

**INVESTED IN HOPE**

B U D G E T 2 0 2 5 / 2 6

## **YOUR CITY BUDGET 2025/26 MTREF**

**Draft for  
comment before 2  
May 2025. Visit  
[www.capetown.gov.  
za/HaveYourSay](http://www.capetown.gov.za/HaveYourSay)**

# Total Budget – R84,1 bn for 2025/26



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## Capital Expenditure Budget

Includes land, community buildings, equipment, renewal and new roadways, water- and waste water infrastructures, etc.

R12,7bn

## Operating expenditure Budget

City's day-to-day costs of delivering services, including staff and boots on the ground such as safety and security, IRT bus services, maintenance of existing City infrastructure, etc.

R71,3bn


# City's expansive Capital Investment growth



2022/23  
(Actual)  
R6,9bn




2024/25  
(Current)  
R11,9bn



2026/27  
R14,3bn



2023/24  
(Actual)  
R9,4bn



2025/26  
R12,7bn



2027/28  
R12,7bn

Record  
Capex  
Achievement



# CAPITAL BUDGET – FOCUS AREAS

Vehicles and Plant e.g. refuse trucks,  
Development of Transfer Stations,  
Upgrading Solid Waste facilities



IRT Ph2A,  
Congestion relief,  
Road upgrades and reconstruction

Core Application Refresh (CAR),  
Additional vehicles and related resources in  
Safety & Security to get more Metro Police  
officers in communities,  
CCTV cameras,  
Vlei rehab,  
Coastal structure rehabs

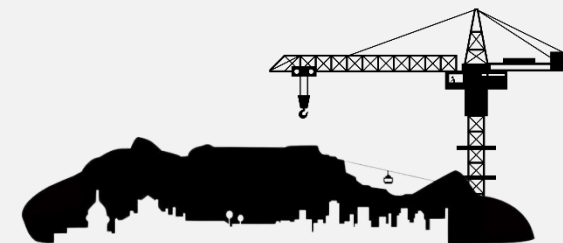


Expansive Water Programme:  
WWTW upgrades and expansions,  
Sewer- and Water network(pipe replacement),  
Pump stations

Small-scale energy generation,  
Steenbras Power Station Main plant  
refurbishment,  
Streetlighting,  
Electrification

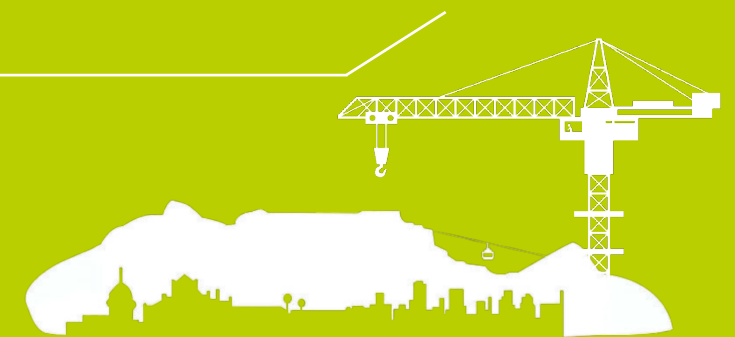


Informal Settlement Upgrading,  
New Housing Developments infrastructure,  
Upgrading of community facilities, sport  
facilities and swimming pools



# Social package R5,2 billion to help

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# City's Rebates - based on property value

## PROPOSED REBATES 2025/26

Property Value	Refuse Removal Charges	City – Wide Cleaning	Water	Sanitation	Property Rates*	Electricity Lifeline Tariff: <250KwH	Electricity Lifeline Tariff: >250KwH <450KwH
R500 001 – R650 000	25%		-	-	-	-	-
R450 001 – R500 000	50%	100%	100%	100%	-	60KWH free	25KWH free
R450 000 and below	100%	100%	100%	100%	100%	60KWH free	25KWH free

### \* Further Rebates

Residential properties under R5 million get the first R450 000 of property value Rates-free

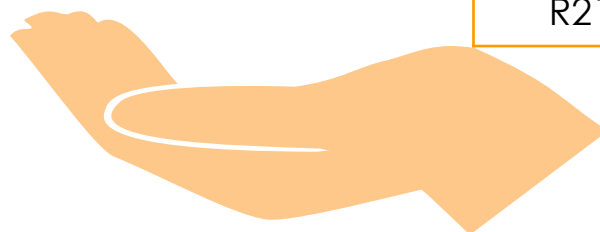
## Rebates based on Household Income

PROPOSED REBATES 2025/26	
Household Income	Rebate %
R0 – R7 500	100%

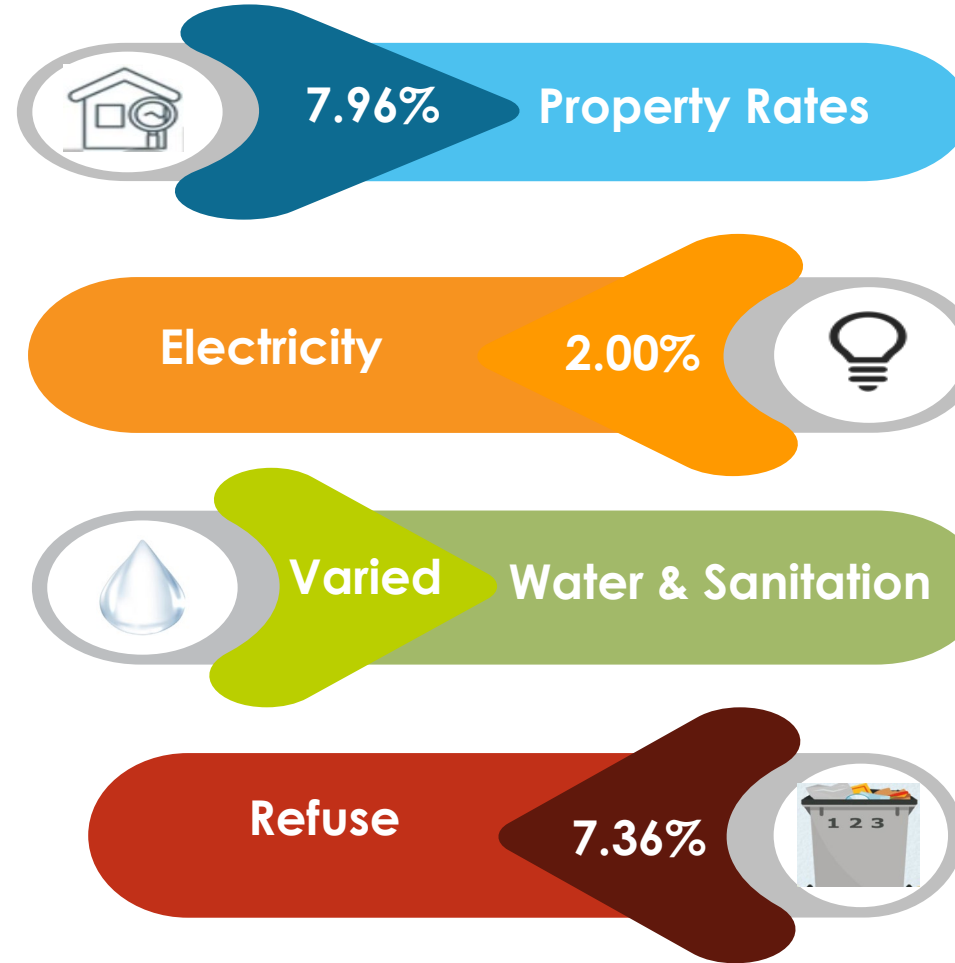
- Benefits applicable to households earning R7 500 and below is the same as if the property is deemed to be R450 000 and below

## Rebates based on Pension and Social Grants

PROPOSED REBATES 2025/26	
Household Income	Rebate
R0 – R7 500	100%
R7 501 – R10 000	95%
R10 001 – R14 000	90%
R14 001 – R15 000	80%
R15 001 – R16 000	70%
R16 001 – R17 000	60%
R17 001 – R18 000	50%
R18 001 – R19 000	40%
R19 001 – R20 000	30%
R20 001 – R21 000	20%
R21 001 – R22 000	10%



# 2025/26 Average Rates and Tariff increases





# Overview of Tariff changes

## Tariff reform and Restructuring

### Water

Fixed charges will now be determined by property value and not connection size.

**Variable impact providing relief for households at lower end of income spectrum.**

### Sanitation

Introduction of fixed charge which will be offset by a reduction in the charges for sanitation volumes.

### Energy

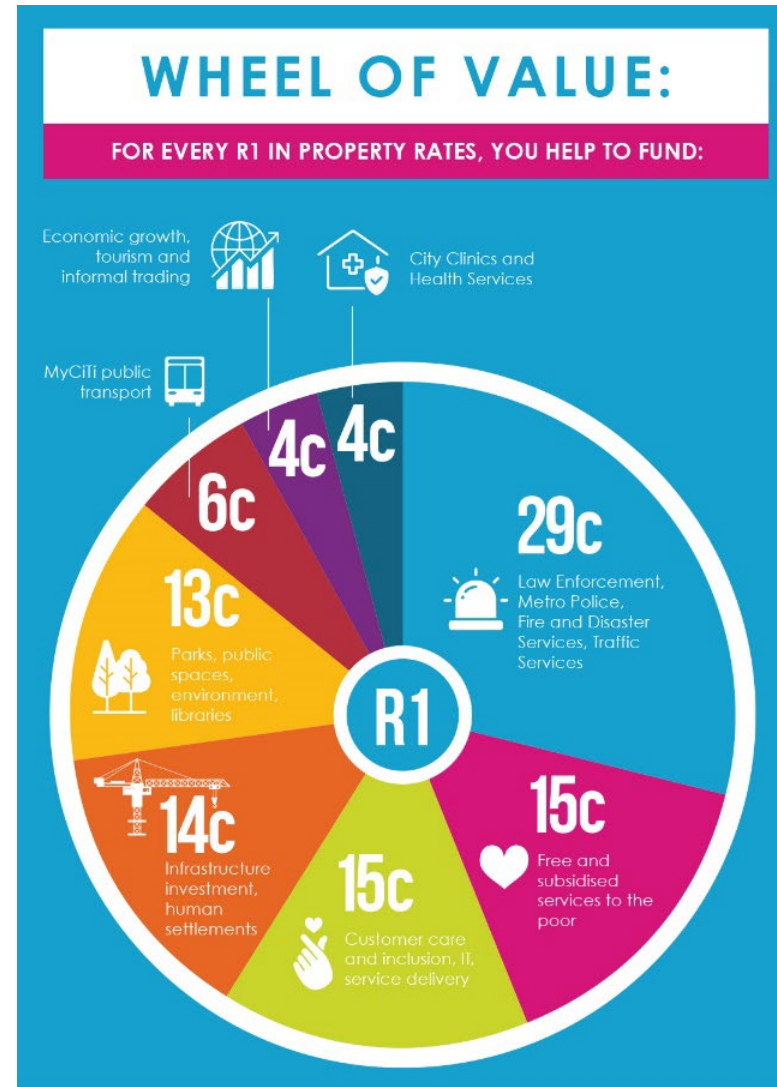
**Average tariff increase only 2%**. Service and Wires Charge for the Domestic category and Recovery of service and network charges via fixed cost.

### City – Wide Cleaning

Change in the method in how customers will contribute to the funding of cleansing services. Offset by the reduced Electricity cost

Tariff restructuring reforms, with notable relief for lower income households

# Property rates wheel of value



Please comment on Your 2025/26 City Budget by 2 May 2025.

Visit: [www.capetown.gov.za/HaveYourSay](http://www.capetown.gov.za/HaveYourSay)



# Proposed Property Rates – rate in the rand Cape Town continues to have lowest property rates in South Africa

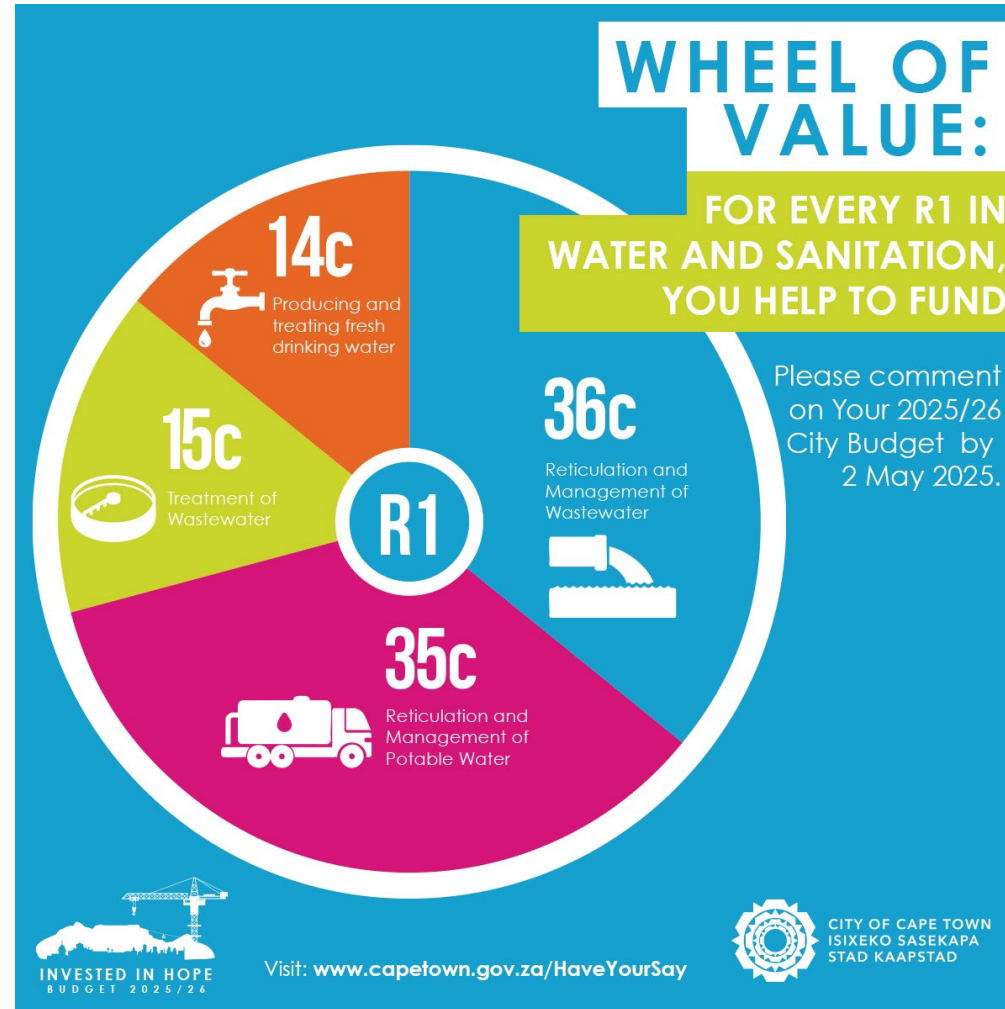
Property Rates	2024/25	2025/26
Residential	<b>0.006631</b>	<b>0.007159</b>
Agricultural	0.001326	0.001432
Business & Commercial, Industrial, Mining, Organ of State	0.015582	0.016824
Vacant Land	0.013261	0.014318
Public Benefit Organisations and Public Service Infrastructure, Old Age home, Early Childhood Development, Accommodation for Vulnerable, Amateur Sport	0.001658	0.001790



**Rate-in-the-Rate Increase**  
Based on 7,96% increase in the Residential Rate-in-the-Rand



# Water and Sanitation Wheel of Value





# Proposed Water Tariffs - Level Water wise

DOMESTIC FULL and DOMESTIC CLUSTER – NON-INDIGENT	2024/25 EXCL. VAT	2025/26 EXCL. VAT
Step 1 (0 ≤ 6kl)	R 19.59	R 21.15
Step 2 (>6 ≤ 10.5kl)	R 26.92	R 29.06
Step 3 (>10.5 ≤ 35kl)	R 36.58	R 43.44
Step 4 (>35kl)	R 67.50	R 83.80

## 2025/26 – Fixed charge based on Property Value bands

Property Value bands (Upper Band) R'	2025/26 Excl. VAT (R')
500,000	0.00
750,000	54.68
1,000,000	54.68
1,250,000	65.62
1,500,000	72.91
1,750,000	72.91
2,000,000	80.20
2,250,000	87.49
2,500,000	94.78
2,750,000	116.65
3,000,000	138.52
3,250,000	174.98
3,500,000	213.25
4,000,000	251.53
4,500,000	289.80
5,000,000	328.08
5,500,000	366.36
7,500,000	399.16
10,000,000	437.44
15,000,000	481.18
25,000,000	524.93
50,000,000	568.67
100,000,000	612.42
+	656.16

### What does Water services provide?



# Proposed Sanitation Tariffs – Level Water-wise

DOMESTIC FULL & DOMESTIC CLUSTER - NON INDIGENT	2024/25 EXCL. VAT	2025/26 EXCL. VAT
Step 1 (0 ≤ 4,2 kl)	R 17.21	R 15.46
Step 2 (>4.2 ≤ 7.35 kl)	R 23.65	R 21.24
Step 3 (>7.35 ≤ 24.5 kl)	R 33.22	R 32.80
Step 4 (>24.5 ≤ 35 kl)	R 52.25	R 53.95

2025/26 – Fixed charge based on Property Value bands	
Property Value bands (Upper Band) R'	2025/26 Excl. VAT (R')
500,000	0.00
750,000	25.72
1,000,000	25.72
1,250,000	30.86
1,500,000	34.29
1,750,000	34.29
2,000,000	37.72
2,250,000	41.15
2,500,000	44.58
2,750,000	54.87
3,000,000	65.16
3,250,000	82.30
3,500,000	100.31
4,000,000	118.31
4,500,000	136.32
5,000,000	154.32
5,500,000	172.32
7,500,000	187.76
10,000,000	205.76
15,000,000	226.34
25,000,000	246.91
50,000,000	267.49
100,000,000	288.06
+	308.64

## What does Sanitation services provide?

Investment in extension of wastewater treatment plants to ensure sufficient treatment capacity

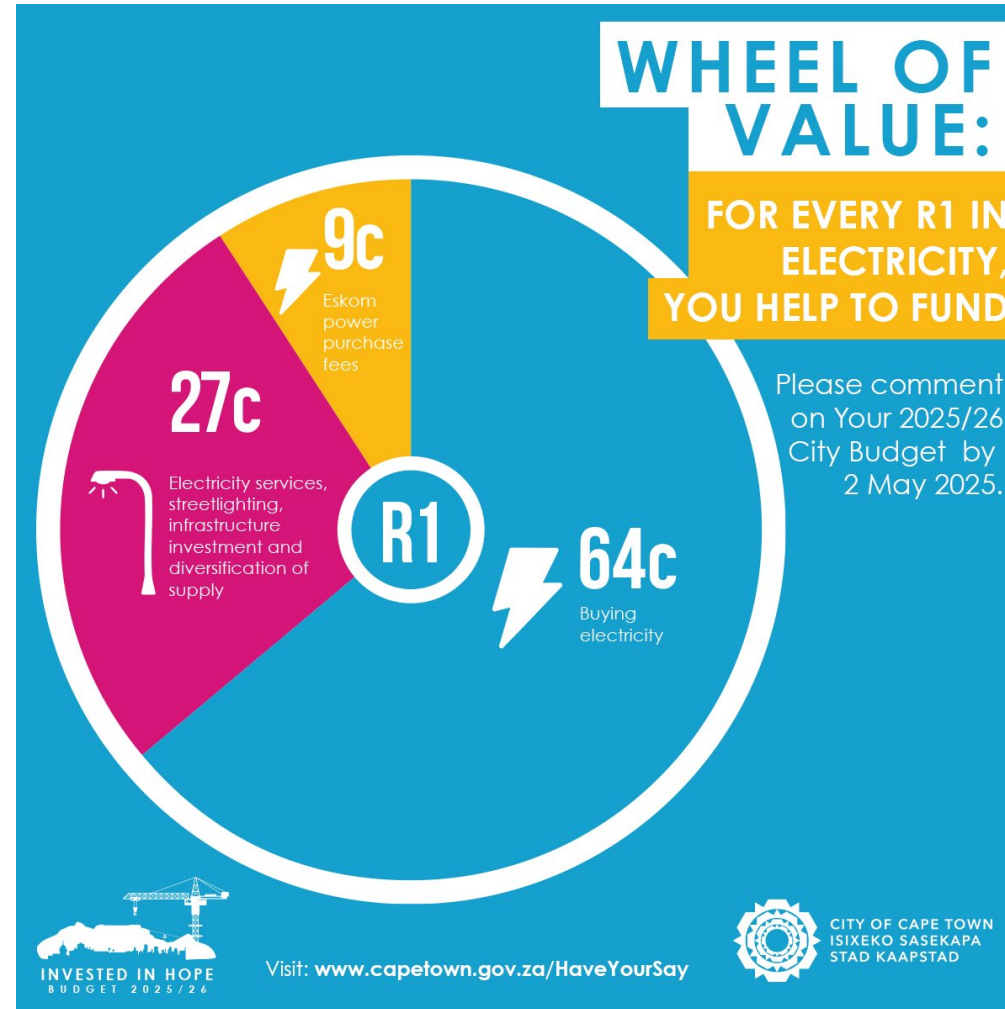
Free sanitation services to indigent communities

Investment into upgrading and replacement of current sewer facilities, networks and pump stations to prevent pollution

Removal of wastewater from your property

Operation and maintenance of sanitation infrastructure

# Electricity Wheel of Value



# 2025/26 Proposed Electricity Tariffs

## SAVING OF 9,32% THIS YEAR

## AVERAGE 2% INCREASE CITY CUSTOMERS

Home User	Unit	2024/25	2025/26
Service and Wires Charge	R/month	245.03	339.89
Energy Block 1	c/kWh	298.70	293.62
Energy Block 2	c/kWh	413.38	384.23

Domestic	Unit	2024/25	2025/26
Service and Wires Charge	R/month	0.00	59.90
Energy Block 1	c/kWh	339.74	339.95
Energy Block 2	c/kWh	413.38	404.13

Lifeline	Unit	2024/25	2025/26
Service and Wires Charge	R/month	0.00	0.00
FBE	c/kWh	206.16	226.53
Energy Block 1	c/kWh	206.16	226.53
Energy Block 2	c/kWh	206.16	226.53

Credit meter;  
and/or  
Property value  $\geq$  R1m

Prepaid meter;  
and  
Property value  $>$  R0.5m &  $<$  R1m

Prepaid meter; and  
Property value R0.5m or less

### What does Energy services provide?





# Qualify for lifeline electricity

- Monthly usage: (12-month average) must be below 450 kWh, includes free basic.
- Municipal property valuation must be less than R500 000.
- A prepaid electricity meter must be installed.

# Change in funding methodology

## City – Wide Cleaning tariff vs Reduced energy charge

❑ The reduced electricity cost allowed for the change in the method of how City customers contribute to the funding of cleansing services through the City – wide Cleaning tariff;

However it should be noted that:

❑ **Eskom supplied areas will not see a reduction in the Energy charge.** These customer were previously subsidised considering the % contribution to Rates which City Energy supplied customers were paying, savings shown below:

Unregulated tariff c/kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Contribution to Rates	19.72	22.89	24.75	29.62	31.34	8.68
Street lighting	6.3	6.09	6.67	7.95	9.42	10.35
Total unregulated	26.02	28.98	31.42	37.57	40.76	19.03

c/kWh savings experience by Eskom customers over 5 year period

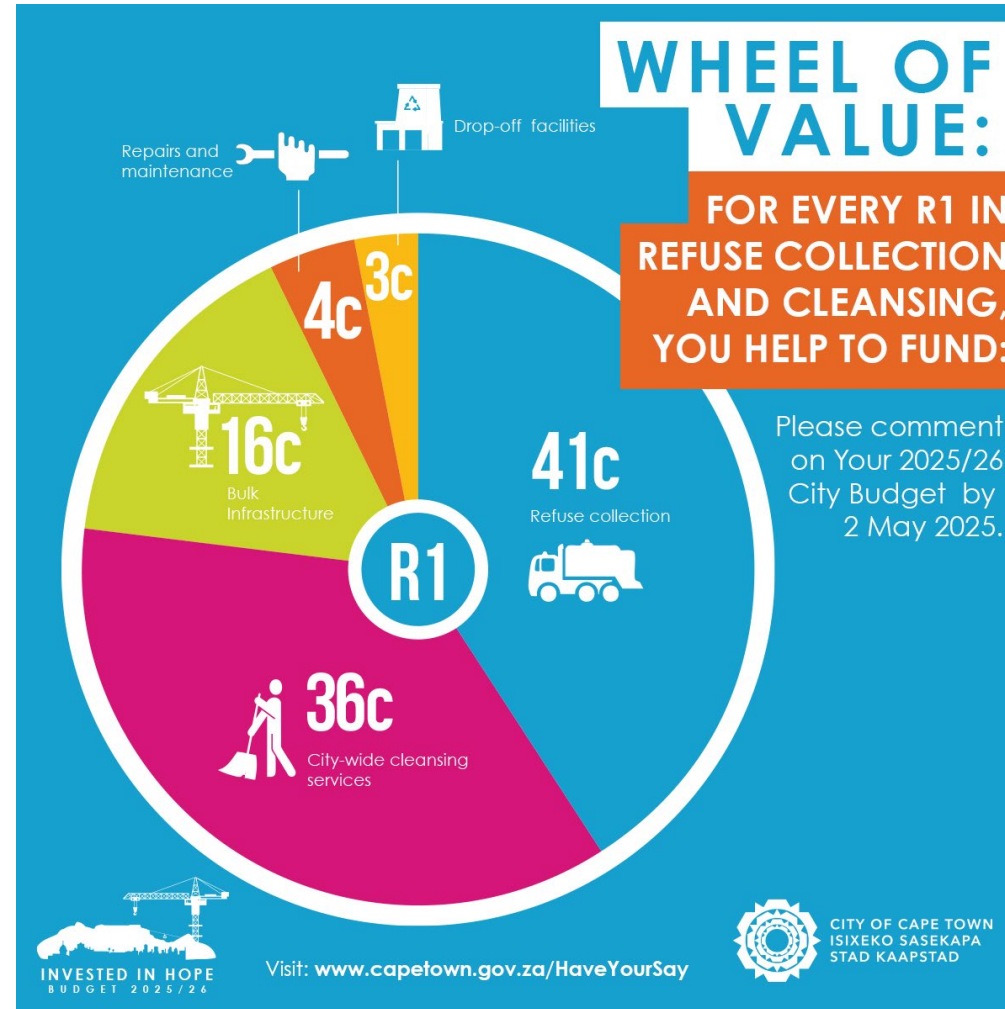
Benefit of not Contributing to Rates: Monthly							
Usage Category	Units: kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Low	300	R78	R87	R94	R113	R122	R57
Medium	475	R124	R138	R149	R178	R194	R90
High	1000	R260	R290	R314	R376	R408	190

Rand savings experienced by Eskom customers over 5 year period

Benefit of not Contributing to Rates : Annually							
Usage Category	Units: kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Low	300	R937	R1 043	R1 131	R1 353	R1 467	R685
Medium	475	R1 483	R1 652	R1 791	R2 141	R2 323	R1 085
High	1000	R3 122	R3 478	R3 770	R4 508	R4 891	R2 284

Annual savings experienced by Eskom customers over 5 year period

# Refuse and Cleansing Wheel of Value





# 2025/26 Proposed Refuse Removal Tariffs

Service	2024/25 EXCL. VAT	2025/26 EXCL. VAT
	R	R
Account to residential property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.).	166.26	178.52

What does the Refuse services provide?



## Refuse Tariff Increase

Overall Refuse Tariff Increase of **7.36%**



# 2025/26 Proposed City – Wide Cleaning tariff

Property value bands	R' Per month excl. VAT
R1-R500k	-
R500,001 to R600k	4.12
R600,001 to R750k	12.79
R750,001 to R1m	26.70
R1,000,001 to R1,25m	44.79
R1,250,001 to R1,5m	62.42
R1,500,001m to R1,75m	93.61
R1,750,001 to R2m	110.17
R2,000,001 to R2,25m	152.35
R2,250,001 to R2,5m	175.20
R2,500,001 to R2,75m	210.24
R2,750,001 to R3m	248.09
R3,000,001 to R3,25m	285.30
R3,250,001 to R3,5m	313.83
R3,500,001 to R4m	360.91
R4,000,001 to R4,5m	415.04
R4,500,001 to R5m	477.30
R5,000,001 to R5,5m	548.89
R5,500,001 to R7,5m	664.16
R7,500,001 to R10m	896.62
R10,000,001 to R15m	1,300.10
R15,000,001 to R25m	2,080.16
R25,000,001 to R50m	2,600.20
R50,000,001 to R100m	5,460.41
R100,000,001 Plus	12,012.91

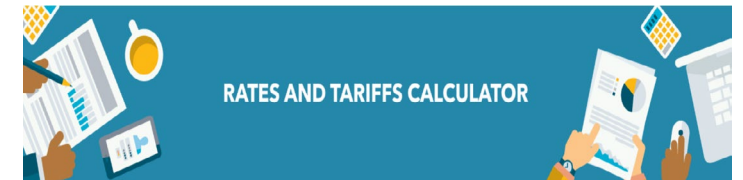
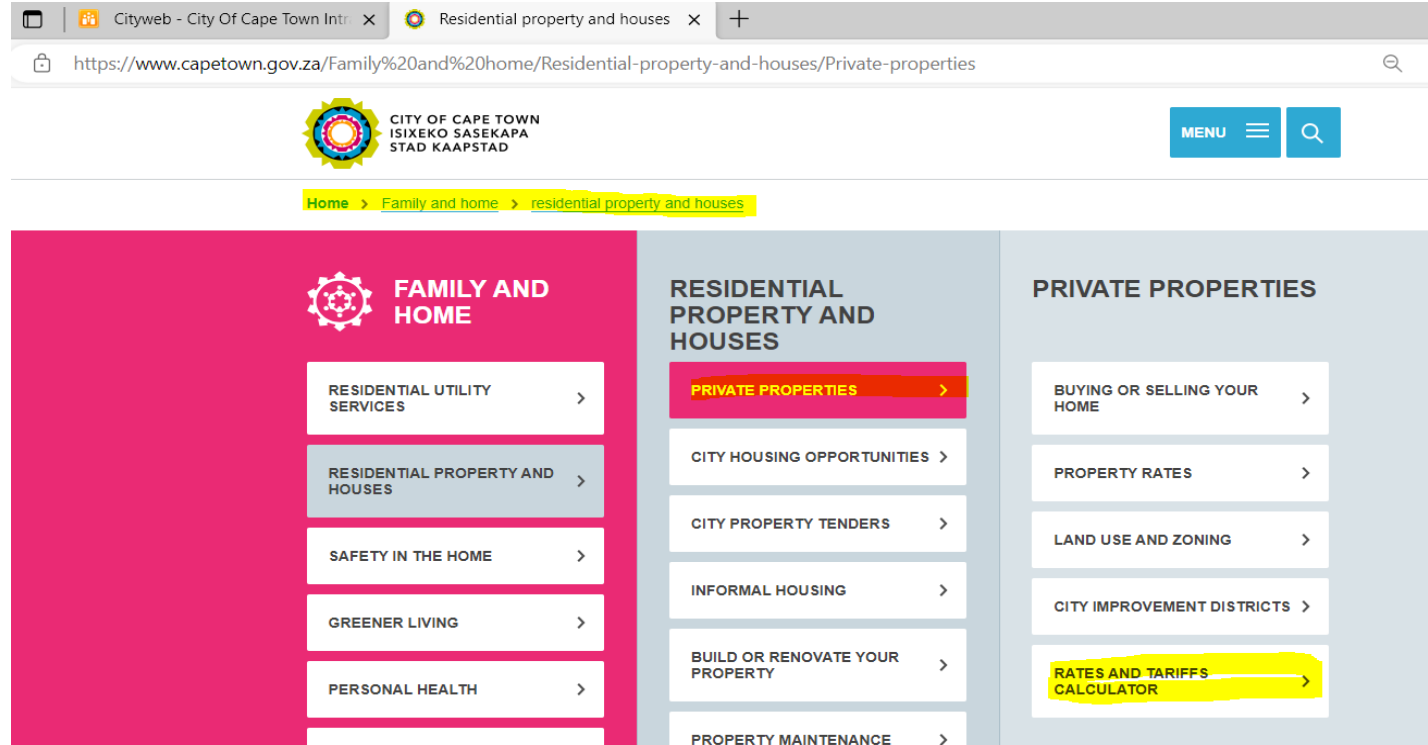
## What the City – Wide Cleaning tariff offers?



*Reduction in Energy cost will cushion the impact of the tariff*

# Municipal Bill Calculation

A **Rates and Tariffs calculator** will be made available to the public which will allow customers to capture their 2024/25 municipal bill details to estimate the 2025/26 expected monthly bill. Navigation to website shown below. Or visit [www.capetown.gov.za](https://www.capetown.gov.za) landing page – Budget 2025/26 trending box



**Comment until 2 May 2025**  
**WE WOULD LOVE TO HEAR FROM YOU**

**Submit your comments by:**

**Email: [Budget.Comments@capetown.gov.za](mailto:Budget.Comments@capetown.gov.za)**  
**Online: [www.capetown.gov.za/collaborate](http://www.capetown.gov.za/collaborate) or**  
**[www.capetown.gov.za/HaveYourSay](http://www.capetown.gov.za/HaveYourSay)**  
**Through your Subcouncil offices**  
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