

CONSIDERATION AND APPROVAL OF THE FINAL BUDGET 2026/2027 AND INDICATIVE FOR THE PROJECTED TWO OUTER YEARS 2027/2028 AND 2028/2029

English is the original version

PURPOSE OF REPORT

This report serves to submit to Council for consideration the MTREF for 2026/2027, proposed tariffs, and amendments to budget related policies, the IDP, Supply Chain Management Procurement Plan, Service Delivery and Budget Implementation Plan as well as the Service Standards.

BACKGROUND

In accordance with section 16 of the Municipal Finance Management Act, No 56 of 2003 the Municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget.

LEGAL RESPONSIBILITIES

Section 16 of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting Regulations.

FINANCIAL IMPLICATIONS

As contained in the detail report.

RECOMMENDATION

1. That Council resolves that Final Annual Operating Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 and 2028/2029 be approved as set out on Tables A1, A2, A3 and A4.
2. That Council resolves that the Final Annual Capital Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 and 2028/2029 be approved as set out on Tables A1, A5 and SA36.
3. That Council resolves that the Monthly Cash Flow Forecasts with appropriate amendments be approved as the Cash Flow Budget of the Council for the 2026/2027 financial year as set out on Tables A1 and A7.
4. That Council resolves to adopt the "Spatial Development Framework" as part of the Integrated Development Plan, as regulated by the Municipal Systems Act (Act 32 of 2000), as directed in terms of Section 22 of the Bill on the Land Use Planning Act.
5. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2026/2027. (Annexure A).
6. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70Kwh Electricity, Refuse, Sewer are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.

7. That it be noted that "Unfunded Functions" and "Underfunded Functions" are fully budgeted for at present service levels and in respect of Housing.
8. That note is taken that Internal Division of Costs(Departmental Charges) are calculated based on expected budgeted time spent, measurable units/quantities, cost, and that tariffs are determined accordingly.
- 9.1 All Budget related Policies was reviewed and that Council resolves to adopt the following Amendments to the Policies as per Annexure B
 - 1) Rates Policy
 - 2) Credit and Debt Collection Policy
 - 3) Writing-Off of Irrecoverable Debt
 - 4) Indigent Policy
 - 5) Supply Chain Management Policy
 - 6) Supply Chain Management Preferential Procurement Regulations
 - 7) Short-Term Insurance Policy
 - 8) Asset Management Policy
- 9.2 That Council take note that the following Budget related policies have been reviewed internally with no amendments:
 - 1) Borrowing Policy
 - 2) Creditor Policy
 - 3) Virement Policy
 - 4) Budget Policy
 - 5) Payroll Management and Administration Policy
 - 6) Infrastructure Policy
 - 7) Funding and Reserves Policy
 - 8) Cash Management and Investment Policy
 - 9) Tariff Policy
 - 10) Special Ratings Area Policy
 - 11) Cost Containment Policy
10. That Council resolves that the Final Procurement Plan are approved for the Financial Year 2026/2027. (Annexure C).
11. That Council resolves that the updated Long Term Financial Plan is approved for the Financial Year 2026/2027. (Annexure D).
12. That Council take cognisance of the Service Standards. (Annexure E)
13. The budget provides for a revenue collection rate of 85%. The Financial Recovery Plan indicates an attainable collection rate of 88% for the same period.

It is recommended that Council supports a minimum collection rate of 85% for the 2026/2027 financial year. The proposed target is aligned with the milestones set out in the Financial Recovery Plan and is necessary to ensure the municipality's financial sustainability and compliance with the FRP commitments.

Theewaterskloof Municipality



Final Budget

2026/2027 to 2028/2029

28 May 2026

English is original version

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- In the foyer of all municipal offices
- All public libraries within the municipality
- At www.twk.gov.za

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Abbreviations and Acronyms

IDP	Integrated Development Plan
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
kl	Kilolitre
kWh	Kilowatt
VAT	Value Added Tax
SMME	Small Micro and Medium Enterprises
CPI	Consumer Price index
MFMA	Municipal Finance Management Act 56 of 2003
GFS	Government Financial Statistics
MBRR	Municipal Budget and Reporting Regulations
GRAP	Generally Recognized Accounting Practice
MSA	Municipal Systems Act
MIG	Municipal Infrastructure Grant
LED	Local Economic Development
SDBIP	Service Delivery Budget Implementation Plan
DoRA	Division of Revenue Act
PDO	Predetermined Objectives
KPI	Key Performance Indicator
KPA	Key Performance Area
RBIG	Regional Bulk Infrastructure Grant
MTBPS	Medium Term Budget Policy Statement

1. Council Resolutions

1. That Council resolves that Final Annual Operating Budget of the municipality for the financial year 2026/2027 and indicative for the two projected Outer Years 2027/2028 and 2028/2029 be approved as set out on Tables A1, A2, A3 and A4.
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5. That Council resolves that the Final Tariff Charges are approved for the Financial Year 2026/2027. (Annexure A).
6. That the Final Monthly Indigent Subsidy in respect of 6kl Water, 70KwH Electricity, Refuse, Sewer are approved and that the applicable free basic services subsidies be calculated on the approved tariffs for the applicable services and measurable units.
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 - 11) Cost Containment Policy
10. That Council resolves that the Final Procurement Plan are approved for the Financial Year 2026/2027. (Annexure C).
 11. That Council resolves that the updated Long Term Financial Plan is approved for the Financial Year 2026/2027. (Annexure D).
 12. That Council take cognisance of the Service Standards. (Annexure E)
 13. The budget provides for a revenue collection rate of 85%. The Financial Recovery Plan indicates an attainable collection rate of 88% for the same period.

It is recommended that Council supports a minimum collection rate of 85% for the 2026/2027 financial year. The proposed target is aligned with the milestones set out in the Financial Recovery Plan and is necessary to ensure the municipality's financial sustainability and compliance with the FRP commitments.

2. Executive summary

LEGAL REQUIREMENTS

The MTREF for 2026/2027 to 2028/2029 were compiled in accordance with the requirements of the relevant legislation, of which the following are the most important –

- The Constitution of the Republic of South Africa, 1996;
- The Municipal Structures Act, Act 117 of 1998;
- The Municipal Systems Act, Act 32 of 2000;
- The Municipal Finance Management Act, Act 56 of 2003;
- The Municipal Budget and Reporting Regulations promulgated on 17 April 2009; and
- The Division of Revenue Act

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.

The following budget principles and guidelines directly informed the compilation of the 2026/2027 to 2028/2029 MTREF –

- National Treasury's MFMA Circulars were used to guide the compilation of the MTREF;
- Headline inflation predictions;
- National outcomes and priorities;
- NERSA guidelines;
- The priorities and targets in relation to the key strategic focus areas as determined in the IDP;
- Tariff and property rates revenue stream increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, or instance the cost-of-living increases and cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- External loans will be taken up during this budget year as a means of supporting the Capital Budget, to enhance service delivery.

Growth to the Theewaterskloof Municipality's Medium Term Revenue and Expenditure Framework (MTREF) is based on a combination of factors such as (relatively low) generic growth to core tariff-based services, operational efficiencies, and revenue-related policies aimed at optimising and sustaining all income sources.

The MTREF-based Revenue and Expenditure Projections assumed inflation-linked annual adjustments. The main challenges experienced during the compilation of the 2026/2027 MTREF can be summarised as follows:

- The increased costs associated with bulk electricity, placing upward pressure on tariff increases to consumers. Continued high tariff increases may soon render municipal services financially unaffordable and impact negatively on revenue collection targets;
- Reprioritisation of capital projects and operating expenditure within the financial affordability limits of the Budget, taking the cash position into account;
- Salary increases for municipal staff salary requirement to fill funded vacant, critical and essential positions in accordance with the Salary and Wage Collective Agreement;
- National and local economic difficulties (low economic growth)
- Above inflation increases in essential maintenance costs

- Old infrastructure which needs to be consistently maintained or replaced
- Reduced consumption of water and electricity in response to water restrictions and load shedding

The following further key parameters which are informed by the need to recover costs and to balance the budget were considered for the 2026/2027 financial year:

Tariff increases:

- Assessment Rates 5%
- Water 8%
- Sanitation (Sewer) 4,5%
- Solid Waste (Refuse) 11,92%
- Electricity 8% (Subject to NERSA's final approval)

The following table provides a consolidated overview of the proposed 2026/2027 MTREF taking into consideration tariff adjustments and increases to input costs:

Description R thousand	Current Year 2025/26	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Operating Revenue	(975 232)	(1 112 406)	(1 138 486)	(1 100 117)
Total Operating Expenditure	905 962	989 449	996 078	997 256
(Suplus)/Deficit for the year	(69 270)	(122 956)	(142 408)	(102 861)
Total Capital Expenditure	118 224	131 556	149 387	118 839

Total operating revenue is projected to increase by 14,07 per cent or R 137 million for the 2026/2027 financial year when compared to the 2025/2026 Budget. For the two outer years, operational revenue will increase by 2.3% in 2027/2028 and decrease with 3.4% in 2028/2029 respectively.

The major items of operating revenue are as follows:

Description R thousand	Current Year 2025/26	Budget Year 2026/27	% of Total Revenue	Growth 2025/26 - 2026/27
Property Rates	170 753	179 291	16%	5%
Service Charges	378 571	408 934	37%	8%
Operational grants	186 152	265 262	24%	42%
Capital grants	112 170	33 210	3%	-70%
Other own Revenue	127 587	225 709	20%	77%
	975 232	1 112 406	100%	14%

Other Own Revenue is the biggest part (77%) of the municipality's revenue followed by operational grants (42%), service charges by (8%) and property rates at (5%). There has been a decrease in the growth of the capital grants (70%) when compared to the 2025/2026 financial year. The reduction in capital grants decrease is attributable to the MIG Grant, Integrated National Electrification Programme and Regional socio-economic projects Grant being the only capital grants received for the 2026/2027 financial year.

The major operating expenditure items are summarised below:

	Current Year 2025/26	Budget Year 2026/27	% of Total Expenditure	Growth 2025/26 - 2026/27
Employee costs	313 696	319 873	32%	2%
Remuneration of councillors	15 017	14 614	1%	-3%
Depreciation & asset impairment	43 848	40 079	4%	-9%
Finance charges	54 459	52 465	5%	-4%
Materials and bulk purchases	185 047	196 542	20%	6%
Transfers and grants	11 549	84 976	9%	636%
Other expenditure	282 347	280 901	28%	-1%
	905 962	989 449	100%	9,2%

Total operating expenditure for the 2026/2027 financial year amounts to R 905 million, which represents an increase of R 83 million (9.2%) from 2025/2026.

Description R thousand	Current Year 2025/26	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Total Capital Expenditure	118 224	131 556	149 387	118 839

The capital expenditure amounts to R 131 million and has increased by 11.3 % when compared to the 2025/2026 adjustment budget. The outer year's increase to R 149 million in 2027/2028 and decrease to R 118 million in 2028/2029.

Successful alignment of Theewaterskloof Municipality's service delivery priorities, as embodied in the updated IDP and its focus areas, objectives and perspectives, to that of National and Provincial Governments is seen as critical if the Municipality wants to achieve its developmental goals. The Strategic Focus Areas developed by Theewaterskloof Municipality are as follows:

- Financial Viability
- Good Governance
- Institutional Development
- Basic Service Delivery
- Local Economic Development

3. Operating Revenue and Expenditure Framework

Functional Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional									
Governance and administration	297 402	282 253	289 858	341 109	326 361	326 361	341 685	363 057	375 468
Executive and council	515	640	86	113	185	185	118	118	118
Finance and administration	296 887	281 613	289 772	340 996	326 176	326 176	341 567	362 939	375 350
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	71 391	70 473	119 774	94 724	141 491	141 491	228 000	220 706	133 677
Community and social services	11 086	11 208	9 685	11 151	11 157	11 157	12 608	12 759	13 063
Sport and recreation	37	58	64	51	51	51	71	74	77
Public safety	33 554	19 283	27 875	26 742	40 808	40 808	41 140	42 786	44 497
Housing	26 714	39 923	82 149	56 780	89 475	89 475	174 181	165 088	76 040
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	11 859	32 543	36 687	41 009	47 109	47 109	45 916	42 503	43 852
Planning and development	3 805	24 605	28 335	32 447	34 738	34 738	37 460	33 695	34 699
Road transport	8 054	7 938	8 352	8 562	12 370	12 370	8 456	8 808	9 153
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	319 340	403 263	409 723	445 994	460 271	460 271	496 805	512 219	547 120
Energy sources	119 192	148 969	166 610	192 659	196 719	196 719	211 960	210 203	226 783
Water management	91 246	120 940	117 617	122 030	133 752	133 752	144 452	156 008	168 489
Waste water management	53 964	58 149	62 776	66 373	65 756	65 756	68 714	71 463	74 322
Waste management	54 937	75 205	62 720	64 932	64 044	64 044	71 678	74 545	77 527
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	699 992	788 532	856 042	922 836	975 232	975 232	1 112 406	1 138 486	1 100 117
Expenditure - Functional									
Governance and administration	213 040	237 127	237 450	255 560	249 110	249 110	241 167	250 931	264 286
Executive and council	26 316	27 838	25 612	26 370	29 888	29 888	22 521	23 645	24 831
Finance and administration	183 889	206 466	208 842	225 867	215 900	215 900	215 211	223 607	235 516
Internal audit	2 836	2 822	2 996	3 322	3 322	3 322	3 435	3 679	3 939
Community and public safety	105 515	178 054	101 752	118 525	126 713	126 713	204 251	182 614	132 068
Community and social services	10 951	98 343	17 404	19 290	19 443	19 443	21 853	22 621	23 581
Sport and recreation	15 185	15 292	10 329	11 506	10 446	10 446	12 158	12 931	13 756
Public safety	56 521	47 491	52 605	59 739	70 416	70 416	69 364	72 964	76 768
Housing	22 859	16 928	21 414	27 989	26 407	26 407	100 876	74 098	17 963
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	60 921	94 051	76 864	86 789	88 841	88 841	96 018	100 090	106 534
Planning and development	17 692	32 501	31 837	38 455	38 055	38 055	44 898	46 010	49 251
Road transport	43 229	61 516	45 027	48 275	50 786	50 786	51 119	54 078	57 283
Environmental protection	-	34	-	60	-	-	1	1	1
Trading services	406 149	387 312	381 354	422 989	440 897	440 897	447 954	462 381	494 303
Energy sources	115 141	125 740	153 602	182 675	186 647	186 647	199 321	201 146	219 601
Water management	192 448	128 788	89 225	92 654	102 978	102 978	98 865	104 764	111 210
Waste water management	50 530	66 274	64 616	67 499	70 876	70 876	66 633	69 385	72 259
Waste management	48 030	66 510	73 911	80 162	80 396	80 396	83 135	87 086	91 233
Other	170	553	68	240	400	400	60	62	64
Total Expenditure - Functional	785 796	897 096	797 488	884 103	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	122 956	142 408	102 861

4. Capital Expenditure

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue - Functional										
Multi-year expenditure to be appropriated										
Vote 1 - Directorate Finance	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	-	-	1 455	-	877	877	877	4 051	-	-
Vote 3 - Corporate services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity	11 454	4 782	2 916	-	-	-	-	700	6 271	6 554
Vote 5 - Economic Development and Planning	-	24 486	76 493	37 079	45 318	45 318	45 318	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	26 343	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	373	-	-	-	-	-	-	-	-	-
Vote 13 - Waste water management	3 460	10 303	2 317	13 594	16 414	16 414	16 414	-	-	-
Vote 14 - Water	18 479	11 491	10 013	-	1 300	1 300	1 300	8 928	35 228	31 517
Vote 15 - Directorate Development and Community Services	1 761	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	61 870	51 062	93 194	50 673	63 909	63 909	63 909	13 679	41 499	38 071
Single-year expenditure to be appropriated										
Vote 1 - Directorate Finance	3 312	1 505	126	110	2 562	2 562	2 562	139	-	-
Vote 2 - Community Services	-	15 774	7 777	6 400	5 000	5 000	5 000	461	-	-
Vote 3 - Corporate services	-	1 383	348	364	470	470	470	300	-	-
Vote 4 - Electricity	11 721	13 080	125	-	-	-	-	-	-	-
Vote 5 - Economic Development and Planning	-	15 853	1 745	8 209	34 909	34 909	34 909	91 406	107 888	76 040
Vote 6 - Office of the Municipal Manager	18	-	-	-	-	-	-	50	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	19	45	-	-	450	450	450	1 100	-	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	6 393	1 376	-	-	-	-	-	-	-	-
Vote 13 - Waste water management	27 597	8 556	3 472	10 793	7 335	7 335	7 335	22 159	-	-
Vote 14 - Water	17 791	17 532	2 040	12 281	3 589	3 589	3 589	1 563	-	4 728
Vote 15 - Directorate Development and Community Services	16 077	-	-	-	-	-	-	700	-	-
Capital single-year expenditure sub-total	82 929	75 105	15 633	38 157	54 315	54 315	54 315	117 877	107 888	80 768
Total Capital Expenditure - Vote	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Capital Expenditure - Functional										
Governance and administration	10 751	3 619	8 179	6 874	7 582	7 582	7 582	860	-	-
Executive and council	-	-	-	-	-	-	-	50	-	-
Finance and administration	10 732	3 619	8 179	6 874	7 582	7 582	7 582	810	-	-
Internal audit	18	-	-	-	-	-	-	-	-	-
Community and public safety	27 667	47 164	78 796	45 288	80 619	80 619	80 619	95 547	107 888	76 040
Community and social services	636	2 112	65	-	400	400	400	56	-	-
Sport and recreation	441	5 524	1 114	-	877	877	877	4 075	-	-
Public safety	229	360	8	-	-	-	-	10	-	-
Housing	26 360	39 168	77 609	45 288	79 342	79 342	79 342	91 406	107 888	76 040
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	9 113	8 264	971	-	1 384	1 384	1 384	1 800	-	-
Planning and development	1 228	1 217	629	-	1 384	1 384	1 384	1 800	-	-
Road transport	7 885	7 048	341	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	97 268	67 121	20 882	36 668	28 638	28 638	28 638	33 350	41 499	42 799
Energy sources	23 175	17 862	3 040	-	-	-	-	700	6 271	6 554
Water management	36 271	29 024	12 052	12 281	4 889	4 889	4 889	10 491	35 228	36 245
Waste water management	31 056	18 860	5 789	24 387	23 749	23 749	23 749	22 159	-	-
Waste management	6 766	1 376	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Funded by:										
National Government	25 311	38 489	25 783	27 537	28 199	28 199	28 199	32 510	30 265	37 217
Provincial Government	27 369	39 763	12 607	44 700	3 834	3 834	3 834	700	-	-
District Municipality	193	-	55	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	2 568	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	55 441	78 252	38 444	72 237	32 034	32 034	32 034	33 210	30 265	37 217
Borrowing	64 750	38 095	0	10 000	-	-	-	-	-	-
Internally generated funds	24 608	9 820	70 382	6 593	86 190	86 190	86 190	98 347	119 122	81 622
Total Capital Funding	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839

5. Annual budget tables

The following ten tables set out the municipality's 2026/2027 budget and MTREF to be approved by resolution of Council:
Budget Summary (Table A1)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands										
Financial Performance										
Property rates	136 354	153 616	161 347	173 070	170 753	170 753	170 753	179 291	188 255	197 668
Service charges	273 786	305 340	339 598	370 088	378 571	378 571	378 571	408 934	437 473	468 128
Investment revenue	11 469	6 151	3 484	6 169	3 300	3 300	3 300	2 769	2 830	2 895
Transfer and subsidies - Operational	144 515	153 872	163 406	182 290	186 152	186 152	186 152	265 262	242 937	189 690
Other own revenue	97 976	89 497	84 767	118 932	124 287	124 287	124 287	133 683	123 016	128 479
Total Revenue (excluding capital transfers and contributions)	664 099	708 476	752 602	850 549	863 062	863 062	863 062	989 939	994 511	986 860
Employee costs	246 990	275 384	281 509	315 821	313 696	313 696	313 696	319 873	342 416	366 587
Remuneration of councillors	12 686	13 189	13 148	15 017	15 017	15 017	15 017	14 614	15 199	15 807
Depreciation, amortisation and impairment	32 476	34 188	41 321	35 541	43 848	43 848	43 848	40 079	41 633	43 300
Interest, Dividends and Rent on Land	32 479	41 699	47 204	47 551	54 459	54 459	54 459	52 465	35 071	33 930
Inventory consumed and bulk purchases	122 894	141 348	159 814	180 997	185 047	185 047	185 047	196 542	214 666	234 529
Transfers and subsidies	8 528	1 952	5 501	12 080	11 549	11 549	11 549	84 976	57 200	-
Other expenditure	349 276	389 335	248 990	277 096	282 347	282 347	282 347	280 901	289 893	303 103
Total Expenditure	805 328	897 096	797 488	884 103	905 962	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit)	(141 229)	(188 621)	(44 886)	(33 554)	(42 900)	(42 900)	(42 900)	490	(1 566)	(10 395)
Transfers and subsidies - capital (monetary allocations)	52 856	78 252	38 444	72 237	32 034	32 034	32 034	33 210	36 086	37 217
Transfers and subsidies - capital (in-kind)	2 568	1 804	64 996	50	80 136	80 136	80 136	89 257	107 888	76 040
Surplus/(Deficit) after capital transfers & contributions	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Capital expenditure & funds sources										
Capital expenditure	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Transfers recognised - capital	55 441	78 252	38 444	72 237	32 034	32 034	32 034	33 210	30 265	37 217
Borrowing	64 750	38 095	0	10 000	-	-	-	-	-	-
Internally generated funds	24 608	9 820	70 382	6 593	86 190	86 190	86 190	98 347	119 122	81 622
Total sources of capital funds	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Financial position										
Total current assets	176 248	121 441	113 847	114 557	116 085	116 085	116 085	124 904	143 331	158 252
Total non current assets	1 217 392	1 256 200	1 329 461	1 461 548	1 403 837	1 403 837	1 403 837	1 495 314	1 603 069	1 678 608
Total current liabilities	180 865	270 790	301 204	374 159	335 335	335 335	335 335	308 295	285 837	262 405
Total non current liabilities	361 204	328 922	334 764	329 514	333 799	333 799	333 799	338 180	344 411	355 442
Community wealth/Equity	831 596	723 213	781 765	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013
Cash flows										
Net cash from (used) operating	(25 220)	75 837	49 202	96 516	57 303	57 303	57 303	63 272	68 391	63 302
Net cash from (used) investing	(141 433)	(124 731)	(33 782)	(89 422)	(33 734)	(33 734)	(33 734)	(41 427)	(41 499)	(42 799)
Net cash from (used) financing	86 587	(20 640)	(14 178)	-	(33 134)	(33 134)	(33 134)	(19 753)	(15 609)	(13 175)
Cash/cash equivalents at the year end	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762
Cash backing/surplus reconciliation										
Cash and investments available	99 745	16 632	17 898	28 171	8 334	8 334	8 334	10 425	21 708	29 036
Application of cash and investments	152 737	163 590	192 387	261 801	201 761	201 761	201 761	173 467	146 815	120 256
Balance - surplus (shortfall)	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)
Asset management										
Asset register summary (WDV)	1 202 754	1 250 872	1 393 787	1 447 076	1 396 326	1 396 326		1 487 803	1 595 557	1 671 096
Depreciation	32 476	34 188	41 321	35 541	43 848	43 848		40 079	41 633	43 300
Renewal and Upgrading of Existing Assets	75 900	68 110	27 389	43 068	34 950	34 950		31 185	39 186	20 801
Repairs and Maintenance	121 372	160 562	125 666	148 681	144 304	144 304		152 566	161 409	170 805
Free services										
Cost of Free Basic Services provided	(45 554)	(48 707)	(53 091)	(56 991)	(53 582)	(53 582)		(53 582)	(58 002)	(61 279)
Revenue cost of free services provided	(9 633)	(9 763)	(11 737)	(18 698)	(1 229)	(1 229)		(1 229)	(1 290)	(1 355)
Households below minimum service level										
Water:	3	3	3	2	2	2		2	2	2
Sanitation/sewerage:	2	2	1	1	1	1		1	1	1
Energy:	-	-	-	-	-	-		-	-	-
Refuse:	-	-	-	-	-	-		-	-	-

Explanatory notes Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF.
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget and indicates that new borrowing exceeds the repayment of loans
 - iii. Internally generated funds are financed from a combination of the current operating surplus and input VAT reclaimed on conditional grants. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The municipality's cash flow remains positive over the MTREF; however it is declining and care should be exercised to ensure that the Municipality does not experience cash flow problems.
4. The section on Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality are increasing. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2)

Functional Classification Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional									
Governance and administration	297 402	282 253	289 858	341 109	326 361	326 361	341 685	363 057	375 468
Executive and council	515	640	86	113	185	185	118	118	118
Finance and administration	296 887	281 613	289 772	340 996	326 176	326 176	341 567	362 939	375 350
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	71 391	70 473	119 774	94 724	141 491	141 491	228 000	220 706	133 677
Community and social services	11 086	11 208	9 685	11 151	11 157	11 157	12 608	12 759	13 063
Sport and recreation	37	58	64	51	51	51	71	74	77
Public safety	33 554	19 283	27 875	26 742	40 808	40 808	41 140	42 786	44 497
Housing	26 714	39 923	82 149	56 780	89 475	89 475	174 181	165 088	76 040
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	11 859	32 543	36 687	41 009	47 109	47 109	45 916	42 503	43 852
Planning and development	3 805	24 605	28 335	32 447	34 738	34 738	37 460	33 695	34 699
Road transport	8 054	7 938	8 352	8 562	12 370	12 370	8 456	8 808	9 153
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	319 340	403 263	409 723	445 994	460 271	460 271	496 805	512 219	547 120
Energy sources	119 192	148 969	166 610	192 659	196 719	196 719	211 960	210 203	226 783
Water management	91 246	120 940	117 617	122 030	133 752	133 752	144 452	156 008	168 489
Waste water management	53 964	58 149	62 776	66 373	65 756	65 756	68 714	71 463	74 322
Waste management	54 937	75 205	62 720	64 932	64 044	64 044	71 678	74 545	77 527
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	699 992	788 532	856 042	922 836	975 232	975 232	1 112 406	1 138 486	1 100 117
Expenditure - Functional									
Governance and administration	213 040	237 127	237 450	255 560	249 110	249 110	241 167	250 931	264 286
Executive and council	26 316	27 838	25 612	26 370	29 888	29 888	22 521	23 645	24 831
Finance and administration	183 889	206 466	208 842	225 867	215 900	215 900	215 211	223 607	235 516
Internal audit	2 836	2 822	2 996	3 322	3 322	3 322	3 435	3 679	3 939
Community and public safety	105 515	178 054	101 752	118 525	126 713	126 713	204 251	182 614	132 068
Community and social services	10 951	98 343	17 404	19 290	19 443	19 443	21 853	22 621	23 581
Sport and recreation	15 185	15 292	10 329	11 506	10 446	10 446	12 158	12 931	13 756
Public safety	56 521	47 491	52 605	59 739	70 416	70 416	69 364	72 964	76 768
Housing	22 859	16 928	21 414	27 989	26 407	26 407	100 876	74 098	17 963
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	60 921	94 051	76 864	86 789	88 841	88 841	96 018	100 090	106 534
Planning and development	17 692	32 501	31 837	38 455	38 055	38 055	44 898	46 010	49 251
Road transport	43 229	61 516	45 027	48 275	50 786	50 786	51 119	54 078	57 283
Environmental protection	-	34	-	60	-	-	1	1	1
Trading services	406 149	387 312	381 354	422 989	440 897	440 897	447 954	462 381	494 303
Energy sources	115 141	125 740	153 602	182 675	186 647	186 647	199 321	201 146	219 601
Water management	192 448	128 788	89 225	92 654	102 978	102 978	98 865	104 764	111 210
Waste water management	50 530	66 274	64 616	67 499	70 876	70 876	66 633	69 385	72 259
Waste management	48 030	66 510	73 911	80 162	80 396	80 396	83 135	87 086	91 233
Other	170	553	68	240	400	400	60	62	64
Total Expenditure - Functional	785 796	897 096	797 488	884 103	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	122 956	142 408	102 861

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is an illustration of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile standardised reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity and Water.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Finance and Administration.

Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3)

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Revenue - Functional									
Vote 1 - Directorate Finance	259 680	278 314	287 149	332 267	317 287	317 287	333 596	354 804	367 043
Vote 2 - Community Services	-	40 536	48 289	48 458	62 829	62 829	63 440	65 624	68 043
Vote 3 - Corporate services	-	1 369	609	6 746	6 978	6 978	6 759	6 871	6 987
Vote 4 - Electricity	119 192	148 969	166 610	192 659	196 719	196 719	211 960	210 203	226 783
Vote 5 - Economic Development and Planning	-	42 241	86 839	59 759	93 783	93 783	177 828	168 149	79 221
Vote 6 - Office of the Municipal Manager	355	567	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	56 895	22 241	23 433	29 613	34 083	34 083	33 979	30 819	31 703
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	54 937	75 205	62 720	64 932	64 044	64 044	71 678	74 545	77 527
Vote 13 - Waste water management	53 964	58 149	62 776	66 373	65 756	65 756	68 714	71 463	74 322
Vote 14 - Water	91 246	120 940	117 617	122 030	133 752	133 752	144 452	156 008	168 489
Vote 15 - Directorate Development and Community Services	63 722	-	-	-	-	-	-	-	-
Total Revenue by Vote	699 992	788 532	856 042	922 836	975 232	975 232	1 112 406	1 138 486	1 100 117
Expenditure by Vote to be appropriated									
Vote 1 - Directorate Finance	77 445	123 973	98 348	105 568	99 617	99 617	101 832	104 803	110 696
Vote 2 - Community Services	-	259 019	175 434	187 874	192 954	192 954	197 835	208 130	219 481
Vote 3 - Corporate services	-	70 823	81 686	90 148	92 775	92 775	85 417	89 264	93 386
Vote 4 - Electricity	115 141	125 740	153 602	182 675	186 647	186 647	199 321	201 146	219 601
Vote 5 - Economic Development and Planning	(0)	34 831	34 425	42 397	50 560	50 560	123 168	95 875	41 233
Vote 6 - Office of the Municipal Manager	9 869	8 400	8 176	9 713	9 684	9 684	12 038	12 902	13 828
Vote 7 - Housing	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	41 036	12 738	18 066	25 414	19 474	19 474	21 206	22 724	24 329
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	48 030	66 510	73 911	80 162	80 396	80 396	83 135	87 086	91 233
Vote 13 - Waste water management	50 530	66 274	64 616	67 499	70 876	70 876	66 633	69 385	72 259
Vote 14 - Water	192 448	128 788	89 225	92 654	102 978	102 978	98 865	104 764	111 210
Vote 15 - Directorate Development and Community Services	251 297	-	-	-	-	-	-	-	-
Total Expenditure by Vote	785 796	897 096	797 488	884 103	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	122 956	142 408	102 861

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 illustrates 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 GFS classification and not necessarily the organisational structure of the Municipality.

Function	Income R'000	Expenditure R'000	Admin Charges R'000	Surplus/(Deficit) R'000
Water	144 452	98 865	27 239	18 348
Electricity	211 960	199 321	21 955	(9 315)
Waste Water Management	68 714	66 633	9 793	(7 711)
Refuse Removal	71 678	83 135	9 352	(20 810)

Budgeted Financial Performance (Revenue and Expenditure) (Table A4)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue - Functional										
Exchange Revenue										
Service charges - Electricity	114 037	131 841	150 632	170 078	165 981	165 981	165 981	179 259	193 600	209 088
Service charges - Water	79 377	88 007	98 182	103 720	115 999	115 999	115 999	125 279	135 301	146 125
Service charges - Waste Water Management	40 514	43 033	46 372	49 742	49 988	49 988	49 988	52 237	54 327	56 500
Service charges - Waste Management	39 858	42 459	44 412	46 549	46 603	46 603	46 603	52 158	54 244	56 414
Sale of Goods and Rendering of Services	3 338	3 193	4 482	26 616	8 888	8 888	8 888	16 956	17 634	18 339
Agency services	7 636	7 938	8 352	8 417	8 417	8 417	8 417	8 291	8 623	8 968
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	23 463	23 411	24 800	27 661	26 380	26 380	26 380	28 561	30 129	31 794
Interest earned from Current and Non Current Assets	11 469	6 151	3 484	6 169	3 300	3 300	3 300	2 769	2 830	2 895
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	1 855	2 039	2 097	2 076	2 076	2 076	2 076	1 300	1 352	1 406
Licence and permits	4	2	71	76	76	76	76	76	76	76
Special rating levies	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	-	-	-	-	-	-	-	-	-	-
Development Charges	797	211	1 115	1 000	1 000	1 000	1 000	1 000	1 040	1 082
Operational Revenue	19 004	19 281	3 888	3 055	4 427	4 427	4 427	3 725	3 874	4 029
Non-Exchange Revenue										
Property rates	136 354	153 616	161 347	173 070	170 753	170 753	170 753	179 291	188 255	197 668
Surcharges and Taxes	-	1 895	1 884	-	-	-	-	-	-	-
Fines, penalties and forfeits	35 670	20 795	28 520	27 812	43 941	43 941	43 941	43 671	45 418	47 235
Licences or permits	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	144 515	153 872	163 406	182 290	186 152	186 152	186 152	265 262	242 937	189 690
Interest	-	5 018	4 020	4 554	3 679	3 679	3 679	3 863	4 056	4 259
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	514	5 250	5 537	12 003	6 047	6 047	6 047	6 529	6 975	7 453
Gains on disposal of Fixed and Intangible Assets	395	-	-	114	114	114	114	872	-	-
Other Gains	5 301	465	-	5 546	19 240	19 240	19 240	18 840	3 840	3 840
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	664 099	708 476	752 602	850 549	863 062	863 062	863 062	989 939	994 511	986 860
Expenditure										
Employee related costs	246 990	275 384	281 509	315 821	313 696	313 696	313 696	319 873	342 416	366 587
Remuneration of councillors	12 686	13 189	13 148	15 017	15 017	15 017	15 017	14 614	15 199	15 807
Bulk purchases - electricity	87 774	101 021	120 104	139 207	139 207	139 207	139 207	152 140	167 354	184 089
Inventory consumed	35 121	40 327	39 711	41 790	45 840	45 840	45 840	44 402	47 312	50 440
Debt impairment	99 603	88 788	100 461	116 591	110 914	110 914	110 914	107 826	113 239	118 950
Depreciation, amortisation and impairment	32 476	34 188	41 321	35 541	43 848	43 848	43 848	40 079	41 633	43 300
Interest, Dividends and Rent on Land	32 479	41 699	47 204	47 551	54 459	54 459	54 459	52 465	35 071	33 930
Contracted services	122 692	141 907	58 563	60 429	64 090	64 090	64 090	67 052	66 209	69 034
Transfers and subsidies	8 528	1 952	5 501	12 080	11 549	11 549	11 549	84 976	57 200	-
Irrecoverable debts written off	-	-	-	0	16 650	16 650	16 650	15 816	16 864	17 985
Operational costs	126 935	118 080	78 672	94 466	86 948	86 948	86 948	86 526	89 901	93 453
Disposal of Fixed and Intangible Assets	46	40 429	7 677	64	64	64	64	0	0	0
Other Losses	-	131	3 616	5 546	3 680	3 680	3 680	3 680	3 680	3 680
Total Expenditure	805 328	897 096	797 488	884 103	905 962	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit)	(141 229)	(188 621)	(44 886)	(33 554)	(42 900)	(42 900)	(42 900)	490	(1 566)	(10 395)
Transfers and subsidies - capital (monetary allocations)	52 856	78 252	38 444	72 237	32 034	32 034	32 034	33 210	36 086	37 217
Transfers and subsidies - capital (in-kind)	2 568	1 804	64 996	50	80 136	80 136	80 136	89 257	107 888	76 040
Surplus/(Deficit) after capital transfers & contributions	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure) excluding capital transfers and contributions.

1. Total revenue excluding capital contributions is R 989 million in 2026/2027 and decreases to R 986 million by 2028/2029. Operating revenue increased by 14.07 per cent for 2026/2027 and decrease by 3.4 per cent for the 2028/2029 financial year.
2. Revenue to be generated from property rates is R 179 million in the 2026/2027 financial year and increases to R 188 million by 2027/2028 which represents 16 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the third largest component of the revenue basket of the Municipality totaling R 408 million for the 2026/2027 financial year and increasing to R 468 million by 2028/2029. For the 2026/2027 financial year services charges amount to 37 per cent of the total revenue base.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Employee related costs and bulk purchases are the main cost drivers within the municipality.

Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)

Vote Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue - Functional										
Multi-year expenditure to be appropriated										
Vote 1 - Directorate Finance	-	-	-	-	-	-	-	-	-	-
Vote 2 - Community Services	-	-	1 455	-	877	877	877	4 051	-	-
Vote 3 - Corporate services	-	-	-	-	-	-	-	-	-	-
Vote 4 - Electricity	11 454	4 782	2 916	-	-	-	-	700	6 271	6 554
Vote 5 - Economic Development and Planning	-	24 486	76 493	37 079	45 318	45 318	45 318	-	-	-
Vote 6 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	26 343	-	-	-	-	-	-	-	-	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	373	-	-	-	-	-	-	-	-	-
Vote 13 - Waste water management	3 460	10 303	2 317	13 594	16 414	16 414	16 414	-	-	-
Vote 14 - Water	18 479	11 491	10 013	-	1 300	1 300	1 300	8 928	35 228	31 517
Vote 15 - Directorate Development and Community Services	1 761	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	61 870	51 062	93 194	50 673	63 909	63 909	63 909	13 679	41 499	38 071
Single-year expenditure to be appropriated										
Vote 1 - Directorate Finance	3 312	1 505	126	110	2 562	2 562	2 562	139	-	-
Vote 2 - Community Services	-	15 774	7 777	6 400	5 000	5 000	5 000	461	-	-
Vote 3 - Corporate services	-	1 383	348	364	470	470	470	300	-	-
Vote 4 - Electricity	11 721	13 080	125	-	-	-	-	-	-	-
Vote 5 - Economic Development and Planning	-	15 853	1 745	8 209	34 909	34 909	34 909	91 406	107 888	76 040
Vote 6 - Office of the Municipal Manager	18	-	-	-	-	-	-	50	-	-
Vote 7 - Housing	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical and Infrastructure Implementation Services	19	45	-	-	450	450	450	1 100	-	-
Vote 9 - Public safety	-	-	-	-	-	-	-	-	-	-
Vote 10 - Road transport	-	-	-	-	-	-	-	-	-	-
Vote 11 - Sport and recreation	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste management	6 393	1 376	-	-	-	-	-	-	-	-
Vote 13 - Waste water management	27 597	8 556	3 472	10 793	7 335	7 335	7 335	22 159	-	-
Vote 14 - Water	17 791	17 532	2 040	12 281	3 589	3 589	3 589	1 563	-	4 728
Vote 15 - Directorate Development and Community Services	16 077	-	-	-	-	-	-	700	-	-
Capital single-year expenditure sub-total	82 929	75 105	15 633	38 157	54 315	54 315	54 315	117 877	107 888	80 768
Total Capital Expenditure - Vote	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Capital Expenditure - Functional										
Governance and administration	10 751	3 619	8 179	6 874	7 582	7 582	7 582	860	-	-
Executive and council	-	-	-	-	-	-	-	50	-	-
Finance and administration	10 732	3 619	8 179	6 874	7 582	7 582	7 582	810	-	-
Internal audit	18	-	-	-	-	-	-	-	-	-
Community and public safety	27 667	47 164	78 796	45 288	80 619	80 619	80 619	95 547	107 888	76 040
Community and social services	636	2 112	65	-	400	400	400	56	-	-
Sport and recreation	441	5 524	1 114	-	877	877	877	4 075	-	-
Public safety	229	360	8	-	-	-	-	10	-	-
Housing	26 360	39 168	77 609	45 288	79 342	79 342	79 342	91 406	107 888	76 040
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	9 113	8 264	971	-	1 384	1 384	1 384	1 800	-	-
Planning and development	1 228	1 217	629	-	1 384	1 384	1 384	1 800	-	-
Road transport	7 885	7 048	341	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	97 268	67 121	20 882	36 668	28 638	28 638	28 638	33 350	41 499	42 799
Energy sources	23 175	17 862	3 040	-	-	-	-	700	6 271	6 554
Water management	36 271	29 024	12 052	12 281	4 889	4 889	4 889	10 491	35 228	36 245
Waste water management	31 056	18 860	5 789	24 387	23 749	23 749	23 749	22 159	-	-
Waste management	6 766	1 376	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839
Funded by:										
National Government	25 311	38 489	25 783	27 537	28 199	28 199	28 199	32 510	30 265	37 217
Provincial Government	27 369	39 763	12 607	44 700	3 834	3 834	3 834	700	-	-
District Municipality	193	-	55	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	2 568	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	55 441	78 252	38 444	72 237	32 034	32 034	32 034	33 210	30 265	37 217
Borrowing	64 750	38 095	0	10 000	-	-	-	-	-	-
Internally generated funds	24 608	9 820	70 382	6 593	86 190	86 190	86 190	98 347	119 122	81 622
Total Capital Funding	144 799	126 167	108 827	88 830	118 224	118 224	118 224	131 556	149 387	118 839

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. 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, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital budget of 2026/2027 makes provision for an amount of R 131 million. This allocation increases to R 149 million in 2027/2028 and decreases to R 118 million in 2028/2029.
3. The capital programme is funded from National and Provincial grants, which includes Municipal Infrastructure Grant (MIG) and Housing and internally generated funds from current year surpluses. For 2026/2027, capital transfers (excluding VAT) totals R 33 million and increase to R 37 million by 2028/29. Internally generated funding totaling R 98 million for 2026/2027 and R 81 million for 2028/2029. These funding sources are further discussed in detail in section 12 (Overview of Budget Funding).

Budgeted Financial Position (Table A6)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Current assets										
Cash and Cash Equivalents	85 916	16 383	17 624	7 964	8 060	8 060	8 060	10 151	21 435	28 762
Short term Investments	-	-	-	-	-	-	-	-	-	-
Trade and other receivables from exchange transactions	40 764	42 632	43 278	44 106	67 388	67 388	67 388	74 492	82 024	90 017
Receivables from non-exchange transactions	22 691	23 362	26 928	38 014	29 844	29 844	29 844	29 468	29 080	28 679
Current portion of non-current receivables	702	16 413	2 267	1 787	2 267	2 267	2 267	2 267	2 267	2 267
Inventory	12 458	8 949	7 859	8 949	7 859	7 859	7 859	7 859	7 859	7 859
VAT Receivable	13 107	13 071	15 223	13 106	-	-	-	-	-	-
Other current assets	611	631	668	631	668	668	668	668	668	668
Total current assets	176 248	121 441	113 847	114 557	116 085	116 085	116 085	124 904	143 331	158 252
Non current assets										
Investments	13 829	249	274	9 341	274	274	274	274	274	274
Investment property	68 483	67 393	67 262	67 393	67 262	67 262	67 262	67 262	67 262	67 262
Property, plant and equipment	1 133 866	1 183 213	1 254 530	1 379 590	1 328 965	1 328 965	1 328 965	1 420 500	1 528 265	1 603 817
Biological assets	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Intangible assets	273	214	158	93	99	99	99	41	30	17
Trade and other receivables from exchange transactions	-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions	940	5 131	7 238	5 131	7 238	7 238	7 238	7 238	7 238	7 238
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	1 217 392	1 256 200	1 329 461	1 461 548	1 403 837	1 403 837	1 403 837	1 495 314	1 603 069	1 678 608
TOTAL ASSETS	1 393 640	1 377 641	1 443 309	1 576 105	1 519 922	1 519 922	1 519 922	1 620 219	1 746 400	1 836 859
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Financial liabilities	21 368	26 957	33 338	29 689	20 114	20 114	20 114	15 987	13 573	9 671
Consumer deposits	5 486	6 145	6 863	6 904	7 206	7 206	7 206	7 566	7 945	8 342
Trade and other payables from exchange transactions	117 483	196 945	216 887	289 408	246 737	246 737	246 737	221 608	199 237	177 264
Trade and other payables from non-exchange transactions	-	-	-	652	13 042	13 042	13 042	13 042	13 042	13 042
Provision	30 565	33 270	30 712	47 506	32 248	32 248	32 248	33 860	35 553	37 331
VAT Payable	-	-	-	-	11 122	11 122	11 122	11 122	11 122	11 122
Other current liabilities	5 963	7 472	13 404	-	4 867	4 867	4 867	5 110	5 366	5 634
Total current liabilities	180 865	270 790	301 204	374 159	335 335	335 335	335 335	308 295	285 837	262 405
Non current liabilities										
Financial liabilities	181 287	154 400	124 653	113 549	104 401	104 401	104 401	88 414	74 841	65 170
Provision	179 917	174 521	210 111	137 313	148 040	148 040	148 040	162 020	176 559	191 680
Long term portion of trade payables	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	-	-	-	78 652	81 359	81 359	81 359	87 746	93 011	98 591
Total non current liabilities	361 204	328 922	334 764	329 514	333 799	333 799	333 799	338 180	344 411	355 442
TOTAL LIABILITIES	542 069	599 712	635 968	703 673	669 135	669 135	669 135	646 475	630 248	617 846
NET ASSETS	851 571	777 929		-	850 788	850 788	850 788	973 744	1 116 152	1 219 013
COMMUNITY WEALTH/EQUITY										
Accumulated surplus/(deficit)	781 543	723 213	781 765	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013
Reserves and funds	50 052	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	831 596	723 213	781 765	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with the standards of Generally Recognized Accounting Practice (GRAP), as with the financial Statements, and improves understandability of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily convertible into cash, or liabilities immediately required to be met from cash, appear first.
3. 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
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Budgeted Cash Flows (Table A7)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue - Functional Receipts										
Property rates	130 393	149 082	157 204	164 590	165 289	165 289	165 289	177 139	185 996	195 296
Service charges	228 345	265 235	296 988	307 731	319 897	319 897	319 897	352 542	377 787	404 934
Other revenue	16 807	23 566	22 421	56 218	48 047	48 047	48 047	38 903	40 456	42 071
Transfers and Subsidies - Operational	144 889	189 864	60 366	166 497	160 341	160 341	160 341	180 298	185 737	189 690
Transfers and Subsidies - Capital	53 130	77 999	103 395	72 237	30 487	30 487	30 487	33 210	36 086	37 217
Interest	10 653	6 135	7 918	9 391	6 246	6 246	6 246	6 011	6 249	6 500
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(586 937)	(606 299)	(577 538)	(643 794)	(628 181)	(628 181)	(628 181)	(710 228)	(752 283)	(802 492)
Finance charges	(14 073)	(21 623)	(16 637)	(24 274)	(33 274)	(33 274)	(33 274)	(14 591)	(11 638)	(9 915)
Transfers and Subsidies	(8 427)	(8 123)	(4 916)	(12 080)	(11 549)	(11 549)	(11 549)	(12)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(25 220)	75 837	49 202	96 516	57 303	57 303	57 303	63 272	68 391	63 302
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	1 072	678	1 207	50	50	50	50	872	(0)	(0)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(1 047)	6 157	(692)	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(142 504)	(124 363)	(41 146)	(88 780)	(33 783)	(33 783)	(33 783)	(42 299)	(41 499)	(42 799)
Retention (Capital)	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(141 433)	(124 731)	(33 782)	(89 422)	(33 734)	(33 734)	(33 734)	(41 427)	(41 499)	(42 799)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	103 715	-	-	10 000	-	-	-	-	-	-
Increase (decrease) in consumer deposits	518	659	718	391	343	343	343	360	378	397
Payments										
Repayment of borrowing	(17 646)	(21 298)	(14 896)	(21 257)	(33 477)	(33 477)	(33 477)	(20 114)	(15 987)	(13 573)
NET CASH FROM/(USED) FINANCING ACTIVITIES	86 587	(20 640)	(14 178)	-	(33 134)	(33 134)	(33 134)	(19 753)	(15 609)	(13 175)
NET INCREASE/ (DECREASE) IN CASH HELD	(80 066)	(69 534)	1 242	7 094	(9 565)	(9 565)	(9 565)	2 092	11 283	7 327
Cash/cash equivalents at the year begin:	165 982	85 916	16 383	11 736	17 624	17 624	17 624	8 060	10 151	21 435
Cash/cash equivalents at the year end:	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Cash and cash equivalents at year end totals R 10 million for 2026/2027 financial year and increase to R 28 million by the end of 2028/2029.

Cash Backed reserves/accumulated surplus reconciliation (Table A8)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-
Non current Investments	13 829	249	274	9 341	274	274	274	274	274	274
Cash and investments available:	99 745	16 632	17 898	28 171	8 334	8 334	8 334	10 425	21 708	29 036
Application of cash and investments										
Unspent conditional transfers	-	-	-	652	9 543	9 543	9 543	9 543	9 543	9 543
Unspent borrowing										
Statutory requirements										
Other working capital requirements	66 157	122 847	148 271	213 643	155 104	155 104	155 104	124 954	96 353	67 749
Other provisions	36 528	40 743	44 116	47 506	37 114	37 114	37 114	38 970	40 919	42 964
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	50 052	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	152 737	163 590	192 387	261 801	201 761	201 761	201 761	173 467	146 815	120 256
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table above it can be seen that the situation improves from -R 163 million shortfall to - R 91 million shortfalls.

Asset Management (Table A9)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	68 898	58 057	81 438	45 762	83 274	83 274	100 372	110 201	98 038
<i>Roads Infrastructure</i>	8 707	11 847	341	45 288	79 342	79 342	91 406	107 888	76 040
<i>Storm water Infrastructure</i>	3 559	8 108	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	9 473	4 880	2 666	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	6 888	20 793	-	-	-	-	1 563	2 313	21 998
<i>Sanitation Infrastructure</i>	8 741	5 450	77 609	-	-	-	6 529	-	-
<i>Solid Waste Infrastructure</i>	6 311	-	-	-	-	-	-	-	-
Infrastructure	43 679	51 079	80 616	45 288	79 342	79 342	99 498	110 201	98 038
Community Facilities	874	2 587	-	-	450	450	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	874	2 587	-	-	450	450	-	-	-
Operational Buildings	865	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Other Assets	865	-	-	-	-	-	-	-	-
Computer Equipment	152	1 521	451	50	2 237	2 237	390	-	-
Furniture and Office Equipment	1 387	770	363	374	515	515	120	-	-
Machinery and Equipment	20 210	2 099	8	50	730	730	364	-	-
Transport Assets	1 731	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	10 572	6 829	309	-	-	-	91	-	-
<i>Electrical Infrastructure</i>	1 075	6 551	62	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>	7 456	-	247	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>	50	54	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>	373	-	-	-	-	-	-	-	-
Infrastructure	8 953	6 605	309	-	-	-	-	-	-
Community Facilities	1 563	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	79	-	-	-	-	-	-	-
Community Assets	1 563	79	-	-	-	-	-	-	-
Computer Equipment	-	35	-	-	-	-	-	-	-
Furniture and Office Equipment	-	36	-	-	-	-	16	-	-
Machinery and Equipment	56	75	-	-	-	-	75	-	-
Total Upgrading of Existing Assets	65 328	61 281	27 079	43 068	34 950	34 950	31 094	39 186	20 801
<i>Roads Infrastructure</i>	4 704	6 769	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>	1 785	6 395	312	-	-	-	700	6 271	6 554
<i>Water Supply Infrastructure</i>	21 416	18 386	1 793	5 000	3 800	3 800	8 928	32 915	14 247
<i>Sanitation Infrastructure</i>	30 368	21 838	15 802	31 668	24 838	24 838	15 614	-	-
<i>Solid Waste Infrastructure</i>	83	1 087	-	-	-	-	-	-	-
Infrastructure	58 355	54 475	17 907	36 668	28 638	28 638	25 242	39 186	20 801
Community Facilities	727	1 140	640	-	884	884	1 800	-	-
Sport and Recreation Facilities	441	5 445	1 114	-	877	877	4 051	-	-
Community Assets	1 169	6 585	1 754	-	1 762	1 762	5 851	-	-
Furniture and Office Equipment	422	145	-	-	-	-	-	-	-
Machinery and Equipment	-	76	-	-	-	-	-	-	-
Transport Assets	5 382	-	7 419	6 400	4 550	4 550	-	-	-

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
CAPITAL EXPENDITURE									
Total Capital Expenditure	144 799	126 167	108 827	88 830	118 224	118 224	131 556	149 387	118 839
Roads Infrastructure	13 411	18 616	341	45 288	79 342	79 342	91 406	107 888	76 040
Storm water Infrastructure	3 559	8 108	-	-	-	-	-	-	-
Electrical Infrastructure	12 332	17 827	3 040	-	-	-	700	6 271	6 554
Water Supply Infrastructure	35 760	39 179	2 040	5 000	3 800	3 800	10 491	35 228	36 245
Sanitation Infrastructure	39 158	27 342	93 411	31 668	24 838	24 838	22 144	-	-
Solid Waste Infrastructure	6 766	1 087	-	-	-	-	-	-	-
Infrastructure	110 987	112 159	98 832	81 956	107 980	107 980	124 740	149 387	118 839
Community Facilities	3 165	3 727	640	-	1 334	1 334	1 800	-	-
Sport and Recreation Facilities	441	5 524	1 114	-	877	877	4 051	-	-
Community Assets	3 606	9 251	1 754	-	2 212	2 212	5 851	-	-
Operational Buildings	865	-	-	-	-	-	-	-	-
Other Assets	865	-	-	-	-	-	-	-	-
Computer Equipment	152	1 556	451	50	2 237	2 237	390	-	-
Furniture and Office Equipment	1 809	951	363	374	515	515	136	-	-
Machinery and Equipment	20 266	2 250	8	50	730	730	439	-	-
Transport Assets	7 113	-	7 419	6 400	4 550	4 550	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	144 799	126 167	108 827	88 830	118 224	118 224	131 556	149 387	118 839
ASSET REGISTER SUMMARY - PPE (WDV)	1 202 754	1 250 872	1 393 787	1 447 076	1 396 326	1 396 326	1 487 803	1 595 557	1 671 096
Roads Infrastructure	160 201	142 124	150 945	192 013	223 381	223 381	310 601	414 137	485 649
Storm water Infrastructure	43 877	61 306	60 813	60 320	48 955	48 955	48 467	47 960	47 432
Electrical Infrastructure	133 572	151 327	152 235	148 656	140 469	140 469	137 466	139 886	142 435
Water Supply Infrastructure	205 210	232 793	229 110	226 859	224 270	224 270	227 562	255 303	283 762
Sanitation Infrastructure	334 579	333 161	468 095	490 735	439 052	439 052	451 888	442 208	432 141
Solid Waste Infrastructure	67 829	69 643	66 059	62 475	55 744	55 744	46 935	37 774	28 245
Infrastructure	945 269	990 353	1 127 257	1 181 058	1 131 872	1 131 872	1 222 920	1 337 268	1 419 665
Community Assets	278	246	5 358	5 235	2 306	2 306	8 157	8 157	8 157
Investment properties	68 565	67 393	67 393	67 393	67 262	67 262	67 262	67 262	67 262
Other Assets	85 140	89 869	87 946	86 023	88 716	88 716	87 732	86 708	85 643
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	273	214	154	93	99	99	41	30	17
Computer Equipment	5 643	6 321	6 642	5 930	6 763	6 763	6 454	5 727	4 971
Furniture and Office Equipment	5 376	5 677	4 342	4 108	4 768	4 768	4 325	3 722	3 095
Machinery and Equipment	6 490	6 369	5 590	4 848	5 169	5 169	4 837	4 036	3 203
Transport Assets	43 889	42 507	47 184	50 466	47 539	47 539	44 243	40 816	37 251
Land	41 832	41 922	41 922	41 922	41 832	41 832	41 832	41 832	41 832
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 202 754	1 250 872	1 393 787	1 447 076	1 396 326	1 396 326	1 487 803	1 595 557	1 671 096
EXPENDITURE OTHER ITEMS	153 848	194 750	166 986	184 222	188 152	188 152	192 645	203 042	214 105
Depreciation	32 476	34 188	41 321	35 541	43 848	43 848	40 079	41 633	43 300
Repairs and Maintenance by Asset Class	121 372	160 562	125 666	148 681	144 304	144 304	152 566	161 409	170 805
Roads Infrastructure	25 447	41 776	26 062	28 898	27 192	27 192	31 891	33 935	36 117
Storm water Infrastructure	84	26	30	210	156	156	260	270	281
Electrical Infrastructure	13 609	13 604	12 053	15 283	13 612	13 612	14 702	15 635	16 630
Water Supply Infrastructure	18 914	26 083	17 986	21 459	21 714	21 714	22 113	23 390	24 747
Sanitation Infrastructure	27 303	35 759	32 070	34 231	34 493	34 493	33 473	35 486	37 630
Solid Waste Infrastructure	3 683	2 135	3 327	4 718	3 750	3 750	2 621	2 947	2 947
Infrastructure	89 039	119 382	91 528	104 798	100 917	100 917	105 060	111 496	118 353
Community Facilities	15 983	15 197	11 244	13 604	12 438	12 438	15 110	16 042	17 034
Sport and Recreation Facilities	429	1 645	159	394	612	612	288	300	312
Community Assets	16 412	16 842	11 403	13 998	13 051	13 051	15 398	16 341	17 346
Revenue Generating	24	11	-	-	-	-	31	32	33
Non-revenue Generating	-	-	21	40	50	50	31	32	33
Investment properties	24	11	21	40	50	50	61	63	66
Operational Buildings	8 743	8 342	6 816	10 533	11 245	11 245	11 903	12 558	13 253
Housing	1 394	1 705	839	818	706	706	744	774	805
Other Assets	10 137	10 047	7 655	11 352	11 950	11 950	12 647	13 332	14 057
Licences and Rights	-	8 324	8 777	9 905	9 806	9 806	10 139	10 545	10 967
Intangible Assets	-	8 324	8 777	9 905	9 806	9 806	10 139	10 545	10 967
Furniture and Office Equipment	236	223	217	206	206	206	222	230	240
Machinery and Equipment	990	888	1 812	764	1 108	1 108	950	988	1 027
Transport Assets	4 533	4 845	4 252	7 618	7 217	7 217	8 089	8 413	8 749
TOTAL EXPENDITURE OTHER ITEMS	153 848	194 750	166 986	184 222	188 152	188 152	192 645	203 042	214 105
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	52.4%	54.0%	25.2%	48.5%	29.6%	29.6%	23.7%	26.2%	17.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	233.7%	199.2%	66.3%	121.2%	79.7%	79.7%	77.8%	94.1%	48.0%
<i>R&M as a % of PPE & Investment Property</i>	10.1%	12.2%	8.4%	9.6%	9.6%	9.6%	9.6%	9.5%	9.6%
<i>Renewal and upgrading and R&M as a % of PPE and Investment Property</i>	16.4%	17.6%	10.4%	12.6%	12.1%	12.1%	11.7%	11.9%	10.8%

Explanatory notes to Table A9 - Asset Management

1. 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.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The 2026/2027 final capital budget allocation for renewal of existing assets as % of total capex amounts to 23.7% which is above the National treasury requirement. The recommendation on repairs and maintenance is met as the repairs and maintenance spends as a percentage of written down value of assets is 9.6%. The reasons for the compliance with this National Treasury guideline are due to the implementation of mSCOA where the repairs and maintenance are allocated to projects which include all components related to repairs and maintenance. Repairs and maintenance expenditure will also gradually increase to above the guideline levels of 8%. The spending should also be aligned with the municipality's maintenance plans regarding affordability and other priorities.

Basic Service Delivery measurement (Table A10)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets									
Water:									
Piped water inside dwelling	37 493	38 617	40 105	41 308	41 308	41 308	42 548	43 824	44 920
Piped water inside yard (but not in dwelling)	13 167	13 562	13 969	14 388	14 388	14 388	14 820	15 264	15 646
Using public tap (at least min.service level)	7 887	8 124	8 397	8 681	8 681	8 681	8 941	9 209	9 439
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	58 546	60 303	62 471	64 377	64 377	64 377	66 309	68 297	70 004
Using public tap (< min.service level)	206	206	212	220	220	220	220	220	226
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	2 492	2 567	2 644	1 900	1 900	1 900	1 750	1 550	1 589
<i>Below Minimum Service Level sub-total</i>	2 698	2 773	2 856	2 120	2 120	2 120	1 970	1 770	1 814
Total number of households	61 244	63 076	65 327	66 497	66 497	66 497	68 279	70 067	71 819
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	18 100	18 643	19 202	19 778	19 778	19 778	20 371	20 982	21 507
Flush toilet (with septic tank)	14 512	14 947	15 423	15 500	15 500	15 500	15 505	15 515	15 903
Chemical toilet	84	84	87	70	70	70	70	70	72
Pit toilet (ventilated)	144	144	148	130	130	130	130	130	133
Other toilet provisions (> min.service level)	7 560	7 560	7 787	7 790	7 790	7 790	7 790	7 790	7 985
<i>Minimum Service Level and Above sub-total</i>	40 399	41 378	42 647	43 268	43 268	43 268	43 866	44 487	45 599
Bucket toilet	65	65	60	30	30	30	30	30	31
Other toilet provisions (< min.service level)	150	150	130	100	100	100	100	100	103
No toilet provisions	1 373	1 373	950	500	500	500	500	500	513
<i>Below Minimum Service Level sub-total</i>	1 588	1 588	1 140	630	630	630	630	630	646
Total number of households	41 987	42 966	43 787	43 898	43 898	43 898	44 496	45 117	46 245
Energy:									
Electricity (at least min.service level)	40	50	50	39	39	39	39	39	39
Electricity - prepaid (min.service level)	7 800	7 600	7 600	8 500	8 500	8 500	8 500	8 500	8 500
<i>Minimum Service Level and Above sub-total</i>	7 840	7 650	7 650	8 539	8 539	8 539	8 539	8 539	8 539
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	7 840	7 650	7 650	8 539	8 539	8 539	8 539	8 539	8 539
Refuse:									
Removed at least once a week	42 915	43 926	43 926	-	-	-	43 926	43 926	43 926
<i>Minimum Service Level and Above sub-total</i>	42 915	43 926	43 926	-	-	-	43 926	43 926	43 926
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
Total number of households	42 915	43 926	43 926	-	-	-	43 926	43 926	43 926
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-	-	-
Informal Settlements	-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	(11 869)	(13 510)	(14 977)	(16 051)	(15 483)	(15 483)	(15 483)	(16 722)	(18 059)
Sanitation (free sanitation service to indigent households)	(13 450)	(13 672)	(14 934)	(15 677)	(14 805)	(14 805)	(14 805)	(15 471)	(16 090)
Electricity/other energy (50kwh per indigent household per month)	(5 156)	(6 133)	(6 416)	(7 672)	(6 676)	(6 676)	(6 676)	(7 210)	(7 787)
Refuse (removed once a week for indigent households)	(15 079)	(15 392)	(16 764)	(17 592)	(16 618)	(16 618)	(16 618)	(18 599)	(19 343)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	-	-	-	-	-	-	-	-	-
Total cost of FBS provided	(45 554)	(48 707)	(53 091)	(56 991)	(53 582)	(53 582)	(53 582)	(58 002)	(61 279)
Highest level of free service provided per household									
Property rates (R value threshold)	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	190	202	213	224	224	224	234	242	249
Electricity (kwh per household per month)	70	70	70	70	70	70	70	70	70
Refuse (average litres per week)	250	250	250	250	250	250	280	290	299
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	(9 633)	(9 763)	(11 737)	(18 698)	(1 229)	(1 229)	(1 229)	(1 290)	(1 355)
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	(9 633)	(9 763)	(11 737)	(18 698)	(1 229)	(1 229)	(1 229)	(1 290)	(1 355)

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The Municipality continues to make good progress with the eradication of backlogs:
 - a. Water services
 - b. Sanitation services
 - c. Electricity services
 - d. Refuse services
3. It is anticipated that these Free Basic Services will cost the municipality R 53 million in 2026/2027, increasing to R 61 million in 2028/2029. This is covered by the municipality's equitable share allocation from national government. The budgeted amount does not include the cost of R 30 million for the ± 21 837 informal settlements.
4. The Threshold to receive FBE in Theewaterskloof is two times the state old age pension. This threshold was decided on after taking into account the socio-economic and other conditions presently prevalent in the Theewaterskloof Municipal area. The methodology behind this threshold is viewed to be one that is practical, fair, equitable, and justifiable and it does not alienate any group of households. The old age pension is viewed as a relatively accurate measurement of poverty and affordability of municipal services. Decreasing the threshold will in any event result in an escalation of bad debt.

6. Overview of Annual Budget Process

- **Political oversight of the budget process**

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the Mayor of a municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Executive Mayor (chairperson), councillors and the Municipal Manager and senior officials of the Municipality advising the committee members.

The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation
- That there is proper alignment between the policy and service delivery priorities set out in the Theewaterskloof Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget guidelines were developed by the Budget and Treasury Office and submitted and approved by the Budget Steering Committee. Various Budget Steering Committee meetings were held where the draft/final budget was discussed. These meetings were held as follows:

- 16 April 2026
- 18 May 2026
- 19 May 2026

Section 21(1) of the MFMA states that the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's Integrated Development Plan and budget related policies to ensure that the tabled budget and any revisions of the Integrated Development Plan and budget-related policies are mutually consistent and credible.

Furthermore, this section also states that the Mayor must at least 10 months before the start of the budget year, table in municipal council, a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget.

- **Schedule of Key Deadlines relating to budget process [MFMA s21 (1) (b)]**

The IDP and Budget time schedule of the 2025/2026 budget cycle was approved by Council on the 22nd of August 2025, ten months before the start of the budget year in compliance with legislative directives.

- ***Process used to integrate the review of the IDP and preparation of the Budget***

Updating the IDP and Budget is an evolving and re-iterative process over a 10-month period. The initial parallel process commenced with the consultative process of the IDP in 2017 and the update of the MTREF to determine the affordability and sustainability framework at the same time. The compilation of the new five year IDP process was undertaken in 2021, and review will be adopted in May 2026.

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. The Strategic Plan included the following key IDP goals:

- Financial Sustainability
- Good Governance and Clean Audit
- Institutional Capacity Development
- Basic Service Delivery and Infrastructure
- Local Economic Development and Social Upliftment
- Sustainable Housing Programme
- Environmental Sustainability

The IDP has been taken into a business and financial planning process leading up to the 2026/2027 MTREF, based on the approved 2025/2026 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections. Business planning links back to priority needs and master planning and essentially informed the detail operating budget appropriations and three-year capital programme.

7. Overview of Alignment of Annual Budget with IDP

An IDP should be utilised as a method to plan for future developments in the areas and to find the best solutions to achieve 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. It is important that the IDP developed by municipalities correlate with National and Provincial intent.

The aim of this 1st revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. It gave council the opportunity to review the progress made in terms of its initial 5-year plan and objectives. This further allows for the opportunity to decide whether council should remain with current strategies, adapt, amend or implement new strategies should changing circumstances so demand. One of the key objectives is therefore to ensure that there exists alignment between national, provincial and local priorities, policies and strategies.

It is considered that a well-run budget process that incorporates the IDP will facilitate community input, encourage discussion, promote a better understanding of community needs, provide an opportunity for feedback, and improve accountability, transparency, and responsiveness to the needs of the local communities.

Vision of Theewaterskloof Municipality

A Theewaterskloof where all of its people and key stakeholders are working together in establishing and developing a sustainable environment within which all of its people can live in peace, harmony and dignity and an economy able to create working and wealth opportunities for all.

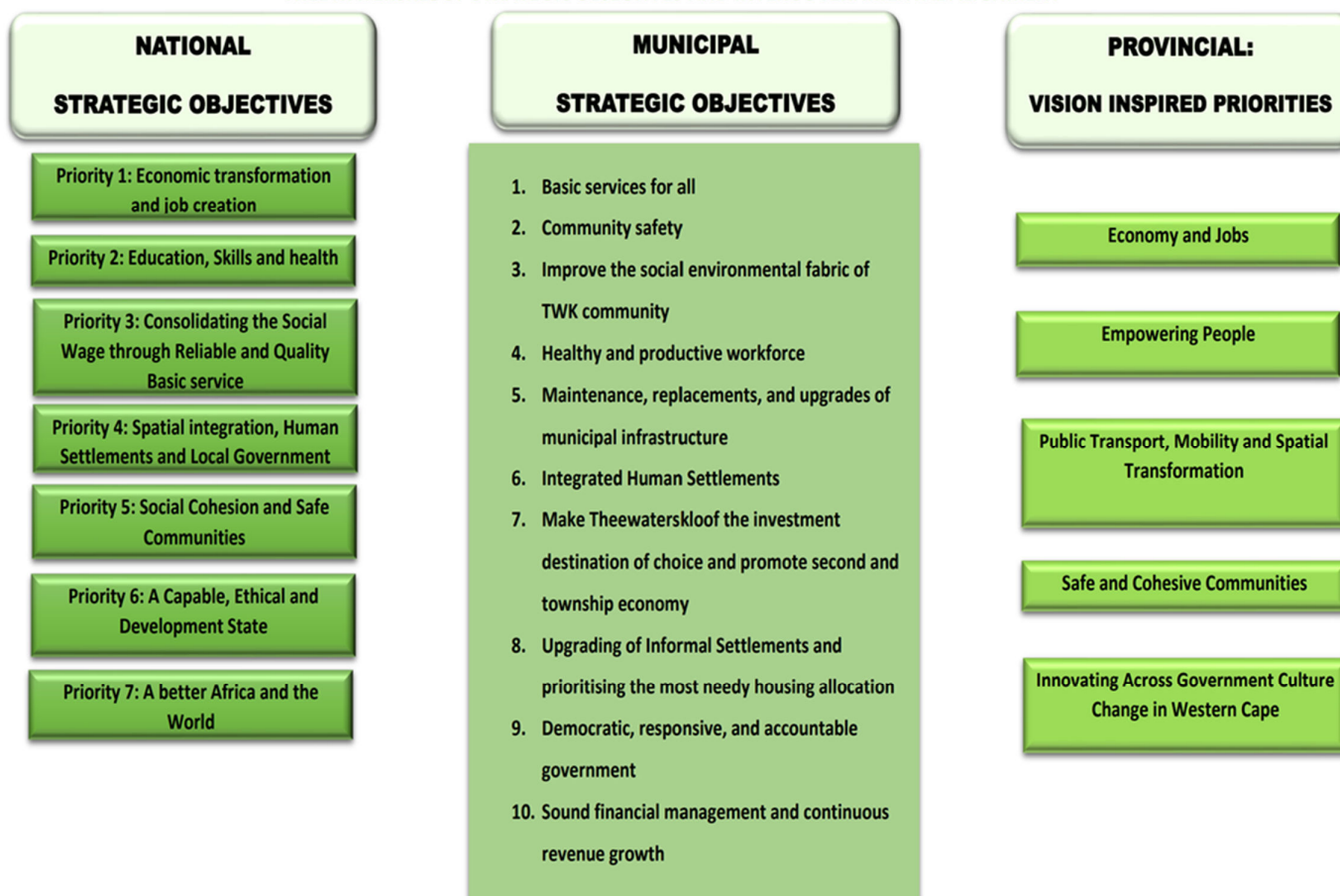
Mission of Theewaterskloof Municipality

To create and sustain an environment which shall enhance the socio-economic development capacity and impact of the Theewaterskloof Municipality in accordance with the Vision as stated above.

STRATEGIC FOCUS AREAS (SFA)

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. The municipality opted to focus on five strategic areas which would result in it overcoming its challenges and achieving its vision.

THEWATERSKLOOF STRATEGIC OBJECTIVES AND INTERGOVERNMENTAL ALIGNMENT



The 2025/2026 MTREF has therefore been directly informed by the IDP revision process, and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure

Reconciliation between the IDP strategic objectives and budgeted revenue (Table SA4)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	259 336	276 509	298 755	332 102	323 456	323 456	332 684	354 804	367 043
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	4 981	2 213	2 275	1 724	2 241	2 241	1 988	2 063	2 141
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	339	1 251	523	5 633	4 045	4 045	3 741	3 745	3 749
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	395	-	-	1 114	2 862	2 862	3 772	3 008	3 120
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5		1 686	1 565	1 931	1 931	1 931	1 913	1	1
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	366 489	398 173	408 036	459 437	480 461	480 461	510 370	521 167	556 184
Basic Service Delivery	Improved Environmental Management	SO7	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	8 419	27 222	36 173	35 160	49 166	49 166	49 431	51 408	53 464
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing Projects,	SO9	24 142	845	5 275	12 080	11 339	11 339	84 964	57 200	-
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	-	-	-	-	-	-	-	-	-
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	-	577	-	1 368	1 368	1 368	1 077	1 117	1 158
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	-	-	-	-	-	-	-	-	-
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			664 099	708 476	752 602	850 549	876 868	876 868	989 939	994 511	986 860

Reconciliation between the IDP strategic objectives and budgeted operating expenditure (Table SA5)

Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	SO1	66 783	73 496	80 754	93 754	90 579	90 579	87 627	91 342	96 429
Good Governance	To provide democratic, responsive and accountable government for the local communities	SO2	44 794	40 040	37 427	41 072	44 912	44 912	38 652	40 927	43 346
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	SO3	40 339	31 608	40 896	47 047	44 825	44 825	47 873	50 037	52 340
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	SO4	52 843	66 043	33 721	34 023	37 174	37 174	35 993	35 830	37 485
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	SO5	-	12 738	12 790	15 269	14 900	14 900	21 041	22 539	24 144
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	SO6	526 261	585 571	494 077	537 008	565 297	565 297	559 684	580 087	618 572
Basic Service Delivery	Improved Environmental Management	SO7	3 481	4 576	2 802	2 873	3 416	3 416	3 661	3 808	3 960
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	SO8	61 200	53 793	60 711	68 226	79 118	79 118	77 213	81 466	85 973
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing	SO9	9 626	8 526	13 616	20 835	19 930	19 930	93 394	66 224	9 673
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	SO10	-	8 403	7 798	7 234	6 938	6 938	7 481	7 874	8 290
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	SO11	-	10 628	10 896	15 211	13 577	13 577	13 603	12 491	13 347
Local Economic Development	Promote the second and Township economy (SMME Development)	SO12	-	1 676	1 999	1 552	3 797	3 797	3 226	3 453	3 697
Allocations to other priorities											
Total Expenditure			805 328	897 096	797 488	884 103	924 464	924 464	989 449	996 078	997 256

Reconciliation between the IDP strategic objectives and budgeted capital expenditure (Table SA6)

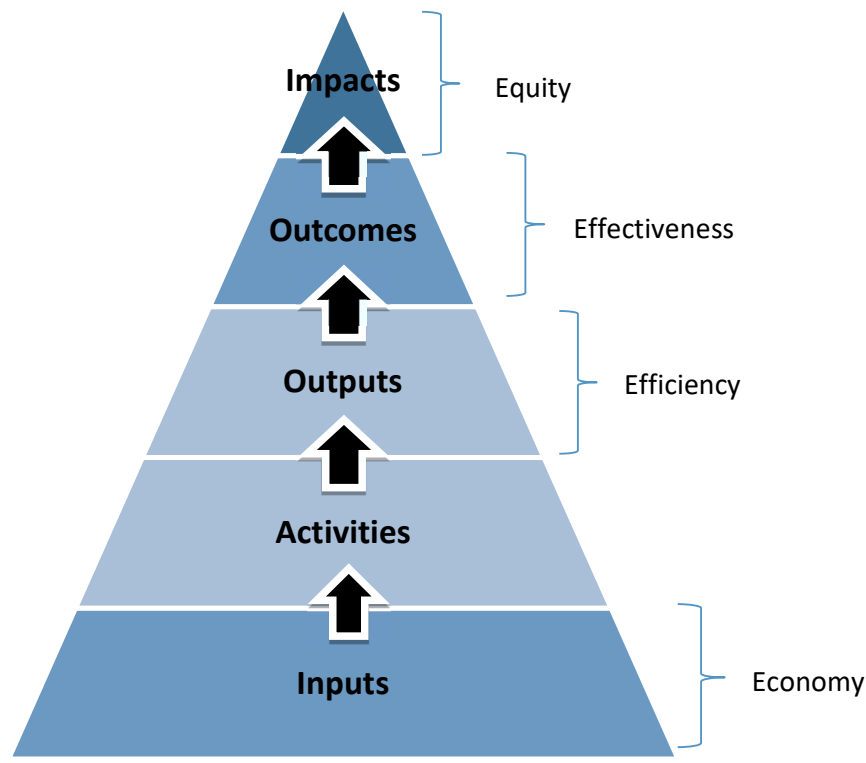
Strategic Objective	MTDP Service Outcome	IUDF	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Viability	Work towards a sustainable future through sound financial management and continuous revenue growth	S01	1 186	–	1 081	–	1 550	1 550	6	–	–
Good Governance	To provide democratic, responsive and accountable government for the local communities	S02	77	179	75	–	–	–	83	–	–
Institutional Development	To ensure a healthy and productive workforce by creating a conducive working environment	S03	227	135	–	–	–	–	–	–	–
Institutional Development	Refine and Improve the institutional Capacity of the Municipality	S04	3 357	2 575	–	6 874	8 164	8 164	567	–	–
Basic Service Delivery	To ensure continuous and sustainable maintenance, replacements and upgrades of municipal infrastructure	S05	–	45	26 450	–	–	–	1 100	–	–
Basic Service Delivery	To maintain and improve basic service delivery and social amenities for the TWK community.	S06	100 155	81 769	2 975	36 668	33 153	33 153	37 685	41 499	42 799
Basic Service Delivery	Improved Environmental Management	S07	4	–	–	–	–	–	–	–	–
Basic Service Delivery	Increase Community Safety through traffic policing, bylaw enforcement	S08	8 066	1 124	8	–	–	–	10	–	–
Basic Service Delivery	Ensure the provision of Sustainable and integrated Human Settlements through Accelerating Affordable Housing	S09	31 728	39 199	77 609	45 288	78 724	78 724	91 406	107 888	76 040
Basic Service Delivery	Upgrading of informal Settlements and Prioritising the most needy in housing allocation	S010	–	–	–	–	–	–	–	–	–
Local Economic Development	Create an enabling environment in order to maintain existing business and attract new investments into the TWK area.	S011	–	1 140	629	–	–	884	700	–	–
Local Economic Development	Promote the second and Township economy (SMME Development)	S012	–	–	–	–	–	–	–	–	–
Allocations to other priorities											
Total Capital Expenditure			144 799	126 167	108 827	88 830	121 591	122 476	131 556	149 387	118 839

8. 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. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

Performance information needs to be structured to demonstrate clearly how the municipality uses available resources to deliver on its strategic objectives.

In managing for results, budgets are developed in relation to inputs, activities and outputs, while the aim is to manage towards achieving the outcomes and impacts. The image below illustrates the relationship between these core performance information concepts.



Economy indicators: explore whether specific inputs are acquired at the lowest cost and at the right time.

Efficiency indicators: explore how productively inputs are translated into outputs. An efficient operation maximises the level of output for a given set of inputs, or it minimises the inputs required to produce a given level of output.

Effectiveness indicators: explore the extent to which the outputs of an institution achieve the desired outcomes. An effectiveness indicator assumes a model of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals.

Equity indicators: explore whether services are being provided impartially, fairly and equitably. Equity indicators reflect the extent to which an institution has achieved and been able to maintain an equitable supply of comparable outputs across demographic groups, regions, urban and rural areas, and so on.

The following table sets out the municipality's main performance objectives and benchmarks for the 2026/2027 MTREF.

Key financial indicators and ratios (table SA8)

Description of financial indicator	Basis of calculation	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating		-	-	-	-	-	-	-			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	6,2%	7,0%	7,8%	7,8%	9,7%	9,7%	9,7%	7,3%	5,1%	4,8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	7,6%	8,9%	8,3%	8,1%	10,2%	10,2%	10,2%	7,3%	5,1%	4,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	421,5%	0,0%	0,0%	151,7%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity											
Current Ratio	Current assets/current liabilities	1,0	0,4	0,4	0,3	0,3	0,3	0,3	0,4	0,5	0,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,0	0,4	0,4	0,3	0,3	0,3	0,3	0,4	0,5	0,6
Liquidity Ratio	Monetary Assets/Current Liabilities	0,7	0,2	0,2	0,1	0,2	0,2	0,2	0,3	0,4	0,5
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0,0%	129,5%	134,3%	132,0%	119,1%	125,2%	125,2%	125,2%	124,4%	123,9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		129,5%	134,3%	132,0%	119,1%	125,2%	125,2%	125,2%	124,4%	123,9%	123,4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17,6%	15,9%	15,6%	15,0%	12,2%	12,2%	12,2%	10,6%	10,5%	10,5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Creditors to Cash and Investments		136,7%	1202,1%	1230,6%	1536,9%	3061,3%	3061,3%	3061,3%	2183,0%	929,5%	616,3%
Other Indicators											
	Total Volume Losses (kW) technical	3997	2012571	2137761	3 997,00	3 997,00	3 997,00	3 997,00	3 997,00	3 997,00	3 997,00
	Total Volume Losses (kW) non technical	0			-	-	-	-	-	-	-
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	-	2 707	3 086	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-	-	7%	7%	7%	3,7%	3,7%	3,7%	3,7%
Water Volumes :System input	Bulk Purchase	0	0	0	-	-	-	-	-	-	-
	Water treatment works	0	0	0	-	-	-	-	-	-	-
	Natural sources	0	0	0	-	-	-	-	-	-	-
	Total Volume Losses (kℓ)	1 748	1300755	916802	1 748	1 748	1 748	190 775,00	910 775,00	910 775,00	910 775,00
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)		8 312	6 210	-	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated				16,15	16,2%	16,2%	0,0%	1615,0%	16,2%	16,2%
Employee costs	Employee costs/(Total Revenue - capital revenue)	37,2%	38,9%	37,4%	37,1%	36,3%	36,3%	36,3%	32,3%	34,4%	37,1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	39,1%	40,7%	39,2%	38,9%	38,3%	38,3%	38,8%	33,8%	36,0%	38,7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18,3%	22,7%	16,7%	17,5%	16,7%	16,7%	17,7%	15,4%	16,2%	17,3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9,8%	10,7%	11,8%	9,8%	11,4%	11,4%	11,4%	9,3%	7,7%	7,8%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24,2	31,1	24,6	21,4	21,7	21,7	33,0	44,5	49,5	49,2
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16,9%	14,3%	14,2%	14,8%	9,5%	9,5%	9,5%	8,6%	8,0%	7,4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,3	0,2	0,2	0,3	0,1	0,1	0,1	0,1	0,3	0,3

Performance indicators and benchmarks

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, Theewaterskloof Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The municipality's debt portfolio is consisting out of annuity loans. The following financial performance indicators have formed part of the compilation of the 2026/2027 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. The cost of borrowing is 7.3 per cent in 2026/2027 and 5.1 per cent from 2027/2028 and 4.8 per cent for 2028/2029.
- While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as the municipality has to consider the impact of finance charges and capital repayments on tariffs.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

Safety of Capital

- *The gearing ratio* is a measure of the total long-term borrowings over funds and reserves. Lower figures are more acceptable, showing that the company is predominantly financed by equity whilst high gearing shows an over reliance on borrowings for a significant proportion of the municipality's capital requirements.

Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and the benchmark would normally be set at a limit of 1, hence at no point in time should this ratio be less than 1. In the 2026/2027 financial year the current ratio is 0.4 in 2026/2027, 0.5 in 2027/2028 and 0.6 in the 2028/2029 financial year. Going forward it will be necessary to increase these levels to allow the municipality to be able to pay its liabilities when it falls due.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish 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 one indicates a shortage in cash to meet creditor obligations. The ratio is forecast at 0.3 in 2026/2027, 0.4 in 2027/2028 and 0.5 in the 2028/2029 financial year.

Revenue Management

As part of the financial sustainability strategy, initiatives have been implemented to increase cash inflow such as demand management water and prepaid electricity meters for all. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection. Various other interventions are currently in process such as data cleansing and the task team for revenue management investigating the critical causes of a low collection rate which include systems, processes and data management.

Creditors Management

The municipality has managed to ensure that their current creditors are settled within the legislated 30 days of invoice. The municipality endeavours to fulfil its commitments and ensure payment to Eskom.

Other Indicators

- The electricity distribution losses have been set at 3 996 935kw for 2026/2027. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity, including prepaid meters.
- The water distribution losses target is set at 910 775kl. Initiatives such as free water leakage repair for indigent and prepaid water meters will assist in this regard.
- Employee costs as a percentage of operating revenue are 32.3% in the 2026/2027 and 34.4% in 2027/2028 and 37.1% in 2028/2029.

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2026/2027 financial year R 53 million provision have been made for indigent's household in the budget but do not include the cost of services of ± 21 837 informal settlements. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water and sanitation, 70 kwh of electricity and free waste removal, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement).



Drinking Water Quality and Wastewater Management



Executive Summary

These regulatory assessments is an innovative and unique programme in South Africa and is an incentive-based regulation.

This programme seeks to induce changes in the behavior of the institution to facilitate continuous improvement and adoption of best practice management from the point of abstraction to the water treatment works and the point of use.

The Theewaterskloof Municipality has demonstrated significant improvement in both drinking water quality and wastewater management over recent assessment cycles. The Blue Drop score improved from 64.18% (2014) to 89.6% (2023), while the Green Drop score improved from 56% (2013) to 87% (2021).

Despite these achievements, key areas of improvement remain. These include alignment of compliance monitoring with SANS 241 requirements, improving effluent compliance at certain wastewater treatment works, strengthening monitoring programmes, and optimisation of treatment processes.

The Green Drop Audit Report for the 2023/24 cycle is still outstanding. The municipality is currently engaged in the 2024/25 Blue Drop assessment process.

Theewaterskloof Municipality remains committed to continuous improvement and achieving full regulatory compliance.

Key Areas for Improvement

- Alignment of monitoring programmes with SANS 241 drinking water standards
- Improvement of sampling frequency compliance
- Verification and calibration of water meters and flow data
- Strengthening risk-based monitoring programmes
- Improvement of final effluent compliance at wastewater treatment works
- Structured and consistent operational monitoring
- Optimisation of treatment processes (C:N:P balance)
- Addressing non-compliance at specific plants such as Grabouw

Conclusion

The municipality continues to perform well and shows a strong trajectory toward regulatory excellence. Addressing the identified improvement areas will further strengthen compliance and support achievement of Blue Drop and Green Drop certification.

9. Overview of Budget Related Policies

The following Budget-Related Policies have been approved by Council or have been reviewed and amended in line with National Guidelines and Legislation.

7.1. Tariff Policy

The municipality wishes to achieve the following by adopting this policy:

1. To comply with the provisions of Section 74 of the Local Government: Municipal Systems Act, 2000 (MSA): the municipality must adopt and implement a Tariff Policy on the levying of fees for municipal services provided by municipality
2. To comply with Section 62(1) (f) of the MFMA which states that the Accounting Officer must ensure that a municipality has and implement a Tariff Policy
3. To prescribe Procedures and Principles (as defined in Section 74 (2) of the MSA for calculating tariffs were the municipality wishes to implement service providers in terms of Section 76(b) of the Act.
4. To give guidance regarding tariff proposals and calculations to provide a framework to determine fair, transparent and affordable charges that also promote sustainable service delivery.

The policy ensures a holistic and comprehensive overview on all the revenues / charges levied.

7.2. Credit Control and Debt Collection Policy

This policy has been formulated and developed in order to comply with Section 96 - 98 of the Local Government: Municipal Systems Act, 2000 which states:

In terms of Section 96 of the MSA a municipality-

- (a) must collect all money that is due and payable to it, subject to this Act and any other applicable legislation; and
- (b) for this purpose, must adopt, maintain and implement a Credit Control and Debt Collection Policy which is consistent with its rates and tariff policies and complies with the provisions of the MSA.

This policy is also aimed at guiding officials in the legislative implementation of processes necessary to ensure optimal revenue generation and collection. Increased revenue forms the basis for effective service delivery, infrastructure development, and economic growth.

In line with the objective of creating a vibrant and growing municipality, the Credit Control, and Debt Collection Policy is also aligned to the Batho-Pele Principles.

7.4. Cash Management and Investment Policy

In terms Section 13 (2) of the Municipal Finance Management Act, 2003 the municipality must establish an appropriate and effective Cash Management and Investment Policy.

The objectives of the policy are to ensure optimal performance with the least possible risk, in managing and investing the cash resources of the municipality and to ensure transparency, accountability, and appropriate lines of responsibility.

7.5. Grant in Aid Policy

A Grant in Aid Policy deals with processes and procedure to be followed when the municipality allocates grants to other institutions in an equitable and transparent manner and in line with IDP Objectives.

Provisions and disclosure must be made for Allocations under consideration in the budget and other prescribed budget related documents for public comments.

Applications are made in line with Section 67 of the MFMA and the policy on a prescribed application form. The name of the institution, grant amount and description should be disclosed on the Grant Statement.

7.6. Asset Management Policy

This policy has been designed to assist management and officials of the Theewaterskloof Municipality with the description and management procedures for Property, Plant and Equipment, Intangible Assets, and Investment Property.

It further aims to ensure that the assets of the municipality are properly accounted for, marked and to ensure that assets are utilized and maintained in an economic, effective, and efficient manner to ensure optimal utilization, value for money and sustainable service delivery.

7.7. Risk Management Policy

Section 62 (1) of the MFMA requires that the Accounting Officer takes all reasonable steps to ensure that the municipality has and maintains effective, efficient, and transparent systems of Financial and Risk Management, of internal control and of internal audit as well as the effective, efficient, and economical use of the resources of the municipality.

The purpose of the Risk Management Policy is to enable the municipality not only to comply with legislation but also to manage risks by reducing/eliminating the likelihood and impact of risks in a pro-active, responsible and structured manner.

7.8. Virement Policy

Virement is process of transferring funds from one line item to another within one vote with the approval of the relevant Senior Manager and CFO, to enable Budget Manager to transfer funds from one vote line-item with anticipated savings to another.

The aim is to improve financial controls over the processes and procedures of transferring funds and to ensure accountability and improved Budgetary Control.

7.9. Anti-Corruption Policy

To ensure that the Municipality is in compliance with the Municipal Systems Act, Act No 32 of 2000 which requires the Municipality, amongst other things to develop and adopt appropriate systems and procedures that contribute to effective and efficient management of the municipality and its resources.

7.10. Funds and Reserves Policy

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes. and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced with if the funding sources have been considered, are available and have not been committed for other purposes.

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines in ensuring financial viability over both the short- and long term and includes funding- as well as reserves requirements.

7.11. Short Term Insurance Policy

The MFMA was introduced with the following objective:

- *The object of this Act is to secure sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for—*
 - a. *ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities;*
 - b. *the management of their revenues, expenditures, assets and liabilities and the handling of their financial dealings;*

The objective of this Short Term Insurance Management Policy is to ensure that the;

- municipality has transparent Insurance claim processes and procedures;
- general public are informed about the correct processes & procedures when filing a claim with the municipality;
- general public are aware of the required documentation when filing a claim with the municipality;
- managers and staff are aware of their responsibilities with regards to insurance management;
- managers and staff are informed about the correct processes & procedures when reporting;
- managers and staff are aware of the required documentation when filing a claim with the municipality;
- unions are informed about the correct processes & procedures;
- unions are aware of the required documentation;

All the above-mentioned Policies were approved by Council and are reviewed at least annually. The policies are available on the municipality's website.

a) Policy on the Writing-Off of Irrecoverable Debt

The purpose of this policy is to ensure that the principles and procedures for the writing-off of irrecoverable debt are formalised to ensure that consumers (especially households) are relieved of their spiral of debt.

10. Overview of Budget Assumptions

The Challenge of the International, National and Local Economy is limited Resources versus unlimited needs. Theewaterskloof Municipality is no exception as the unlimited needs of the community as outlined in the IDP are far more than the limited revenue and resource capacity of the municipality. This is largely the reason for adopting Financial Viability as one of our long-term themes defined as improved sustainable revenue capacity versus sound financial resource management.

The Ministerial Advisory Committee defines **Financial Viability** as “the ability of a local authority to fulfil its constitutional and legislative responsibilities. Resources to fulfil these obligations are derived from both the Equitable Share received and distributed nationally, as well as the revenue a municipality can raise locally”.

It is important to highlight the following assumptions:

Expenditure:

- **Salaries:**
 - Proposed salary increases based on average CPI of 4% plus 0.75% and a notch increase of 2.5% has been provided for in final budget.
- **Councillors Remuneration:**
 - 6% increase is budgeted for.
 - The cost 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).
- **Eskom Bulk Electricity Tariff**
 - Bulk purchases will increase with 9,29% (With the final approval of NERSA)
- **Bulk Water Tariff:**
 - Overberg Water has announced a 10% increase in the bulk water price

Revenue

- **Tariffs & Revenue Projections:**
 - Tariffs must be cost-reflective as far as possible because any subsidisation places a burden on another group of consumers. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible.

Increases are as follows:

Particulars	2026/2027
Property Rates	5%
Water	8%
Sewerage	4,5%
Refuse removal	11,92%
Electricity (Subject to NERSA approval)	8%

- **Households**

It is assumed that the total number of households in the municipal area (the tax base) will stay stable during the financial year.

- **Collection rate for municipal services**

It is assumed that the collection rate (percentage of service charges recovered) for the financial year will be the same as the previous payment rate. In accordance with relevant legislation and national directives, the estimated revenue recovery rates are based on realistic and sustainable trends. The Municipality's collection rate is set at 85%. Adequate provision is made for non-recovery

- **Grants**

It is assumed that the National and Provincial grants as per the Division of Revenue Bill (DORA Bill) which has been included in the budget will be received during the 2026/2027 financial year.

- **Indigents**

We provided for ± 6 476 indigents households excl. the ± 21 837 informal households. This figure seems to be realistic as there are many occupants of RDP Houses whether the beneficiaries or not who would qualify for Indigents Subsidy. Revenue Cost = R 53 million.

The following problem areas are key factors to be addresses to ensure that the municipality is financial viable:

- Subsidisation of rates funded services from trading services
- No contribution to a capital replacement reserve fund
- Productivity and Cost Cutting Measures
- Ageing Infrastructure and inadequate provision for repairs and maintenance
- Out-dated fiscal model and limited grant funding for the benefit of indigent communities only
- Institutional capacity and development sustainability
- Uncontrolled Influx of Indigent People
- Narrow Revenue Base of the municipality
- Lack of Accurate Data Required for Longer Term Financial Planning
- Unfunded/Underfunded Mandates

“**Mind the Gap**” has been identified in a previous financial year. It remains relevant as it is crucial to narrow the gap between the expectations of the departments, the wider community of TWK and the financial and other resource capacity of the municipality. This includes managing and reducing high stakeholder's/ community expectations and increasing capacity/ resources/ efficiency and effectiveness. First, it is important to determine/ assess the financial health and potential (where we are). Then match available resources and potential resources (including financial) against Service Delivery, Infrastructure and Capital Needs for the next years.

Local Economic Development (LED) is a very important focus area as we need to broaden our Revenue Capacity by developing in the area. The Successful implementation of the Local Economic Development Strategy is a very important to enhance the Financial Viability of the municipality as LED have a definite impact on job creation, development, etc.

The Primary Focus of LED is:

- Social and Economic Development and Tourism.
- Tourism promotion and destination marketing
- SMME Development and Support

Financial Modelling and Key Planning Drivers

As part of the compilation of the 2026/2027 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors, such as Demographics, Socio-Economic and Financial Factors and Principles and planning strategies have informed the compilation of the 2026/2027 MTREF:

- CPI
- Interest Rates
- Fuel Price
- Economic Growth
- Economic Recession/ Job Losses
- Councillor's and Officials' Remuneration
- Debt Collection Rate
- Tariff Adjustment
- Indigent Increase
- Informal Settlement Control
- Migration/ Population Increase
- Equitable Share
- Bulk Purchase Tariff Increase

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars have been taken into consideration in the planning and prioritisation process.

Economic Growth

This 2026/2027 budget has to be prepared at the back of what is happening in the local, national and international economy

The Local Economy

The local economy of Theewaterskloof is not immune to the global and national economic conditions, in-fact as a rural municipality the effect of the worsening economic conditions will have a more detrimental impact on us which may be compounded by the drought.

Guideline from National Treasury to Strengthen Municipalities

Government continues to invest in improving the financial capability of municipalities. In the period ahead, National Treasury and provincial treasuries have agreed to focus their efforts on four "game changers":

- The new Municipal Standard Chart of Accounts, which was implemented from 1 July 2017, contributing to greater transparency and consistency of municipal finances.
- Targeted supply chain management interventions to achieve cost savings and combat fraud.
- Enhanced revenue management, including appropriate tariff-setting, regular billing and effective collection systems.
- Improved asset management, including adherence to 8 per cent of the value of assets being spent on their maintenance.

If we make progress in local financial management, we will transform the lives of millions of people.

Tariff Adjustment

A “zero-base” approach to improve on tariff setting, ensuring that the principles of benefit received, cost of service and cost-recovery, affordability and sustainability is taken into consideration.

A briefing session was conducted with Directorates Operations, Development and Technical Services and Town Managers on the 10th and 11th of February 2026.

These engagements were dedicated to tariffs and the process of rationalization of services, identification of various categories of consumers, the level of services rendered/demanded and the levying of appropriate cost-recovery tariffs.

Factors impacting on Tariff Increases

The following factors were taken into consideration when calculating proposed tariff increases:

- Affordability
- Economic Recession, Job Losses
- Councillors Remuneration
- Personnel Cost
- Escalating Fuel Prices
- Economic Indicators (CPI, Interest Rates)
- Escalating Bulk Purchases Prices (Water and Electricity)
- Increasing Indigents
- Electricity Bulk Price Increases (Eskom)
- Repairs and Maintenance
- Willingness and Ability to Pay
 - ✓ The Level/Standard of Service: the higher the level and standard, the higher the tariffs.
 - ✓ Benefit Received
 - ✓ Affordability
 - ✓ Reputation: Good Governance
 - ✓ Good Service Delivery also ensures improved willingness to pay
 - ✓ Recover of Capital and Usage Costs

Deliverables

- The possibilities of Rationalisation of Tariffs (number reduced)
- Tariffs and Tariff Policy simplified for easy understanding and enhanced transparency.
- Service Delivery Cost fully calculated and tariffs should reflect full cost.
- Tariff Setting ensures the Sustainability of Services.
- Tariff Policy must reflect the Financial Strategies.

Tariff Goals

- Revenue Sufficiency
- Affordability of services
- Promoting local economic development
- Wasteful use of service discourages
- Rate of return on assets (in order to ensure allowance is made for the future expansion of infrastructure)

Equitable Share

The Equitable Share increased from R 150 million in 2025/2026 to R 157,9 million 2026/2027.

Years	Equitable share '000	Indigent subsidy '000	Subsidy as a % of Equitable Share
2020/2021	103 419	36 324	35%
2021/2022	106 976	38 802	36%
2022/2023	120 101	43 895	37%
2023/2024	131 583	51 743	39%
2024/2025	140 900	51 866	37%
2025/2026	150 030	56 991	38%
2026/2027	157 971	53 582	34%

It is anticipated that Free Basic Services will cost the municipality R 53 million in 2026/2027. The budgeted amount does not include the cost of R 30 million for the ± 21 837 informal settlements.

Indigent Subsidy

The number of indigent Households is projected to increase. This anticipated increase is mainly caused by high levels of unemployment in the Theewaterskloof region, Agricultural Seasonal Employment and Influx of Indigent people seeking greener pastures. This trend will have a significant impact on the Equitable Share Grant Allocation.

Informal Settlement Control

It is evident that squatter control is becoming an unavoidable issue which needs to be managed more pro-effectively. The municipality is actively pursuing ideas to establish a squatter control unit to address this issue.

Migration/ Population Increase

The population growth is especially in the Grabouw and Villiersdorp. Farms is due to the agriculture sector being one of the major economic activities in TWK. The agriculture sector, more intensively in the Fruit production is labour-intensive and seasonal. These farm workers are only economically active for a certain period of the year and can contribute to revenue (municipal service) only during that period.

The result of the increase in the population is that there is an increase pressure on our public services such as Clinics, Law Enforcement, and our infrastructure and land availability for houses.

Community Consultation

The draft 2026/2027 MTREF was tabled before Council on 31 March 2026 for community consultation, the draft budget was published on the municipality's website, and advertise in the local newspaper. A summary document of the budget was distributed via social media to make the public aware of the draft budget which was approve and it is open for public comments.

All documents in the appropriate format (electronic and printed) was provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

11. Overview of Budget and Funding

In terms of Section 18 of the Municipal Finance Management Act, an Annual Budget may only be funded from:

- Realistically anticipated revenues to be collected
- Cash backed accumulated funds from previous years surpluses not committed for other purposes
- Borrowed funds, but only for the Capital Budget (Fixed assets, Infrastructure, Property, Plant and Equipment)

The budget recognizes compliance to the following:

- Credible, consistent and responsive to the municipality's IDP
- Funded and achievable in terms of service delivery
- Institutional Needs Analyses and takes into consideration Risk Analyses, Internal, and External Factors impacting on service delivery.
- Contains Revenue and Expenditure Projections that are consistent with current and past year performances.
- The municipality has overcome all the major obstacles which had an impact on its capacity to spend its budget and render services. These include blockages in the form of staff, policies, procedures, and processes.
- Does not jeopardize the Financial Viability of the municipality.

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right 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 and property rates.

Revenue was based on:

- Growth in the municipality and economic development
- Revenue management and enhancement
- Achievement of 85 per cent annual collection rate for consumer revenue
- Electricity tariff increase within the National Electricity Regulator of South Africa (NERSA) approval
- Changes in consumer behaviour in response to drought and utility price increases. Determining tariff escalation rate by establishing/calculating revenue requirements
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Services charges relating to electricity, water, sanitation and refuse removal is R 408 million for the 2026/2027 financial year and increasing to R 468 million for the 2028/2029 financial year.

Operational grants and subsidies amount to R 265 million, R 242 million and R 189 million for each of the respective financial years of the MTREF.

Investment revenue actual performance will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Monetary investments by type (Table SA15)

Investment type	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Investments									
Bank Repurchase Agreements									
Total Bank Repurchase Agreements	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate									
Total Bankers Acceptance Certificate	-	-	-	-	-	-	-	-	-
Deposit Taking Institutions									
Total Deposit Taking Institutions	-	-	-	-	-	-	-	-	-
Derivative Financial Assets									
Total Derivative Financial Assets	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (Sinking)									
Total Guaranteed Endowment Policies (Sinking)	-	-	-	-	-	-	-	-	-
Interest Rate Swaps									
Total Interest Rate Swaps	-	-	-	-	-	-	-	-	-
Listed/Unlisted Bonds and Stocks									
Listed/Unlisted Bonds and Stocks	180	249	274	16 429	274	274	274	274	274
Total Listed/Unlisted Bonds and Stocks	179 951	248 817	273 643	16 428 680	273 643	273 643	273 643	273 643	273 643
Total Investments	179 951	248 817	273 643	16 428 680	273 643	273 643	273 643	273 643	273 643

The following table is a detailed analysis of the municipality's borrowing liability.

Detail of borrowings (Table SA17)

Borrowing - Categorised by type R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings									
Annuity and Bullet Loans									
Banks	181 287	154 400	124 653	113 549	104 401	104 401	88 414	74 841	65 170
Development Bank of South Africa									
Total Annuity and Bullet Loans	181 287	154 400	124 653	113 549	104 401	104 401	88 414	74 841	65 170
Total Borrowings	181 287	154 400	124 653	113 549	104 401	104 401	88 414	74 841	65 170

1.3 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 the ability for councillors and management to understand. 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 (Table A7)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Revenue - Functional										
Receipts										
Property rates	130 393	149 082	157 204	164 590	165 289	165 289	165 289	177 139	185 996	195 296
Service charges	228 345	265 235	296 988	307 731	319 897	319 897	319 897	352 542	377 787	404 934
Other revenue	16 807	23 566	22 421	56 218	48 047	48 047	48 047	38 903	40 456	42 071
Transfers and Subsidies - Operational	144 889	189 864	60 366	166 497	160 341	160 341	160 341	180 298	185 737	189 690
Transfers and Subsidies - Capital	53 130	77 999	103 395	72 237	30 487	30 487	30 487	33 210	36 086	37 217
Interest	10 653	6 135	7 918	9 391	6 246	6 246	6 246	6 011	6 249	6 500
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(586 937)	(606 299)	(577 538)	(643 794)	(628 181)	(628 181)	(628 181)	(710 228)	(752 283)	(802 492)
Finance charges	(14 073)	(21 623)	(16 637)	(24 274)	(33 274)	(33 274)	(33 274)	(14 591)	(11 638)	(9 915)
Transfers and Subsidies	(8 427)	(8 123)	(4 916)	(12 080)	(11 549)	(11 549)	(11 549)	(12)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(25 220)	75 837	49 202	96 516	57 303	57 303	57 303	63 272	68 391	63 302
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	1 072	678	1 207	50	50	50	50	872	(0)	(0)
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(1 047)	6 157	(692)	-	-	-	-	-	-
Insurance Refund - Capital	-	-	-	-	-	-	-	-	-	-
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(142 504)	(124 363)	(41 146)	(88 780)	(33 783)	(33 783)	(33 783)	(42 299)	(41 499)	(42 799)
Retention (Capital)	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(141 433)	(124 731)	(33 782)	(89 422)	(33 734)	(33 734)	(33 734)	(41 427)	(41 499)	(42 799)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	103 715	-	-	10 000	-	-	-	-	-	-
Increase (decrease) in consumer deposits	518	659	718	391	343	343	343	360	378	397
Payments										
Repayment of borrowing	(17 646)	(21 298)	(14 896)	(21 257)	(33 477)	(33 477)	(33 477)	(20 114)	(15 987)	(13 573)
NET CASH FROM/(USED) FINANCING ACTIVITIES	86 587	(20 640)	(14 178)	-	(33 134)	(33 134)	(33 134)	(19 753)	(15 609)	(13 175)
NET INCREASE/ (DECREASE) IN CASH HELD	(80 066)	(69 534)	1 242	7 094	(9 565)	(9 565)	(9 565)	2 092	11 283	7 327
Cash/cash equivalents at the year begin:	165 982	85 916	16 383	11 736	17 624	17 624	17 624	8 060	10 151	21 435
Cash/cash equivalents at the year end:	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762

1.4 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). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Cash backed reserves/accumulated surplus reconciliation (Table A8)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762
Other current investments > 90 days	-	-	-	-	-	-	-	-	-	-
Non current Investments	13 829	249	274	9 341	274	274	274	274	274	274
Cash and investments available:	99 745	16 632	17 898	28 171	8 334	8 334	8 334	10 425	21 708	29 036
Application of cash and investments										
Unspent conditional transfers	-	-	-	652	9 543	9 543	9 543	9 543	9 543	9 543
Unspent borrowing										
Statutory requirements										
Other working capital requirements	66 157	122 847	148 271	213 643	155 104	155 104	155 104	124 954	96 353	67 749
Other provisions	36 528	40 743	44 116	47 506	37 114	37 114	37 114	38 970	40 919	42 964
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	50 052	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	152 737	163 590	192 387	261 801	201 761	201 761	201 761	173 467	146 815	120 256
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)
Creditors transferred to Debt Relief - Non-Current portion	-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)

From the above table the cash and investments available total R 10 million in the 2026/2027 financial year and increase to R 29 million by 2028/2029, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- There is no unspent borrowing from the previous financial years. Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.
- Provisions for statutory requirements include VAT owing to timing differences resulting from year- end obligations.
- The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. It needs to be noted that, the desired cash levels should be 60 days to ensure continued liquidity of the municipality. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.
- Other provision liability is informed by, amongst others, the supplementary pension liability.
- Long term investments consist primarily of the sinking funds for the repayment of future borrowings. The sinking fund value is held within long term investments and must be 'held to maturity' and is not available for spending.
- Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are cash-backed. The reserve funds are not fully cash-backed. The level of cash-backing is directly informed by the municipality's cash backing policy. These include the rehabilitation of landfill sites and quarries.

The challenge for the Municipality will be to ensure that the underlying planning and cash flow assumptions are meticulously managed, especially the performance against the collection rate.

1.5 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. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Funding compliance measurement (Table SA10)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Funding measures										
Cash/cash equivalents at the year end - R'000	85 916	16 383	17 624	18 830	8 060	8 060	8 060	10 151	21 435	28 762
Cash + investments at the yr end less applications - R'000	(52 992)	(146 959)	(174 489)	(233 630)	(193 428)	(193 428)	(193 428)	(163 042)	(125 106)	(91 220)
Cash year end/monthly employee/supplier payments	1,3	0,2	0,2	0,3	0,1	0,1	0,1	0,1	0,3	0,3
Surplus/(Deficit) excluding depreciation offsets: R'000	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Service charge rev % change - macro CPIX target exclusive	N.A.	5,9%	3,1%	2,4%	(4,9%)	(6,0%)	(6,0%)	1,1%	0,4%	0,4%
Cash receipts % of Ratepayer & Other revenue	78,8%	84,6%	86,1%	85,1%	85,8%	85,8%	85,8%	85,2%	85,3%	85,4%
Debt impairment expense as a % of total billable revenue	24,3%	19,3%	20,1%	21,5%	20,2%	20,2%	20,2%	18,3%	18,1%	17,9%
Capital payments % of capital expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	32,2%	27,8%	36,0%
Borrowing receipts % of capital expenditure (excl. transfers)	116,1%	0,0%	0,0%	60,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations								139,8%	125,8%	100,0%
Current consumer debtors % change - incr(decr)	N.A.	28,4%	(12,1%)	15,8%	18,6%	0,0%	0,0%	6,8%	6,7%	6,7%
Long term receivables % change - incr(decr)	N.A.	445,6%	41,0%	(29,1%)	41,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	10,1%	12,2%	8,4%	9,6%	9,6%	9,6%	9,6%	9,5%	9,6%	0,0%
Asset renewal % of capital budget	7,3%	5,4%	0,3%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%

1.5.1.1 Cash/cash equivalent position

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium-term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short-term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2026/2027 MTREF shows R 10 million, R 21 million and R 28 million for each respective financial year.

1.5.1.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A8. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

1.5.1.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. The ratio for the period 2026/2027 is 0.1 and 0.3 in 2027/2028 and 2028/2029 for the MTREF. Currently it is estimated that the municipality will have 0.1 months' cash available (2026/2027). This measure will have to be carefully monitored going forward.

1.5.1.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2026/2027 MTREF the indicative outcome is a surplus excluding depreciation off sets of R 122 million, R 142 million and R 102 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

1.5.1.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to approximate the real increase in revenue. From the table above the percentage for the 2026/2027 MTREF is 1.1% and decreases to 0.4% for the outer year 2028/2029. This trend will have to be carefully monitored and managed with the implementation of the budget.

1.5.1.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. The outcome is at 85 per cent each of the respective financial years. Given that the assumed collection rate for rates and service charges was based on an 85 per cent performance target, the cash flow statement has been conservatively determined.

1.5.1.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) must be increased to offset under-collection of billed revenues. The provision has been appropriate at 18.3 per cent for 2026/2027, 18.1 per cent in 2027/2028 and 17.9 per cent in 2028/2029.

1.5.1.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

1.5.1.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. Borrowing equates to 0 per cent of own funded capital, as the municipality has not acquired any loans following the results of the credit assessment conducted the municipality.

1.5.1.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

1.5.1.11 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The ratio reflected in 2026/2027 financial year for current consumer debtors is 6.8% and long-term receivables percentage change are 0%.

1.5.1.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table SA34C. As previously illustrated the municipality has a relatively low expenditure percentage on Repairs and Maintenance.

1.5.1.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorize each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarize and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue

is not being protected, like the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table SA34b.

12. Expenditure on allocations and grant programmes

Expenditure on allocations and grant programmes (Table SA19)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government									
Local Government Equitable Share	120 101	131 583	140 900	150 030	150 030	150 030	157 971	166 048	169 463
Expanded Public Works Programme [Schedule 5B]	2 061	1 684	1 563	1 930	1 930	1 930	1 912	-	-
Local Government Financial Management Grant [Schedule 5B]	1 650	1 568	1 752	1 900	1 900	1 900	2 000	2 100	2 200
Municipal Infrastructure Grant [Schedule 5B]	3 794	3 081	3 280	4 131	4 629	4 629	4 785	4 595	4 728
Integrated National Electrification Programme [Schedule 5B]	-	-	357	-	-	-	91	818	855
Water Services Infrastructure Grant	1 916	1 225	230	-	-	-	-	-	-
Energy Efficiency and Demand Side Management	-	522	-	-	-	-	-	-	-
Municipal Disaster Response Grant VAT	-	1 120	-	-	-	-	-	-	-
Total Monetary Allocations	129 522	140 783	148 083	157 991	158 489	158 489	166 759	173 561	177 245
Total National Government	129 522	140 783	148 083	157 991	158 489	158 489	166 759	173 561	177 245
Provincial Government									
Community Development Workers	61	118	86	113	185	185	118	118	118
Human Settlement Development	160	-	1 488	12 080	138	138	-	-	-
Library Service	2 969	10 210	9 938	10 307	10 307	10 307	11 756	11 873	11 992
Maintenance of Main Roads	9 695	-	-	145	3 953	3 953	165	185	185
Financial Management Capacity Building Grant	144	-	-	-	-	-	1 500	-	-
Municipal Service Delivery and Capacity Building Grant	-	-	-	-	250	250	-	-	-
Thusong Centre	-	-	-	-	-	-	-	-	150
Municipal Energy Resilience Grant	1 260	500	-	-	-	-	-	-	-
Western Cape Municipal Interventions Grant	390	-	-	-	900	900	-	-	-
LG Public Employment Support Grant	27	180	-	-	-	-	-	-	-
WC Financial Management Capability Grant	-	-	519	-	341	341	-	-	-
MUNICIPAL WATER RESILIENCE GRANT	-	-	-	1 650	6	6	-	-	-
Total Monetary Allocations	14 706	11 009	12 171	24 295	16 080	16 080	13 539	12 176	12 445
Total Provincial Government	14 706	11 009	12 171	24 295	16 080	16 080	13 539	12 176	12 445
District Municipalities									
Safety Projects Grant	-	-	212	-	-	-	-	-	-
Total Monetary Allocations	-	-	212	-	-	-	-	-	-
Allocations In-kind									
Human Settlement Development (in Kind)	-	-	-	-	11 201	11 201	84 964	57 200	-
Total Allocations In-kind	-	-	-	-	11 201	11 201	84 964 000	57 200 000	-
Total Operating/District Municipalities	-	-	212	-	11 201	11 201	84 964	57 200	-
Other Grant Providers									
Monetary Allocations									
Public Contributions	-	-	-	4	64	64	-	-	-
National Skills Fund	270	-	-	-	-	-	-	-	-
SETA	-	714	449	-	318	318	-	-	-
Total Monetary Allocations	270	714	449	4	382	382	-	-	-
Allocations In-kind									
Total Allocations In-kind	-	-	-	-	-	-	-	-	-
Total Operating/Other Grant Providers	270	714	449	4	382	382	-	-	-
Total operating expenditure of Transfers and Grants	144 498	152 505	160 915	182 290	186 152	186 152	265 262	242 937	189 690

WC031 Theewaterskloof - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE									
Capital expenditure of Transfers and Grants									
National Government									
Municipal Infrastructure Grant [Schedule 5B]	25 294	20 556	21 868	27 537	28 199	28 199	31 901	30 633	31 517
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	-	-	2 380	-	-	-	609	5 453	5 699
Energy Efficiency and Demand Side Management	-	3 478	-	-	-	-	-	-	-
Local Government Financial Management Grant [Schedule 5B]	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme [Schedule 5B]	16	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	-	8 169	1 535	-	-	-	-	-	-
Municipal Disaster Response Grant	-	6 287	-	-	-	-	-	-	-
Total Monetary Allocations	25 311	38 489	25 783	27 537	28 199	28 199	32 510	36 086	37 217
Total National Government	25 311	38 489	25 783	27 537	28 199	28 199	32 510	36 086	37 217
Provincial Government									
Monetary Allocations									
Human Settlements	-	-	2 721	10 000	-	-	-	-	-
Informal Settlements	-	-	6 516	34 700	-	-	-	-	-
Regional socio economic projects (RSEP)	634	253	629	-	884	884	700	-	-
Western Cape Municipal Interventions Grant	23 745	39 078	-	-	400	400	-	-	-
Municipal Service Delivery and Capacity Building Grant	78	218	55	-	50	50	-	-	-
Drought Relief	-	-	-	-	-	-	-	-	-
Joint District and Metro Grant	-	-	-	-	-	-	-	-	-
Emergency Municipal Load-Shedding Relief Grant	727	214	-	-	-	-	-	-	-
Sport and Recreation	384	-	-	-	-	-	-	-	-
LG Public Employment Support Grant	1 800	-	-	-	-	-	-	-	-
Western Cape Municipal Financial Recovery Services Grant	-	-	-	-	2 500	2 500	-	-	-
Total Monetary Allocations	27 369	39 763	9 922	44 700	3 834	3 834	700	-	-
Total Provincial Government	27 369	39 763	9 922	44 700	3 834	3 834	700	-	-
District Municipalities									
Monetary Allocations									
Safety Project Grant	193	-	55	-	-	-	-	-	-
Total Monetary Allocations	193	-	55	-	-	-	-	-	-
Allocations In-kind									
Total Allocations In-kind	-	-	-	-	-	-	-	-	-
Total Capital/District Municipalities	193	-	55	-	-	-	-	-	-
Other Grant Providers									
Monetary Allocations									
SANRAL	274	-	-	-	-	-	-	-	-
Donations	45	-	-	-	-	-	-	-	-
Total Monetary Allocations	318	-	-	-	-	-	-	-	-
Allocations In-kind									
Total Allocations In-kind	-	-	-	-	-	-	-	-	-
Total Capital/Other Grant Providers	318	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	53 191	78 252	35 759	72 237	32 034	32 034	33 210	36 086	37 217
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	197 689	230 757	196 674	254 527	218 185	218 185	298 472	279 023	226 907

Salaries, allowances & benefits (political office bearers, councillors/senior managers)
(Table SA23)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							2.
Councillors							
Speaker		827 475	–	75 840			903 315
Chief Whip		–	–	–			–
Executive Mayor		1 021 037	–	75 840			1 096 877
Deputy Executive Mayor		827 474	–	75 840			903 314
Executive Committee		3 834 760	–	295 176			4 129 936
Total for all other councillors		6 619 329	37 323	924 293			7 580 945
Total Councillors	–	13 130 075	37 323	1 446 989			14 614 387
Senior Managers of the Municipality							
Municipal Manager (MM)		3 097 387	2 125	63 636	286 711		3 449 859
Chief Finance Officer		1 635 404	266 597	200 412	216 390		2 318 803
Community Services		1 921 668	93 465	176 412	216 667		2 408 212
Corporate Services		1 626 580	199 705	296 412	216 270		2 338 967
Economic Development and Planning		2 175 528	79 057	56 412	216 855		2 527 852
Technical and Infrastructure Implementation Services		2 006 460	2 125	302 412	216 618		2 527 615
<i>List of each official with packages >= senior manager</i>							
Total Senior Managers of the Municipality	–	12 463 027	643 074	1 095 696	1 369 511		15 571 308
A Heading for Each Entity							
List each member of board by designation							
Total for municipal entities	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	–	25 593 102	680 397	2 542 685	1 369 511		30 185 695

Summary councillor and staff benefits (Table SA22)

Summary of Employee and Councillor remuneration R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Allowances and Service Related Benefits									
Basic Salary	11 497	11 393	11 599	13 349	13 349	13 349	13 130	13 655	14 201
Cell phone Allowance	1 015	1 415	1 260	1 326	1 326	1 326	1 406	1 462	1 521
Motor Vehicle Allowance	174	270	204	240	240	240	41	43	44
Total Allowances and Service Related Benefits	12 686	13 078	13 063	14 915	14 915	14 915	14 577	15 160	15 767
Social Contributions									
Medial Aid Benefits	-	112	85	102	102	102	37	39	40
Pension Fund Contributions	-	-	-	-	-	-	-	-	-
Total Social Contributions	-	112	85	102	102	102	37	39	40
Total Councillors	12 686	13 189	13 148	15 017	15 017	15 017	14 614	15 199	15 807
% increase		4,0%	(0,3%)	14,2%	-	-	(2,7%)	4,0%	4,0%
Senior Managers of the Municipality									
Salaries and Allowances									
Basic Salary	3 937	2 631	4 258	7 439	7 865	7 865	12 463	13 367	14 336
Bonuses	721	260	228	656	681	681	1 370	1 469	1 575
Allowance									
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-
Cellular and Telephone	56	55	94	130	180	180	180	193	207
Housing Benefits	-	-	-	-	60	60	60	64	69
Non-pensionable	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	126	276	499	752	688	688	690	740	794
Voluntary Work	-	-	-	-	-	-	-	-	-
Total Allowance	183	331	593	882	928	928	930	997	1 070
Service Related Benefits									
Total Service Related Benefits	-	-	-	-	-	-	-	-	-
Total Salaries and Allowances	4 841	3 223	5 079	8 977	9 473	9 473	14 763	15 833	16 981
Social Contributions									
Bargaining Council	-	-	-	-	-	-	-	-	-
Group Life Insurance	24	13	39	152	108	108	166	178	191
Medical	5	-	-	-	325	325	325	348	374
Pension	209	130	-	-	-	-	306	328	351
Unemployment Insurance	7	6	11	13	322	322	13	14	15
Total Social Contributions	245	148	50	166	755	755	809	867	930
Post-retirement Benefit									
Total Post-retirement Benefit	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE									
Sub Total - Senior Managers of Municipality	5 086	3 371	5 129	9 143	10 228	10 228	15 571	16 700	17 911

Summary of Employee and Councillor remuneration R thousand	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	A	B	C	D	E	F	G	H	I
Other Municipal Staff									
Salaries and Allowances									
Basic Salary	150 092	172 721	174 015	205 055	194 807	194 807	202 010	216 108	231 229
Bonuses	12 293	13 458	14 085	16 949	16 950	16 950	15 857	16 965	18 153
Allowance									
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-
Cellular and Telephone	935	900	812	1 061	1 061	1 061	1 012	1 085	1 163
Housing Benefits	1 012	1 114	1 848	1 075	1 070	1 070	1 016	1 088	1 165
Non-pensionable	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	10 502	11 262	10 860	13 278	12 516	12 516	13 283	14 233	15 253
Voluntary Work	-	-	-	-	-	-	-	-	-
Total Allowance	12 448	13 276	13 520	15 414	14 647	14 647	15 311	16 406	17 580
Service Related Benefits									
Acting	2 703	3 134	3 473	185	1 881	1 881	597	641	687
Leave Pay	952	3 990	4 724	500	5 300	5 300	500	536	575
Lifeguard/Duty Squads	-	-	-	-	-	-	-	-	-
Long Service Award	1 076	1 091	1 105	1 780	1 964	1 964	1 626	1 737	1 857
Overtime	12 751	16 592	11 187	6 533	9 487	9 487	9 461	10 147	10 883
Scarcity	-	-	-	-	-	-	-	-	-
Standby Allowance	7 396	8 108	6 746	3 985	6 787	6 787	3 517	3 772	4 045
Total Service Related Benefits	24 878	32 915	27 234	12 983	25 419	25 419	15 701	16 833	18 047
Total Salaries and Allowances	199 711	232 369	228 855	250 402	251 823	251 823	248 879	266 313	285 010
Social Contributions									
Bargaining Council	86	92	96	111	106	106	114	122	130
Group Life Insurance	2 317	2 748	3 039	3 783	3 489	3 489	3 506	3 751	4 014
Medical	9 449	10 213	10 732	11 630	11 288	11 288	11 374	12 165	13 014
Pension	26 241	27 911	29 810	36 611	34 622	34 622	36 264	38 904	41 729
Unemployment Insurance	1 432	1 512	1 468	1 472	1 484	1 484	1 495	1 599	1 710
Total Social Contributions	39 524	42 476	45 146	53 608	50 988	50 988	52 753	56 540	60 597
Post-retirement Benefit									
Medical	2 669	(2 832)	2 379	2 669	2 377	2 377	2 669	2 863	3 070
Other Benefits	-	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit	2 669	(2 832)	2 379	2 669	2 377	2 377	2 669	2 863	3 070
Costs Capitalised to PPE	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	241 904	272 013	276 380	306 678	305 189	305 189	304 301	325 716	348 676
% increase		12,4%	1,6%	11,0%	(0,5%)	-	(0,3%)	7,0%	7,0%
Total Parent Municipality	259 676	288 574	294 657	330 838	330 434	330 434	334 487	357 615	382 394
Board Members of Entities									
Total Municipal Entities	-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	259 676	288 574	294 657	330 838	330 434	330 434	334 487	357 615	382 394
% increase		11,1%	2,1%	12,3%	(0,1%)	-	1,2%	6,9%	6,9%
TOTAL MANAGERS AND STAFF	246 990	275 384	281 509	315 821	315 416	315 416	319 873	342 416	366 587

Summary of personnel numbers (Table SA24)

Summary of Personnel Numbers Number	2024/25			Current Year 2025/26			Budget Year 2026/27		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	27	–	–	27	–	–	27	–	–
Municipal employees									
Municipal Manager and Senior Managers	6	1	5	6	5	1	6	6	–
Other Managers	26	25	2	26	24	–	26	26	–
Professionals	260	232	9	267	247	5	275	267	19
<i>Finance</i>	8	8	2	8	6	4	8	8	4
<i>Spatial/town planning</i>	13	12	1	14	14	–	19	14	–
<i>Information Technology</i>	6	3	4	6	6	–	9	6	–
<i>Roads</i>	42	21	–	48	37	1	48	48	15
<i>Electricity</i>	27	27	1	27	23	–	27	27	–
<i>Water</i>	48	45	1	48	45	–	48	48	–
<i>Sanitation</i>	23	23	–	23	23	–	23	23	–
<i>Refuse</i>	85	85	–	85	85	–	85	85	–
<i>Other</i>	8	8	–	8	8	–	8	8	–
Technicians	130	119	5	132	117	5	132	125	12
<i>Finance</i>	85	81	5	87	79	5	87	87	5
<i>Other</i>	45	38	–	45	38	–	45	38	7
Clerks (Clerical and administrative)	56	56	–	56	56	–	56	56	–
Service and sales workers	81	78	5	81	78	6	81	78	6
Plant and Machine Operators	38	38	–	38	38	–	38	38	–
Elementary Occupations	144	139	144	103	94	144	103	103	144
TOTAL PERSONNEL NUMBERS	768	688	170	736	659	161	744	699	181
% increase				(4,2%)	(4,2%)	(5,3%)	1,1%	6,1%	12,4%
Total municipal employees headcount									
Finance personnel headcount	87	86	5	87	79	5	92	79	5
Human Resources personnel headcount	10	9	1	10	10	3	10	10	3

13. Annual Budgets and Service delivery and Budget Implementation plans- Internal Departments

The Functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and the relevant Functional Area reporting schedule:

- a. A detailed departmental SDBIP will be available on the website of TWK Municipality.

The functional breakdown per Directorate is as follows:

Corporate Service:

Legal Advisory

- Both the Director and deputy Director Corporate Services are the Legal Officers for the organisation and provide legal support to all Directorates

Administration

- Give administrative support to the Council and its political structures
- Corporate support for other Directorates and Town offices
- Provision of secretariat services to all directorates
- The management of the municipality's incoming and outgoing mail including the distribution and dispatch of correspondence to and from the public
- The management of access to records
- The management of Security and Cleaning Services

Human Resources

- Ensuring a skilled workforce through training and selection
- Ensuring sound HR administration
- Ensuring an informed labour force by practicing sound labour relations
- Ensuring a sound organisational structure

Information Technology

- The Information Technology department serves as support function for the whole of the organization:
- Maintaining the IT and communication Infrastructure
- Facilitate the integration of information systems
- Establishing and maintaining proper backup procedures and systems
- Ensuring information security

Economic Development and Planning:

Integrated Development Planning

- This department provides a unique support service to all departments, community and council. It is responsible for the coordination and management of the IDP process, Organisational Performance Management, Annual Reporting, Service Delivery and Budget Implementation Plan, and Social Development

Local Economic Development (LED) and Tourism

- Create an enabling environment for economic development
- Increase economic opportunities for people
- Promote intergovernmental collaboration
- Build local Capacity
- Encourage PPP in Local economic Development

- Monitor and evaluate LED strategy.
- Capacitate SMME's

Housing and Integrated Human Settlement

- The function of this department is to facilitate, manage and maintain low-cost housing development within the Theewaterskloof Municipality

Property Management

- The Property Management section must ensure that Municipal owned immovable assets are managed efficiently, effectively and economically and are dealt with in a manner which will ensure the maximum benefit to the municipality and the community

Town Planning

- Plays a crucial role in shaping the urban development and management of land and resources in the area.
- Urban and Rural Planning
- Zoning and Land Use Regulations
- Development Control and Approval
- Regulatory Compliance and Enforcement

Financial Services:

Expenditure and Supply Chain Management

- Salaries: Implementation of approved payroll, paying of salaries, allowances and accounting for payroll implementation
- Creditors: Payment and recording of creditors' payments and reconciliations
- Supply Chain Management: Responsible for the Administration and Management of Procurement of goods and services (i.e. Acquisition Management in particular)
- Bank Reconciliation
- Administration and Management of Investments
- Administration and Management of Loans
- Maintain Professionalism, Honesty, Integrity and Internal Controls

Revenue Management

- Facilitation and application for Municipal Services
- Debtors Billing Administration and Management
- Meter Reading
- Administration of Clearance Certificates
- Rendering of Monthly Consumer / Rates Debtors Accounts
- Debtors Customer Care and Query Administration
- Receipting and bank revenue management
- Credit Control, Debt Collection and Indigents Management
- Maintain Professionalism, Honesty, Integrity and Internal Controls

Budget Office

- Budget
- In-year Reporting
- Budgetary Management and Control
- Co-ordinate Financial Policy Formulation
- Financial Management Workshops under leadership of CFO

- Maintain Professionalism, Honesty, Integrity and Internal Controls

Asset and Insurance

- The responsible and in involve managing both physical assets and the insurance needs of an organization
- Maintain Professionalism, Honesty, Integrity and Internal Controls

Costing Services (commenced in September 2009)

- Financial Viability

Technical Service:

Water Distribution and Treatment

- (Supply potable water in accordance with (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: “Water and Sanitation Services limited to potable water supply systems”)

Roads

- The Theewaterskloof Municipality is responsible for the roads and storm water reticulation within the towns of the WC031 established municipal area. The Roads and Storm water Division functions as a division on its own headed by the Assistant manager of each town. This unit has 85 trained technical, artisans and other operational staff

Electricity Distribution

The electricity purchase and distribution functions of the municipality are administered as follows and include:

- The effective and efficient distribution and reticulation of energy in the following towns (Caledon, Villiersdorp, Greyton and Riviersonderend. Grabouw, Genadendal, Tesselaarsdal, Botrivier and Middleton reside within Eskom jurisdiction)
- Distribute electricity subject to the license conditions set by NERSA

Electricity/Street lighting

- Provide adequate street lighting for urban areas
- Maintain/Repair of faulty streetlights
- Upgrade of existing services as well as new developments
- These services extend to include Theewaterskloof (Caledon, Greyton, Riviersonderend and Villiersdorp, but do not take account rural areas such as Tesselaarsdal, Botrivier, Grabouw, Genadendal which resides within the jurisdiction of provincial Government

Waste Water Management (Sewerage)

- TheewaterskloofMunicipality provides sewerage collection systems, comprising water borne sewer networks, bucket removal system and vacuum tanker service where necessary, and treats the collected effluent at 7 sewage treatment plants. Further services include the provision and maintenance of communal toilets in informal areas

Solid Waste Management

- Theewaterskloof municipality is responsible for the day to day operations in every town and for the removal and collection of the waste, cleaning of road reserves and most public open places. There are three Transfer-stations in the Municipal jurisdiction, one in Grabouw, Villiersdorp and the other in Botriver. Caledon has a licensed waste site but Genadendal, Greyton and Riviersonderend is not permitted yet.

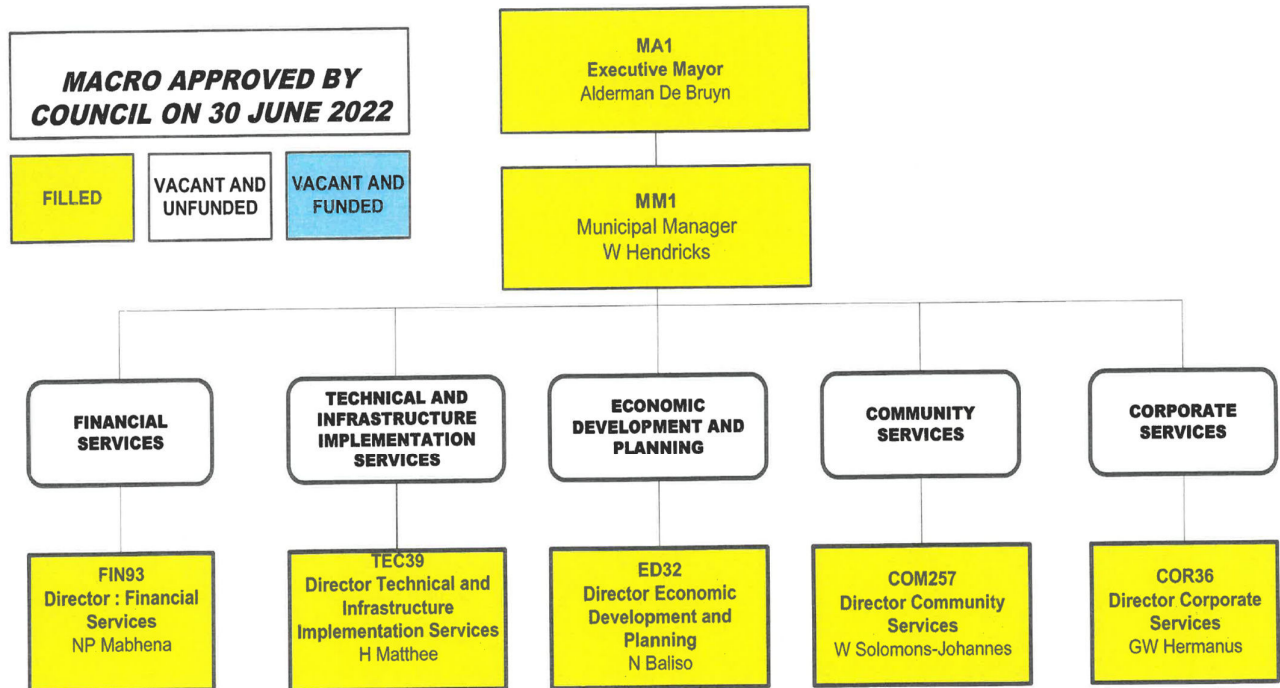
Community Services

- Responsible for the day-to-day to service delivery within all Theewaterskloof Towns.

Fleet Management

- To manage and maintain all fleet of the municipality.
- To provide sufficient municipal services to all residence within the municipal boundary.

Senior Management Capability and Structure



14. Capital expenditure details

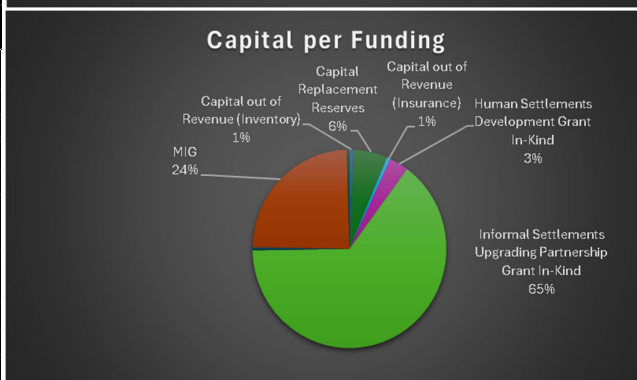
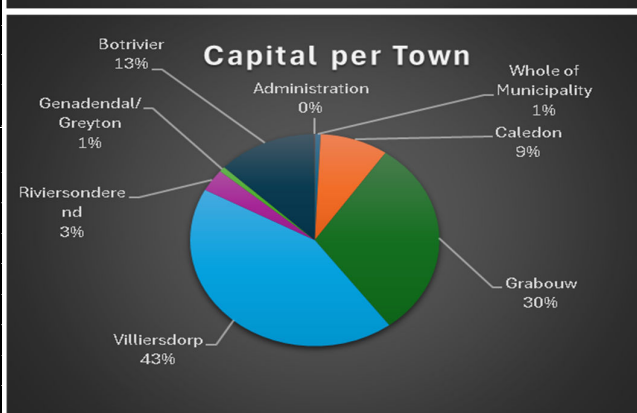
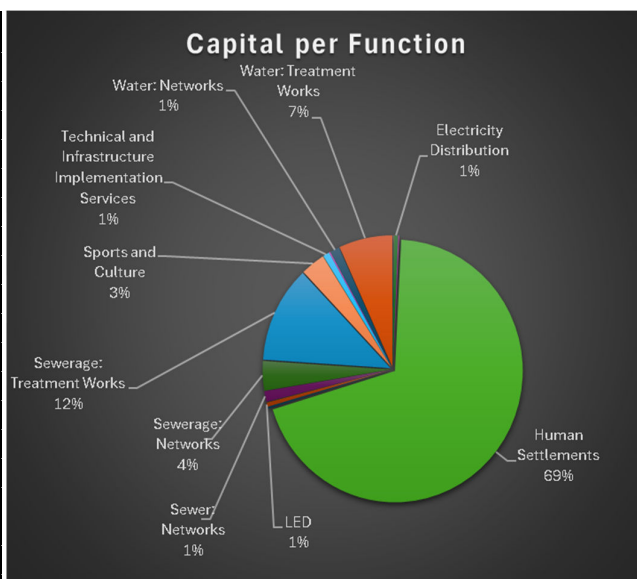
In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

Capital Budget

The capital budget per function, town and per funding source is illustrated below:

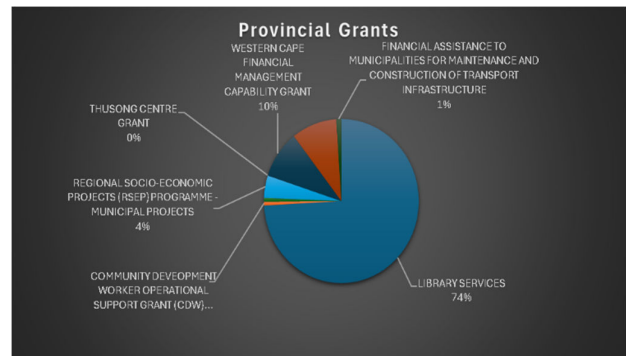
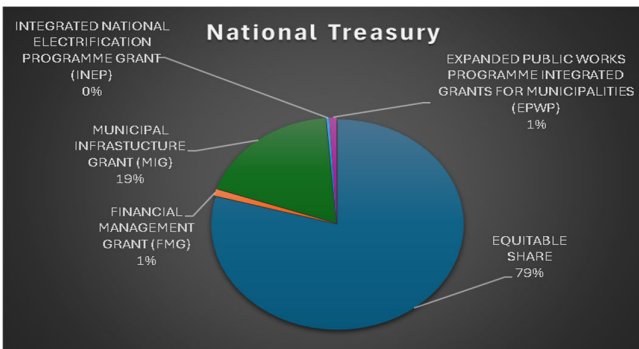
The Capital Budget amounts to R 132 million in 2026/2027, R 77 million in 2027/2028 and R 58 million in 2028/2029.

CAPITAL PER FUNCTION	2026 - 2027	%
Asset Management	100 000	0%
Community Services	56 000	0%
Electricity Distribution	700 000	1%
Financial Services	6 000	0%
Fleet Management	166 500	0%
Human Settlements	91 405 658	69%
ICT	300 000	0%
LED	700 000	1%
Municipal Manager	50 000	0%
Parks and Gardens	24 000	0%
Sewer: Networks	1 745 233	1%
Sewerage: Networks	4 784 151	4%
Sewerage: Treatment Works	15 629 315	12%
Sports and Culture	4 051 304	3%
Supply Chain Management	33 000	0%
Technical and Infrastructure Implementation Services	1 100 000	1%
Town Administration	204 000	0%
Traffic Services	10 000	0%
Water: Networks	1 563 102	1%
Water: Treatment Works	8 927 895	7%
TOTAL CAPITAL PER FUNCTION	131 556 158	100%
CAPITAL PER TOWN	2026 - 2027	%
Whole of Municipality	1 000 000	1%
Caledon	11 632 411	9%
Grabouw	39 743 790	30%
Villiersdorp	56 635 281	43%
Riviersonderend	4 460 148	3%
Genadendal/ Greyton	1 050 000	1%
Botrivier	16 945 528	13%
Administration	89 000	0%
TOTAL CAPITAL PER TOWN	131 556 158	100%
CAPITAL FUNDING SOURCES	2026 - 2027	%
Capital out of Revenue (Inventory)	924 500	1%
Capital out of Revenue (Donations)	40 000	0%
Capital Replacement Reserves	7 365 092	6%
Capital out of Revenue (Insurance)	800 000	1%
Human Settlements Development Grant In-Kind	4 200 000	3%
Informal Settlements Upgrading Partnership Grant In-Kind	85 017 000	65%
RSEP	700 000	1%
MIG	31 900 870	24%
INEP	608 696	0%
TOTAL CAPITAL FUNDING SOURCES	131 556 158	100%



The table below reflects the 2026 Division of Revenue Act Grant Allocations

GRANT ALLOCATIONS 2026 - 2027										
NATIONAL ALLOCATIONS										
GRANT		2026 - 2027			2027 - 2028			2028 - 2029		
		BUDGET	EXCL VAT	VAT	BUDGET	EXCL VAT	VAT	BUDGET	EXCL VAT	VAT
EQUITABLE SHARE		157 971 000	157 971 000	-	166 048 000,00	166 048 000	-	169 463 000	169 463 000	-
EQUITABLE SHARE FORMULA	OPEX	157 971 000	157 971 000	-	166 048 000,00	166 048 000	-	169 463 000	169 463 000	-
FINANCIAL MANAGEMENT GRANT (FMG)		2 000 000	1 812 298	187 702	2 100 000,00	1 826 087	273 913	2 200 000	1 913 044	286 956
OPERATING	OPEX	2 000 000	1 812 298	187 702	2 100 000,00	1 826 087	273 913	2 200 000	1 913 044	286 956
MUNICIPAL INFRASTRUCTURE GRANT (MIG)		36 686 000	31 900 870	4 785 130	35 228 000,00	30 633 043	4 594 957	36 245 000	31 517 391	4 727 609
OPERATING (VAT)	OPEX	4 785 130	-	4 785 130	4 594 957,00	-	4 594 957	4 727 609	-	4 727 609
CAPITAL	CAPEX	31 900 870	31 900 870	-	30 633 043,00	30 633 043	-	31 517 391	31 517 391	-
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)		700 000	608 696	91 304	6 271 000,00	5 453 043	817 957	6 554 000	5 699 130	854 870
OPERATING (VAT)	OPEX	91 304	-	91 304	817 957,00	-	817 957	854 870	-	854 870
CAPITAL	CAPEX	608 696	608 696	-	5 453 043,00	5 453 043	-	5 699 130	5 699 130	-
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANTS FOR MUNICIPALITIES (EPWP)		1 912 000	1 912 000	-	-	-	-	-	-	-
OPERATING	OPEX	1 912 000	1 912 000	-	-	-	-	-	-	-
TOTAL NATIONAL GRANTS		199 269 000	194 204 864	5 064 136	209 647 000,00	203 960 173	5 686 827	214 462 000	208 592 565	5 869 435
PROVINCIAL ALLOCATIONS										
GRANT		2026 - 2027			2027 - 2028			2028 - 2029		
		BUDGET	EXCL VAT	VAT	BUDGET	EXCL VAT	VAT	BUDGET	EXCL VAT	VAT
INTEGRATED HOUSING & HUMAN SETTLEMENT DEVELOPMENT GRANT - IN-KIND		174 181 000	174 181 000	-	165 088 000	165 088 000	-	76 040 000	76 040 000	-
INFORMAL SETTLEMENTS UPGRADING PARTNERSHIP GRANT: PROVINCES (BENEFICIARIES) IN-KIND	CAPEX	85 017 000	85 017 000	-	49 748 000	49 748 000	-	24 000 000	24 000 000	-
HUMAN SETTLEMENTS DEVELOPMENT GRANT (BENEFICIARIES) IN-KIND	OPEX	84 964 000	84 964 000	-	57 200 000	57 200 000	-	-	-	-
HUMAN SETTLEMENTS DEVELOPMENT GRANT IN-KIND	CAPEX	4 200 000	4 200 000	-	58 140 000	58 140 000	-	52 040 000	52 040 000	-
LIBRARY SERVICES		11 756 000	10 222 609	1 533 391	11 873 000	10 324 348	1 548 652	11 992 000	10 427 827	1 564 173
LIBRARY SERVICES GRANT: COMMUNITY	OPEX	3 248 000	2 824 348	423 652	3 280 000	2 852 174	427 826	3 313 000	2 880 870	432 130
LIBRARY SERVICES: REPLACEMENT	OPEX	8 508 000	7 398 261	1 109 739	8 593 000	7 472 174	1 120 826	8 679 000	7 546 957	1 132 043
COMMUNITY DEVELOPMENT WORKER OPERATIONAL SUPPORT GRANT (CDW)		118 000	118 000	-	118 000	118 000	-	118 000	118 000	-
OPERATING	OPEX	118 000	118 000	-	118 000	118 000	-	118 000	118 000	-
REGIONAL SOCIO-ECONOMIC PROJECTS (RSEP) PROGRAMME - MUNICIPAL PROJECTS		700 000	700 000	-	-	-	-	-	-	-
CAPITAL	CAPEX	700 000	700 000	-	-	-	-	-	-	-
THUSONG CENTRE GRANT		-	-	-	-	-	-	150 000	150 000	-
OPERATING	OPEX	-	-	-	-	-	-	150 000	150 000	-
WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT		1 500 000	1 500 000	-	-	-	-	-	-	-
OPERATING	OPEX	1 500 000	1 500 000	-	-	-	-	-	-	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE		165 000	165 000	-	185 000,00	185 000	-	185 000	185 000	-
OPERATING	OPEX	165 000	165 000	-	185 000,00	185 000	-	185 000	185 000	-
TOTAL PROVINCIAL GRANTS		14 239 000	12 705 609	1 533 391	12 176 000,00	10 627 348	1 548 652	12 445 000	10 880 827	1 564 173
NOTE: Allocations for Conditional Grants are only made for one year and the amounts published for the outer years in the schedules of the Division of Revenue Act (DORA) are published for indicative purposes only and are not guaranteed.	OPEX	265 262 434	258 664 907	6 597 527	242 936 914,00	235 701 435	7 235 479	189 690 479	182 256 871	7 433 608
	CAPEX	122 426 566	122 426 566	-	143 974 086,00	143 974 086	-	113 256 521	113 256 521	-
	TOTAL	387 689 000	381 091 473	6 597 527	386 911 000,00	379 675 521	7 235 479	302 947 000	295 513 392	7 433 608



15. Capital expenditure details

The following three tables present details of the Theewaterskloof's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Capital expenditure on new assets by asset class (Table SA34a)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	43 679	51 079	80 616	45 288	79 342	79 342	99 498	110 201	98 038
Roads Infrastructure	8 707	11 847	341	45 288	79 342	79 342	91 406	107 888	76 040
Roads	8 707	11 847	341	45 288	79 342	79 342	91 406	107 888	76 040
Storm water Infrastructure	3 559	8 108	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	3 559	8 108	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	9 473	4 880	2 666	-	-	-	-	-	-
LV Networks	9 473	4 880	2 666	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	6 888	20 793	-	-	-	-	1 563	2 313	21 998
Boreholes	95	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	1 156	10 242
Bulk Mains	-	-	-	-	-	-	-	1 157	11 756
Distribution	6 793	20 793	-	-	-	-	1 563	-	-
Sanitation Infrastructure	8 741	5 450	77 609	-	-	-	6 529	-	-
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	7 599	5 450	77 609	-	-	-	6 529	-	-
Waste Water Treatment Works	757	-	-	-	-	-	-	-	-
Toilet Facilities	384	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	6 311	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	6 311	-	-	-	-	-	-	-	-
Community Assets	874	2 587	-	-	450	450	-	-	-
Community Facilities	874	2 587	-	-	450	450	-	-	-
Testing Stations	274	728	-	-	-	-	-	-	-
Libraries	600	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	1 859	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	450	450	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Other assets	865	-	-	-	-	-	-	-	-
Operational Buildings	865	-	-	-	-	-	-	-	-
Yards	865	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	152	1 521	451	50	2 237	2 237	390	-	-
Computer Equipment	152	1 521	451	50	2 237	2 237	390	-	-
Furniture and Office Equipment	1 387	770	363	374	515	515	120	-	-
Furniture and Office Equipment	1 387	770	363	374	515	515	120	-	-
Machinery and Equipment	20 210	2 099	8	50	730	730	364	-	-
Machinery and Equipment	20 210	2 099	8	50	730	730	364	-	-
Transport Assets	1 731	-	-	-	-	-	-	-	-
Transport Assets	1 731	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	68 898	58 057	81 438	45 762	83 274	83 274	100 372	110 201	98 038

Capital expenditure on renewal of existing assets by asset class (Table SA34b)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	8 953	6 605	309	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	1 075	6 551	62	-	-	-	-	-	-
<i>MV Networks</i>	832	-	-	-	-	-	-	-	-
<i>LV Networks</i>	243	6 551	62	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	7 456	-	247	-	-	-	-	-	-
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Boreholes</i>	144	-	-	-	-	-	-	-	-
<i>Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Pump Stations</i>	457	-	-	-	-	-	-	-	-
<i>Distribution</i>	6 854	-	247	-	-	-	-	-	-
Sanitation Infrastructure	50	54	-	-	-	-	-	-	-
<i>Pump Station</i>	50	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	54	-	-	-	-	-	-	-
Solid Waste Infrastructure	373	-	-	-	-	-	-	-	-
<i>Landfill Sites</i>	373	-	-	-	-	-	-	-	-
Community Assets	1 563	79	-	-	-	-	-	-	-
Community Facilities	1 563	-	-	-	-	-	-	-	-
<i>Testing Stations</i>	1 563	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	79	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	79	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Equipment	-	35	-	-	-	-	-	-	-
Computer Equipment	-	35	-	-	-	-	-	-	-
Furniture and Office Equipment	-	36	-	-	-	-	16	-	-
Furniture and Office Equipment	-	36	-	-	-	-	16	-	-
Machinery and Equipment	56	75	-	-	-	-	75	-	-
Machinery and Equipment	56	75	-	-	-	-	75	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	10 572	6 829	309	-	-	-	91	-	-

Repairs and maintenance expenditure by asset class (Table SA34c)

Description	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	89 039	119 382	91 528	104 798	100 917	100 917	105 060	111 496	118 353
Roads Infrastructure	25 447	41 776	26 062	28 898	27 192	27 192	31 891	33 935	36 117
Roads	25 379	41 772	26 049	28 849	27 143	27 143	31 866	33 909	36 090
Road Structures	–	–	–	–	–	–	–	–	–
Road Furniture	68	4	13	48	48	48	25	26	27
Capital Spares	–	–	–	–	–	–	–	–	–
Storm water Infrastructure	84	26	30	210	156	156	260	270	281
Drainage Collection	–	–	–	10	10	10	10	10	11
Storm water Conveyance	84	26	30	200	146	146	250	260	270
Attenuation	–	–	–	–	–	–	–	–	–
Electrical Infrastructure	13 609	13 604	12 053	15 283	13 612	13 612	14 702	15 635	16 630
LV Networks	13 609	13 604	12 053	15 283	13 612	13 612	14 702	15 635	16 630
Capital Spares	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure	18 914	26 083	17 986	21 459	21 714	21 714	22 113	23 390	24 747
Dams and Weirs	25	4	–	25	22	22	26	27	28
Water Treatment Works	3 560	4 931	5 224	7 235	7 426	7 426	7 601	8 081	8 594
Bulk Mains	–	–	–	–	–	–	–	–	–
Distribution	15 329	21 148	12 762	14 199	14 267	14 267	14 486	15 282	16 125
Sanitation Infrastructure	27 303	35 759	32 070	34 231	34 493	34 493	33 473	35 486	37 630
Pump Station	223	74	1	145	83	83	181	188	196
Reticulation	19 558	25 901	23 657	25 773	26 165	26 165	24 171	25 588	27 095
Waste Water Treatment Works	7 522	9 784	8 411	8 313	8 245	8 245	9 121	9 710	10 339
Outfall Sewers	–	–	–	–	–	–	–	–	–
Toilet Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	3 683	2 135	3 327	4 718	3 750	3 750	2 621	2 779	2 947
Landfill Sites	3 683	2 112	3 325	4 713	3 745	3 745	2 616	2 774	2 942
Waste Transfer Stations	–	–	–	–	–	–	–	–	–
Waste Processing Facilities	–	–	–	–	–	–	–	–	–
Waste Drop-off Points	–	22	2	5	5	5	5	5	5
Community Assets	16 412	16 842	11 403	13 998	13 051	13 051	15 398	16 341	17 346
Community Facilities	15 983	15 197	11 244	13 604	12 438	12 438	15 110	16 042	17 034
Halls	1 513	1 660	1 421	1 834	2 247	2 247	2 684	2 826	2 978
Museums	–	–	–	10	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	69	225	8	–	–	–	75	75	75
Cemeteries/Crematoria	171	337	90	909	729	729	1 188	1 235	1 284
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	13 154	11 868	8 096	9 630	8 582	8 582	9 168	9 797	10 471
Nature Reserves	990	1 049	1 624	1 104	778	778	1 886	1 993	2 107
Public Ablution Facilities	29	27	0	82	67	67	95	99	103
Taxi Ranks/Bus Terminals	57	32	4	35	35	35	15	16	16
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	429	1 645	159	394	612	612	288	300	312
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	429	1 645	159	394	612	612	288	300	312
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	24	11	21	40	50	50	61	63	66
Revenue Generating	24	11	–	–	–	–	31	32	33
Improved Property	24	11	–	–	–	–	31	32	33
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	21	40	50	50	31	32	33
Improved Property	–	–	21	40	50	50	31	32	33
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	10 137	10 047	7 655	11 352	11 950	11 950	12 647	13 332	14 057
Operational Buildings	8 743	8 342	6 816	10 533	11 245	11 245	11 903	12 558	13 253
Municipal Offices	8 267	7 889	6 709	10 278	11 081	11 081	11 666	12 312	12 996
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	476	453	107	256	163	163	237	247	256
Housing	1 394	1 705	839	818	706	706	744	774	805
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	1 394	1 705	839	818	706	706	744	774	805
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	–	8 324	8 777	9 905	9 806	9 806	10 139	10 545	10 967
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	–	8 324	8 777	9 905	9 806	9 806	10 139	10 545	10 967
Computer Software and Applications	–	8 324	8 777	9 905	9 806	9 806	10 139	10 545	10 967
Computer Equipment	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment	236	223	217	206	206	206	222	230	240
Furniture and Office Equipment	236	223	217	206	206	206	222	230	240
Machinery and Equipment	990	888	1 812	764	1 108	1 108	950	988	1 027
Machinery and Equipment	990	888	1 812	764	1 108	1 108	950	988	1 027
Transport Assets	4 533	4 845	4 252	7 618	7 217	7 217	8 089	8 413	8 749
Transport Assets	4 533	4 845	4 252	7 618	7 217	7 217	8 089	8 413	8 749
Land	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	121 372	160 562	125 666	148 681	144 304	144 304	152 566	161 409	170 805

Capital expenditure details (Table SA36)

R thousand	Function	Project Description	Type	IUDF	Own Strategic Objectives	Asset Class	Ward Location	GPS Longitude	GPS Latitude	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
										Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:															
<i>List all capital projects grouped by Function</i>															
Electricity: Distribution	Electrification TMK Area	New			SO6	Electrical Infrastructure	Ward 6	19°16'50.35"E	33°59'37.04"S	-	-	-	700	6 271	6 554
Human Settlements	Greyton Erf 595 (538)(Yield reduced)(393)	New			SO9	Housing	Ward 2	19°36'54.1"E	34°03'22.3"S	10 000	2 186	2 186	-	-	-
Human Settlements	Botriver Beaumont (1046) IRDP Services Ph2(774)	New			SO9	Housing	Ward 7	19°11'51.3"E	34°13'16.2"S	12 400	-	-	-	-	-
Human Settlements	Villiersdorp Destiny Farm (1133)	New			SO9	Housing	Ward 6	19°16'38.9"E	33°59'31.3"S	10 560	24 700	24 700	-	-	-
Human Settlements	Caledon Riemvasmaak (811) increased to (1014)	New			SO9	Housing	Ward 3	19°25'38.4"E	34°14'49.2"S	6 119	-	-	-	-	-
Human Settlements	Greater Villiersdorp UISP (2600)	New			SO9	Housing	Ward 5 and 6	19°16'45.3"E	33°59'08.3"S	5 621	5 000	5 000	-	-	-
Human Settlements	Gypsy Queen	New			SO9	Housing	Ward 11	19°00'34.9"E	34°09'27.6"S	-	-	-	-	-	-
Human Settlements	Grabouw Hillside (321) (102+219)	New			SO9	Housing	Ward 13	18°59'19.4"E	34°09'39.6"S	-	9 200	9 200	-	-	-
Roads & Stormwater	Upgrading of Villiersdorp Access Road	Upgrading			SO6	Roads Infrastructure				-	-	-	-	-	-
Sewerage: Treatment Works	Upgrading of Botriver Waste Water Treatment Works (WWTW) Phase 2	Upgrading			SO6	Sanitation Infrastructure	Ward 7	-34,23401497	19,20651496	13 594	16 414	16 414	-	-	-
Sewerage: Treatment Works	Upgrade of RSE Waste Water Treatment Works (WWTW) Phase 1	Upgrading			SO6	Sanitation Infrastructure	Ward 1	-34,138177	19,924552	-	-	-	-	-	-
Sewerage: Networks	Grabouw Waste Water Treatment Plant Upgrade	Upgrading			SO6	Sanitation Infrastructure	Ward 13	-34,15742802	19,02023104	-	-	-	-	-	-
Water: Treatment Works	Upgrade of Villiersdorp Water Treat Works (WTW)	Upgrading			SO6	Water Supply Infrastructure	Ward 5	-33,99866109	19,29491825	7 281	1 089	1 089	-	-	-
Water: Distribution	Villiersdorp Destiny Farm Reservoir	Upgrading			SO6	Water Supply Infrastructure				-	-	-	-	1 739	10 242
Water: Distribution	Grabouw WEST bulk supply upgrades Steenbras upper: NEW 6.5M Steenbras upper reservoir & supply lines	Upgrading			SO6	Water Supply Infrastructure				-	-	-	-	1 469	11 756
Finance and administration	Upgrading of Fleet	Upgrading			SO4	Transport Assets				5 000	-	-	-	-	-
Waste water management	Upgrading of Grabouw Gypsy Queen Bulk Sewer and Water Provision	Upgrading			SO6	Sanitation Infrastructure				10 793	7 335	7 335	-	-	-
Water management	Smart meter replacement	Upgrading			SO6	Water Supply Infrastructure				5 000	2 500	2 500	-	-	-
Housing	Greater Grabouw	New			SO9	Roads Infrastructure				300	3 300	3 300	-	-	-
Finance and administration	Furniture and Office Equipment	New			SO4	Furniture and Office Equipment				374	515	414	-	-	-
Finance and administration	Machinery and Equipment	New			SO4	Machinery and Equipment				50	730	730	-	-	-
Finance and administration	Computer Equipment	New			SO4	Computer Equipment				50	2 237	2 470	-	-	-
Housing	Grabouw- Hillside Tops	New			SO9	Roads Infrastructure				288	288	288	-	-	-
Waste water management	Upgrading of Caledon Waste Water Treatment Works (WWTW) Phase 5	Upgrading			SO6	Sanitation Infrastructure				-	-	-	-	-	-
Waste water management	Upgrading of Greyton Waste Water Treatment Works (WWTW)	Upgrading			SO6	Sanitation Infrastructure				-	-	-	-	-	-
Water management	Upgrading of the Ultra Filtration Plant in Genadendal	Upgrading			SO6	Water Supply Infrastructure				-	-	-	-	1 739	3 000
Water management	Upgrade of RSE Ultra Filtration Plant	Upgrading			SO6	Water Supply Infrastructure				-	-	-	-	-	-
Finance and administration	Purchase of Fleet	Upgrading			SO4	Transport Assets				1 400	4 550	4 550	-	-	-
Planning and development	Villiersdorp Upgrade - Taxi Rank	Upgrading			SO11	Community Facilities				-	884	884	-	-	-
Sport and recreation	Upgrading of Pniew Park Sport Ground	Upgrading			SO6	Sport and Recreation Facilities				-	877	575	-	-	-
Planning and development	Grabouw Taxi Rank	New			SO1	Community Facilities				-	450	1 550	-	-	-
Human Settlements	Caledon Riemvasmaak (1014)	New			SO9	Housing	Ward 3	19°25'38.4"E	34°14'49.2"S	-	11 125	11 125	-	-	-
Human Settlements	Botriver Beaumont Services Ph1(272) Ph2(774)	New			SO9	Housing	Ward 7	19°11'51.3"E	34°13'16.2"S	-	7 307	7 000	-	-	-
Water management	Upgrading RSE WTP	Upgrading			SO6	Water Supply Infrastructure				-	1 300	1 300	4 317	19 922	11 247
Housing	Grabouw Iraq (456)	New			SO9	Roads Infrastructure				-	8 336	8 336	-	-	-
Housing	Villiersdorp Berg en Dal (182)	New			SO9	Roads Infrastructure				-	2 600	2 600	-	-	-
Housing	Roodakke (1054)	New			SO9	Roads Infrastructure				-	5 300	5 300	-	-	-
Waste water management	Upgrading Botriver WWTW, phase 2	Upgrading			SO6	Waste Water Treatment Works				-	-	-	15 614	-	-

R thousand	Function	Project Description	Type	IUDF	Own Strategic Objectives	Asset Class	Ward Location	GPS Longitude	GPS Latitude	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
										Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	
Parent municipality: <i>List all capital projects grouped by Function</i>																
Water management	Upgrading Villiersdorp WTP, phase 2	Upgrading			S06	Water Treatment Works					-	-	-	4 611	10 359	-
Waste water management	Bulk sewer provision to erf 313 housing development, Grabouw	New			S06	Reticulation					-	-	-	6 529	-	-
Water management	Gypsy Queen water supply phase 2	New			S06	Distribution					-	-	-	1 563	-	-
Housing	Botriver Beaumont - Phase 2 - Planning	New			S09	Roads					-	-	-	331	-	-
Housing	Villiersdorp Destiny Farm - Berg en Dal (Phase 1)	New			S09	Roads					-	-	-	1 552	-	-
Housing	Caledon Riemvasmaak - Phase 1	New			S09	Roads					-	-	-	306	-	-
Finance and administration	Computer Equipment	New			S04	Computer Equipment					-	-	-	440	-	-
Executive and council	Computer Equipment	New			S02	Computer Equipment					-	-	-	50	-	-
Community and social services	Furniture and Office Equipment	New			S06	Furniture and Office Equipment					-	-	-	-	-	-
Finance and administration	Furniture and Office Equipment	New			S01	Furniture and Office Equipment					-	-	-	17	-	-
Finance and administration	Furniture and Office Equipment	New			S02	Furniture and Office Equipment					-	-	-	33	-	-
Finance and administration	Furniture and Office Equipment	New			S04	Furniture and Office Equipment					-	-	-	10	-	-
Finance and administration	Furniture and Office Equipment	New			S06	Furniture and Office Equipment					-	-	-	50	-	-
Public safety	Furniture and Office Equipment	New			S08	Furniture and Office Equipment					-	-	-	10	-	-
Waste water management	Furniture and Office Equipment	New			S06	Furniture and Office Equipment					-	-	-	15	-	-
Community and social services	Machinery and Equipment	New			S06	Machinery and Equipment					-	-	-	50	-	-
Environmental protection	Machinery and Equipment	New			S07	Machinery and Equipment					-	-	-	-	-	-
Finance and administration	Machinery and Equipment	New			S04	Machinery and Equipment					-	-	-	118	-	-
Finance and administration	Machinery and Equipment	New			S06	Machinery and Equipment					-	-	-	73	-	-
Finance and administration	Machinery and Equipment	Renewal			S06	Machinery and Equipment					-	-	-	75	-	-
Sport and recreation	Machinery and Equipment	New			S06	Machinery and Equipment					-	-	-	24	-	-
Sport and recreation	Upgrading of Pine View Park Sport Ground - Phase 2	Upgrading			S06	Outdoor Facilities					-	-	-	4 051	-	-
LED	Traders Market & Taxi Rank Upgrade (Planning & Designs).	Upgrading			S011	Taxi Ranks/Bus Terminals					-	-	-	700	-	-
Technical and Infrastructure Implementation	Grabouw Taxi Rank	Upgrading			S01	Taxi Ranks/Bus Terminals					-	-	-	1 100	-	-
Housing	Greater Grabouw Rooidakke SEF Erf 313	New			S09	Roads					-	-	-	1 200	-	-
Housing	Greyton Erf 595 (538) (Yield reduced) (393)	New			S09	Roads					-	-	-	1 000	16 000	15 400
Housing	Gypsy Queen (500)	New			S09	Roads					-	-	-	1 000	20 000	16 000
Housing	Botriver Beaumont (1046) IRDP Services (Ph 2 774)	New			S09	Roads					-	-	-	1 000	20 640	20 640
Housing	Greater Grabouw	New			S09	Roads					-	-	-	100	5 985	5 000
Housing	Grabouw Iraq (456)	New			S09	Roads					-	-	-	22 000	-	-
Housing	Grabouw Hillside (321) (102 + 219)	New			S09	Roads					-	-	-	1 000	6 680	-
Housing	Villiersdorp Destiny Farm (1133)	New			S09	Roads					-	-	-	50 417	16 583	-
Housing	Caledon Riemvasmaak (1014)	New			S09	Roads					-	-	-	11 000	16 500	15 000
Housing	Rooidakke (1054)	New			S09	Roads					-	-	-	500	-	-
Housing	Riviersonderend Joeslovo Ext	New			S09	Roads					-	-	-	-	1 500	-
Housing	Botriver Beaumont (1046) UISP Services Ph1 (272)	New			S09	Roads					-	-	-	-	4 000	4 000
Parent Capital expenditure											88 830	118 224	118 847	131 556	149 387	118 839
Entities: <i>List all capital projects grouped by Entity</i>																
Entity Capital expenditure																
Total Capital expenditure												118 224		131 556	149 387	118 839

Consolidated Projects delayed from previous years (Table SA37)

R thousand	Function	Project name	Type	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
											Original Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:															
<i>List all capital projects grouped by Function</i>															
Electricity: Distribution	Electrification TWK Area	New	SO6	Electrical Infrastructure	LV Networks	Ward 6	19°16'50.35"E	33°59'37.04"S	2025	-	1 277				
Electricity: Distribution	Electrification TWK Area	New	SO6	Electrical Infrastructure	LV Networks	Ward 3	19°25'41.38"E	34°14'50.88"S	2025	-	-				
Human Settlements	Greyton Erf 595 (538)(Yield reduced)(393)	New	SO9	Housing	Social Housing	Ward 2	19°36'54.1"E	34°03'22.3"S	2025	10 000	2 000				
Human Settlements	Botrivier Beaumont (1046) IRDP Services Ph2(774)	New	SO9	Housing	Social Housing	Ward 7	19°11'51.3"E	34°13'16.2"S	2025	12 400	-				
Human Settlements	Villiersdorp Destiny Farm (1133)	New	SO9	Housing	Social Housing	Ward 6	19°16'38.9"E	33°59'31.3"S	2025	10 560	24 700				
Human Settlements	Caledon Riemvasmaak (811) increased to (1014)	New	SO9	Housing	Social Housing	Ward 3	19°25'38.4"E	34°14'49.2"S	2025	6 119	-				
Human Settlements	Greater Villiersdorp UISP (2600)	New	SO9	Housing	Social Housing	Ward 5 and 6	19°16'45.3"E	33°59'08.3"S	2025	5 621	5 000				
Human Settlements	Gypsy Queen	New	SO9	Housing	Social Housing	Ward 11	19°00'34.9"E	34°09'27.6"S	2025	-	-				
Human Settlements	Grabouw Hillside (321) (102+219)	New	SO9	Housing	Social Housing	Ward 13	18°59'19.4"E	34°09'39.6"S	2025	-	9 200				
Roads & Stormwater	Upgrading of Villiersdorp Access Road	Upgrading	SO6	Roads Infrastructure	Roads				2025	-	-				
Sewerage: Treatment Works	Upgrading of Botrivier Waste Water Treatment Works (WWTW) Phase 2	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 7	-34,23401497	19,20651496	2025	13 594	16 414				
Sewerage: Treatment Works	Upgrade of RSE Waste Water Treatment Works (WWTW) Phase 1	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 1	-34,138177	19,924552	2025	-	-				
Sewerage: Networks	Grabouw Waste Water Treatment Plant Upgrade	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 13	-34,15742802	19,02023104	2025	-	-				
Water: Treatment Works	Upgrade of Villiersdorp Water Treat Works (WTW)	Upgrading	SO6	Water Supply Infrastructure	Water Treatment Works	Ward 5	-33,99856109	19,29491825	2025	7 281	1 089				
Water: Distribution	Villiersdorp Destiny Farm Reservoir	Upgrading	SO6	Water Supply Infrastructure	Reservoirs				2025	-	-				
Water: Distribution	Grabouw WEST bulk supply upgrades Steenbras upper: NEW 6.5Ml Steenbras upper reservoir & supply lines	Upgrading	SO6	Water Supply Infrastructure	Distribution				2025	-	-				
Finance and administration	Upgrading of Fleet	Upgrading	SO4	Transport Assets	Transport Assets				2025	5 000	-				
Waste water management	Upgrading of Grabouw Gypsy Queen Bulk Sewer and Water Provision	Upgrading	SO6	Sanitation Infrastructure	Reticulation				2025	10 793	9 998				
Water management	Smart meter replacement	Upgrading	SO6	Water Supply Infrastructure	Distribution				2025	5 000	2 500				
Housing	Greater Grabouw	New	SO9	Roads Infrastructure	Roads				2025	300	3 300				
Finance and administration	Furniture and Office Equipment	New	SO4	Furniture and Office Equipment	Furniture and Office Equipment				2025	374	414				
Finance and administration	Machinery and Equipment	New	SO4	Machinery and Equipment	Machinery and Equipment				2025	50	730				
Finance and administration	Computer Equipment	New	SO4	Computer Equipment	Computer Equipment				2025	50	2 470				
Housing	Grabouw- Hillside Tops	New	SO9	Roads Infrastructure	Roads				2025	288	288				
Waste water management	Upgrading of Caledon Waste Water Treatment Works (WWTW) Phase 5	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works				2025	-	-				
Waste water management	Upgrading of Greyton Waste Water Treatment Works (WWTW)	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works				2025	-	-				
Water management	Upgrading of the Ultra Filtration Plant in Genadendal	Upgrading	SO6	Water Supply Infrastructure	Water Treatment Works				2025	-	-				
Water management	Upgrade of RSE Ultra Filtration Plant	Upgrading	SO6	Water Supply Infrastructure	Water Treatment Works				2025	-	-				
Finance and administration	Purchase of Fleet	Upgrading	SO4	Transport Assets	Transport Assets				2025	1 400	4 550				
Water: Distribution	Tesselaarsdal bulk water pipeline	Upgrading	SO6	Water Supply Infrastructure	Water Treatment Works	Ward 4	19,525	34,374	2024/25	-	-	3 135			
Water: Distribution	Grabouw bulk water pipeline	New	SO6	Water Supply Infrastructure	Water Treatment Works	Ward 8,10,11,12,13,14	19,017	34,15	2024/25	-	-	8 634			
Waste water management	Caledon bulk sewer upgrading	Upgrading	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 4	19,428	34,23	2024/25	-	-	6 050	10 000	10 000	
Waste water management	Botrivier eradication of septic tank sanitation system	New	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 7	19,205	34,226	2024/25	-	-	3 157	3 472	3 819	
Water: Distribution	Upgrading of Greyton water network	Upgrading	SO6	Water Supply Infrastructure	Water Treatment Works	Ward 2	19,617	34,05	2024/25	-	-	3 388			
Waste water management	Greyton low cost housing project bulk sewer provision	New	SO6	Sanitation Infrastructure	Waste Water Treatment Works	Ward 2	19,617	34,05	2024/25	-	-	726			
Entities:															
<i>List all capital projects grouped by Entity</i>															
Entity Name	Project name														

16. Legislation Compliance Status

Compliance with the MFMA Implementation requirements has been substantially adhered to through the following activities:

- **Budget and Treasury Office:** A Budget and Treasury Office has been established in accordance with the MFMA.
- **Budgeting:** The annual budget is prepared in accordance with the requirements prescribed by the MFMA and National Treasury.
- **Financial Reporting:** 100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report:** The Annual Report is prepared in accordance with the MFMA and National Treasury.
- **Debt Collection:** A Debt Collection unit has been established in accordance with the relative legislation. The staff appointments in the Debt Collection Department have almost been completed and the department is fully functional. Debt collection restructuring is also scheduled to improve the efficiency of the unit and ensure collections and credit control is done at optimal levels.
- **Internal Audit:** The unit under the Accounting Officer is functioning with a Chief Audit Executive, Senior Internal Auditor and an Internal Audit assistant. Auditing is done in terms of an approved Risk based audit plan under the supervision of an independent Performance and Audit Committee appointed by Council.
- **Supply Chain Management:** A Functional Supply Chain Management Unit in accordance with the MFMA.
- **Risk Management:** Theewaterskloof Municipality has adopted a Risk Management Policy in August 2009 and official has undergone training. A risk register is compile which identify the top ten risks and is reviewed and monitor regularly.
- **Asset Management:** The Fixed Asset Register is fully GRAP compliant and the Asset Maintenance Plan is in progress in order to comply with legislation.
- **Internship Programme:** Theewaterskloof Municipality is participating in the Municipal Finance Management Internship Programme. Six Interns are employed and are undergoing various training in all sections of the Finance Department.

17. Other supporting documents

a. Tariff list

Refer to Annexure A for a final list of tariffs to be approved.

b. Supplementary notes to tables

Supporting detail to budgeted financial performance (Table SA1)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
REVENUE ITEMS:										
Exchange revenue										
Service charges - Electricity										
Availability Charges	1 366	-	-	-	-	-	-	-	-	-
Connection/Reconnection	855	439	505	612	6 868	6 868	6 868	7 417	8 011	8 652
Electricity Distribution Revenue for Services	-	-	-	-	-	-	-	-	-	-
Electricity Sales	116 971	137 535	156 543	177 138	165 789	165 789	165 789	179 052	193 376	208 846
Total Service charges - Electricity	119 192	137 974	157 047	177 750	172 657	172 657	172 657	186 470	201 387	217 498
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>	-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	(5 156)	(6 133)	(6 416)	(7 672)	(6 676)	(6 676)	(6 676)	(7 210)	(7 787)	(8 410)
Net Service charges - Electricity	114 037	131 841	150 632	170 078	165 981	165 981	165 981	179 259	193 600	209 088
Service charges - Water										
Agricultural and Rural Water Service	-	-	-	-	-	-	-	-	-	-
Availability Charges	1 915	-	-	-	-	-	-	-	-	-
Connection/Disconnection (Water)	541	1 172	1 682	1 349	1 749	1 749	1 749	1 889	2 040	2 203
Industrial Water	18 450	20 777	24 159	24 746	33 149	33 149	33 149	35 801	38 665	41 758
Meter Reading Fees	-	-	-	-	-	-	-	-	-	-
Sale	70 342	79 569	87 318	93 676	96 584	96 584	96 584	104 311	112 656	121 668
Urban Higher Level Service	-	-	-	-	-	-	-	-	-	-
Total Service charges - Water	91 246	101 518	113 159	119 771	131 482	131 482	131 482	142 001	153 361	165 629
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>	-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	(11 869)	(13 510)	(14 977)	(16 051)	(15 483)	(15 483)	(15 483)	(16 722)	(18 059)	(19 504)
Net Service charges - Water	79 377	88 007	98 182	103 720	115 999	115 999	115 999	125 279	135 301	146 125
Service charges - Waste Water Management										
Agricultural and Rural	-	-	-	-	-	-	-	-	-	-
Availability Charges	869	-	-	-	-	-	-	-	-	-
Connection/Reconnection (Waste Water)	208	140	193	248	189	189	189	198	205	214
Higher Level Service	-	-	-	-	-	-	-	-	-	-
Industrial Effluent	5 306	7 040	9 274	10 212	9 732	9 732	9 732	10 170	10 577	11 000
Industrial Waste Water	-	-	-	-	-	-	-	-	-	-
Pump/Removal of Waste Water	-	-	-	-	2 275	2 275	2 275	2 377	2 472	2 571
Sanitation Charges	47 581	49 525	51 839	54 958	52 597	52 597	52 597	54 964	57 162	59 449
Treatment of Effluent	-	-	-	-	-	-	-	-	-	-
Total Service charges - Waste Water Management	53 964	56 705	61 306	65 418	64 793	64 793	64 793	67 709	70 417	73 234
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>	(13 450)	(13 672)	(14 934)	(15 677)	(14 805)	(14 805)	(14 805)	(15 471)	(16 090)	(16 734)
Net Service charges - Waste Water Management	40 514	43 033	46 372	49 742	49 988	49 988	49 988	52 237	54 327	56 500
Service charges - Waste Management										
Availability Charges	710	-	-	-	-	-	-	-	-	-
Carrier Bags	-	-	-	-	-	-	-	-	-	-
Disposal Facilities	2 353	2 587	2 904	2 986	2 712	2 712	2 712	3 035	3 157	3 283
Refuse Bags	-	-	-	-	-	-	-	-	-	-
Refuse Removal	51 873	55 264	58 272	61 154	60 509	60 509	60 509	67 722	70 431	73 248
Skip	-	-	-	-	-	-	-	-	-	-
Waste Bins	-	-	-	-	-	-	-	-	-	-
Total refuse removal revenue	54 937	57 851	61 176	64 140	63 221	63 221	63 221	70 757	73 587	76 531
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>	(15 079)	(15 392)	(16 764)	(17 592)	(16 618)	(16 618)	(16 618)	(18 599)	(19 343)	(20 117)
Net Service charges - Waste Management	39 858	42 459	44 412	46 549	46 603	46 603	46 603	52 158	54 244	56 414

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
REVENUE ITEMS:										
Exchange revenue										
Sales of Goods and Rendering of Services										
Academic Services	-	-	-	-	-	-	-	-	-	-
Advertisements	263	7	264	207	7	7	7	1	1	1
Amendment Fees	-	-	-	-	-	-	-	-	-	-
Application Fees for Land Usage	-	-	-	-	4 975	4 975	4 975	13 312	13 845	14 399
Building Plan Approval	1 467	1 509	2 175	1 560	2 005	2 005	2 005	1 850	1 924	2 001
Building Plan Clause Levy	518	460	829	461	100	100	100	80	83	87
Buyers Card	-	-	-	-	-	-	-	-	-	-
Camping Fees	-	-	-	-	-	-	-	-	-	-
Cemetery and Burial	686	645	800	750	750	750	750	750	780	811
Cleaning and Removal	-	-	-	-	-	-	-	-	-	-
Clearance Certificates	231	239	231	300	300	300	300	240	250	260
Encroachment Fees	63	67	67	70	70	70	70	100	104	108
Entrance Fees	-	-	-	-	1	1	1	1	1	1
Escort Fees	37	19	25	20	20	20	20	30	31	32
Legal Fees	(3)	(0)	(0)	450	5	5	5	301	313	326
Library Fees	2	5	2	5	5	5	5	2	2	2
Management Fees	-	-	-	-	-	-	-	-	-	-
Meal and Refreshment	-	-	-	-	-	-	-	-	-	-
Membership Fees	-	154	-	-	-	-	-	-	-	-
Objections and Appeals	-	-	-	-	-	-	-	-	-	-
Occupation Certificates	-	-	-	-	-	-	-	-	-	-
Parking Fees	-	-	0	-	-	-	-	-	-	-
Photo copies, Faxes and Telephone charges	75	89	89	89	89	89	89	89	92	96
Removal of Restrictions	-	-	-	-	-	-	-	-	-	-
Sale of Carbon Credits	-	-	-	-	-	-	-	-	-	-
Sale of Goods	-	-	-	22 704	560	560	560	200	208	216
Town Planning and Servitudes	-	-	-	-	1	1	1	1	1	1
Traffic Control	-	-	-	-	-	-	-	-	-	-
Transport Fees	-	-	-	-	-	-	-	-	-	-
Valuation Services	-	-	-	1	1	1	1	-	-	-
Water Meter Protectors	-	-	-	-	-	-	-	-	-	-
Weighbridge Fees	-	-	-	-	-	-	-	-	-	-
Total Sales of Goods and Rendering of Services	3 338	3 193	4 482	26 616	8 888	8 888	8 888	16 956	17 634	18 339
Agency Services										
Provincial										
Western Cape	7 636	7 938	8 352	8 417	8 417	8 417	8 417	8 291	8 623	8 968
Total Provincial	7 636	7 938	8 352	8 417	8 417	8 417	8 417	8 291	8 623	8 968
Total Agency Services	7 636	7 938	8 352	8 417	8 417	8 417	8 417	8 291	8 623	8 968
Interest - Deemed Interest										
Interest earned from Receivables										
Affiliates/Related Parties/Associated Companies										
Electricity	-	693	470	559	2 118	2 118	2 118	2 287	2 470	2 668
Service Charges	23 463	267	1 354	1 929	162	162	162	169	176	183
Waste Management	-	8 288	8 492	9 289	8 740	8 740	8 740	9 782	10 173	10 580
Waste Water Management	-	7 338	7 454	8 157	7 623	7 623	7 623	7 966	8 285	8 616
Water	-	6 825	7 030	7 727	7 737	7 737	7 737	8 356	9 024	9 746
Shared Services	-	-	-	-	-	-	-	-	-	-
Total Interest earned from Receivables	23 463	23 411	24 800	27 661	26 380	26 380	26 380	28 561	30 129	31 794
Interest earned from Current and Non Current Assets										
Bank Accounts	5 872	4 919	-	4 900	2 000	2 000	2 000	1 549	1 610	1 675
Financial Assets	121	254	205	269	200	200	200	220	220	220
Short Term Investments and Call Accounts	5 476	978	3 280	1 000	1 100	1 100	1 100	1 000	1 000	1 000
Total Interest earned from Current and Non Current Assets	11 469	6 151	3 484	6 169	3 300	3 300	3 300	2 769	2 830	2 895
Dividends										
Total Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land										
Total Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets										
Market Related										
Investment Property	1 855	2 039	2 097	2 076	1 826	1 826	1 826	1 000	1 040	1 082
Property Plant and Equipment	-	-	-	-	250	250	250	300	312	324
Total Market Related	1 855	2 039	2 097	2 076	2 076	2 076	2 076	1 300	1 352	1 406
Non-market Related										
Total Non-market Related	-	-	-	-	-	-	-	-	-	-
Total Rental from Fixed Assets	1 855	2 039	2 097	2 076	2 076	2 076	2 076	1 300	1 352	1 406

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
REVENUE ITEMS:										
Exchange revenue										
Licences or Permits										
Filming Fees	-	2	-	1	1	1	1	1	1	1
Trading	4	(1)	71	75	75	75	75	75	75	75
Total Licences or Permits	4	2	71	76	76	76	76	76	76	76
Special Rating Levies										
Total Special Rating Levies	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue										
Development Charges										
797	211	1 115	1 000	1 000	1 000	1 000	1 000	1 040	1 082	
Operational Revenue										
Administrative Handling Fees	17 168	16 499	647	430	4	4	4	5	5	5
Collection Charges	1 335	1 797	2 177	1 800	2 100	2 100	2 100	2 100	2 184	2 271
Commission	355	2	-	78	83	83	83	100	104	108
Discounts and Early Settlements	-	-	-	-	-	-	-	-	-	-
Incidental Cash Surpluses	41	31	95	50	50	50	50	70	73	76
Inspection Fees	-	-	-	-	-	-	-	-	-	-
Insurance Refund	-	952	938	695	695	695	695	500	520	541
Merchandising, Jobbing and Contracts	104	-	2	2	372	372	372	372	386	402
Recovery Maintenance	-	-	-	-	1	1	1	1	1	1
Registration Fees	-	-	-	-	-	-	-	-	-	-
Request for Information	-	-	-	-	50	50	50	20	21	22
Sale of Property	-	-	-	-	-	-	-	-	-	-
Skills Development Levy Refund	-	-	-	-	-	-	-	-	-	-
Staff and Councillors Recoveries	-	-	31	-	1 072	1 072	1 072	558	580	603
Total Operational Revenue	19 004	19 281	3 888	3 055	4 427	4 427	4 427	3 725	3 874	4 029
Non-Exchange revenue	19 801	19 492	5 003	4 055						
Property Rates										
Agricultural Properties	22 003	25 658	37 631	40 481	40 466	40 466	40 466	42 489	44 614	46 844
Business and Commercial Properties	32 664	42 431	43 513	51 809	45 544	45 544	45 544	47 821	50 212	52 723
Industrial Properties	3 599	4 824	4 888	5 487	5 396	5 396	5 396	5 666	5 949	6 247
Mining Properties	67	42	44	47	47	47	47	49	52	54
Public Benefit Organisations	139	91	95	167	97	97	97	102	107	112
Public Service Infrastructure Properties	9 218	10 223	-	11 693	-	-	-	-	-	-
Public Service Purposes Properties	16 686	10 389	10 905	-	11 653	11 653	11 653	12 236	12 847	13 490
Residential Properties	59 343	69 721	73 161	78 831	65 814	65 814	65 814	69 105	72 560	76 188
Residential Sectional Title Garages	-	-	-	-	-	-	-	-	-	-
Sport Clubs and Fields	-	-	-	-	-	-	-	-	-	-
Vacant Land	2 267	(1)	2 847	3 255	2 965	2 965	2 965	3 113	3 269	3 432
Total Property Rates	145 986	163 378	173 084	191 769	171 982	171 982	171 982	180 581	189 610	199 091
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>	(9 633)	(9 763)	(11 737)	(18 698)	(1 229)	(1 229)	(1 229)	(1 290)	(1 355)	(1 423)
Net Property Rates	136 354	153 616	161 347	173 070	170 753	170 753	170 753	179 291	188 255	197 668
Surcharges and Taxes										
Surcharges	-	1 895	1 884	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Total Surcharges and Taxes	-	1 895	1 884	-	-	-	-	-	-	-
Fines, Penalties and Forfeits										
Fines	35 670	20 704	28 386	27 649	43 202	43 202	43 202	43 521	45 262	47 072
Forfeits	-	-	-	-	575	575	575	0	0	0
Penalties	-	91	134	164	164	164	164	150	156	162
Total Fines, Penalties and Forfeits	35 670	20 795	28 520	27 812	43 941	43 941	43 941	43 671	45 418	47 235
Licences or Permits										
Total Licences or Permits	-	-	-	-	-	-	-	-	-	-

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
REVENUE ITEMS:										
Transfer and subsidies - Operational										
Allocations In-kind										
Provincial Government	-	-	-	-	11 201	11 201	11 201	84 964	57 200	-
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Allocations In-kind	-	-	-	-	11 201	11 201	11 201	84 964	57 200	-
Monetary Allocations										
Departmental Agencies and Accounts	-	-	-	-	318	318	318	-	-	-
District Municipalities	-	-	212	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	522	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	4	14	14	14	-	-	-
National Governments	129 538	141 283	148 083	157 991	158 489	158 489	158 489	166 759	173 561	177 245
National Revenue Fund	-	-	-	-	-	-	-	-	-	-
Non-Profit Institutions	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	60	60	60	-	-	-
Provincial Government	14 706	11 354	14 662	24 295	16 070	16 070	16 070	13 539	12 176	12 445
Public Corporations	270	714	449	-	-	-	-	-	-	-
Total Monetary Allocations	144 515	153 872	163 406	182 290	174 951	174 951	174 951	180 298	185 737	189 690
Total Transfer and subsidies - Operational	144 515	153 872	163 406	182 290	186 152	186 152	186 152	265 262	242 937	189 690
Interest Receivables										
Property Rates	-	5 018	4 020	4 554	3 679	3 679	3 679	3 863	4 056	4 259
Service Charges										
Electricity	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Total Service Charges	-	-	-	-	-	-	-	-	-	-
Total Interest Receivables	-	5 018	4 020	4 554	3 679	3 679	3 679	3 863	4 056	4 259
Fuel Levy (RSC Replacement Grant)										
	-	-	-	-	-	-	-	-	-	-
Operational Revenue - Service Charges										
Electricity - Availability Charges	514	1 547	1 719	8 000	1 993	1 993	1 993	2 152	2 325	2 511
Waste Management - Availability Charges	-	750	764	791	822	822	822	920	957	995
Waste Water Management - Availability Charges	-	904	926	953	962	962	962	1 005	1 046	1 087
Water - Availability Charges	-	2 049	2 128	2 259	2 270	2 270	2 270	2 452	2 648	2 860
Total Operational Revenue - Service Charges	514	5 250	5 537	12 003	6 047	6 047	6 047	6 529	6 975	7 453
Gains on Disposal of Fixed and Intangible Assets										
Biological Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Property, Plant and Equipment	395	-	-	114	114	114	114	872	-	-
Total Disposal of Fixed and Intangible Assets	395	-	-	114	114	114	114	872	-	-
Other Gains										
Debt waived	-	-	-	-	15 400	15 400	15 400	15 000	-	-
Discontinued Operations and Disposals of Non-current Assets	-	-	-	-	-	-	-	-	-	-
Inventory										
Fair value assessment - Water stock	-	-	-	-	-	-	-	-	-	-
Increase to net-realizable Value	-	-	-	-	-	-	-	-	-	-
Total Inventory	-	-	-	-	-	-	-	-	-	-
Fair Value Adjustment										
Actuarial Assessments										
Leave Gratuity	-	-	-	-	-	-	-	-	-	-
Long Service Awards	426	465	-	465	465	465	465	465	465	465
Medical	4 875	-	-	5 081	3 175	3 175	3 175	3 175	3 175	3 175
Pension Funds	-	-	-	-	-	-	-	-	-	-
Total Actuarial Assessments	5 301	465	-	5 546	3 640	3 640	3 640	3 640	3 640	3 640
Biological Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Interest rate Swaps	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Total Fair Value Adjustment	5 301	465	-	5 546	3 640	3 640	3 640	3 640	3 640	3 640
Foreign Exchange	-	-	-	-	200	200	200	200	200	200
Contributions to Provisions for landfill sites	-	-	-	-	-	-	-	-	-	-
Total Other Gains	5 301	465	-	5 546	19 240	19 240	19 240	18 840	3 840	3 840
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Revenue	664 099	708 476	752 602	850 549	863 062	863 062	863 062	989 939	994 511	986 860

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
EXPENDITURE ITEMS:										
Employee related costs										
Salaries and Allowances										
Basic Salary	154 029	175 352	178 274	212 494	197 719	197 719	197 719	214 473	229 475	245 564
Bonuses	12 293	13 458	14 085	16 949	17 776	17 776	17 776	17 227	18 434	19 729
Allowance										
Accommodation, Travel and Incidental	-	-	-	-	-	-	-	-	-	-
Cellular and Telephone	991	955	906	1 190	1 169	1 169	1 169	1 192	1 278	1 370
Housing Benefits	1 012	1 114	1 848	1 075	1 183	1 183	1 183	1 076	1 152	1 234
Non-pensionable	-	-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle	10 628	11 538	11 359	14 031	12 896	12 896	12 896	13 973	14 973	16 046
Voluntary Work	-	-	-	-	-	-	-	-	-	-
Total Allowance	12 631	13 607	14 113	16 296	15 247	15 247	15 247	16 241	17 404	18 650
Service Related Benefits										
Acting	2 703	3 134	3 473	185	3 142	3 142	3 142	597	641	687
Bonus	721	260	228	656	-	-	-	-	-	-
Danger Allowance	-	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-
Fire Brigade	-	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-	-
Leave Pay	952	3 990	4 724	500	5 300	5 300	5 300	500	536	575
Lifeguard/Duty Squads	-	-	-	-	-	-	-	-	-	-
Long Service Award	1 076	1 091	1 105	1 780	1 964	1 964	1 964	1 626	1 737	1 857
Overtime	12 751	16 592	11 187	6 533	11 284	11 284	11 284	9 461	10 147	10 883
Scarcity	-	-	-	-	-	-	-	-	-	-
Standby Allowance	7 396	8 108	6 746	3 985	7 719	7 719	7 719	3 517	3 772	4 045
Tools Allowance	-	-	-	-	-	-	-	-	-	-
Uniform-Special-Protective Clothing	-	-	-	-	-	-	-	-	-	-
Leave gratuity	-	-	-	-	-	-	-	-	-	-
Long Term Service Award	-	-	-	-	-	-	-	-	-	-
Total Service Related Benefits	25 599	33 175	27 462	13 639	29 408	29 408	29 408	15 701	16 833	18 047
Total Salaries and Allowances	204 552	235 592	233 934	259 379	260 150	260 150	260 150	263 642	282 145	301 990
Social Contributions										
Bargaining Council	86	92	96	111	101	101	101	114	122	130
Group Life Insurance	2 341	2 761	3 078	3 935	3 574	3 574	3 574	3 672	3 929	4 204
Medical	9 454	10 213	10 732	11 630	11 836	11 836	11 836	11 698	12 513	13 387
Pension	26 450	28 041	29 810	36 611	34 154	34 154	34 154	36 570	39 232	42 081
Unemployment Insurance	1 439	1 518	1 479	1 486	1 503	1 503	1 503	1 508	1 612	1 725
Total Social Contributions	39 769	42 625	45 196	53 774	51 168	51 168	51 168	53 562	57 408	61 527
Post-retirement Benefit										
Medical	2 669	(2 832)	2 379	2 669	2 377	2 377	2 377	2 669	2 863	3 070
Other Benefits	-	-	-	-	-	-	-	-	-	-
Pension	-	-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit	2 669	(2 832)	2 379	2 669	2 377	2 377	2 377	2 669	2 863	3 070
Sub-Total	246 990	275 384	281 509	315 821	313 696	313 696	313 696	319 873	342 416	366 587
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-	-
Total Employee Related Cost	246 990	275 384	281 509	315 821	313 696	313 696	313 696	319 873	342 416	366 587
Remuneration of Councillors										
Allowances and Service Related Benefits										
Basic Salary	11 497	11 393	11 599	13 349	13 349	13 349	13 349	13 130	13 655	14 201
Cell phone Allowance	1 015	1 415	1 260	1 326	1 326	1 326	1 326	1 406	1 462	1 521
Housing Allowance	-	-	-	-	-	-	-	-	-	-
In-kind Benefits	-	-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	174	270	204	240	240	240	240	41	43	44
Office-bearer Allowance	-	-	-	-	-	-	-	-	-	-
Out of pocket Expenses	-	-	-	-	-	-	-	-	-	-
Travelling Allowance	-	-	-	-	-	-	-	-	-	-
Use of Personal Facilities	-	-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits	12 686	13 078	13 063	14 915	14 915	14 915	14 915	14 577	15 160	15 767
Social Contributions										
Medial Aid Benefits	-	112	85	102	102	102	102	37	39	40
Pension Fund Contributions	-	-	-	-	-	-	-	-	-	-
Total Social Contributions	-	112	85	102	102	102	102	37	39	40
Total Remuneration of Councillors	12 686	13 189	13 148	15 017	15 017	15 017	15 017	14 614	15 199	15 807

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
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R thousand										
EXPENDITURE ITEMS:										
Bulk Purchases - Electricity										
ESKOM	87 774	101 021	120 104	139 207	139 202	139 202	139 202	152 134	167 347	184 082
Independent Power Producers										
Green Electricity										
Green Charges	-	-	-	-	-	-	-	-	-	-
Green Rights and Certificates	-	-	-	-	-	-	-	-	-	-
Total Green Electricity	-	-	-	-	-	-	-	-	-	-
Renewable, Cogen, etc	-	-	-	-	5	5	5	7	7	8
Total Independent Power Producers	-	-	-	-	5	5	5	7	7	8
Self Generation	-	-	-	-	-	-	-	-	-	-
Capitalisation Electricity Costs (Credit Account)	-	-	-	-	-	-	-	-	-	-
Total Bulk Purchases - Electricity	87 774	101 021	120 104	139 207	139 207	139 207	139 207	152 140	167 354	184 089
Inventory Consumed										
Agricultural	-	-	-	-	-	-	-	-	-	-
Consumables	-	-	-	-	2 744	2 744	2 744	2 839	2 942	3 057
Finished Goods	-	-	-	-	-	-	-	-	-	-
Housing Stock	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Materials and Supplies	14 390	18 074	11 139	16 823	13 096	13 096	13 096	12 865	13 376	13 908
Water	20 730	22 253	28 572	24 967	30 000	30 000	30 000	28 698	30 994	33 474
Sub-total	35 121	40 327	39 711	41 790	45 840	45 840	45 840	44 402	47 312	50 440
Less: Capitalisation of inventory consumed	-	-	-	-	-	-	-	-	-	-
Total Inventory Consumed	35 121	40 327	39 711	41 790	45 840	45 840	45 840	44 402	47 312	50 440
Debt Impairment										
Trade and Other Receivables from Exchange Transactions										
Electricity	2 613	(1 133)	1 421	1 461	1 886	1 886	1 886	1 808	1 989	2 188
Shared Services	-	-	-	-	-	-	-	-	-	-
Waste Management	13 285	12 935	13 103	15 774	11 400	11 400	11 400	11 260	11 823	12 414
Waste Water Management	11 159	10 588	11 741	13 755	11 416	11 416	11 416	10 532	11 059	11 612
Water	19 847	22 436	21 585	26 556	19 446	19 446	19 446	18 521	20 003	21 603
Non Specific Accounts	-	-	-	-	27 752	27 752	27 752	26 883	27 958	29 077
Total Trade and Other Receivables from Exchange Transactions	46 904	44 826	47 850	57 546	71 900	71 900	71 900	69 004	72 831	76 893
Other Receivables from Non-exchange Revenue										
Property Rates										
Property Rates General	4 434	3 901	3 920	5 965	3 426	3 426	3 426	3 234	3 396	3 565
Agricultural Properties	-	-	-	-	-	-	-	-	-	-
Business and Commercial Properties	-	-	-	-	-	-	-	-	-	-
Industrial Properties	-	-	-	-	-	-	-	-	-	-
Mining Properties	-	-	-	-	-	-	-	-	-	-
Public Benefit Organisations	-	-	-	-	-	-	-	-	-	-
Public Service Infrastructure Properties	-	-	-	-	-	-	-	-	-	-
Public Service Purposes Properties	-	-	-	-	-	-	-	-	-	-
Residential Properties	-	-	-	-	-	-	-	-	-	-
Residential Sectional Title Garages	-	-	-	-	-	-	-	-	-	-
Sport Clubs and Fields	-	-	-	-	-	-	-	-	-	-
Vacant Land	-	-	-	-	-	-	-	-	-	-
Total Property Rates	4 434	3 901	3 920	5 965	3 426	3 426	3 426	3 234	3 396	3 565
Service Charges										
Service Charges General	27 416	24 163	22 995	24 058	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-
Waste Water Management	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-
Total Service Charges	27 416	24 163	22 995	24 058	-	-	-	-	-	-
Non Specific Accounts	20 848	15 898	25 696	29 023	35 588	35 588	35 588	35 588	37 012	38 492
Total Other Receivables from Non-exchange Revenue	52 699	43 961	52 611	59 046	39 014	39 014	39 014	38 822	40 407	42 057
Total Debt Impairment	99 603	88 788	100 461	116 591	110 914	110 914	110 914	107 826	113 239	118 950
Depreciation, Amortisation and Impairment										
Amortisation										
Intangible Assets	59	59	57	61	975	975	975	58	11	13
Total Amortisation	59	59	57	61	975	975	975	58	11	13

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R thousand										
EXPENDITURE ITEMS:										
Depreciation										
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	-
Community Assets	(7)	31	6	122	122	122	122	-	-	-
Computer Equipment	985	868	895	762	1 002	1 002	1 002	699	727	756
Electrical Infrastructure	3 521	3 727	4 130	3 579	3 888	3 888	3 888	3 703	3 851	4 005
Furniture and Office Equipment	737	645	647	607	15 526	15 526	15 526	580	603	627
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Land	-	-	(28)	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	1 011	818	811	793	771	771	771	770	801	833
Other Assets	1 713	982	1 532	1 923	985	985	985	984	1 024	1 065
Rail Infrastructure	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure	4 330	4 209	4 626	4 221	4 293	4 293	4 293	4 186	4 353	4 527
Sanitation Infrastructure	5 644	9 545	9 798	9 397	3 164	3 164	3 164	9 307	9 680	10 067
Solid Waste Infrastructure	4 261	2 421	7 428	3 584	1 550	1 550	1 550	3 099	3 223	3 352
Storm water Infrastructure	487	490	570	493	489	489	489	488	508	528
Transport Assets	2 782	2 838	2 611	2 748	3 454	3 454	3 454	3 296	3 428	3 565
Water Supply Infrastructure	6 954	7 556	8 239	7 252	1 919	1 919	1 919	7 199	7 487	7 786
Zoo, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Depreciation	32 417	34 129	41 264	35 481	37 163	37 163	37 163	34 311	35 683	37 111
Capital Impairment Losses and Reversals										
Solid Waste Infrastructure	-	-	-	-	5 710	5 710	5 710	5 710	5 938	6 176
Total Property, Plant and Equipment	-	-	-	-	5 710	5 710	5 710	5 710	5 938	6 176
Total Capital Impairment Losses and Reversals	-	-	-	-	5 710	5 710	5 710	5 710	5 938	6 176
Total Depreciation, Amortisation and Impairment	32 476	34 188	41 321	35 541	43 848	43 848	43 848	40 079	41 633	43 300
Interest, Dividends and Rent on Land										
Dividends Paid	-	-	-	-	-	-	-	-	-	-
Interest Paid	32 479	41 699	47 204	47 551	54 459	54 459	54 459	52 465	35 071	33 930
Rent on Land	-	-	-	-	-	-	-	-	-	-
Total Interest, Dividends and Rent on Land	32 479	41 699	47 204	47 551	54 459	54 459	54 459	52 465	35 071	33 930
Contracted Services										
Consultants and Professional Services	9 589	9 990	9 952	14 421	11 775	11 775	11 775	11 742	12 179	12 706
Contractors	84 452	115 224	36 497	33 545	41 708	41 708	41 708	40 352	41 979	43 649
Outsourced Services	28 652	16 694	12 115	12 464	10 608	10 608	10 608	14 958	12 051	12 679
Total Contracted Services	122 692	141 907	58 563	60 429	64 090	64 090	64 090	67 052	66 209	69 034
Transfers and Subsidies										
Capital										
Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations	-	-	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-	-	-
Operational										
Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations	8 528	1 952	5 501	12 080	11 549	11 549	11 549	84 976	57 200	-
Total Operational	8 528	1 952	5 501	12 080	11 549	11 549	11 549	84 976	57 200	-
Total Transfers and Subsidies	8 528	1 952	5 501	12 080	11 549	11 549	11 549	84 976	57 200	-
Irrecoverable Debts Written Off										
Bad debt written off	-	-	-	-	-	-	-	-	-	-
Exchange										
Electricity	-	-	-	0	15	15	15	14	15	17
Non Specific Accounts	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	0	3 496	3 496	3 496	3 452	3 625	3 806
Waste Water Management	-	-	-	0	3 070	3 070	3 070	2 806	2 946	3 094
Water	-	-	-	0	9 009	9 009	9 009	8 548	9 232	9 970
Total Exchange	-	-	-	0	15 590	15 590	15 590	14 820	15 818	16 887

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
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R thousand										
EXPENDITURE ITEMS:										
Non-exchange										
Non Specific Accounts	-	-	-	-	-	-	-	-	-	-
Property Rates	-	-	-	0	1 060	1 060	1 060	996	1 046	1 098
Service Charges	-	-	-	-	-	-	-	-	-	-
Total Non-exchange	-	-	-	0	1 060	1 060	1 060	996	1 046	1 098
Total Irrecoverable Debts Written Off	-	-	-	0	16 650	16 650	16 650	15 816	16 864	17 985
Operational Cost and Other Cost										
Operational Cost										
Achievements and Awards	-	-	-	-	-	-	-	-	-	-
Advertising, Publicity and Marketing	668	516	326	723	632	632	632	449	467	486
Assets less than the Capitalisation Threshold	-	-	-	-	-	-	-	-	-	-
Atmospheric Emission Licence	-	-	-	-	-	-	-	-	-	-
Bank Charges, Facility and Card Fees	695	746	1 362	970	970	970	970	1 050	1 092	1 136
Bargaining Council	-	-	-	-	-	-	-	-	-	-
Bond Issue Amortisation Costs	-	-	-	-	-	-	-	-	-	-
Brokers Fees	-	-	-	-	-	-	-	-	-	-
Bursaries (Employees)	250	52	754	300	273	273	273	50	50	50
Cash Discount	-	-	-	-	-	-	-	-	-	-
Cleaning Services	-	-	-	-	-	-	-	-	-	-
Commission	12	-	-	-	1 615	1 615	1 615	1 400	1 456	1 514
Communication	699	689	681	790	629	629	629	737	766	797
Contribution to Provisions	-	-	-	-	-	-	-	-	-	-
Copy Right Fees	-	-	-	-	-	-	-	-	-	-
Cost relating to the Sale of Houses	-	-	-	-	-	-	-	-	-	-
Courier and Delivery Services	114	128	56	252	13	13	13	15	16	16
Deeds	-	-	-	-	-	-	-	-	-	-
Drivers Licences and Permits	-	585	649	278	575	575	575	600	624	649
Dumping Fees (District Council)	2 213	3 166	3 433	3 400	3 400	3 400	3 400	4 220	4 353	4 494
Electricity Compliance Certificate	-	-	-	-	-	-	-	-	-	-
Entertainment	71	99	32	59	57	57	57	-	2	2
Entrance Fees	-	-	-	-	-	-	-	-	-	-
Environmental Levy	-	-	-	-	-	-	-	-	-	-
Eskom Connection Fees	-	-	-	-	-	-	-	-	-	-
External Audit Fees	4 166	4 511	8 326	4 500	5 739	5 739	5 739	6 500	6 760	7 030
External Computer Service	9 981	9 264	10 383	12 373	12 326	12 326	12 326	12 578	13 081	13 605
Fines and Penalties	-	-	-	-	-	-	-	-	-	-
Firearm Handling Fees	-	-	-	-	-	-	-	-	-	-
Freight Services	-	-	-	-	-	-	-	-	-	-
Full Time Union Representative	185	291	34	220	-	-	-	220	229	238
Hire Charges	2 054	44 299	2 176	1 312	662	662	662	1 858	1 933	2 010
Honoraria (Voluntarily Workers)	-	-	-	-	-	-	-	-	-	-
Indigent Relief	4 785	4 264	4 690	6 869	6 869	6 869	6 869	5 400	5 616	5 841
Insurance Underwriting	4 311	4 497	4 852	5 339	2 771	2 771	2 771	2 595	2 698	2 805
Municipal Services	13 149	19 423	20 284	30 183	26 424	26 424	26 424	25 614	26 638	27 704
Office Decorations	-	-	-	-	-	-	-	-	-	-
Parking Fees	-	-	-	-	-	-	-	-	-	-
Permits	-	-	-	-	-	-	-	-	-	-
Personnel Agency Fees [Personnel Recruitment Costs]	57	32	87	43	-	-	-	30	31	32
Printing, Publications and Books	184	118	46	110	214	214	214	48	50	52
Professional Bodies, Membership and Subscription	2 582	2 946	3 085	3 327	3 513	3 513	3 513	3 328	3 461	3 599
Registration Fees	717	311	(3)	782	597	597	597	502	481	500
Remuneration to Section 79 Committee Members	145	122	79	169	-	-	-	-	-	-
Repayment of Forfeited Deposits	-	-	-	-	-	-	-	-	-	-
Resettlement Cost	20	-	-	5	5	5	5	-	-	-
Rewards Incentives	-	-	-	-	-	-	-	-	-	-
Road Worthy Test	-	5	-	-	-	-	-	-	-	-
Samples and Specimens	-	-	-	-	-	-	-	-	-	-
Search Fees	-	-	-	-	-	-	-	-	-	-
Seating Allowance for Traditional Leaders	-	-	-	-	-	-	-	-	-	-
Servitudes and Land Surveys	42	4	8	45	-	-	-	47	49	51
Signage	112	37	73	345	216	216	216	277	288	299
Skills Development Fund Levy	2 213	2 426	2 408	2 200	2 193	2 193	2 193	2 239	2 326	2 416
Small Differences Tolerances	-	-	-	-	-	-	-	-	-	-
Storage of Assets and Goods	120	-	-	-	-	-	-	-	-	-
Storage of Files (Archiving)	-	-	-	-	-	-	-	-	-	-
Supplier Development Programme	-	-	1 189	2 277	-	-	-	-	-	-
System Access and Information Fees	-	-	-	-	-	-	-	-	-	-
Taking over Contractual Obligations	-	-	-	-	-	-	-	-	-	-
Toll Gate Fees	-	-	-	-	-	-	-	-	-	-
Transport Provided as Part of Departmental Activities	-	-	-	-	-	-	-	-	-	-
Travel Agency and Visas	-	-	-	-	-	-	-	-	-	-
Travel and Subsistence	1 804	1 688	1 167	686	1 573	1 573	1 573	1 582	1 644	1 709
Uniform and Protective Clothing	1 767	1 698	1 030	1 406	1 171	1 171	1 171	1 501	1 561	1 623
Vehicle Tracking	26	81	172	650	400	400	400	450	468	487
Ward Committees	-	-	-	-	169	169	169	169	175	182
Warrantees and Guarantees	-	-	-	-	-	-	-	-	-	-
Wet Fuel	12 388	14 677	7 881	10 393	10 390	10 390	10 390	10 770	11 201	11 649
Witness Fees	-	-	-	-	-	-	-	-	-	-
Workmens Compensation Fund	1 244	1 119	1 645	2 000	2 000	2 000	2 000	2 200	2 288	2 380
Total Operational Cost	66 775	117 793	76 903	92 004	85 394	85 394	85 394	86 429	89 803	93 355
Operating Leases										
Biological Assets	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	10	10	10	10	10	10	11
Machinery and Equipment	39 907	223	1 693	2 402	1 457	1 457	1 457	-	-	-
Other Assets	312	64	77	50	88	88	88	88	88	88
Transport Assets	19 941	-	-	-	-	-	-	-	-	-
Zoo, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Operational Leases	60 160	287	1 770	2 462	1 554	1 554	1 554	98	98	99

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
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R thousand										
EXPENDITURE ITEMS:										
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Statutory Payments other than Income Taxes	-	-	-	-	-	-	-	-	-	-
Total Operational Cost and Other Cost	126 935	118 080	78 672	94 466	86 948	86 948	86 948	86 526	89 901	93 453
Disposal of Fixed and Intangible Assets										
Biological Assets	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	46	88	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Property, Plant and Equipment	-	40 341	7 677	64	64	64	64	0	0	0
Total Disposal of Fixed and Intangible Assets	46	40 429	7 677	64	64	64	64	0	0	0
Other Losses										
Fair Value Adjustment										
Actuarial Assessments	-	-	-	-	-	-	-	-	-	-
Leave Gratuity	-	-	-	-	-	-	-	-	-	-
Long Service Awards	-	-	437	465	465	465	465	465	465	465
Medical	-	131	3 175	5 081	3 175	3 175	3 175	3 175	3 175	3 175
Pension Funds	-	-	-	-	-	-	-	-	-	-
Total Actuarial Assessments	-	131	3 611	5 546	3 640	3 640	3 640	3 640	3 640	3 640
Total Fair Value Adjustment	-	131	3 611	5 546	3 640	3 640	3 640	3 640	3 640	3 640
Foreign Exchange	-	-	4	-	40	40	40	40	40	40
Discontinued Operations and Disposals of Non-current A	-	-	-	-	-	-	-	-	-	-
Contributions to Provisions for landfill sites	-	-	-	-	-	-	-	-	-	-
Total Other Losses	-	131	3 616	5 546	3 680	3 680	3 680	3 680	3 680	3 680
Total Expenditure	805 328	897 096	797 488	884 103	905 962	905 962	905 962	989 449	996 078	997 256
Surplus/(Deficit)	(141 229)	(188 621)	(44 886)	(33 554)	(42 900)	(42 900)	(42 900)	490	(1 566)	(10 395)
Transfers and subsidies - capital (monetary allocations)										
Departmental Agencies and Accounts	-	-	-	-	-	-	-	-	-	-
District Municipalities	384	-	55	-	-	-	-	-	-	-
Foreign Government and International Organisations	-	-	-	-	-	-	-	-	-	-
Higher Educational Institutions	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-
National Government	27 094	38 489	25 783	27 537	28 199	28 199	28 199	32 510	36 086	37 217
Non-Profit Institutions	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-
Private Enterprises	-	-	-	-	-	-	-	-	-	-
Provincial Governments	25 378	39 763	12 607	44 700	3 834	3 834	3 834	700	-	-
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Transfers and subsidies - capital (monetary allocations)	52 856	78 252	38 444	72 237	32 034	32 034	32 034	33 210	36 086	37 217
Transfers and subsidies - capital (in-kind)										
Departmental Agencies and Accounts	-	-	-	-	2 000	2 000	2 000	40	-	-
Households	2 295	-	45	50	-	-	-	-	-	-
Provincial Governments	274	1 804	64 951	-	78 136	78 136	78 136	89 217	107 888	76 040
Public Corporations	-	-	-	-	-	-	-	-	-	-
Total Transfers and subsidies - capital (in-kind)	2 568	1 804	64 996	50	80 136	80 136	80 136	89 257	107 888	76 040
Surplus/(Deficit) after capital transfers and contributions	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Income Tax										
Continuing Operations	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
Total Income Tax	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(85 804)	(108 564)	58 554	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Repairs and Maintenance by Expenditure Item										
Employee related costs	65 231	73 689	72 398	80 788	78 160	78 160	78 160	84 419	90 539	97 103
Inventory Consumed	9 169	13 423	6 742	7 696	8 161	8 161	8 161	8 115	8 437	8 771
Contracted Services	26 048	25 425	16 381	24 906	25 498	25 498	25 498	29 655	30 842	32 075
Operational Costs	20 924	48 025	30 145	35 290	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	121 372	160 562	125 666	148 681	111 819	111 819	111 819	122 189	129 817	137 950

Supporting detail to Statement of Financial Position (Table SA3)

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS										
Current Assets										
Cash and Cash Equivalents										
Call Deposits and Investments	-	-	15 222	-	-	-	-			
Cash at Bank	85 907	16 373	2 395	7 964	8 052	8 052	8 052	10 144	21 427	28 754
Cash on Hand	10	10	7	-	7	7	7	7	7	7
Total Cash and Cash Equivalents	85 916	16 383	17 624	7 964	8 060	8 060	8 060	10 151	21 435	28 762
Short term Investments										
Deposit Taking Institutions										
Trade and other receivables from exchange transactions										
Electricity	8 685	12 246	12 533	22 074	17 367	17 367	17 367	17 008	16 621	16 203
Waste Management	4 161	4 278	4 620	100 905	109 923	109 923	109 923	126 249	143 227	160 885
Waste Water Management	5 129	4 704	6 376	91 436	91 993	91 993	91 993	107 455	123 536	140 260
Water	15 257	13 393	14 886	117 611	85 645	85 645	85 645	115 962	148 705	184 067
Other trade receivables from exchange transactions	7 532	8 013	4 862	143 481	136 685	136 685	136 685	165 867	196 633	229 080
VAT Receivable Input Tax Accrual	-	-	-	-	20 952	20 952	20 952	20 952	20 952	20 952
Gross: Trade and other receivables from exchange transactions	40 764	42 632	43 278	475 507	462 565	462 565	462 565	553 493	649 674	751 447
Less: Impairment for debt										
Impairment for Electricity	-	-	-	(4 608)	(3 747)	(3 747)	(3 747)	(5 569)	(7 573)	(9 778)
Impairment for Waste Management	-	-	-	(95 168)	(93 680)	(93 680)	(93 680)	(108 392)	(123 840)	(140 060)
Impairment for Waste Water Management	-	-	-	(83 676)	(87 030)	(87 030)	(87 030)	(100 368)	(114 373)	(129 078)
Impairment for Water	-	-	-	(104 475)	(78 258)	(78 258)	(78 258)	(105 327)	(134 561)	(166 135)
Impairment for other trade receivables from exchange transactions	-	-	-	(143 474)	(132 462)	(132 462)	(132 462)	(159 345)	(187 303)	(216 380)
Total Less: Impairment for debt	-	-	-	(431 401)	(395 177)	(395 177)	(395 177)	(479 001)	(567 650)	(661 430)
Total net Trade and other receivables from Exchange Transactions	40 764	42 632	43 278	44 106	67 388	67 388	67 388	74 492	82 024	90 017
Receivables from non-exchange transactions										
Property rates										
Property Rates General	15 781	16 829	16 652	61 443	51 805	51 805	51 805	53 956	56 216	58 588
Gross: Property rates	15 781	16 829	16 652	61 443	51 805	51 805	51 805	53 956	56 216	58 588
Less: Impairment of Property rates	-	-	-	(40 351)	(34 740)	(34 740)	(34 740)	(38 970)	(43 412)	(48 075)
Net Property rates	15 781	16 829	16 652	21 092	17 065	17 065	17 065	14 986	12 804	10 512
Other receivables from non-exchange transactions	6 910	6 533	10 276	118 838	103 917	103 917	103 917	141 207	180 013	220 396
Less: Impairment for other receivables from non-exchange transactions	-	-	-	(101 916)	(91 138)	(91 138)	(91 138)	(126 726)	(163 737)	(202 229)
Net other receivables from non-exchange transactions	6 910	6 533	10 276	16 922	12 779	12 779	12 779	14 482	16 276	18 167
Total net Receivables from non-exchange transactions	22 691	23 362	26 928	38 014	29 844	29 844	29 844	29 468	29 080	28 679
Current Portion of Non-current Receivables										
Finance Lease Receivable	702	16 413	2 267	1 787	2 267	2 267	2 267	2 267	2 267	2 267
Total Current Portion of Non-current Receivables	702	16 413	2 267	1 787	2 267	2 267	2 267	2 267	2 267	2 267
Inventory										
Materials and Supplies	11 764	8 316	7 012	8 316	7 012	7 012	7 012	7 012	7 012	7 012
Water	693	633	847	633	847	847	847	847	847	847
Total Inventory	12 458	8 949	7 859	8 949	7 859	7 859	7 859	7 859	7 859	7 859
VAT Receivable										
VAT Control (Receivable)	13 107	13 071	15 223	13 106	-	-	-	-	-	-
Total VAT Receivable	13 107	13 071	15 223	13 106	-	-	-	-	-	-
Other current assets										
Operating Lease - Straight Lining	611	631	668	631	668	668	668	668	668	668
Intercompany/Parent-subsidiary Transactions	-	-	-	-	-	-	-	-	-	-
Total Other current assets	611	631	668	631	668	668	668	668	668	668
Total Current Assets	176 248	121 441	113 847	114 557	116 085	116 085	116 085	124 904	143 331	158 252
Non-current Assets										
Investments										
Deposit Taking Institutions	13 649	-	-	9 092	-	-	-			
Listed/Unlisted Bonds and Stocks	180	249	274	249	274	274	274	274	274	274
Total Investments	13 829	249	274	9 341	274	274	274	274	274	274

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
Investment Property										
Investment Property at Cost / Fair Value	77 238	76 234	76 186	67 393	76 186	76 186	76 186	76 186	76 186	76 186
Less: Accumulated Depreciation	(1 133)	(1 220)	(1 303)	-	(1 303)	(1 303)	(1 303)	(1 303)	(1 303)	(1 303)
Less: Accumulated Impairment	(7 621)	(7 621)	(7 621)	-	(7 621)	(7 621)	(7 621)	(7 621)	(7 621)	(7 621)
Total Investment Property	68 483	67 393	67 262	67 393	67 262	67 262	67 262	67 262	67 262	67 262
Property, Plant and Equipment										
Property, Plant and Equipment at Cost / Revaluation	1 461 320	1 544 701	1 653 861	1 812 137	1 772 084	1 772 084	1 772 084	1 903 640	2 053 027	2 171 866
Leases recognised as Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
Less: Accumulated Depreciation	(327 454)	(361 489)	(399 330)	(432 547)	(411 657)	(411 657)	(411 657)	(451 678)	(493 300)	(536 587)
Less: Accumulated Impairment	-	-	-	-	(31 462)	(31 462)	(31 462)	(31 462)	(31 462)	(31 462)
Total Property, Plant and Equipment	1 133 866	1 183 213	1 254 530	1 379 590	1 328 965	1 328 965	1 328 965	1 420 500	1 528 265	1 603 817
Intangible Assets										
Heritage Assets at Cost / Revaluation	622	622	622	93	622	622	622	622	622	622
Less: Accumulated Amortisation	(349)	(408)	(465)	-	(523)	(523)	(523)	(581)	(592)	(605)
Less: Accumulated Impairment	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	273	214	158	93	99	99	99	41	30	17
Non-current Receivables from Non-exchange Transactions										
Finance Lease Receivable	940	5 131	7 238	5 131	7 238	7 238	7 238	7 238	7 238	7 238
Total Non-current Receivables from Non-exchange Transactions	940	5 131	7 238	5 131	7 238	7 238	7 238	7 238	7 238	7 238
Total Non Current Assets	1 217 392	1 256 200	1 329 461	1 461 548	1 403 837	1 403 837	1 403 837	1 495 314	1 603 069	1 678 608
TOTAL ASSETS	1 393 640	1 377 641	1 443 309	1 576 105	1 519 922	1 519 922	1 519 922	1 620 219	1 746 400	1 836 859
Liabilities										
Current Liabilities										
Current portion of Non-current Borrowings	21 368	26 957	33 338	29 689	20 114	20 114	20 114	15 987	13 573	9 671
Current portion of Operating Lease Liabilities	-	-	-	-	-	-	-	-	-	-
Unamortised Premium on Long-term Debts	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	21 368	26 957	33 338	29 689	20 114	20 114	20 114	15 987	13 573	9 671
Consumer Deposits										
Building Plans	-	-	-	-	-	-	-	-	-	-
Buying Card	-	-	-	-	-	-	-	-	-	-
Electricity	5 486	6 145	6 863	6 904	7 206	7 206	7 206	7 566	7 945	8 342
Total Consumer Deposits	5 486	6 145	6 863	6 904	7 206	7 206	7 206	7 566	7 945	8 342
Trade and Other Payable Exchange Transactions										
Accrued Interest	641	600	3 230	-	3 230	3 230	3 230	3 230	3 230	3 230
Advance Payments	10 277	7 252	8 028	-	8 028	8 028	8 028	8 028	8 028	8 028
Control, Clearing and Interface Accounts	-	-	-	-	3 608	3 608	3 608	3 608	3 608	3 608
Electricity Bulk Purchase	974	1 119	1 145	-	-	-	-	-	-	-
Payables and Accruals	87 818	172 476	188 379	289 408	215 766	215 766	215 766	190 637	168 266	146 293
PAYE Deductions	-	-	-	-	-	-	-	-	-	-
Pension and Retirement Contributions	-	-	-	-	-	-	-	-	-	-
Retentions	7 785	9 407	9 911	-	9 911	9 911	9 911	9 911	9 911	9 911
Standby	-	-	-	-	-	-	-	-	-	-
Tender documentation	-	-	-	-	-	-	-	-	-	-
Unallocated Deposits	9 988	6 092	6 194	-	6 194	6 194	6 194	6 194	6 194	6 194
Water Inventory Bulk Purchases	-	-	-	-	-	-	-	-	-	-
VAT Payables Output Tax Accrual	-	-	-	-	-	-	-	-	-	-
VAT Payables Output Tax Provision for Doubtful Debt Impairment	-	-	-	-	-	-	-	-	-	-
Total Trade and Other Payable Exchange Transactions	117 483	196 945	216 887	289 408	246 737	246 737	246 737	221 608	199 237	177 264
Trade and Other Payable Non-exchange Transactions										
Transfers and Subsidies Payable										
Capital	-	-	-	-	-	-	-	-	-	-
Operational	-	-	-	-	124	124	124	124	124	124
Total Transfers and Subsidies Payable	-	-	-	-	124	124	124	124	124	124
Transfers and Subsidies Unspent										
Capital	-	-	-	528	-	-	-	-	-	-
Operational	-	-	-	124	9 543	9 543	9 543	9 543	9 543	9 543
Total Transfers and Subsidies Unspent	-	-	-	652	9 543	9 543	9 543	9 543	9 543	9 543
VAT Payables Output Tax Accrual	-	-	-	-	31 947	31 947	31 947	31 947	31 947	31 947
VAT Payables Output Tax Provision for Doubtful Debt Impairment	-	-	-	-	(28 572)	(28 572)	(28 572)	(28 572)	(28 572)	(28 572)
Total Trade and Other Payable Non-exchange Transactions	-	-	-	652	13 042	13 042	13 042	13 042	13 042	13 042
Provision										
Alien Vegetation	-	-	-	-	-	-	-	-	-	-
Bonus	6 736	7 151	7 461	-	7 834	7 834	7 834	8 226	8 637	9 069
Decommissioning, Restoration and Similar Liabilities	-	-	-	-	-	-	-	-	-	-
Ex-gratia Pension	3 570	4 478	-	-	-	-	-	-	-	-
Insurance Claims	180	249	274	-	287	287	287	302	317	333
Leave	20 069	21 381	22 966	47 506	24 115	24 115	24 115	25 320	26 586	27 916
Litigation	-	-	-	-	-	-	-	-	-	-
Pension Fund Investment Return Shortfall	11	11	11	-	11	11	11	12	12	13
Staff Parity	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total Provision	30 565	33 270	30 712	47 506	32 248	32 248	32 248	33 860	35 553	37 331

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousand										
VAT Payable										
VAT Payable: Output Tax	-	-	-	-	-	-	-	-	-	-
VAT Payable: VAT Control	-	-	-	-	11 122	11 122	11 122	11 122	11 122	11 122
Total VAT Payable	-	-	-	-	11 122	11 122	11 122	11 122	11 122	11 122
Other current liabilities	19 975	54 717	25 823							
Employee Benefits										
Post-employment Benefits	-	-	3 189	-	3 348	3 348	3 348	3 516	3 692	3 876
Other Long-Term Benefits	-	-	1 446	-	1 518	1 518	1 518	1 594	1 674	1 758
Termination Benefits	-	-	-	-	-	-	-	-	-	-
Total Employee Benefits	-	-	4 635	-	4 867	4 867	4 867	5 110	5 366	5 634
Deferred Tax Liabilities	-	-	-	-	-	-	-	-	-	-
Income Tax Payable	5 963	7 472	8 769	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions	-	-	-	-	-	-	-	-	-	-
Total Other current liabilities	5 963	7 472	13 404	-	4 867	4 867	4 867	5 110	5 366	5 634
Total Current Liabilities	200 841	325 507	327 027	374 159	335 335	335 335	335 335	308 295	285 837	262 405
Non-current Liabilities										
Financial Liabilities										
Borrowings										
Non-annuity Loans	181 287	154 400	124 653	113 549	104 401	104 401	104 401	88 414	74 841	65 170
Total Borrowings	181 287	154 400	124 653	113 549	104 401	104 401	104 401	88 414	74 841	65 170
Operating Lease Liability	-	-	-	-	-	-	-	-	-	-
Total Financial Liabilities	181 287	154 400	124 653	113 549	104 401	104 401	104 401	88 414	74 841	65 170
Provisions										
Decommissioning, Restoration and Similar Liabilities	116 747	110 053	135 221	137 313	148 040	148 040	148 040	162 020	176 559	191 680
Ex-gratia Pension	63 170	64 468	74 890	-	-	-	-	-	-	-
Total Provisions	179 917	174 521	210 111	137 313	148 040	148 040	148 040	162 020	176 559	191 680
Other non-current liabilities										
Employee Benefits										
Post-employment Benefits	-	-	-	64 929	67 495	67 495	67 495	73 632	78 050	82 733
Other Long-Term Benefits	-	-	-	13 723	13 864	13 864	13 864	14 114	14 961	15 858
Termination Benefits	-	-	-	-	-	-	-	-	-	-
Total Employee Benefits	-	-	-	78 652	81 359	81 359	81 359	87 746	93 011	98 591
Total Other non-current liabilities	-	-	-	78 652	81 359	81 359	81 359	87 746	93 011	98 591
Total non current liabilities	361 204	328 922	334 764	329 514	333 799	333 799	333 799	338 180	344 411	355 442
TOTAL LIABILITIES	562 045	654 428	661 791	703 673	669 135	669 135	669 135	646 475	630 248	617 846
CHANGES IN NET ASSETS	831 596	723 213	781 517	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)										
Opening Balance	-	-	-	833 698	781 517	781 517	781 517	850 788	973 744	1 116 152
Transfers to/from operating revenue and expenditure	781 543	723 213	781 765	38 733	69 270	69 270	69 270	122 956	142 408	102 861
Transfers to/from Reserves	-	-	-	-	-	-	-	-	-	-
Total Accumulated Surplus/(Deficit)	781 543	723 213	781 765	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013
Reserves and Funds										
Capital Replacement Reserve	50 052	-	-	-	-	-	-	-	-	-
Total Reserves and Funds	50 052	-	-	-	-	-	-	-	-	-
Total Other	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	831 596	723 213	781 765	872 432	850 788	850 788	850 788	973 744	1 116 152	1 219 013

Total Municipal Account

The effect of the proposed tariff and rate increases on households is illustrated below:

Benchmarking Households based on 2026 - 2027 tariffs

Monthly Account For Business- "Small"				
<i>Property Value: R1 054 000, Water: 40kl, Electricity 1300kwh, 60amps</i>				
Rates and Services Charges	Current 2025-2026	New Tariff 2026-2027	Rand Difference	Percentage Increase
Property Rates	1 788,11	1 877,52	89,41	5,00%
Elec: Basic Levy	247,57	258,69	11,12	4,49%
Elec: Energy charge	2 913,17	3 238,86	325,69	11,18%
Elec: Capacity charge	1 047,60	911,41	(136,19)	-13,00%
Water: Basic Levy	196,28	211,98	15,70	8,00%
Water: Consumption	1 369,00	1 478,52	109,52	8,00%
Sanitation	335,64	350,74	15,10	4,50%
Refuse Removal	670,45	750,37	79,92	11,92%
Other	-	-	-	0,00%
Sub-Total	8 567,82	9 078,09	510,27	5,96%
VAT on Services	1 016,96	1 080,09	63,13	6,21%
Total Bill:	9 584,78	10 158,18	573,40	5,98%

Monthly Account For Business- "Medium"				
<i>Property Value: R2 437 000, Water: 100kl, Electricity 2000kwh, 180amps</i>				
Rates and Services Charges	Current 2025-2026	New Tariff 2026-2027	Rand Difference	Percentage Increase
Property Rates	4 134,37	4 341,09	206,72	5,00%
Elec: Basic Levy	664,89	775,53	110,64	16,64%
Elec: Energy charge	4 481,80	4 982,87	501,07	11,18%
Elec: Capacity charge	3 142,80	2 734,24	(408,56)	-13,00%
Water: Basic Levy	196,28	211,98	15,70	8,00%
Water: Consumption	5 133,40	5 544,07	410,67	8,00%
Sanitation	894,98	935,25	40,27	4,50%
Refuse Removal	2 011,35	2 251,10	239,75	11,92%
Other	-	-	-	0,00%
Sub-Total	20 659,87	21 776,13	1 116,26	5,40%
VAT on Services	2 478,83	2 615,26	136,43	5,50%
Total Bill:	23 138,70	24 391,39	1 252,69	5,41%

Monthly Account For Business- "Large"				
<i>Property Value: R9 855 000, Water:200kl, Low Voltage (TOU)</i>				
Rates and Services Charges	Current 2025-2026	New Tariff 2026-2027	Rand Difference	Percentage Increase
Property Rates	16 719,01	17 554,96	835,95	5,00%
Elec: Basic Levy	1 965,06	1 912,99	(52,07)	-2,65%
Elec: Network Access charge	82 992,00	101 944,00	18 952,00	22,84%
Elec: Network Demand charge	31 534,43	30 111,69	(1 422,74)	-4,51%
Elec:Energy charge: Peak	21 338,02	25 490,82	4 152,79	19,46%
Elec:Energy charge: Standard	26 086,84	28 404,73	2 317,88	8,89%
Elec:Energy charge: Off Peak	3 998,61	4 342,56	343,95	8,60%
Water: Basic Levy	196,28	211,98	15,70	8,00%
Water: Consumption	11 407,40	12 319,99	912,59	8,00%
Sanitation	2 572,82	2 688,60	115,78	4,50%
Refuse Removal	2 693,76	3 014,86	321,10	11,92%
Other	-	-	-	0,00%
Sub-Total	201 504,23	227 997,16	26 492,93	13,15%
VAT on Services	27 717,78	31 566,33	3 848,55	13,88%
Total Bill:	229 222,01	259 563,49	30 341,48	13,24%

18. Municipal manager's quality certificate

I, GW Hermanus, Acting Municipal Manager of Theewaterskloof Municipality (WC031), 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: GW Hermanus

Acting Municipal Manager of: Theewaterskloof Municipality (WC031)

Signature: 

Date: 28 May 2026

Print Name: A Riddles

Acting Chief Financial Officer of: Theewaterskloof Municipality (WC031)

Signature: 

Date: 28 May 2026