

# NOTICE OF EXTENSION: DRAFT BUDGET 2025/26 PUBLIC PARTICIPATION PERIOD

## Dear valued stakeholder

The City is grateful to all who took time to comment during the public participation on the 2025/26 Draft Budget.

Following thorough consideration of all inputs received, the City has proposed several key amendments.

Interested parties may view the draft budget in full and comment on the amendments between 28 May and 13 June 2025.

Should any comments made during the initial public participation period not have been addressed, you are welcome to comment again.

Please visit [www.capetown.gov.za](http://www.capetown.gov.za) for the full amended draft budget documents and any supporting material. The residential calculator has also been updated to reflect the proposed amendments.

### Key amendments include:



#### Expanded rates relief:

- Extending the 'first R450 000 rates-free' benefit to all homes up to R7 million property valuation (up from R5m).
- More pensioners to benefit by raising qualifying threshold to R27 000 monthly income per household (up from R22 000), regardless of property value, SA's widest criteria for pensioner support.



#### Water and sanitation:

- Reduction in Water fixed charges for property value bands between R1m and R25m compared to the March tabled draft budget (a R110m reduction in revenue).
- As with the March 2025/26 draft budget, fixed charges to be linked to property value as the only sustainable way to fund critical infrastructure and stable service delivery.

- Close to 200 000 homes under R2,5m will pay less fixed charges for Water and Sanitation overall in the draft budget 2025/26, compared to what they would have paid on the connection size system, with higher value homes generally paying more.



#### City-Wide Cleaning:

- Reducing City-wide Cleaning charges for all residential properties under R20m compared to the tabled March 2025/26 budget.
- The City-Wide Cleaning pensioner rebate now included in the amended draft budget 2025/26.



#### City-Wide Electricity:

- Residential tariff proposals remain the same as the March 2025/26 tabled draft budget. This includes electricity price relief via the discontinuing of the 10% cost embedded in electricity prices as a contribution to the city-wide cleaning and other services.
- As a result of this electricity price relief, it will cost less to consume electricity in the draft budget 2025/26 than it does currently for Domestic and Home Users.
- The City considered the call of a petition to raise electricity prices instead of a City-Wide Cleaning Tariff. Modelling showed this proposal would negatively impact on households, and that reducing the tariff was a better alternative.

**Compared to the tabled budget, the above relief measures will lead to lower total monthly bills approximately as follows:**

- o R1,2m home: up to 15% lower
- o R2m home: up to 24% lower
- o R3m – R4m homes: up to 33% lower
- o R5m – R7m homes: up to 40% lower
- o Pensioner rebate beneficiaries will experience even greater relief than the above.

#### Commercial electricity customers: change to City-wide Cleaning

- City to give this customer base more time to adapt to the envisaged phased-introduction of a ring-fenced charge for city-wide cleaning. In the draft budget 2025/26, commercial customers are foreseen to contribute to city-wide cleaning service funding via a percentage of electricity sales revenue as with previous financial years.

#### Infrastructure and investments:

- **Invested in Hope budget to boost Cape Town with a record R40 bn infrastructure investment, alongside major investments in a safer and cleaner Cape Town.**
- There are no non-urgent major capital projects that can be rephased, all are critical to deliver reliable water, sanitation, electricity, roads and other infrastructure.
- Cape Town cannot follow the route of decline so evident in all other major towns and cities in South Africa - investment for service delivery and economic growth are key factors that will ensure Cape Town remains the City of Hope.
- Cape Town has the widest social relief and lower income protection net of any city in South Africa.
- It has the lowest monthly bills of any city in South Africa despite better services and more social relief measures. This is based on a comparative analysis of monthly bills for all metros as per tabled budgets for the 2025/26 financial year.

#### Comment before 13 June 2025

In person: Subcouncil office  
Email: [budget.comments@capetown.gov.za](mailto:budget.comments@capetown.gov.za)  
Online: [www.capetown.gov.za/HaveYourSay](http://www.capetown.gov.za/HaveYourSay)  
or [www.capetown.gov.za/collaborate](http://www.capetown.gov.za/collaborate)  
Phone: 0800 212 176



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