54 550
Water Supply Infrastructure	49 386	45 296	30 489	46 995	83 261
Sanitation Infrastructure	34 981	34 172	20 043	10 094	19 409
Solid Waste Infrastructure	29 621	15 500	28 516	–	15 000
Infrastructure	309 210	242 045	248 694	195 785	215 061
Community Facilities	1 800	1 230	2 050	1 100	1 100
Sport and Recreation Facilities	18 695	19 360	6 620	–	–
Community Assets	20 495	20 590	8 670	1 100	1 100
Operational Buildings	650	380	380	–	–
Housing	16 327	17 129	8 036	6 631	28 336
Other Assets	16 977	17 509	8 416	6 631	28 336
Licences and Rights	400	400	–	–	–
Intangible Assets	400	400	–	–	–
Computer Equipment	1 790	1 790	2 583	3 168	2 757
Furniture and Office Equipment	920	935	665	477	681
Machinery and Equipment	2 347	2 868	3 480	2 558	1 687
Transport Assets	15 638	13 593	6 113	9 905	9 472
Land	8 700	8 300	400	400	400
TOTAL CAPITAL EXPENDITURE - Asset class	376 478	308 030	279 020	220 024	259 494

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
ASSET REGISTER SUMMARY - PPE (WDV)	2 179 116	2 058 653	2 224 323	2 340 725	2 388 038
<i>Roads Infrastructure</i>	401 130	416 311	486 529	521 438	552 427
<i>Storm water Infrastructure</i>	102 229	122 796	117 652	111 271	100 418
<i>Electrical Infrastructure</i>	390 768	362 103	378 856	440 434	472 260
<i>Water Supply Infrastructure</i>	408 346	393 238	419 207	430 202	456 028
<i>Sanitation Infrastructure</i>	477 155	419 890	428 828	421 931	403 633
<i>Solid Waste Infrastructure</i>	31 846	25 799	38 999	62 540	57 588
Infrastructure	1 811 474	1 740 138	1 870 071	1 987 816	2 042 355
Community Assets	114 790	110 719	119 827	117 267	107 348
Heritage Assets	1 345	4 121	4 121	4 121	4 121
Investment properties	20 041	24 327	23 852	23 374	22 892
Other Assets	74 965	35 152	50 642	57 143	61 885
Intangible Assets	246	378	566	360	170
Computer Equipment	3 480	3 548	2 614	1 953	1 978
Furniture and Office Equipment	1 533	2 588	2 209	1 469	506
Machinery and Equipment	24 154	11 739	9 906	8 387	6 039
Transport Assets	43 485	44 935	51 393	49 510	51 221
Land	83 603	81 008	89 123	89 328	89 523
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2 179 116	2 058 653	2 224 323	2 340 725	2 388 038
EXPENDITURE OTHER ITEMS	197 478	199 644	209 560	224 717	237 962
Depreciation	125 851	122 914	128 788	138 667	147 853
Repairs and Maintenance by Asset Class	71 627	76 730	80 772	86 050	90 109
<i>Roads Infrastructure</i>	6 026	6 269	6 368	6 723	6 755
<i>Storm water Infrastructure</i>	22 254	23 788	24 311	26 414	28 140
<i>Electrical Infrastructure</i>	5 322	5 332	5 794	6 166	6 572
<i>Water Supply Infrastructure</i>	1 707	1 849	2 011	2 018	2 089
<i>Sanitation Infrastructure</i>	5 464	5 961	6 151	6 365	6 588
<i>Solid Waste Infrastructure</i>	8 741	9 742	10 272	10 584	11 076
Infrastructure	49 514	52 941	54 908	58 270	61 219
<i>Community Facilities</i>	2 543	2 542	2 533	2 808	2 930
<i>Sport and Recreation Facilities</i>	1 042	1 238	1 072	1 103	1 136
Community Assets	3 585	3 780	3 605	3 912	4 066
<i>Operational Buildings</i>	1 148	1 148	1 260	1 319	1 380
<i>Housing</i>	775	775	1 624	1 199	845
Other Assets	1 923	1 923	2 884	2 517	2 224
<i>Licences and Rights</i>	6 669	6 659	7 168	7 561	7 992
Intangible Assets	6 669	6 659	7 168	7 561	7 992
Computer Equipment	402	372	402	420	420
Furniture and Office Equipment	58	58	72	73	74
Machinery and Equipment	1 392	1 468	1 532	1 615	1 609
Transport Assets	8 083	9 529	10 201	11 682	12 504
TOTAL EXPENDITURE OTHER ITEMS	197 478	199 644	209 560	224 717	237 962
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	10.7%	13.9%	12.8%	28.7%	26.1%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	32.0%	34.8%	27.7%	45.5%	45.8%
<i>R&M as a % of PPE & Investment Property</i>	3.0%	3.4%	3.3%	3.4%	3.4%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	4.8%	5.5%	4.9%	6.1%	6.3%

MBRR Table A10 - Basic Service Delivery Measurement

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets					
Water:					
Piped water inside dwelling	32 872	32 872	40 623	40 623	40 623
Piped water inside yard (but not in dwelling)	3 232	3 232	3 500	3 500	3 500
Using public tap (at least min.service level)	212	212	246	246	246
Other water supply (at least min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	36 316	36 316	44 369	44 369	44 369
Using public tap (< min.service level)	-	-	162	162	162
Other water supply (< min.service level)	2 823	2 823	324	324	324
No water supply	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	2 823	2 823	486	486	486
Total number of households	39 139	39 139	44 855	44 855	44 855
Sanitation/sewerage:					
Flush toilet (connected to sewerage)	33 744	33 744	41 153	41 153	41 153
Flush toilet (with septic tank)	3 887	3 887	2 279	2 279	2 279
Chemical toilet	29	29	108	108	108
Pit toilet (ventilated)	37	37	73	73	73
Other toilet provisions (> min.service level)	-	-	93	93	93
<i>Minimum Service Level and Above sub-total</i>	37 697	37 697	43 706	43 706	43 706
Bucket toilet	991	991	944	944	944
Other toilet provisions (< min.service level)	141	141	57	57	57
No toilet provisions	310	310	148	148	148
<i>Below Minimum Service Level sub-total</i>	1 442	1 442	1 149	1 149	1 149
Total number of households	39 139	39 139	44 855	44 855	44 855
Energy:					
Electricity (at least min.service level)	38 631	38 631	43 985	43 985	43 985
Electricity - prepaid (min.service level)	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	38 631	38 631	43 984	43 984	43 984
Electricity (< min.service level)	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-
Other energy sources	508	508	871	871	871
<i>Below Minimum Service Level sub-total</i>	508	508	871	871	871
Total number of households	39 139	39 139	44 855	44 855	44 855
Refuse:					
Removed at least once a week	32 675	32 675	39 195	39 195	39 195
<i>Minimum Service Level and Above sub-total</i>	32 675	32 675	39 195	39 195	39 195
Removed less frequently than once a week	480	480	607	607	607
Using communal refuse dump	897	897	2 071	2 071	2 071
Using own refuse dump	4 863	4 863	2 403	2 403	2 403
Other rubbish disposal	204	204	333	333	333
No rubbish disposal	20	20	246	246	246
<i>Below Minimum Service Level sub-total</i>	6 464	6 464	5 660	5 660	5 660
Total number of households	39 139	39 139	44 855	44 855	44 855

Reference: Data set supplied by the Strategic office.

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Households receiving Free Basic Service</u>					
Water (6 kilolitres per household per month)	9 668	9 668	9 042	9 314	9 593
Sanitation (free minimum level service)	9 329	9 329	8 686	8 947	9 215
Electricity/other energy (50kwh per household per month)	8 848	8 848	8 344	8 594	8 852
Refuse (removed at least once a week)	9 677	9 677	9 027	9 972	11 060
<u>Cost of Free Basic Services provided - Formal Settlements (R'000)</u>					
Water (6 kilolitres per indigent household per month)	15 850	15 850	16 801	17 809	18 878
Sanitation (free sanitation service to indigent households)	32 770	32 770	33 753	35 441	37 213
Electricity/other energy (50kwh per indigent household per month)	10 812	10 812	11 514	12 880	14 413
Refuse (removed once a week for indigent households)	19 663	19 663	21 236	22 935	24 769
Total cost of FBS provided	79 094	79 094	83 304	89 064	95 273
<u>Highest level of free service provided per household</u>					
Property rates (R value threshold)	105 000	105 000	105 000	105 000	105 000
Water (kilolitres per household per month)	6	6	6	6	6
Sanitation (Rand per household per month)	294.75	294.75	312.14	330.56	350.06
Electricity (kwh per household per month)	50	50	50	50	50
Refuse (average litres per week)	182.65	182.65	202.74	225.04	249.80
<u>Revenue cost of subsidised services provided (R'000)</u>					
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	3 597	3 597	4 180	4 598	5 058
Other	3 000	3 000	3 300	3 300	3 300
Total revenue cost of subsidised services provided	6 597	6 597	7 480	7 898	8 358

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 (2025/26 – 2029/30) and the budget for the 2025/26 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 2024. Key dates applicable to the process were:

- **November 2024** – Review of the financial strategy and key economic and financial planning assumptions. This included financial forecasting and scenario considerations;
- **October / November 2024** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **30 January 2025** - Council considered and approved the 2024/25 Mid-year Review and Adjustments Budget;

- **February / March 2025** - 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 2025** - Tabling in Council of the draft 2025/26 IDP and MTREF Budget for public consultation;
- **April 2025** – Public consultation by means of written comments;
- **30 April 2025 @ 12 midday** - Closing date for written comments;
- **2 - 15 May 2025** – Finalisation of the 2025/26 IDP and MTREF Budget, taking into consideration comments received from the public, comments from National and Provincial Treasury; and
- **29 May 2025** - Tabling of the 2025/26 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 2025/26 MTREF was in the main informed by the IDP process outcomes and the following tables provide the reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.2.1 Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Community safety and wellbeing	Manage Development Services	215	960	69	71	73
	Manage Community Development	38	38	38	38	38
	Manage Multi-Purpose Centres	177	922	31	33	35
	Manage Protection Services	61 454	54 167	62 105	62 939	64 171
	Manage Civil Protection	417	417	573	–	–
	Manage Licensing and Registration Services	12 468	12 468	13 096	13 882	14 715
	Manage Traffic and Law Enforcement	48 326	41 039	48 173	48 779	49 164
	Manage Fire and Emergency Services	10	10	15	15	15
	Manage the Harbour Yzerfontein	233	233	247	262	278
Economic transformation	Facilitate economic development in the municipal area	–	–	–	–	–
A healthy and sustainable environment	Manage Development Services	193 234	182 954	198 567	213 657	63 774
	Manage Development Services	1	1	1	1	2
	Manage Planning and Valuations	1 303	1 329	1 419	1 502	1 590
	Manage Building Control	3 805	4 105	4 173	4 423	4 688
	Manage Human Settlements	184 126	173 519	188 733	203 235	52 730
	Manage the Caravan Park Yzerfontein	4 000	4 000	4 241	4 495	4 765
A connected and innovative local government	Manage Corporate Services	13 430	12 533	11 746	12 150	12 140
	Manage Corporate Services, Secretariat and Records and Ward Committees	103	103	104	104	104
	Manage Human Resource Services	787	1 462	400	400	400
	Manage Properties, Contracts and Legal Administration	290	290	308	326	346
	Manage Libraries	12 212	10 640	10 908	11 292	11 261
	Manage Marketing And Tourism	38	38	26	28	29
	Manage the Office of the Municipal Manager	–	80	–	–	–
	Manage Strategic Services	–	80	–	–	–
	Manage Financial Services	374 410	380 819	389 622	407 750	425 923
	Manage Finance (Credit Control, Income, Expenditure,etc)	169 781	174 190	170 952	175 497	179 260
	Manage Rates	203 029	205 029	216 969	230 453	244 762
	Manage Financial Management Grant	1 600	1 600	1 700	1 800	1 900
	Manage Council Expenses	352	403	265	269	273
Quality and reliable services	Manage Civil Engineering Services	815 902	843 903	924 465	967 946	1 032 609
	Manage Cemeteries	964	964	971	1 019	1 070
	Manage Parks and Recreational Areas	300	300	644	–	–
	Manage Proclaimed Roads	204	204	226	237	40
	Manage Sewerage	94 584	98 052	103 995	103 048	109 141
	Manage Sportsgrounds	6 065	6 065	480	298	316
	Manage Streets	12 837	16 512	8 963	11 554	609
	Manage Storm water	1 840	1 840	331	–	–
	Manage Swimming Pools	406	526	574	609	645
	Manage Water Provision	127 631	125 972	135 957	148 842	168 732
	Manage Municipal Property	1 985	1 985	1 769	1 807	1 846
	Manage Refuse Removal	80 220	78 382	86 886	77 032	85 301
	Manage Electricity Distribution	488 867	513 102	583 669	623 500	664 908
Total Revenue (excluding capital transfers and contributions)		1 458 997	1 475 819	1 586 839	1 664 781	1 598 963

2.2.2 Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Community safety and wellbeing		8 492	8 537	9 320	9 973	10 604
	Manage Development Services					
	Manage Community Development	4 350	4 374	4 928	5 253	5 553
	Manage Multi-Purpose Centres	1 872	1 872	1 893	2 015	2 160
	Manage Environmental and Occupational Health	2 271	2 291	2 500	2 704	2 891
	Manage Protection Services	120 682	113 330	124 242	130 961	138 152
	Manage Protection Services	3 014	2 983	3 119	3 349	3 608
	Manage Civil Protection	749	1 514	862	371	379
	Manage Licensing and Registration Services	11 939	12 035	12 708	13 727	14 717
	Manage Traffic and Law Enforcement	92 041	83 114	94 223	99 281	104 481
	Manage Fire and Emergency Services	12 439	13 185	12 796	13 662	14 357
	Manage the Harbour Yzerfontein	500	500	533	570	611
	Economic transformation	Facilitate economic development in the municipal area	–	–	30	30
A healthy and sustainable	Manage Development Services	42 887	33 403	167 151	199 613	39 268
	Manage Development Services	3 021	2 974	3 145	3 377	3 633
	Manage Planning and Valuations	10 210	9 577	10 293	10 202	11 572
	Manage Building Control	3 996	4 015	4 384	4 702	5 062
	Manage Human Settlements	22 192	13 385	145 185	176 862	14 228
	Manage the Caravan Park Yzerfontein	3 468	3 451	4 144	4 469	4 773
A connected and innovative local government	Manage Corporate Services	46 746	47 664	49 311	52 396	55 729
	Manage Corporate Services, Secretariat and Records and Ward Committees	15 124	15 581	16 048	16 961	17 950
	Manage Human Resource Services	8 084	8 765	8 208	8 717	9 198
	Manage Properties, Contracts and Legal Administration	7 126	7 001	7 832	8 338	8 901
	Manage Libraries	13 853	13 890	14 626	15 637	16 809
	Manage Marketing And Tourism	2 559	2 427	2 597	2 744	2 870
	Manage Electrical Engineering Services					
	Manage ICT Services	21 010	20 519	21 932	23 538	24 661
	Manage the Office of the Municipal Manager	10 030	9 985	11 259	11 881	12 649
	Manage the Office of the Municipal Manager	4 402	4 405	5 053	5 463	5 884
	Manage Internal Audit	2 869	2 848	2 957	2 890	2 971
	Manage Strategic Services	2 759	2 731	3 249	3 527	3 794
	Manage Financial Services	81 680	79 301	84 757	91 101	97 495
	Manage Financial Administration	2 368	2 368	2 536	2 714	2 916
	Manage Supply Chain Management	10 838	11 082	11 999	12 877	13 818
	Manage the Budget and Treasury Office	3 572	4 006	6 705	6 832	7 243
	Manage Finance (Credit Control, Income, Expenditure,etc)	54 498	51 520	56 074	60 577	64 827
	Manage Assets	5 714	5 940	2 464	2 670	2 869
	Manage Fleet	1 347	1 344	1 446	1 597	1 749
	Manage Rates	1 867	1 563	1 968	2 157	2 367
	Manage Financial Management Grant	1 477	1 477	1 566	1 676	1 705
	Manage Council Expenses					
	Manage Council Expenses	26 049	25 374	25 476	26 510	27 573

Strategic Objective	Goal	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand						
Quality and reliable services	Manage Civil Engineering Services	831 469	872 858	953 498	1 020 206	1 088 795
	Manage Civil Engineering Services	4 220	4 274	4 480	4 792	5 047
	Manage Cemeteries	1 072	1 037	1 033	1 227	1 252
	Manage Parks and Recreational Areas	24 023	24 065	25 973	27 527	29 700
	Manage Proclaimed Roads	461	461	479	488	316
	Manage Sewerage	48 110	52 625	48 819	51 312	53 924
	Manage Waste Water Treatment Works	19 506	20 036	22 460	24 342	26 431
	Manage Sportsgrounds	8 663	8 200	8 493	8 863	9 408
	Manage Streets	65 414	66 489	67 083	71 839	73 560
	Manage Storm water	22 563	24 097	24 657	26 778	28 521
	Manage Swimming Pools	6 237	5 510	6 281	6 729	7 228
	Manage Water Provision	108 251	123 300	117 532	127 112	138 079
	Manage Municipal Property	19 991	21 889	23 072	23 004	23 531
	Manage Refuse Removal	41 138	40 207	40 480	47 506	50 875
	Manage Street Cleaning	8 633	8 728	9 250	8 843	9 098
	Manage Solid Waste Disposal (Landfill Sites)	15 613	16 524	17 048	18 365	19 337
	Manage Electrical Engineering Services	2 241	2 125	1 868	1 999	2 148
	Manage Electricity Distribution	433 132	451 078	532 011	566 838	607 516
	Manage Street Lighting	2 202	2 212	2 479	2 642	2 826
Total Expenditure		1 189 046	1 210 971	1 446 976	1 566 208	1 494 955

2.2.3 Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework			
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand							
Community safety and wellbeing	Manage Development Services						
	Manage Multi-Purpose Centres	980	745	6 620	–	–	
	Manage Protection Services						
	Manage Protection Services	977	1 150	1 022	836	412	
	Manage Fire and Emergency Services	1 905	1 905	300	300	200	
Economic transformation	Facilitate economic development in the municipal area	–	–	–	–	–	
A healthy and sustainable environment	Manage Development Services						
	Manage Development Services	46	49	50	52	54	
	Manage Human Settlements	173 309	164 925	44 474	39 736	52 477	
	Manage the Caravan Park Yzerfontein	489	492	36	38	40	
A connected and innovative local government	Manage Corporate Services						
	Manage Corporate Services, Secretariat and Records and Ward Committees	28	31	430	432	434	
	Manage Properties, Contracts and Legal Administration	700	397	100	100	100	
	Manage Libraries	50	50	43	43	–	
	Manage Electrical Engineering Services						
	Manage ICT Services	1 230	1 230	2 083	2 668	2 307	
	Manage the Office of the Municipal Manager						
	Manage the Office of the Municipal Manager	12	100	12	12	12	
	Manage Financial Services						
	Manage Financial Administration	122	114	63	36	38	
	Manage Finance (Credit Control, Income, Expenditure,etc)	576	454	105	40	634	
	Manage Council Expenses						
	Manage Council Expenses	1 278	1 287	12	12	12	
Quality and reliable services	Manage Civil Engineering Services						
	Manage Civil Engineering Services	56	52	58	60	62	
	Manage Cemeteries	–	–	300	–	–	
	Manage Parks and Recreational Areas	1 961	1 930	1 252	1 880	1 913	
	Manage Sewerage	11 929	12 414	3 536	4 482	12 230	
	Manage Waste Water Treatment Works	1 500	300	10 000	500	6 000	
	Manage Sportsgrounds	7 159	6 236	959	297	–	
	Manage Streets	42 583	24 003	60 741	60 585	27 658	
	Manage Storm water	1 825	1 825	618	620	1 122	
	Manage Swimming Pools	11 311	12 511	–	–	–	
	Manage Water Provision	14 942	15 713	24 714	42 225	78 734	
	Manage Municipal Property	680	412	1 562	34	36	
	Manage Refuse Removal	33 090	18 973	33 846	5 529	17 385	
	Manage Electrical Engineering Services	380	800	400	420	500	
	Manage Electricity Distribution	67 361	39 931	85 683	59 085	57 135	
	Total Capital Expenditure		376 478	308 030	279 020	220 024	259 494

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Community safety and wellbeing						
<u>Manage Protection Services</u>						
Manage Protection Services	Completion of projects	977	1 150	1 022	836	412
Manage Civil Protection	Completion of projects	–	–	–	–	–
Manage Licensing and Registration Services	Completion of projects	–	–	–	–	–
Manage Traffic and Law Enforcement	Completion of projects	–	–	–	–	–
Manage Fire and Emergency Services	Completion of projects	1 905	1 905	300	300	200
Economic transformation						
Facilitate economic development in the municipal area	Completion of projects	–	–	–	–	–
A healthy and sustainable environment						
<u>Manage Development Services</u>						
Manage Development Services	Completion of projects	46	49	50	52	54
Manage Planning and Valuations	Completion of projects	–	–	–	–	–
Manage Human Settlements	Completion of projects	173 309	164 925	44 474	39 736	52 477
Manage the Caravan Park Yzerfontein	Completion of projects	489	492	36	38	40
A connected and innovative local government						
<u>Manage Corporate Services</u>						
Manage Corporate Services, Secretariat and Records	Completion of projects	28	31	430	432	434
Manage Properties, Contracts and Legal Administration	Completion of projects	700	397	100	100	100
Manage Libraries	Completion of projects	50	50	43	43	–
<u>Manage ICT Services</u>	Completion of projects	1 230	1 230	2 083	2 668	2 307
<u>Manage the Office of the Municipal Manager</u>						
Manage the Office of the Municipal Manager	Completion of projects	12	100	12	12	12
<u>Manage Financial Services</u>						
Manage Financial Administration	Completion of projects	122	114	63	36	38
Manage Finance (Credit Control, Income,	Completion of projects	576	454	105	40	634
<u>Manage Council Expenses</u>	Completion of projects	1 278	1 287	12	12	12
Quality and reliable services						
<u>Manage Civil Engineering Services</u>						
Manage Civil Engineering Services	Completion of projects	56	52	58	60	62
Manage Cemeteries	Completion of projects	–	–	300	–	–
Manage Parks and Recreational Areas	Completion of projects	1 961	1 930	1 252	1 880	1 913
Manage Sewerage	Completion of projects	11 929	12 414	3 536	4 482	12 230
Manage Waste Water Treatment Works	Completion of projects	1 500	300	10 000	500	6 000
Manage Sportsgrounds	Completion of projects	7 159	6 236	959	297	–
Manage Streets	Completion of projects	42 583	24 003	60 741	60 585	27 658
Manage Storm water	Completion of projects	1 825	1 825	618	620	1 122
Manage Swimming Pools	Completion of projects	11 311	12 511	–	–	–
Manage Water Storage	Completion of projects	14 942	15 713	24 714	42 225	78 734
Manage Municipal Property	Completion of projects	680	412	1 562	34	36
Manage Refuse Removal	Completion of projects	33 090	18 973	33 846	5 529	17 385
Manage Electrical Engineering Services	Completion of projects	380	800	400	420	500
Manage Electricity Distribution	Completion of projects	67 361	39 931	85 683	59 085	57 135
		376 478	308 030	279 020	220 024	259 494

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	Yes
2.	Property Rates Policy	Yes	Yes
3.	Property Rates By-law (not draft)	N/a	No
4.	Credit Control and Debt Collection Policy	Yes	No
5.	Indigent Policy	Yes	No
6.	Cash Management and Investment Policy	Yes	Yes
7.	Asset Management Policy	Yes	Yes
8.	Fleet Management Policy	Yes	Yes
9.	Supply Chain Management Policy	Yes	Yes
10.	Budget Implementation Policy	Yes	Yes
11.	Funding and Reserves Policy	Yes	Yes
12.	Debt and Borrowing Policy	Yes	No
13.	Virement Policy	Yes	Yes
14.	Travel and Subsistence Policy	Yes	Yes
15.	Cost Containment Policy	Yes	No
16.	Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy	Yes	No
17.	Insurance Management Policy	Yes	Yes
18.	Preferential Procurement Policy	Yes	Yes

All the above policies are and 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 and revisions were tabled and approved in May 2021. 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. The Credit Control and Debt Collection Policy was reviewed and not amended for the 2025/26 financial year.

The draft 2025/26 MTREF has been prepared on the basis of achieving an average debtors' collection rate of around 95 per cent on current billings.

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 2025/26 financial year.

2.3.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in January 2006. The amendments to the Supply Chain Management Policy is effective from 1 April 2025 and for the 2025/26 financial year.

2.3.4 Budget Implementation and Virement Policy

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 amended for the 2025/26 financial year.

The Budget Implementation Policy was approved in May 2016. The policy was reviewed and amended for the 2025/26 financial year.

2.3.5 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was reviewed and amended for the 2025/26 financial years. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks.

Swartland Municipality strives to maintain a cost coverage ratio of between 4 to 6 months at all times, which is well above the norm in local government and the cost coverage as per A-schedule SA8 is around 9 to 10 months (including long-term investments) for the 2025/26 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 amended for the 2025/26 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 2022/23 year was 97.09%, 95.83% (both excluding fines) for 2023/24 and a planned 95% of billings for the 2025/26 MTREF. Other factors include the following previously mentioned:

- Pressure on supply and demand as a result of ongoing geopolitical conflict, compounding local inflation in the form of Food and Fuel increases which could potential see the SARB delaying reducing the repo rate or pausing rates for longer in the 2024 cycle;
- Unstable national grid and Eskom's woes impacting municipal service delivery;
- 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;
- Not having a grip on cost drivers, such as overtime on non-core functions;
- National risks impacting financial sustainability;
- 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.

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 above the mid-target range 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 2025/26 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 the directors that are contractually linked to the other personnel, which is negotiated and determined at a national level:

- In respect of all personnel, an increase of **5.75%** for 2025/2026; **5.25%** for 2026/2027 and **5.75%** for the 2027/2028 financial years, excluding the increase in other benefits that are applicable and the annual 2.415% notch increase where applicable;
- All salary adjustments are adequately budgeted for;
- Provision has been made for a 3% increase for political office bearers which is within the mid band of the inflation targets set by the South African Reserve Bank (SARB).

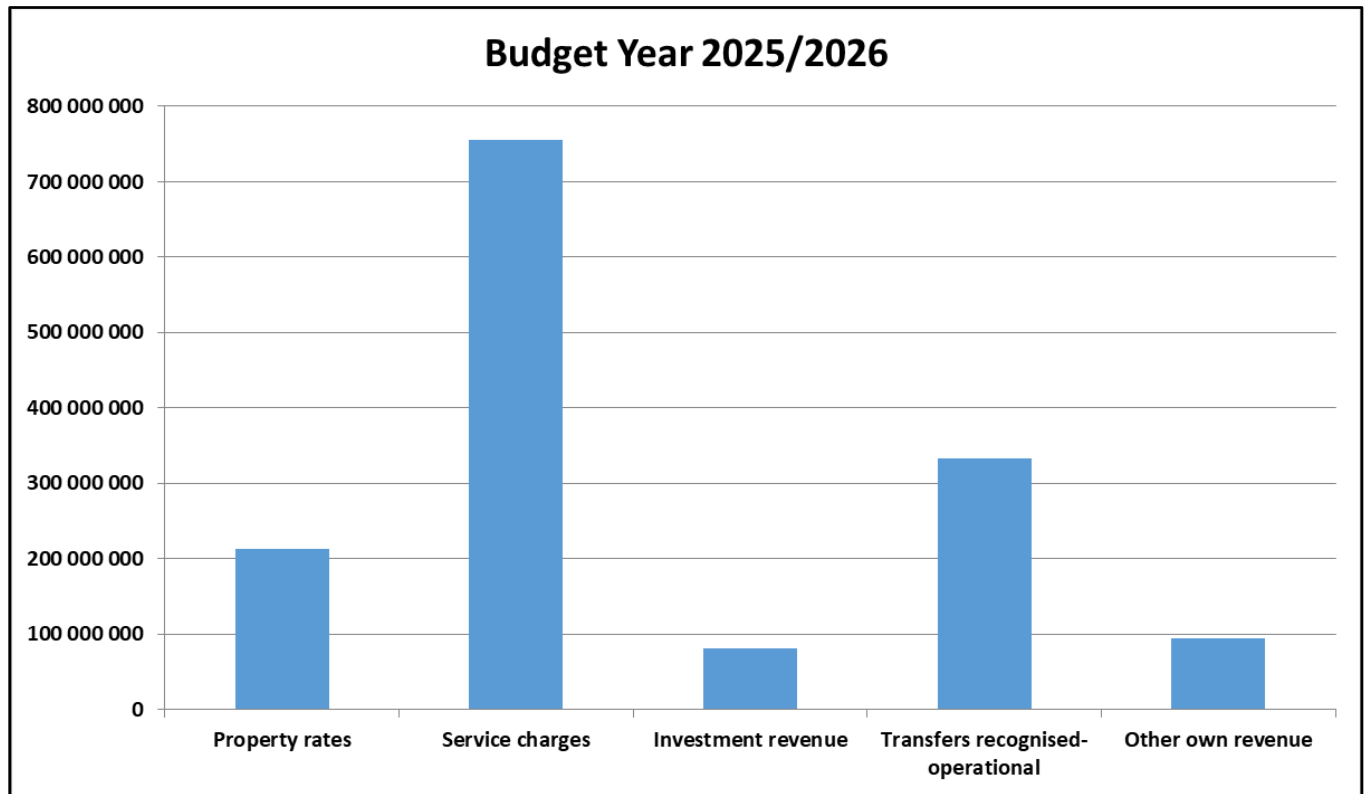
2.5 Overview of budget funding

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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands					
<u>Financial Performance</u>					
Property rates	199 371	201 371	212 727	225 789	239 635
Service charges	644 470	666 652	755 688	809 769	865 062
Investment revenue	88 998	91 790	81 529	81 397	83 247
Transfer and subsidies - Operational	190 028	188 764	332 513	368 476	207 056
Other own revenue	90 067	89 205	93 773	97 409	101 287
Total Revenue (excluding capital transfers and contributions)	1 212 935	1 237 783	1 476 231	1 582 840	1 496 287

The following graph is a breakdown of the operational revenue per main category for the 2025/26 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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts					
Property rates	194 714	190 960	203 845	216 342	229 587
Service charges	643 646	647 860	741 336	794 305	848 578
Other revenue	284 882	288 568	323 218	333 356	332 855
Transfers and Subsidies - Operational	190 068	188 731	332 513	368 476	207 056
Transfers and Subsidies - Capital	246 022	216 724	107 090	79 958	102 676
Interest	88 998	91 790	81 529	81 397	83 247
Dividends	–	–	–	–	–
Payments					
Suppliers and employees	(1 163 758)	(1 192 906)	(1 447 972)	(1 568 751)	(1 478 687)
Interest	(8 010)	(3 889)	(3 305)	(6 592)	(5 979)
Transfers and Subsidies	(5 902)	(4 264)	(4 032)	(4 116)	(4 195)
NET CASH FROM/(USED) OPERATING ACTIVITIES	470 661	423 576	334 223	294 375	315 138
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
Proceeds on disposal of PPE	2 453	2 930	2 680	2 680	2 680
Decrease (increase) in non-current receivables	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	333 119	–	–
Payments					
Capital assets	(432 655)	(353 868)	(320 873)	(253 028)	(298 418)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(430 201)	(350 938)	14 926	(250 348)	(295 738)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
Short term loans	–	–	–	–	–
Borrowing long term/refinancing	40 000	–	40 000	–	–
Increase (decrease) in consumer deposits	500	500	–	–	200
Payments					
Repayment of borrowing	(11 318)	(5 456)	(6 044)	(8 877)	(9 987)
NET CASH FROM/(USED) FINANCING ACTIVITIES	29 182	(4 956)	33 956	(8 877)	(9 787)
NET INCREASE/ (DECREASE) IN CASH HELD	69 641	67 682	383 105	35 151	9 613
Cash/cash equivalents at the year begin:	394 543	470 491	538 171	921 276	956 427
Cash/cash equivalents at the year end:	464 184	538 173	921 276	956 427	966 040

NB: The increase in Cash/cash equivalents at year-end in 2025/26 is due to the maturity of the R300 million investment that was invested for three years.

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 assumed 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 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<u>Cash and investments available</u>					
Cash/cash equivalents at the year end	464 184	538 173	921 276	956 427	966 040
Other current investments > 90 days	-	-	-	-	-
Non current Investments	333 028	333 119	-	-	-
Cash and investments available:	797 212	871 292	921 276	956 427	966 040
<u>Application of cash and investments</u>					
Unspent conditional transfers	-	8 099	3 015	3 015	3 015
Unspent borrowing	-	-	-	-	-
Other working capital requirements	(70 556)	(112 106)	(40 736)	(37 496)	(40 263)
Other provisions	13 758	23 388	23 708	24 041	24 387
Long term investments committed	333 028	333 119	-	-	-
Reserves to be backed by cash/investments	354 610	370 346	439 553	545 012	704 176
Total Application of cash and investments:	622 123	597 672	425 539	534 572	691 314
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	175 090	273 621	495 737	421 855	274 726
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	175 090	273 621	495 737	421 855	274 726

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** that needs to 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 2024/2025		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<u>Operating Transfers and Grants</u>					
National Government:	156 957 000	157 373 358	172 479 876	177 360 000	185 399 000
Local Government Equitable Share	153 764 000	153 764 000	165 310 000	175 560 000	183 499 000
Finance Management	1 600 000	1 600 000	1 700 000	1 800 000	1 900 000
EPWP Incentive	1 593 000	1 593 000	1 969 000	-	-
Integrated National Electrification Programme	-	416 358	3 500 876	-	-
Provincial Government:	31 427 834	30 686 103	160 613 000	192 324 000	23 324 000
Community Development Workers	38 000	38 000	38 000	38 000	38 000
Human Settlements	9 344 834	8 103 103	137 938 000	169 000 000	-
Municipal Accreditation and Capacity Building Grant	249 000	249 000	249 000	260 000	260 000
Title Deeds Restoration	30 000	30 000	26 000	-	-
Libraries	12 002 000	12 002 000	12 234 000	12 663 000	12 663 000
Proclaimed Roads Subsidy	170 000	170 000	190 000	199 000	199 000
WC Financial Management Capability Grant: Student Bursaries	-	100 000	-	-	-
Thusong Grant	150 000	150 000	-	-	-
Establishment of a Reaction	3 732 000	4 132 000	4 100 000	4 220 000	4 220 000
Establishment of a Rural Safety/K9 Unit	5 712 000	5 712 000	5 838 000	5 944 000	5 944 000
Total Operating Transfers and Grants	188 384 834	188 059 461	333 092 876	369 684 000	208 723 000
<u>Capital Transfers and Grants</u>					
National Government:	52 150 000	51 703 642	60 270 124	48 161 000	50 199 000
Municipal Infrastructure Grant (MIG)	29 332 000	29 302 000	25 405 000	27 293 000	28 388 000
Integrated National Electrification Programme	22 818 000	22 401 642	17 821 124	20 868 000	21 811 000
Water Services Infrastructure Grant	-	-	17 044 000	-	-
Provincial Government:	174 879 166	163 911 897	49 570 000	33 050 000	52 526 713
Human Settlements	174 289 166	163 321 897	49 520 000	33 000 000	52 476 713
Libraries	50 000	50 000	50 000	50 000	50 000
Establishment of a K9 Unit	40 000	40 000	-	-	-
Sport Development	500 000	500 000	-	-	-
Total Capital Transfers and Grants	227 029 166	215 615 539	109 840 124	81 211 000	102 725 713
TOTAL RECEIPTS OF TRANSFERS & GRANTS	415 414 000	403 675 000	442 933 000	450 895 000	311 448 713

Note: The 2025/26 MTREF Provincial Government allocations are indicative and will only be incorporated in the final budget in May, due to the provincial budget that was only tabled on 27 March 2025.

2.7 Allocations and grants made by the municipality

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

Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Transfers to Organisations					
Old age homes	1 757	1 757	1 838	1 921	1 969
SPCA	360	360	376	393	402
NSRI	38	38	40	42	43
Museums	301	301	314	328	337
Bergriver Canoe Marathon	30	30	30	30	30
Sport Bodies/Developmental & Social Upliftment	726	584	370	370	370
Tourism associations	1 672	15	–	–	–
Public Safety: SM Area	500	500	500	500	500
Total Cash Transfers To Organisations	5 384	3 586	3 468	3 584	3 651
Cash Transfers to Groups of Individuals					
Bursaries:non-employees	–	–	–	–	–
Welfare organisations	492	492	511	532	544
Private Enterprises:Standard Bank (In-kind)	–	60	30	–	–
Project Linked Support (Title Deeds)	26	126	23	–	–
Total Cash Transfers To Groups Of Individuals:	518	678	564	532	544
TOTAL CASH TRANSFERS AND GRANTS	5 902	4 264	4 032	4 116	4 195
TOTAL NON-CASH TRANSFERS AND GRANTS	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	5 902	4 264	4 032	4 116	4 195

2.8 Councillor and employee benefits

Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Councillors (Political Office Bearers plus Other)</u>					
Basic Salaries and Wages	10 018	10 018	9 528	9 862	10 207
Pension and UIF Contributions	977	977	978	1 012	1 048
Medical Aid Contributions	213	213	232	240	248
Cellphone Allowance	1 181	1 181	1 081	1 119	1 158
Other benefits and allowances	885	885	811	839	868
Sub Total - Councillors	13 273	13 273	12 630	13 072	13 529
% increase	10.6%	-	-	3.5%	3.5%
<u>Senior Managers of the Municipality</u>					
Basic Salaries and Wages	10 180	10 120	8 988	9 686	10 489
Pension and UIF Contributions	1 953	1 953	1 986	2 140	2 318
Medical Aid Contributions	468	468	469	516	568
Performance Bonus	1 215	1 215	1 302	1 370	1 439
Motor Vehicle Allowance	1 043	963	936	1 012	954
Cellphone Allowance	266	266	266	266	266
Other benefits and allowances	285	285	230	248	268
Payments in lieu of leave	35	35	37	39	40
Post-retirement benefit obligations	1 601	1 601	1 714	1 804	1 894
Sub Total - Senior Managers of Municipality	17 045	16 905	15 927	17 081	18 236
% increase	1.4%	(0.8%)	-	7.2%	6.8%
<u>Other Municipal Staff</u>					
Basic Salaries and Wages	197 651	195 572	214 068	229 980	249 140
Pension and UIF Contributions	35 522	35 450	38 508	41 502	44 942
Medical Aid Contributions	15 634	15 909	17 265	18 988	20 884
Overtime	15 726	19 262	16 690	17 566	18 445
Motor Vehicle Allowance	6 354	6 691	6 706	7 527	7 534
Cellphone Allowance	708	708	681	681	681
Housing Allowances	1 279	1 392	1 500	1 615	1 748
Other benefits and allowances	35 729	37 002	40 050	42 713	45 620
Payments in lieu of leave	3 139	3 139	3 296	3 470	3 643
Long service awards	2 696	2 696	2 966	3 121	3 277
Post-retirement benefit obligations	9 998	9 998	10 706	11 268	11 832
Sub Total - Other Municipal Staff	324 436	327 818	352 438	378 433	407 745
% increase	8.5%	1.0%	-	7.4%	7.7%
Total Parent Municipality	354 754	357 996	380 994	408 586	439 511
Total Municipal Entities	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	354 754	357 996	380 994	408 586	439 511
% increase	8.3%	0.9%	6.4%	7.2%	7.6%
TOTAL MANAGERS AND STAFF	341 481	344 723	368 365	395 514	425 981

2.9 Contracts having future budgetary implications

Section 33 stipulates that if approved total revenue are greater than R500 million, all operational costs of projects \geq than R 5 million per annum must be listed and in this scenario SM does not have any such additional operational costs not being part of the normally planned revenue streams over the MTREF.

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand			
Parent Municipality:			
Expenditure Obligation By Contract			
<i>Contract 1</i>	Not applicable		
<i>Contract 2</i>			
<i>Contract 3 etc</i>			
Total Operating Expenditure Implication	–	–	–
Total Capital Expenditure Implication	–	–	–
Total Parent Expenditure Implication	–	–	–
Entities:			
Total Entity Expenditure Implication	–	–	–

2.10 Monthly targets for revenue, expenditure and capital

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue															
Exchange Revenue															
Service charges - Electricity	48 281	54 951	48 281	47 169	49 393	47 169	47 725	47 169	47 725	48 281	49 393	12 709	548 246	587 051	625 859
Service charges - Water	6 465	7 185	6 828	6 121	9 429	9 901	10 615	11 810	10 984	9 558	8 248	6 463	103 605	109 702	116 159
Service charges - Waste Water Management	5 181	5 129	5 129	5 129	5 130	5 310	5 200	5 151	5 129	5 133	5 128	4 379	61 128	65 051	69 221
Service charges - Waste Management	3 559	3 560	3 559	3 560	3 559	3 559	3 559	3 560	3 560	3 560	3 559	3 555	42 709	47 965	53 823
Sale of Goods and Rendering of Services	852	1 094	1 361	1 990	1 306	1 154	1 277	1 274	1 158	1 270	964	964	14 664	15 525	16 437
Agency services	600	600	600	600	600	600	600	600	600	600	600	600	7 194	7 626	8 084
Interest earned from Receivables	318	318	318	318	318	318	318	318	318	318	318	318	3 821	4 013	4 213
Interest earned from Current and Non Current	682	682	682	682	1 053	682	682	682	682	682	682	73 659	81 529	81 397	83 247
Rental from Fixed Assets	147	148	148	148	147	147	147	149	149	149	148	133	1 759	1 858	1 962
Operational Revenue	407	407	407	407	407	407	407	407	407	407	407	407	4 885	5 160	5 451
Non-Exchange Revenue															
Property rates	17 571	17 681	17 902	17 461	17 902	17 902	17 902	17 902	17 902	17 902	17 902	16 801	212 727	225 789	239 635
Fines, penalties and forfeits	28	29	28	29	28	28	28	29	29	29	28	38 051	38 363	38 755	39 151
Licences or permits	478	494	491	497	481	478	484	500	507	500	487	273	5 669	6 003	6 357
Transfer and subsidies - Operational	71 577	2 147	2 147	2 147	2 147	79 689	25 137	25 137	66 464	25 137	25 137	5 648	332 513	368 476	207 056
Interest	188	188	188	188	188	188	188	188	188	188	188	188	2 253	2 366	2 484
Operational Revenue	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	1 040	12 484	13 424	14 467
Gains on disposal of Assets	17	17	17	17	17	1 117	17	17	17	17	17	1 397	2 680	2 680	2 680
Total Revenue (excluding capital transfers and contributions)	157 390	95 669	89 125	87 502	93 145	169 688	115 326	115 931	156 857	114 769	114 245	166 585	1 476 231	1 582 840	1 496 287

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure															
Employee related costs	26 261	27 611	27 611	27 611	44 621	27 611	27 611	27 611	27 611	28 913	27 611	47 680	368 365	395 514	425 981
Remuneration of councillors	1 052	1 052	1 052	1 052	1 052	1 052	1 052	1 052	1 052	1 052	1 052	1 052	12 630	13 072	13 529
Bulk purchases - electricity	455	63 576	53 259	32 155	32 719	32 168	30 408	31 755	26 626	26 581	28 317	125 482	483 500	514 559	553 306
Inventory consumed	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	2 904	40 873	72 822	78 408	85 864
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	5 959	5 959	5 204	4 851
Depreciation and amortisation	-	-	12 879	12 879	12 879	12 879	12 879	12 879	12 879	12 879	12 879	18 431	134 341	144 497	153 683
Interest	-	-	-	-	-	1 718	-	-	-	-	-	8 236	9 954	13 945	14 111
Contracted services	6 084	6 084	6 600	6 600	6 600	6 600	29 590	29 590	29 590	29 590	29 590	29 590	216 107	248 657	82 363
Transfers and subsidies	262	649	714	532	182	275	182	182	182	212	182	479	4 032	4 116	4 195
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-	-	41 008	41 008	43 914	46 481
Operational costs	4 305	4 305	5 096	7 976	4 305	5 096	4 305	4 305	4 305	4 305	4 305	14 900	67 509	71 235	74 941
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	17 260	17 260	18 122	19 028
Other Losses	1	1	1	1	1	1	1	1	1	1	1	13 484	13 490	14 965	16 622
Total Expenditure	41 324	106 183	110 116	91 710	105 264	90 305	108 932	110 279	105 150	106 438	106 841	364 435	1 446 976	1 566 208	1 494 955
Surplus/(Deficit)	116 066	(10 514)	(20 990)	(4 208)	(12 119)	79 383	6 394	5 651	51 707	8 331	7 403	(197 851)	29 255	16 632	1 333
Transfers and subsidies - capital (monetary)	-	10 055	10 055	10 055	10 055	10 055	10 055	10 055	10 055	10 055	10 055	10 055	110 608	81 940	102 676
Surplus/(Deficit) after capital transfers & contributions	116 066	(458)	(10 935)	5 848	(2 064)	89 438	16 449	15 707	61 763	18 386	17 458	(187 796)	139 863	98 573	104 008
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	116 066	(458)	(10 935)	5 848	(2 064)	89 438	16 449	15 707	61 763	18 386	17 458	(187 796)	139 863	98 573	104 008

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

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Revenue - Functional															
Governance and administration	54 725	19 297	19 517	19 077	19 889	48 540	19 517	19 518	40 673	19 518	19 517	92 389	392 179	410 349	428 566
Executive and council	22	22	22	22	22	22	22	22	22	22	22	22	265	269	273
Finance and administration	54 703	19 275	19 495	19 055	19 866	48 518	19 495	19 496	40 651	19 496	19 495	92 367	391 913	410 079	428 292
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	2 255	6 857	7 113	7 571	7 122	29 886	30 188	30 048	30 032	30 144	29 839	44 882	255 936	270 402	120 662
Community and social services	1 065	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	1 069	12 829	12 709	12 749
Sport and recreation	281	307	563	1 020	572	347	648	508	492	604	299	299	5 939	5 402	5 726
Public safety	867	867	867	867	867	867	867	867	867	867	867	38 900	48 436	49 057	49 457
Housing	42	4 614	4 614	4 614	4 614	27 604	27 604	27 604	27 604	27 604	27 604	4 614	188 733	203 235	52 730
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	1 615	2 414	2 421	2 600	2 348	2 418	2 246	2 399	2 306	2 299	2 286	2 060	27 411	31 105	21 119
Planning and development	465	514	524	696	460	533	354	492	392	392	391	380	5 592	5 925	6 278
Road transport	1 149	1 901	1 898	1 904	1 888	1 885	1 891	1 907	1 914	1 907	1 894	1 680	21 819	25 180	14 841
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	98 793	77 153	70 126	68 307	73 840	98 897	73 429	74 019	93 900	72 861	72 656	37 306	911 287	952 897	1 028 587
Energy sources	52 434	56 984	50 314	49 203	51 426	52 141	49 759	49 203	51 984	50 314	51 426	18 463	583 651	623 482	664 890
Water management	13 943	8 547	8 189	7 482	10 790	16 807	11 977	13 171	16 546	10 920	9 609	7 975	135 957	148 842	168 732
Waste water management	19 625	6 006	6 006	6 006	6 007	17 325	6 077	6 028	14 444	6 009	6 005	5 256	104 791	103 541	109 664
Waste management	12 793	5 617	5 616	5 617	5 616	12 624	5 616	5 617	10 926	5 617	5 616	5 612	86 886	77 032	85 301
Other	2	2	2	2	2	2	2	2	2	2	2	2	26	28	29
Total Revenue - Functional	157 390	105 724	99 181	97 557	103 200	179 743	125 381	125 986	166 913	124 824	124 300	176 640	1 586 839	1 664 781	1 598 963

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure - Functional															
Governance and administration	13 735	14 192	15 242	18 731	19 147	14 956	14 710	14 710	14 710	16 012	14 710	27 505	198 361	209 686	221 350
Executive and council	2 086	2 473	2 562	6 051	2 221	2 124	2 031	2 031	2 031	2 233	2 031	2 656	30 528	31 974	33 456
Finance and administration	11 437	11 507	12 467	12 467	16 602	12 620	12 467	12 467	12 467	13 567	12 467	24 507	165 043	174 994	185 099
Internal audit	212	212	212	212	324	212	212	212	212	212	212	342	2 789	2 718	2 794
Community and public safety	9 968	10 677	12 502	12 502	17 964	12 527	35 491	35 491	35 491	35 491	35 491	72 140	325 736	367 422	216 107
Community and social services	2 141	2 173	2 319	2 319	3 594	2 319	2 319	2 319	2 319	2 319	2 319	4 326	30 787	32 412	34 578
Sport and recreation	2 620	2 730	3 310	3 310	4 658	3 334	3 310	3 310	3 310	3 310	3 310	5 903	42 418	44 864	48 109
Public safety	4 944	5 512	6 234	6 234	8 941	6 236	6 234	6 234	6 234	6 234	6 234	38 074	107 346	113 283	119 192
Housing	262	262	638	638	770	638	23 628	23 628	23 628	23 628	23 628	23 838	145 185	176 862	14 228
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	3 269	3 278	7 065	7 065	8 538	7 203	7 065	7 065	7 065	7 065	7 065	22 644	94 390	100 220	104 239
Planning and development	1 368	1 368	1 369	1 369	2 150	1 369	1 369	1 369	1 369	1 369	1 369	2 118	17 956	18 462	20 458
Road transport	1 901	1 910	5 696	5 696	6 388	5 834	5 696	5 696	5 696	5 696	5 696	20 526	76 433	81 758	83 782
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	14 285	77 969	74 449	53 344	59 507	54 761	51 597	52 945	47 815	47 771	49 507	242 001	825 952	886 201	950 461
Energy sources	3 630	66 847	58 693	37 589	39 349	37 751	35 841	37 189	32 060	32 015	33 751	140 630	555 344	592 838	636 504
Water management	2 442	2 636	4 474	4 474	5 646	4 493	4 474	4 474	4 474	4 474	4 474	71 227	117 764	127 310	138 236
Waste water management	4 037	4 221	6 577	6 577	8 487	7 813	6 577	6 577	6 577	6 577	6 577	15 267	85 862	91 118	96 171
Waste management	4 176	4 265	4 705	4 705	6 025	4 705	4 705	4 705	4 705	4 705	4 705	14 877	66 982	74 934	79 550
Other	67	67	858	67	107	858	67	67	67	97	67	146	2 538	2 679	2 798
Total Expenditure - Functional	41 324	106 183	110 116	91 710	105 264	90 305	108 932	110 279	105 150	106 438	106 841	364 435	1 446 976	1 566 208	1 494 955
Surplus/(Deficit) before assoc.	116 066	(458)	(10 935)	5 848	(2 064)	89 438	16 449	15 707	61 763	18 386	17 458	(187 796)	139 863	98 573	104 008
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	116 066	(458)	(10 935)	5 848	(2 064)	89 438	16 449	15 707	61 763	18 386	17 458	(187 796)	139 863	98 573	104 008

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand															
Capital Expenditure - Functional															
Governance and administration	–	61	148	134	477	219	799	808	1 079	38	108	400	4 267	3 234	3 473
Executive and council	–	4	6	6	4	4	–	–	–	–	–	–	24	24	24
Finance and administration	–	57	142	128	473	215	799	808	1 079	38	108	400	4 243	3 210	3 449
Community and public safety	602	817	922	932	1 689	1 183	722	877	865	1 308	515	200	10 632	3 495	2 665
Community and social services	602	602	662	602	642	612	622	602	615	802	500	200	7 063	143	100
Sport and recreation	–	200	210	280	270	571	100	210	200	206	–	–	2 247	2 215	1 953
Public safety	–	15	50	50	777	–	–	65	50	300	15	–	1 322	1 136	612
Economic and environmental services	3 967	4 937	8 489	8 647	12 609	12 170	6 589	10 699	8 139	6 799	6 839	2 689	92 570	89 947	71 801
Planning and development	993	525	515	673	535	893	515	525	865	525	865	715	8 144	6 743	28 452
Road transport	2 974	4 412	7 974	7 974	12 074	11 277	6 074	10 174	7 274	6 274	5 974	1 974	84 426	83 203	43 349
Trading services	5 228	8 286	15 665	19 935	24 375	21 194	14 835	15 409	15 268	14 572	9 874	6 912	171 551	123 349	181 555
Energy sources	1 165	2 023	6 402	9 507	11 206	8 887	9 347	9 081	8 066	7 544	7 006	5 849	86 083	59 505	57 635
Water management	486	1 786	4 086	4 106	5 886	1 801	1 086	1 586	3 855	3 591	1 791	486	30 544	47 562	83 321
Waste water management	577	1 177	1 077	2 122	2 918	1 690	632	3 177	2 797	3 257	1 077	577	21 077	10 752	23 215
Waste management	3 000	3 300	4 100	4 200	4 365	8 816	3 770	1 566	550	180	–	–	33 846	5 529	17 385
Total Capital Expenditure - Functional	9 797	14 100	25 223	29 647	39 149	34 765	22 945	27 793	25 351	22 716	17 335	10 200	279 020	220 024	259 494
Funded by:															
National Government	2 400	3 321	10 300	10 400	11 400	10 289	3 000	3 666	3 194	2 300	–	–	60 270	48 161	50 199
Provincial Government	4 632	4 154	4 154	4 282	4 164	4 514	4 164	4 154	4 517	4 154	3 902	3 552	50 338	33 779	52 477
Transfers recognised - capital	7 032	7 475	14 454	14 682	15 564	14 803	7 164	7 819	7 711	6 454	3 902	3 552	110 608	81 940	102 676
Borrowing	1 000	1 030	1 530	1 530	1 530	1 530	6 730	5 030	5 030	5 030	5 030	5 000	40 000	–	–
Internally generated funds	1 765	5 596	9 240	13 436	22 056	18 432	9 051	14 944	12 610	11 233	8 404	1 649	128 412	138 084	156 818
Total Capital Funding	9 797	14 100	25 223	29 647	39 149	34 765	22 945	27 793	25 351	22 716	17 335	10 200	279 020	220 024	259 494

2.11 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.

2.11.1 Capital expenditure on new assets by asset class

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>					
<u>Infrastructure</u>	275 466	205 475	213 964	133 415	147 463
Roads Infrastructure	117 253	94 389	68 812	66 213	26 792
<i>Roads</i>	117 253	94 389	68 812	66 213	26 792
Storm water Infrastructure	1 509	1 509	–	–	–
<i>Storm water Conveyance</i>	1 509	1 509	–	–	–
Electrical Infrastructure	61 979	34 380	81 583	52 732	48 350
<i>MV Substations</i>	31 611	1 690	34 499	220	220
<i>MV Switching Stations</i>	5 350	5 263	4 880	5 880	7 880
<i>MV Networks</i>	22 818	23 922	28 136	37 382	35 800
<i>LV Networks</i>	2 200	3 504	14 068	9 250	4 450
Water Supply Infrastructure	38 951	34 091	18 409	9 275	49 413
<i>Distribution</i>	38 951	34 091	18 409	9 275	49 413
Sanitation Infrastructure	26 154	25 606	16 643	5 194	7 909
<i>Reticulation</i>	26 154	25 606	16 643	5 194	3 909
<i>Waste Water Treatment Works</i>	–	–	–	–	4 000
Solid Waste Infrastructure	29 621	15 500	28 516	–	15 000
<i>Landfill Sites</i>	29 621	15 500	27 936	–	–
<i>Waste Drop-off Points</i>	–	–	580	–	15 000
<u>Community Assets</u>	14 141	14 536	8 370	1 100	1 100
Community Facilities	1 800	1 230	1 750	1 100	1 100
<i>Parks</i>	1 100	1 180	1 100	1 100	1 100
<i>Public Ablution Facilities</i>	700	50	650	–	–
Sport and Recreation Facilities	12 341	13 306	6 620	–	–
<i>Indoor Facilities</i>	980	745	6 620	–	–
<i>Outdoor Facilities</i>	11 361	12 561	–	–	–
<u>Other assets</u>	16 977	17 509	8 416	6 631	28 336
Operational Buildings	650	380	380	–	–
<i>Municipal Offices</i>	300	30	380	–	–
<i>Stores</i>	350	350	–	–	–
Housing	16 327	17 129	8 036	6 631	28 336
<i>Social Housing</i>	16 327	17 129	8 036	6 631	28 336
<u>Intangible Assets</u>	400	400	–	–	–
Licences and Rights	400	400	–	–	–
<i>Computer Software and Applications</i>	400	400	–	–	–
<u>Computer Equipment</u>	1 790	1 790	2 583	3 168	2 757
Computer Equipment	1 790	1 790	2 583	3 168	2 757
<u>Furniture and Office Equipment</u>	920	935	665	477	681
Furniture and Office Equipment	920	935	665	477	681
<u>Machinery and Equipment</u>	2 187	2 675	2 780	1 858	1 497
Machinery and Equipment	2 187	2 675	2 780	1 858	1 497
<u>Transport Assets</u>	15 638	13 593	6 113	9 905	9 472
Transport Assets	15 638	13 593	6 113	9 905	9 472
<u>Land</u>	8 700	8 300	400	400	400
Land	8 700	8 300	400	400	400
Total Capital Expenditure on new assets	336 219	265 211	243 290	156 954	191 706

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

Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class					
Infrastructure	3 000	5 268	16 900	15 500	15 000
Roads Infrastructure	–	2 268	15 500	15 500	15 000
Roads	–	2 268	15 500	15 500	15 000
Sanitation Infrastructure	3 000	3 000	1 400	–	–
Reticulation	3 000	3 000	1 400	–	–
Community Assets	250	250	–	–	–
Community Facilities	–	–	–	–	–
Sport and Recreation Facilities	250	250	–	–	–
Outdoor Facilities	250	250	–	–	–
Machinery and Equipment	160	193	700	700	190
Machinery and Equipment	160	193	700	700	190
Total Capital Expenditure on renewal of existing asset	3 410	5 711	17 600	16 200	15 190
Renewal of Existing Assets as % of total capex	0.9%	1.9%	6.3%	7.4%	5.9%
Renewal of Existing Assets as % of deprecn"	2.7%	4.6%	13.7%	11.7%	10.3%

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

Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class					
Infrastructure	30 744	31 302	17 830	46 870	52 598
Roads Infrastructure	9 749	9 749	–	–	–
<i>Roads</i>	9 749	9 749	–	–	–
Storm water Infrastructure	250	250	550	550	1 050
<i>Storm water Conveyance</i>	250	250	550	550	1 050
Electrical Infrastructure	4 483	4 533	3 200	3 700	6 200
<i>MV Networks</i>	2 633	2 720	1 300	1 800	4 300
<i>LV Networks</i>	1 850	1 813	1 900	1 900	1 900
Water Supply Infrastructure	10 434	11 205	12 080	37 720	33 848
<i>Reservoirs</i>	–	–	500	4 500	–
<i>Pump Stations</i>	–	–	480	–	–
<i>Bulk Mains</i>	500	500	5 000	12 949	2 219
<i>Distribution</i>	9 734	10 705	5 300	19 471	31 129
<i>PRV Stations</i>	200	–	800	800	500
Sanitation Infrastructure	5 827	5 565	2 000	4 900	11 500
<i>Reticulation</i>	–	–	1 500	4 400	9 500
<i>Waste Water Treatment Works</i>	5 827	5 565	500	500	2 000
Community Assets	6 105	5 805	300	–	–
Community Facilities	–	–	300	–	–
<i>Cemeteries/Crematoria</i>	–	–	300	–	–
Sport and Recreation Facilities	6 105	5 805	–	–	–
<i>Outdoor Facilities</i>	6 105	5 805	–	–	–
Total Capital Expenditure on upgrading of existing assets	36 848	37 107	18 130	46 870	52 598
Upgrading of Existing Assets as % of total capex	9.8%	12.0%	6.5%	21.3%	20.3%
Upgrading of Existing Assets as % of deprecn"	29.3%	30.2%	14.1%	33.8%	35.6%

2.11.4 Repairs and maintenance expenditure by asset class

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>					
<u>Infrastructure</u>	49 5	52 9	54 9	58 2	61 2
Roads Infrastructure	6 026	6 269	6 368	6 723	6 755
Roads	5 953	6 096	6 248	6 599	6 628
Road Furniture	73	173	120	124	127
Storm water Infrastructure	22 254	23 788	24 311	26 414	28 140
Storm water Conveyance	22 254	23 788	24 311	26 414	28 140
Electrical Infrastructure	5 322	5 332	5 794	6 166	6 572
MV Substations	191	191	206	222	239
MV Networks	1 900	1 900	2 014	2 135	2 263
LV Networks	3 231	3 241	3 574	3 809	4 070
Water Supply Infrastructure	1 707	1 849	2 011	2 018	2 089
Reservoirs	1 256	1 397	1 475	1 520	1 565
Pump Stations	161	161	168	176	185
Distribution	290	290	368	322	339
Sanitation Infrastructure	5 464	5 961	6 151	6 365	6 588
Pump Station	1 031	1 031	1 061	1 093	1 126
Waste Water Treatment Works	4 413	4 909	5 090	5 272	5 462
Solid Waste Infrastructure	8 741	9 742	10 272	10 584	11 076
Landfill Sites	8 741	9 742	10 272	10 584	11 076
<u>Community Assets</u>	3 585	3 780	3 605	3 912	4 066
Community Facilities	2 543	2 542	2 533	2 808	2 930
Halls	442	442	452	474	496
Centres	1 832	1 832	1 787	1 876	1 970
Libraries	50	50	50	50	50
Cemeteries/Crematoria	118	118	123	278	283
Parks	100	99	120	131	131
Sport and Recreation Facilities	1 042	1 238	1 072	1 103	1 136
Indoor Facilities	100	100	100	100	100
Outdoor Facilities	942	1 138	972	1 003	1 036
<u>Other assets</u>	1 923	1 923	2 884	2 517	2 224
Operational Buildings	1 148	1 148	1 260	1 319	1 380
Housing	775	775	1 624	1 199	845
<u>Intangible Assets</u>	6 669	6 659	7 168	7 561	7 992
<u>Computer Equipment</u>	402	372	402	420	420
<u>Furniture and Office Equipment</u>	58	58	72	73	74
<u>Machinery and Equipment</u>	1 392	1 468	1 532	1 615	1 609
<u>Transport Assets</u>	8 083	9 529	10 201	11 682	12 504
Total Repairs and Maintenance Expenditure	71 627	76 730	80 772	86 050	90 109
R&M as a % of PPE & Investment Property	3.0%	3.4%	3.3%	3.4%	3.4%
R&M as % Operating Expenditure	6.0%	6.3%	7.1%	5.9%	5.8%

2.11.6 Detailed capital budget per municipal function and directorate

	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
1	Equipment : Corporate	Vote 1 - Corporate Servi	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	30 000	32 000	34 000
2	Equipment: Libraries	Vote 1 - Corporate Servi	Community and Social Service	Dept. CA and Spo	Furniture and Office Equipme	Furniture and Office Equ	43 478	43 478	-
3	Equipment Corporate: Buildings & Swartland Halls	Vote 1 - Corporate Servi	Community and Social Service	CRR	Furniture and Office Equipme	Furniture and Office Equ	100 000	100 000	100 000
4	Expropriation of splays	Vote 1 - Corporate Servi	Finance and Administration	CRR	Land	Land	400 000	400 000	400 000
5	New Cemetery: Chatsworth	Vote 2 - Civil Services	Community and Social Service	CRR	Community Assets	Cemeteries/Crematoria	300 000	-	-
6	Equipment : Buildings & Maintenance	Vote 2 - Civil Services	Finance and Administration	CRR	Machinery and Equipment	Machinery and Equipme	32 000	34 000	36 000
7	Riebeek Kasteel Stores: Ablution Facilities	Vote 2 - Civil Services	Finance and Administration	CRR	Operational Buildings	Municipal Offices	280 000	-	-
8	Monitoring Office/Building: YZF	Vote 2 - Civil Services	Finance and Administration	CRR	Operational Buildings	Municipal Offices	100 000	-	-
9	Painting Machine: Mechanical drive	Vote 2 - Civil Services	Finance and Administration	CRR	Machinery and Equipment	Machinery and Equipme	350 000	-	-
10	New Cherry Picker	Vote 2 - Civil Services	Finance and Administration	CRR	Transport Assets	Transport Assets	800 000	-	-
11	Equipment : Civil	Vote 2 - Civil Services	Planning and Development	CRR	Machinery and Equipment	Machinery and Equipme	58 000	60 000	62 000
12	Roads Swartland: New Roads	Vote 2 - Civil Services	Road Transport	CRR	Roads Infrastructure	Roads	36 438 000	32 015 314	10 000 000
13	Roads Swartland: New Roads (MIG)	Vote 2 - Civil Services	Road Transport	MIG	Roads Infrastructure	Roads	7 589 405	10 479 940	-
14	Ward Committee Projects: Roads (Acquisitions:Outsourced)	Vote 2 - Civil Services	Road Transport	CRR	Roads Infrastructure	Roads	1 000 000	1 000 000	1 000 000
15	Ward Committee Projects: Roads (Materials and Supplies)	Vote 2 - Civil Services	Road Transport	CRR	Roads Infrastructure	Roads	100 000	100 000	100 000
16	Roads Swartland: Resealing of Roads (CRR)	Vote 2 - Civil Services	Road Transport	CRR	Roads Infrastructure	Roads	15 000 000	15 000 000	15 000 000
17	Roads: CK43174 Trailer	Vote 2 - Civil Services	Road Transport	CRR	Machinery and Equipment	Machinery and Equipme	56 947	-	-
18	Roads: CK14865 Nissan UD85	Vote 2 - Civil Services	Road Transport	CRR	Transport Assets	Transport Assets	-	1 489 950	-
19	Roads: CK43175 Betonmenger	Vote 2 - Civil Services	Road Transport	CRR	Machinery and Equipment	Machinery and Equipme	56 947	-	-
20	Roads Swartland: Resealing of Roads (MIG)	Vote 2 - Civil Services	Road Transport	MIG	Roads Infrastructure	Roads	500 000	500 000	-
21	Roads: CK13286 Nissan UD85	Vote 2 - Civil Services	Road Transport	CRR	Transport Assets	Transport Assets	-	-	1 557 675
22	Koringberg Sport Field: Ablution Facilities	Vote 2 - Civil Services	Sport and Recreation	CRR	Community Assets	Public Ablution Facilities	650 000	-	-
23	Ward Committee Projects: Parks (Acquisitions:Outsourced)	Vote 2 - Civil Services	Sport and Recreation	CRR	Community Assets	Parks	1 000 000	1 000 000	1 000 000
24	Ward Committee Projects: Parks (Materials and Supplies)	Vote 2 - Civil Services	Sport and Recreation	CRR	Community Assets	Parks	100 000	100 000	100 000
25	Equipment: Parks	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	152 000	170 000	175 000
26	Parks: CK28370 John Deere Tractor	Vote 2 - Civil Services	Sport and Recreation	CRR	Transport Assets	Transport Assets	-	609 950	-
27	Sportgrounds: Blower Mower: sn 19346-7845 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	-	93 735	-
28	Sportgrounds: Blower Mower: sn 43409-1653 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	-	93 735	-
29	Sportgrounds: Water Canon: sn 9955 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	-	55 000	-
30	Sportgrounds: Water Canon: sn 17941 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	-	55 000	-
31	Sportgrounds: Blower Mower: sn 15678 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	85 215	-	-
32	Sportgrounds: Blower Mower: sn 12803 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	85 215	-	-

	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
33	Sportgrounds: Blower Mower: sn 34299-13011 (replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipment	85 215	-	-
34	Sportgrounds: Water Canon: sn 17945(replace)	Vote 2 - Civil Services	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipment	53 000	-	-
35	Parks: CK26025 John Deere Tractor	Vote 2 - Civil Services	Sport and Recreation	CRR	Transport Assets	Transport Assets	-	-	637 675
36	Highlands: Development of new cell (MIG)	Vote 2 - Civil Services	Waste Management	MIG	Solid Waste Infrastructure	Landfill Sites	14 165 595	-	-
37	Highlands: Development of new cell (Loan)	Vote 2 - Civil Services	Waste Management	External Loan	Solid Waste Infrastructure	Landfill Sites	9 269 986	-	-
38	Equipment : Refuse bins, traps, skips (Swartland)	Vote 2 - Civil Services	Waste Management	CRR	Machinery and Equipment	Machinery and Equipment	700 000	700 000	190 000
39	Equipment : Refuse Removal	Vote 2 - Civil Services	Waste Management	CRR	Machinery and Equipment	Machinery and Equipment	30 000	32 000	42 000
40	Koringberg: New Transfer Station	Vote 2 - Civil Services	Waste Management	CRR	Solid Waste Infrastructure	Waste Drop-off Points	580 000	-	-
41	Refuse: CK29021 Nissan UD35	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	1 029 600	-
42	Refuse: CK37359 Nissan UD330	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	3 613 400	-	-
43	Refuse: CK43134 Nissan UD35A	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	987 480	-	-
44	Refuse: New compactor to extend capacity	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	3 767 526	-
45	Refuse: CK33676 Nissan UD35	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	-	1 076 400
46	Refuse: CK49955 Nissan UD36	Vote 2 - Civil Services	Waste Management	CRR	Transport Assets	Transport Assets	-	-	1 076 400
47	Organic Waste Diversion: Dirty Material Recycling Facility	Vote 2 - Civil Services	Waste Management	CRR	Solid Waste Infrastructure	Waste Drop-off Points	-	-	15 000 000
48	Highlands: Fencing (CRR)	Vote 2 - Civil Services	Waste Management	CRR	Solid Waste Infrastructure	Landfill Sites	1 350 000	-	-
49	Highlands: Fencing (MIG)	Vote 2 - Civil Services	Waste Management	MIG	Solid Waste Infrastructure	Landfill Sites	3 150 000	-	-
50	Malmesbury WWTW: Replace Clarifier Mechanical Equipment	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	2 800 000	-	-
51	Schoonspruit Pipe Replacement	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	1 400 000	-	-
52	Sewerage Works: Darling (CRR)	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Waste Water Treatment	500 000	500 000	2 000 000
53	Pipe Replacement Obsolete Infrastructure	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	1 500 000	3 000 000	3 000 000
54	Abbotsdale: Rising Main	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	-	800 000	3 000 000
55	Equipment : Sewerage Telemetry	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	220 000	44 000	46 000
56	Equipment : Sewerage	Vote 2 - Civil Services	Waste Water Management	CRR	Machinery and Equipment	Machinery and Equipment	36 000	38 000	40 000
57	Stormwater Network (Acquisitions:Outsourced)	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	500 000	500 000	500 000
58	Stormwater Network (Materials and Supplies)	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	20 000	20 000	20 000
59	Stormwater Network (Compensation of Employees)	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	30 000	30 000	30 000
60	Equipment: Streets and Stormwater	Vote 2 - Civil Services	Waste Water Management	CRR	Machinery and Equipment	Machinery and Equipment	68 000	70 000	72 000
61	Replace: Mobile Generator	Vote 2 - Civil Services	Waste Water Management	CRR	Machinery and Equipment	Machinery and Equipment	380 000	-	-
62	Riebeek Kasteel network upgrade, Master Plan SRkS1.2 & 1	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Reticulation	-	600 000	3 500 000
63	Voortrekker Street: Canal upgrading	Vote 2 - Civil Services	Waste Water Management	CRR	Storm water Infrastructure	Storm water Conveyance	-	-	500 000
64	Malmesbury WWTW: Replace Membranes	Vote 2 - Civil Services	Waste Water Management	CRR	Sanitation Infrastructure	Waste Water Treatment	-	-	4 000 000
65	Sewerage: CK14612 Nissan UD290	Vote 2 - Civil Services	Waste Water Management	CRR	Transport Assets	Transport Assets	-	-	2 644 109
66	Darling WWTW: SCADA Systems	Vote 2 - Civil Services	Waste Water Management	WSIG	Sanitation Infrastructure	Reticulation	3 350 000	-	-

	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
67	Moorreesburg WWTW: SCADA Systems	Vote 2 - Civil Services	Waste Water Management	WSIG	Sanitation Infrastructure	Reticulation	3 350 000	-	-
68	Water networks: Upgrades and Replacement	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	4 000 000	4 000 000	5 000 000
69	Darling SDW2.4 & SDW2.5, SDW1.2 & SDW2.1 water network	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	1 500 000	2 500 000
70	Water: Upgrading water reticulation network: PRV's, flow control	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	PRV Stations	800 000	800 000	500 000
71	Bulk water infrastructure (emergency spending)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	700 000	800 000	900 000
72	Connections: Water Meters (New/Replacements) (Acquisition)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	10 000	10 000	10 000
73	Connections: Water Meters (New/Replacements) (Material)	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	1 025 092	1 128 602	1 242 462
74	Equipment : Water	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	55 000	57 000	60 000
75	Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipe	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	800 000	4 346 127	-
76	Chatsworth/Riverlands upgrade bulk water supply	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Bulk Mains	5 000 000	4 760 661	-
77	Upgrading: Ongegend Water Supply System (Reservoir and	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Reservoirs	500 000	4 500 000	-
78	Water: CK10564 Toyota Hilux 3.0 D4D 4x4	Vote 2 - Civil Services	Water Management	CRR	Transport Assets	Transport Assets	-	433 400	-
79	Water: CK43172 Trailer	Vote 2 - Civil Services	Water Management	CRR	Machinery and Equipment	Machinery and Equipment	-	76 481	-
80	Malmesbury SMW1.3 Wesbank Reservoir to Malm/Abb pipe	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	8 125 000	2 628 982
81	Swartland System S12.2 CoCT WTP to Swartland WTP pipe	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	500 000	1 500 000	21 000 000
82	Swartland System S2.1 Kasteelberg to Riebeek (D-line) Phase	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	1 500 000	7 265 417
83	Riebeek Kasteel: New Reservoir	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	500 000	500 000	5 086 371
84	Chatsworth/Riverlands upgrade bulk water supply - MIG	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Bulk Mains	-	8 188 060	2 218 614
85	Kalbaskraal Booster: Replace pumpsets	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Pump Stations	480 000	-	-
86	Swartland System S2.1 Kasteelberg to Riebeek (D-line) Phase	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	-	8 421 675
87	Swartland System S2.2 Kasteelberg to Riebeek (D-line) Phase	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	-	5 000 000
88	Swartland System S2.2 Kasteelberg to Riebeek (D-line) Phase	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	-	2 500 000
89	Darling New Reservoir - CRR	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	-	1 000 000
90	Riebeek Kasteel: New Reservoir (SRkWB3) - MIG	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	-	11 978 994
91	Riebeek Kasteel: Reservoir Supply (SRkWB2.1) - CRR	Vote 2 - Civil Services	Water Management	CRR	Water Supply Infrastructure	Distribution	-	-	781 899
92	Riebeek Kasteel: Reservoir Supply (SRkWB2.1) - MIG	Vote 2 - Civil Services	Water Management	MIG	Water Supply Infrastructure	Distribution	-	-	639 735
93	Water networks: Upgrades and Replacement	Vote 2 - Civil Services	Water Management	WSIG	Water Supply Infrastructure	Distribution	6 700 000	-	-
94	Safeguarding Water Infrastructure	Vote 2 - Civil Services	Water Management	WSIG	Water Supply Infrastructure	Distribution	3 644 000	-	-
95	Equipment : Council	Vote 3 - Council	Executive and Council	CRR	Furniture and Office Equipment	Furniture and Office Equipment	12 000	12 000	12 000
96	Malmesbury De Hoop 132/11kV Substation, 132kV transmission	Vote 4 - Electricity Services	Energy Sources	INEP	Electrical Infrastructure	MV Networks	17 821 124	14 082 000	-
97	Malmesbury De Hoop 132/11kV Substation, 132kV transmission	Vote 4 - Electricity Services	Energy Sources	CRR	Electrical Infrastructure	MV Substations	3 548 862	-	-
98	Malmesbury De Hoop 132/11kV Substation, 132kV transmission	Vote 4 - Electricity Services	Energy Sources	79 External Loan	Electrical Infrastructure	MV Substations	30 430 014	-	-



	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
99	Malmesbury De Hoop 132/11kV Substation, 132kV transmiss	Vote 4 - Electricity Servic	Energy Sources	External Loan	Electrical Infrastructure	MV Substations	300 000	-	-
100	Replace oil insulated switchgear and equipment	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	4 000 000	5 000 000	6 980 000
101	Replace oil insulated switchgear and equipment	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	500 000	500 000	500 000
102	LV Upgrading: Swartland (Acquisitions:Outsourced)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	100 000	100 000	100 000
103	LV Upgrading: Swartland (Materials and Supplies)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	1 150 000	1 150 000	1 150 000
104	MV Upgrading: Swartland (Acquisitions:Outsourced)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	100 000	100 000	100 000
105	MV Upgrading: Swartland (Materials and Supplies)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	1 200 000	1 200 000	1 200 000
106	Streetlight, kiosk and polebox replacement: Swartland	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	650 000	650 000	650 000
107	Protection and Scada Upgrading: Swartland	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Switching Stations	380 000	380 000	400 000
108	Substation Fencing: Swartland (Acquisitions:Outsource	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Substations	200 000	200 000	200 000
109	Substation Fencing: Swartland (Materials and Supplie	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Substations	20 000	20 000	20 000
110	Malmesbury Security Operational Centre: Communication, I	Vote 4 - Electricity Servic	Energy Sources	CRR	Computer Equipment	Computer Equipment	200 000	200 000	200 000
111	Moorreesburg Development 600 IRDP erven. Electrical infra	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	7 550 000	7 850 000	-
112	Darling 184 IRDP erven. Electrical bulk supply, infrastructure	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	5 168 000	-	3 000 000
113	Malmesbury De Hoop Serviced Sites (2000)	Vote 4 - Electricity Servic	Energy Sources	INEP	Electrical Infrastructure	MV Networks	-	6 786 000	21 811 000
114	Yzerfontein upgrading of Eskom supply capacity	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	500 000	3 000 000
115	Elec: CK24542 Isuzu FRR500 & Hyskraan MRB	Vote 4 - Electricity Servic	Energy Sources	CRR	Transport Assets	Transport Assets	-	1 803 450	-
116	De Hoop to Industrial Area: 11 kV Cable	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	2 000 000	2 000 000
117	Malmesbury De Hoop Serviced Sites (2000)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	10 315 000	14 514 000	489 000
118	Elec: CK43210 Case Bachoe Loader	Vote 4 - Electricity Servic	Energy Sources	CRR	Transport Assets	Transport Assets	-	-	1 684 808
119	Malmesbury MV Lines from Eskom Main sub	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	-	3 500 000
120	Yzerfontein 6 industrial erven at Fishmarket. Electrical bulk s	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	-	4 500 000
121	Moorreesburg Bulk Infrastructure	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	MV Networks	-	-	3 500 000
122	Replacement of obsolete air conditioners	Vote 4 - Electricity Servic	Energy Sources	CRR	Furniture and Office Equipme	Furniture and Office Equ	250 000	150 000	250 000
123	Connections: Electricity Meters (New/Replacements) (Acquisitions:Outsourced)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	20 000	20 000	20 000
124	Connections: Electricity Meters (New/Replacements) (Materials and Supplies)	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	930 000	980 000	1 030 000
125	Terminals	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	40 000	-	-
126	Monitor Replacements	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	45 000	-	-
127	Communications and equipment: Time and Attendance	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	1 071 030	-	-
128	Storage Area Network (SAN)	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	900 000	-
129	Emergency Power Supply	Vote 4 - Electricity Servic	Energy Sources	CRR	Computer Equipment	Computer Equipment	300 000	300 000	250 000
130	Equipment: Electric	Vote 4 - Electricity Servic	Energy Sources	CRR	Machinery and Equipment	Machinery and Equipm	400 000	420 000	500 000
131	Streetlights Eskom AOS	Vote 4 - Electricity Servic	Energy Sources	CRR	Electrical Infrastructure	LV Networks	400 000	400 000	400 000
132	Traffic Light Controlling Equipment	Vote 4 - Electricity Servic	Energy Sources	CRR	Machinery and Equipment	Machinery and Equipm	150 000	200 000	200 000

	PROJECT DESCRIPTION	DIRECTORATE	FUNCTION	FIN SOURCE	ASSETS CLASS	ASSETS SUB CLAS	BUDGET 2025-2026	BUDGET 2026-2027	BUDGET 2027-2028
133	Equipment: Information Technology	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	75 000	75 000	115 000
134	Printers	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	60 000	65 000	65 000
135	DeskTops	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	306 000	306 000	321 300
136	Notebooks	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	485 500	1 322 050	505 500
137	New Server SM virtual environment	Vote 4 - Electricity Servic	Finance and Administration	CRR	Computer Equipment	Computer Equipment	-	-	1 300 000
138	Equipment : Financial	Vote 5 - Financial Servic	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	63 000	36 000	38 000
139	Meter Installation Handheld Devices	Vote 5 - Financial Servic	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	-	39 600	43 200
140	Meterreading Handhelds	Vote 5 - Financial Servic	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	80 000	-	80 000
141	Asset Recording Handhelds	Vote 5 - Financial Servic	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	-	-	57 600
142	Finance: CK40664 Ford Bantam 13	Vote 5 - Financial Servic	Finance and Administration	CRR	Transport Assets	Transport Assets	-	-	453 100
143	Indigent Screening Solution	Vote 5 - Financial Servic	Finance and Administration	CRR	Furniture and Office Equipme	Furniture and Office Equ	25 000	-	-
144	Equipment: YZF Caravan Park	Vote 6 - Development Se	Sport and Recreation	CRR	Machinery and Equipment	Machinery and Equipme	36 000	38 000	40 000
145	Equipment : Development Services	Vote 6 - Development Se	Planning and Development	CRR	Furniture and Office Equipme	Furniture and Office Equ	50 000	52 000	54 000
146	Kalbaskraal SEF	Vote 6 - Development Se	Community and Social Servic	DHS	Community Assets	Indoor Facilities	6 020 000	-	-
147	Riverlands SEF (Planning)	Vote 6 - Development Se	Community and Social Servic	CRR	Community Assets	Indoor Facilities	600 000	-	-
148	Malmesbury De Hoop Serviced Sites (Prof Fees)	Vote 6 - Development Se	Planning and Development	DHS	Housing	Social Housing	4 061 518	2 895 200	-
149	Malmesbury De Hoop Serviced Sites Phase 1 (Sewerage)	Vote 6 - Development Se	Waste Water Management	DHS	Sanitation Infrastructure	Reticulation	6 923 312	5 149 912	-
150	Malmesbury De Hoop Serviced Sites Phase 1 (Water)	Vote 6 - Development Se	Water Management	DHS	Water Supply Infrastructure	Distribution	5 830 157	4 336 768	-
151	Malmesbury De Hoop Serviced Sites Phase 1 (Streets & Sto	Vote 6 - Development Se	Road transport	DHS	Roads Infrastructure	Roads	23 685 013	17 618 120	-
152	Silvertown: Professional Fees	Vote 6 - Development Se	Planning and Development	DHS	Housing	Social Housing	2 118 000	2 118 000	6 664 000
153	Silver Town: Bulk Services (Prof Fees/ Constrction)	Vote 6 - Development Se	Planning and Development	DHS	Housing	Social Housing	1 400 000	1 200 000	20 000 000
154	De Hoop Bulk: Water - Wesbank (Phase 3)	Vote 6 - Development Se	Water Management	CRR	Water Supply Infrastructure	Distribution	-	1 000 000	-
155	De Hoop Bulk: Prof Fees (Phase 4)	Vote 6 - Development Se	Planning and Development	CRR	Housing	Social Housing	200 000	-	-
156	De Hoop Bulk: Streets - Darling Link (Phase 4)	Vote 6 - Development Se	Road transport	CRR	Roads Infrastructure	Roads	-	5 000 000	-
157	Darling Serviced Sites (327) Prof Fees Phase 2	Vote 6 - Development Se	Planning and Development	DHS	Housing	Social Housing	256 362	417 985	1 671 939
158	Darling Serviced Sites (394) Water	Vote 6 - Development Se	Road transport	DHS	Water Supply Infrastructure	Distribution	-	-	4 586 747
159	Darling Serviced Sites (394) Sewerage	Vote 6 - Development Se	Road transport	DHS	Sanitation Infrastructure	Reticulation	-	-	3 862 524
160	Darling Serviced Sites (394) Roads and Stormwater	Vote 6 - Development Se	Road transport	DHS	Roads Infrastructure	Roads	-	-	15 691 503
161	Equipment : MM	Vote 7 - Municipal Mana	Executive and Council	CRR	Furniture and Office Equipme	Furniture and Office Equ	12 000	12 000	12 000
162	Equipment : Fire Fighting	Vote 8 - Protection Servi	Public Safety	CRR	Machinery and Equipment	Machinery and Equipme	300 000	300 000	200 000
163	Equipment: Protection	Vote 8 - Protection Servi	Public Safety	CRR	Machinery and Equipment	Machinery and Equipme	60 000	65 000	70 000
164	New Fire Arms & Replacements	Vote 8 - Protection Servi	Public Safety	CRR	Machinery and Equipment	Machinery and Equipme	250 000	-	-
165	Traffic and Law : CK41293 Toyota Hilux DC 2.5D SRX	Vote 8 - Protection Servi	Public Safety	CRR	Transport Assets	Transport Assets	712 020	-	-
166	Traffic and Law : CK32531 Quantam	Vote 8 - Protection Servi	Public Safety	CRR	Transport Assets	Transport Assets	-	771 430	-
167	Traffic and Law: CK18530 Polo Vivo 1.6	Vote 8 - Protection Servi	Public Safety	CRR	Transport Assets	Transport Assets	-	-	342 125
			81				279 019 887	220 024 074	259 493 754

2.12 Legislation compliance status

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

1. In year reporting

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

2. Budget and Treasury Office

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

3. Audit Committee

An Audit Committee has been established and is fully functional.

4. Budget Steering Committee

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

5. Service Delivery and Implementation Plan

The draft SDBIP document was tabled with the approval of the draft 2025/26 MTREF budget. The final SDBIP document will be tabled after the approval of the final 2025/26 MTREF budget. The SDBIP was aligned and informed by the 2025/26 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.

2.13 Other supporting documents

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

2.14 Manager's quality certificate

I MJ Möller, 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: Matthys Johannes Möller

Municipal Manager of Swartland Municipality Acting

Signature:



Date: 25/03/2025

MUNISIPALITEIT SWARTLAND MUNICIPALITY



“ANNEXURE B”

Capital Projects ito Sec 19

EMC: 25/03/2025

Council: 31/03/2025

Capital Projects with a total project cost in excess of R50 million (to give effect to Sec 19 (1) (b) of the MFMA)

"ANNEXURE B"

Project Description	Actuals	Budget Year	Nature	Location	Budget Year	Budget Year	Budget Year	Total Project Value	Funding Sources	Future Operational Cost	Operating Impact absorbed by:	Sec 33 Triggered Y / N
	2023/24	2024/25			2025/26	2026/27	2027/28	Estimate				
Roads Swartland: Construction of New Roads	R 10 950 000	R 5 246 686	Construction of New Roads in the Swartland area	Swartland area	R 36 438 000	R 32 015 314	R 10 000 000	R 94 650 000	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 14 178 506	R 2 426 024			R 7 589 405	R 10 479 940	R -	R 34 673 875	MIG			
Highlands: Development of new cell	R 2 097 879	R 8 538 370	Development of new cell	Swartland area	R -	R -	R -	R 10 636 249	CRR	Future operational cost (e.g. Interest, repairs & maintenance, depreciation, etc) will be covered by the Refuse cost centre	MTREF CRR and beyond	N
	R -	R -			R 9 269 986	R -	R -	R 9 269 986	Ext Loan			
	R -	R 15 500 000			R 14 165 595	R -	R -	R 29 665 595	MIG			
Malmesbury De Hoop Serviced Sites	R 16 936 391	R 18 085 000	Sewerage	Malmesbury De Hoop	R 10 984 830	R 8 045 112	R -	R 54 051 333	Human Settlements	Future operating costs covered by the Water, Sewerage and Roads cost centres	Existing Water, Sewerage Revenue and Rates Regime	N
	R 4 600 628	R 11 440 000	Water		R 5 830 157	R 4 336 768	R -	R 26 207 553	Human Settlements			
	R 23 973 312	R 46 475 000	Roads		R 23 685 013	R 17 618 120	R -	R 111 751 445	Human Settlements			
Malmesbury De Hoop 132/11kV Substation, 132kV transmission line and servitudes & Electrical Bulk supply upgrading	R 10 918 152	R 1 489 684	Upgrading of bulk electricity supply	Malmesbury	R 3 548 862	R -	R -	R 15 956 698	CRR	Future operating costs will be covered by the Electricity maintenance budget	Existing Electricity Revenue Regime	Y
	R -	R -			R 30 730 014	R -	R -	R 30 730 014	Ext Loan			
	R 23 657 999	R 22 401 642			R 17 821 124	R 14 082 000	R -	R 77 962 765	INEP			

CONSTRUCTION OF NEW STREETS THROUGHOUT THE SWARTLAND AREA

<u>2025/2026</u>					
Town	Street	Begin	End	Length (m)	Estimate (R)
Darling	Mimosa	Jakaranda	Jakaranda	186	R 1 811 658
	Ixia	Vygie	Watsonia	525	R 3 042 302
	Vygie	Watsonia	Tar/Gravel	514	R 3 419 615
	Buitekant	Main	Cul De Sac	747	R 5 115 083
	Botterblom	Kalkoentjie	Vygie	280	R 1 743 000
	Tulbagh	Arcadia	Voortrekker	68	R 566 987
	Arcadia	Voortrekker	Stasie	387	R 3 216 824
	Voortrekker	Buitkant	Lang	258	R 2 151 216
	Darling 16	Tar/Gravel	Darling 14	544	R 5 237 522
Riebeek Kasteel	Bloem	Piet Retief	Main	184	R 1 145 400
	Kloof	Fontein	Royal	162	R 894 700
		Bloem	Pieter Cruythoff Ave	316	R 1 473 192
	Sarel Cilliers	Main	Walter	162	R 1 340 764
	Sarel Cilliers	Kloof	Kamp	111	R 925 523
	Pekan	Hermon	Cul De Sac	144	R 1 200 679
	Walter	Maree	Sarel Cilliers	244	R 2 034 483
Chatsworth	York	Tamar	Chamberlain	307	R 2 778 435
	Vernon	Tamar	Chamberlain	306	R 2 539 294
Kalbaskraal	Ukhyano	Kalbaskraal 1	Essenhout	267	R 2 224 384
	Essenhout	Ukhanyo	Calabash	140	R 1 166 344
SUBTOTAL				5852	R 44 027 405

CONSTRUCTION OF NEW STREETS THROUGHOUT THE SWARTLAND AREA

<u>2026/2027</u>					
Town	Street	Begin	End	Length (m)	Estimate (R)
Darling	Fontein	Buitekant	Prospect	198	R 1 550 933
	High	Queen Victoria	Hill	308	R 2 568 118
	Hill	Buitekant	Lang	265	R 2 209 582
Riebeek Kasteel	Kamp	Sarel Cilliers	Royal	135	R 1 125 636
	Park	Main	Van Riebeeck	295	R 2 359 724
Moorreesburg	Goedehoop	Nassau	Third Avenue	166	R 1 384 116
	Hoek	Spoor	Tar/Gravel	105	R 1 403 058
	Spoor	River	Stasie	296	R 2 465 983
	End	Hoof St	Cul De Sac	167	R 1 391 281
	Third Avenue	Omega	Paul Kruger	416	R 3 365 706
	Second Avenue	Omega	Nassau	535	R 2 830 538
	Libertas	First Avenue	3rd Avenue	401	R 2 165 400
Yzerfontein	6th Ave	Buitekant	Cul De Sac	171	R 1 325 806
	7th Ave	Buitekant	Cul De Sac	146	R 1 217 355
Malmesbury	Barocca	Tar/Gravel	Tar/Gravel	416	R 3 368 628
	Papawer	Felicia	Papawer	101	R 842 143
	Ubuntu	Masoka	Thabong	116	R 841 000
	Eyethu	Holomisa	CDS	102	R 739 500
	Mhlaba	Holomisa	CDS	116	R 841 000
	Maisphumelele	Holomisa	CDS	120	R 870 000
Kalbaskraal	Tortelduif	Kraanvoel	Kab03	158	R 1 317 411
Koringberg	Pelgrim	Sterling	Impala	400	R 2 136 334
Chatsworth	Herton	Hutchison	Chamberlain	144	R 1 044 000
	Queen	Hutchison	Chamberlain	142	R 1 029 500
	4th Avenue	Hutchison	Chamberlain	141	R 1 022 250
	Cemetery	1st Avenue	Hutchison	149	R 1 080 250
SUBTOTAL				5709	R 42 495 254