



## 1. PURPOSE

To publish the executive summary of the final IDP for 2022/2027 and Budget for 2026/2027 of Tswelopele Local Municipality. The two strategic documents were approved by Tswelopele Local Municipality at its ordinary Council held on the 28 May 2026.

Tswelopele Local Municipality has adopted and approved the Medium-Term Revenue and Expenditure Framework and IDP in a very difficult local economic environment. The municipality is under immense financial pressures and constraints to meet the ever-increasing development needs of the community. Over the years, the financial pressure comes mainly from the decrease in municipal revenue sources that limit the capacity to deliver on the sustainable services. We therefore call all those who can pay for municipal services to do so and those who cannot to come register for indigent subsidy.

We are making immense progress in ensuring that critical service delivery assets are prioritised and procured in line with identified needs as our IDP dictates. Our immediate challenges in service delivery include:

- Fixing water and electricity meters and refurbishment of infrastructure to reduce abnormal water losses and electricity losses
- Water interruptions (Meeting the current water demand)
- Insufficient EPWP allocation used to appoint project workers
- Poor economic environment
- Filling of critical service delivery positions
- Non-replacement and regular maintenance of service delivery assets
- Potholes and lack of budget to rehabilitated road network
- Lack of specialised waste collection equipment
- Municipal tariffs are not cost-reflective



## 2. BACKGROUND

The vision and mission of Tswelopele Local Municipality:

### VISION

- To be an accountable, transparent, non-racial Municipality that promotes economic development and provides sustainable services and improves the quality of life in the Community.

### MISSION

Tswelopele Local Municipality is committed to effective and transparent governance by:

- (a) Promoting economic development;
- (b) Providing sustainable services; and
- (c) Improving the quality of life of all people.

The Council of Tswelopele Local Municipality has adopted its Integrated Development Plan and Budget for the year 2026/2027. These two strategic documents have been subjected to public consultation processes to ensure that the final document is a product of the people in line with the Municipal System Act and Municipal Finance Management Act.

EXECUTIVE SUMMARY OF THE FINAL IDP AND BUDGET 2026/2027 OF TSWELOPELE LOCAL MUNICIPALITY



3. SUMMARY OF THE BUDGET FOR 2026/2027

**OPERATING REVENUE**

FS183 Tswelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)

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
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	46 677	53 363	64 580	64 740	66 575	66 575	56 085	70 599	78 354	78 727
Service charges - Water	2	5 366	6 984	8 927	9 828	9 828	9 828	6 787	10 528	11 055	11 107
Service charges - Waste Water Management	2	6 667	7 274	9 350	8 715	8 715	8 715	6 697	9 345	9 812	9 859
Service charges - Waste Management	2	3 755	4 044	5 413	7 116	5 332	5 332	3 687	5 758	6 135	6 173
Sale of Goods and Rendering of Services	2	785	696	973	1 458	1 533	1 533	736	1 108	1 220	1 225
Agency services	2	-	-	-	-	-	-	-	-	-	-
Interest	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	2	-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	2	1 934	3 244	3 564	3 219	2 979	2 979	2 132	2 250	2 363	2 374
Dividends	2	117	141	162	241	241	241	121	200	210	211
Rent on Land	2	566	595	580	600	990	990	912	990	1 302	1 308
Rental from Fixed Assets	2	1 288	1 050	1 298	520	570	570	553	570	599	601
Licence and permits	2	133	94	718	545	585	585	192	590	620	622
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	2 840	428	8 648	6 000	6 050	6 050	424	1 000	1 050	1 055
<b>Non-Exchange Revenue</b>											
Property rates	2	36 647	32 244	35 998	42 771	48 771	48 771	32 617	51 698	54 282	54 541
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	820	1 026	932	1 012	1 212	1 212	1 035	1 162	1 220	1 226
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	99 631	113 803	107 176	109 873	109 873	109 873	109 516	111 896	113 045	118 197
Interest	2	6 271	6 820	7 452	46 000	18 000	18 000	5 970	28 500	20 034	20 129
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Gains	2	-	606	55 036	30 220	30 220	30 220	-	51 922	-	-
Discontinued Operations	2	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>213 497</b>	<b>232 413</b>	<b>310 807</b>	<b>332 860</b>	<b>311 475</b>	<b>311 475</b>	<b>227 463</b>	<b>348 116</b>	<b>301 300</b>	<b>307 358</b>

Municipality budgeted for Operating Revenue of **R348.1 million** for 2026/2027 Financial Year.

EXECUTIVE SUMMARY OF THE FINAL IDP AND BUDGET 2026/2027 OF TSWELOPELE LOCAL MUNICIPALITY



**OPERATING EXPENDITURE**

FS183 Tswelopele - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	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
<b>Expenditure</b>											
Employee related costs	2	79 956	92 350	100 192	104 071	106 038	106 038	93 592	129 581	101 934	106 787
Remuneration of councillors	2	6 431	6 929	7 190	6 988	7 364	7 364	6 075	8 427	7 381	7 417
Bulk purchases - electricity	2	40 207	48 130	57 097	47 425	47 425	47 425	47 270	71 598	54 282	54 541
Inventory consumed	2,8	12 862	12 601	11 174	13 553	13 649	13 649	10 956	13 837	13 628	13 660
Debt impairment	2,3	-	-	-	10 000	13 000	13 000	-	13 000	16 000	16 000
Depreciation, amortisation and impairment	2	30 327	29 043	34 168	20 000	20 000	20 000	-	20 000	16 850	16 850
Interest, Dividends and Rent on Land	2	10 258	14 520	13 273	3 000	10 500	10 500	13 734	3 000	3 150	3 165
Contracted services	2	42 082	49 882	35 714	41 808	48 173	48 173	26 992	46 985	46 847	47 070
Transfers and subsidies	2	11 119	4 946	-	10	10	10	-	10	11	11
Irrecoverable debts written off	2	25 507	17 552	39 588	10 000	12 550	12 550	12 553	3 000	-	-
Operational costs	2	25 548	31 164	32 292	23 879	31 362	31 362	26 213	29 179	31 535	31 773
Disposal of Fixed and Intangible Assets	2	-	-	-	-	-	-	-	-	-	-
Other Losses	2	12 717	4 863	2 264	-	650	650	-	650	-	-
<b>Total Expenditure</b>		<b>297 014</b>	<b>311 981</b>	<b>332 952</b>	<b>280 734</b>	<b>310 720</b>	<b>310 720</b>	<b>237 385</b>	<b>339 267</b>	<b>291 617</b>	<b>297 273</b>

Operating Expenditure for the year amounts to **R339.3 million**. Inclusive is the non-cash items (Depreciation and Debt Impairment).

EXECUTIVE SUMMARY OF THE FINAL IDP AND BUDGET 2026/2027 OF TSWELOPELE LOCAL MUNICIPALITY



**GRANT AND SUBSIDIES**

**Tswelopele Grants allocation for 2026/2027**

FS183 Tswelopele - Supporting Table SA18 Transfers and grant receipts										
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
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		91 240	101 204	102 959	109 723	109 723	109 723	111 746	112 887	118 039
Expanded Public Works Programme Integrated Grant		–	–	–	1 659	1 659	1 659	1 601	–	–
Local Government Financial Management Grant		–	–	–	2 100	2 100	2 100	2 300	2 400	2 500
Water Services Infrastructure Grant		21	3 962	–	–	–	–	–	–	–
Equitable Share		91 219	97 242	102 959	105 964	105 964	105 964	107 845	110 487	115 539
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	150	150	–	150	158	158
Education, Training and Development Practices SET		–	–	–	150	150	–	150	158	158
<b>Total Operating Transfers and Grants</b>	5	<b>91 240</b>	<b>101 204</b>	<b>102 959</b>	<b>109 873</b>	<b>109 873</b>	<b>109 723</b>	<b>111 896</b>	<b>113 045</b>	<b>118 197</b>
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		–	–	(3 983)	37 721	37 721	39 721	50 173	49 971	51 629
Municipal Infrastructure Grant		–	–	–	19 281	19 281	19 281	25 063	21 187	21 732
Integrated National Electrification Programme Grant		–	–	–	–	–	–	3 000	5 568	6 639
Water Services Infrastructure Grant		–	–	(3 983)	18 440	18 440	20 440	22 110	23 216	23 258
<b>Provincial Government:</b>		–	–	–	–	–	–	–	–	–
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<b>Other grant providers:</b>		–	–	–	–	–	–	–	–	–
<b>Total Capital Transfers and Grants</b>	5	<b>–</b>	<b>–</b>	<b>(3 983)</b>	<b>37 721</b>	<b>37 721</b>	<b>39 721</b>	<b>50 173</b>	<b>49 971</b>	<b>51 629</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	<b>91 240</b>	<b>101 204</b>	<b>98 976</b>	<b>147 594</b>	<b>147 594</b>	<b>149 444</b>	<b>162 069</b>	<b>163 016</b>	<b>169 826</b>



## **Operating Grants:**

a) **Equitable Share** - R 107.8 million

*Unconditional:*

Caters for Indigents Subsidy and other Operations

b) **EPWP** - R 1.6 million

*Conditional:*

Caters for Stipend for Project Workers

c) **FMG** - R 2.3 million

*Conditional:*

Caters for Internship salaries, trainings, maintaining the financial system.



#### 4. SUMMARY OF THE CAPITAL PROJECTS

##### 2025/2026 FINANCIAL YEAR

	PROJECT DESCRIPTION	PROJECT VALUE	PROGRESS MAR 2026
<b>INTERNALLY FUNDED PROJECTS</b>			
1.	Installation of electricity smart Electricity meters Bultfontein and Hoopstad.	-	93%
2.	Develop 2 new municipal cemeteries in Bultfontein and Hoopstad – EIA Studies	-	100%
<b>MUNICIPAL INFRASTRUCTURE GRANT</b>			
3.	Rehabilitation and construction at existing sports facilities in Tikwana / Hoopstad (Phase 5)	R 990 495,00	96%
4.	Rehabilitation and construction at existing sports facilities in Phahameng / Bultfontein	R10 000 000.00	100%
5.	Refurbishment of landfill site in Hoopstad	R6 282 732.04	74%
<b>WATER SERVICES INFRASTRUCTURE GRANT</b>			
6.	Construction of toilet structures and sewer connections in Tikwana/Hoopstad (499 sites)	R38 201 053.44	100%
7.	Retrofitting of 6 sewer pump stations and installations of inline grinders and repairs to waste water treatment plant in Hoopstad and Tikwana.	R 19 891 022,36	10%
8.	Construction of 3 high mast lights in Hoopstad	R1 414 500.00	100%
9.	Construction of Sewer Reticulation in Tikwana / Hoopstad (616 sites)	R36 448 324.64	97%



**REGIONAL BULK INFRASTRUCTURE GRANT**

10.	Upgrading of bulk water supply in Bultfontein (Phase 4)	R34 979 718.22	99% (Practical completion)
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**2026/2027 FINANCIAL YEAR**

#	PROJECT DESCRIPTION	PROJECT VALUE	FUNDER	START DATE
1.	Phahameng (Bultfontein): Construction of 2 km paved road and stormwater drainage	R23 082 349,29	MIG (multi-year project)	2026-11-16
2.	Tikwana (Hoopstad): Retrofitting of 6 sewer pump stations, installation of inline grinders and repairs	R19 891 022,36	MIG (multi-year project)	2025-12-08
3.	Phahameng/Bultfontein: Rehabilitation and construction at existing sports facilities – Phase 6	R926 685,00	MIG	2026-07-06
4.	Bultfontein/Phahameng: Upgrading of the stadium Phase 2	R5 424 600,00	MIG	2026-07-06
5.	Bultfontein replacement of old asbestos pipeline and accompanying appurtenances	R 43 875 000.00	WSIG (multi-year project)	2026-07-06
6.	Hoopstad replacement of old asbestos pipeline and accompanying appurtenances	R 21 125 000.00	WSIG (multi-year project)	2026-07-06
7.	Climate change project - Energy Efficiency demand side management (Retrofitting of old lights to LED lights).	R 3 000 000,00		2026-07-06
8.	Hoopstad/Tikwana: River Side- Extension 5 Electrification phase 2	-	ESKOM	To take place during the course of 2026-2027



9.	Construct a new 765kV transmission Powerline passing through Ward 4 and 5 of the Municipality	-	ESKOM	To take place during the course of 2026-2027
	<b>TOTAL (excl. PMU Salaries R964 000.50)</b>	<b>R114 324 656.65</b>		

## 5. CONCLUSION

### MUNICIPAL TARIFFS AND BILLING

Tswelopele will increase the Electricity Tariff in line with NERSA guidelines, **12%** Tariff Increase.

Proposed tariff increases for trading services:

- Prop Rates : **6 %**
- Water : **6 %**
- Sewerage : **6 %**
- Refuse : **6 %**

The growth and prosperity of our municipality is reliant on the quality of our infrastructure. Whilst we have recorded an immense progress with the upgrading and construction of new infrastructure, we have not consistently kept up to the required standards. Our municipality is pleased with the level of implementation of capital infrastructure projects and welcomes the budget of R 55.9 million for capital expenditure for 2026/2027.

In addition to the above listed funded projects, there is a list of projects reflected in the IDP which are not funded and the document can be accessed on the municipal website <https://www.tswelopele.gov.za/> and the following areas:

1. Head Office- Tswelopele Local Municipality Main Building Bultfontein Office; and



2. Hoopstad Unit office.

For more information contact during office hours [07:30am to 16:00 Monday to Friday] the Strategic Manager: **Mr Vuyisile Frans** and Manager Budget and Revenue: **Mr Sello Tsoleli** on 051 853 1111