



CITY OF CAPE TOWN
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CAPE TOWN WATER OUTLOOK

Edition 13

June 2026

Water and Sanitation Directorate

City of Cape Town

Making progress possible. Together.

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Queries and updates

Technical queries on the content of this document may be addressed to Water.Stakeholders@capetown.gov.za. Future updates of this publication will be published on the City's website, see: www.capetown.gov.za/thinkwater.

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1 Introduction

The City of Cape Town continues to prioritise long-term water security. To do so, the City continues to draw on lessons from past droughts and recent floods to develop a robust and resilient water supply system. Since adopting the Cape Town Water Strategy in 2019 the City has, and continues to, navigate significant economic and global uncertainties. These uncertainties continue to impact on the affordability of implementing the New Water Programme (NWP) and broader Water Strategy.

The Water Outlook 2025 highlighted that any further delays in implementing the NWP will increase the likelihood of imposing water restrictions. As highlighted in Section 4, recent delays in the Desalination Programme present a setback and will require a conservative approach to managing water resources and operating the bulk water supply system, including the possible early implementation of water restrictions to mitigate risks, until 2036.

The annual Water Outlook serves as a key communication tool, providing stakeholders with updates on the current water supply status and progress toward enhancing resilience while offering a forward-looking perspective on Cape Town's future water security. This edition of the Water Outlook discusses the following:

- Current status of the water supply system
- Current risks to Cape Town's water supply
- Update on Water Strategy Programmes
 - Metro Trading Services Reform
 - WCWDM Strategy
 - Advanced Metering Infrastructure
 - New Water Programme
 - Adaptable Programme
 - Regional Water Resource Management
- Cape Town's short, medium, and long-term water security outlook

2 Status of Cape Town's water resources

The Western Cape Water Supply System (WCWSS) provides more than 95% of Cape Town's water supply. On the 30 October 2025, the WCWSS ended at approximately 85% highlighting a risk that if this hydrological year did/does not receive at least average rainfall, there would be a high likelihood there would be a need to implement water restrictions. Throughout this hydrological year the seasonal forecasts indicated below average rainfall. Despite this, in early May 2026 a significant flood event saw dam levels rising between 10-30% within a week with rainfall events equating to up to a 1:200-year recurrence interval. This, once again, has highlight that climate uncertainty is a significant risk to Cape Town's water security.

2.1 Seasonal forecast

Climate forecasting, particularly seasonal predictions, are inherently uncertain and require cautious interpretation as was evident over the last few years, where seasonal forecasts proved unreliable. It is now evident that single "cutoff low" storm events are increasingly determining seasonal rainfall totals – making seasonal forecasting even less reliable. This is a major challenge, particularly related to managing drought risk. This year, considering the poor rainfall last year and the negative outlook for this year's rainfall, the City initiated its Water Restrictions Steering Committee in November 2025. This committee manages the imposition of water restrictions in case of a drought. The Committee focused on initially communicating the risk, addressing what the City could do, and increased monitoring. The impacts of drought were being noted – including at Steenbras where several rivers dried up in January 2026, and in the South Peninsula with some springs reportedly stopping their normal flow.

Figure 1 highlights that this hydrological year's rainfall had significant jumps because of an event in March and then the major flood event in April. Figure 2 highlights some of the damage Bulk Water infrastructure and the impact on raw water quality ("muddy water" due to erosion from flooding) in the Western Cape Water Supply System Dams. The impact on raw water quality has resulted in certain water treatment plants (e.g. Wemmershoek) operating at low production, shifting demand onto plants where raw water was less impacted. Following a review of the current storage in the Western Cape Water Supply System, and in line with the City's Drought Monitoring and Response Framework, City sees no immediate reason for concern. However, we continue to advocate for 'water-wise use' and encourage residents to use water as efficiently as possible.

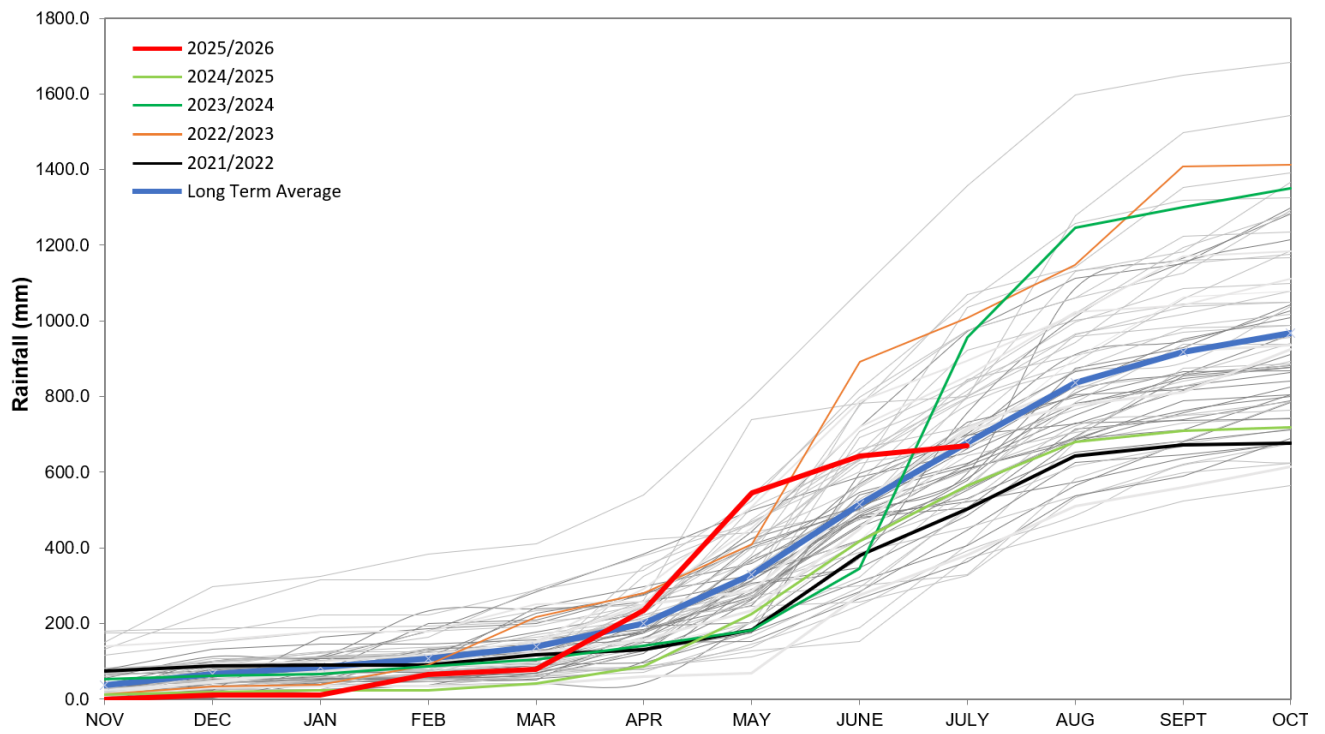


Figure 1: Rainfall at Wemmershoek dam



Figure 2: Impact of the floods

2.2 Surface Water Resources

Table 1 shows the status of the Western Cape Water Supply System dams compared to the last 5 years. This year due to two significant rainfall events the dams of the Western Cape Water Supply System filled early in the season. Currently, storage levels indicate low levels of risk, but seasonal forecasts are indicating lower rainfall in the rest of the rainfall season. This will be closely monitored between July and October and responded to in terms of the City's Drought Monitoring and Response Framework.

Table 1 Status of Surface Water Resources

Major Dams (Wcwss)	Storage					
	CAPACITY	%	%	%	%	%
	MI	02 July 2026	2025	2024	2023	2022
Berg River	130 010	86.8	100.7	98.7	101.6	84.3
Steenbras Lower	33 517	53.1	69.0	79.9	103.2	78.5
Steenbras Upper	31 767	90.4	101.0	95.1	102.0	91.4
Theewaterskloof	480 188	77.0	76.8	70.1	103.9	75.7
Voëlvlei	164 095	60.2	75.0	64.3	78.8	61.9
Wemmershoek	58 644	100.0	82.2	82.7	100.0	60.3
Total Stored	898 221	686 514	726 287	675 712	885 701	665 433
% Storage		76.4%	80.9%	75.2%	98.6%	74.1%

2.3 Ground Water Sources

Table 2 highlights the volume of water abstracted by each aquifer scheme. The values listed in Table 2 are the volumes authorised under stage 1 for each water use licence. The City has a higher allocation however this allocation is subject to City proving sustainability of the resource.

It is evident that the City is utilising only a portion of the allocation. In the case of the Table Mountain Aquifer Group (TMGA) Scheme this is an intentional decision to start production low and ramp up to be able to carefully monitor any impacts on rivers and wetlands. In the Case of Atlantis Aquifer, the reduced production (discussed in Section 4.4.3) is due to theft of critical electrical supply cables. Once this is addressed the scheme is ready to return to full production. At the Cape Flats aquifer, there is currently no abstraction for use (with the abstraction only conducted as part of the aquifer tests). In future Water Outlooks, information on environmental impacts, if any, that the City's schemes are having will be discussed.

Table 2 City's Abstraction vs licensed volume

AQUIFER	LICENCE NUMBER	LICENCED VOLUME (m3/a)	LICENCED VOLUME (MI/a)	ABSTRACTED VOLUME (m3/a)	ABSTRACTED VOLUME (MI/a)	% USE	PERIOD
Atlantis Aquifer	01/G21B/ACEFI/14333	9 000 000.00	9 000.00	229 464.00	229.46	2.55%	January - December 2025
		9 000 000.00	9 000.00	223 266.00	223.27	2.48%	January - May 2026
Table Mountain Group Aquifer (Steenbras Wellfield)	01/G40A/A/7276	6 338 736.00	6 338.74	836 820.00	836.82	13.20%	January - December 2025
		6 338 736.00	6 338.74	93 903.22	93.90	1.48%	January - May 2026
Cape Flats Aquifer	01/G40A/AE/7272	20 500 000.00	20 500.00	0.00	0.00	0.00%	No abstraction for use as WTP not complete yet
		20 500 000.00	20 500.00	0.00	0.00	0.00%	No abstraction for use as WTP not complete yet

3 Current risks to Cape Town's water supply

The City is actively working to ensure a robust and resilient water supply system. Since adopting the Cape Town Water Strategy in 2019 the City has, and continues to, navigate significant economic and global uncertainties. These uncertainties to impact on the water demand, the availability of water resources, the condition of existing infrastructure, and the affordability of implementing the New Water Programme (NWP) and broader Water Strategy.

3.1 Cape Town's current and future water demand

This financial year water demand has grown by a significantly higher than anticipated 5%, largely due to the early end to a below average rainfall year followed by an extended summer period. This resulted in almost six (6) months of high summer water demand. Worryingly, thus far this winter demand has remained stubbornly high, only dipping during periods of rainfall. It is important to highlight that due to the seasonal forecasts of below average rainfall, and risks of drought, the City had begun initiating a focused communications campaign to conserve water and limit outdoor demand. The water demand over the last year, which showed no significant reduction from the communications campaign, reinforces the analysis in Water Outlook (2025) which highlighted that the potential to reduce water demand – through water conservation, water demand management or water restrictions – is constrained and would require significant effort.

The 2025/2026 rate of water demand growth is unsustainable and is more than three (3) times the average ten (10) year growth rate proposed in the Water Conservation and Water Demand Management Strategy (Section 4.2), and more than double the Bulk Water and Water Strategy's planning assumptions. While the assumption is that this year's demand growth is climate driven. It will, however, be critical to monitor the demand growth over the next year and respond accordingly.

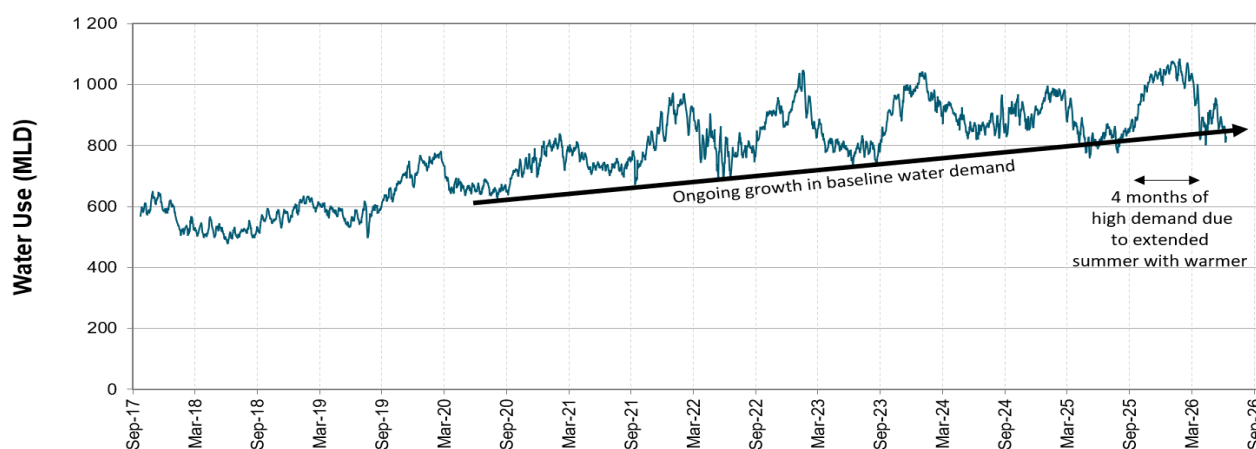


Figure Water Demand (2017 – 2026)

3.2 Infrastructure Stability Programme

The Infrastructure Stability Programme for the Bulk Water Branch presents a response to the current state and performance of Bulk Water's assets. With an existing bulk infrastructure base valued at approximately R51.8 billion, currently registering a Depreciated Replacement Cost to Current Replacement Cost (DRC/CRC) ratio of 30%, the system faces significant constraints in meeting projected demand. Findings from the "Bulk Water Infrastructure and Resource Optimisation Study" have highlighted the urgent requirement for extensive refurbishment to guarantee Cape Town's water security.

To mitigate these risks, the Infrastructure Stability Programme (ISP) proposes a comprehensive, roadmap with an estimated infrastructure investment requirement exceeding R10 billion over the next five to ten (5-10) years. The strategic horizon targets the achievement of operational stability by 2030, progressing to resilience by 2035.

The Infrastructure Stability Programme aims to ensure "Asset Management Knowledge" processes are modernised, thereby ensuring the Asset Management Plan (AMP) may be implemented based on up to date (near real-time) data, thereby ensuring that the AMP delivers value to the business. Key technical, non-infrastructure initiatives include the deployment of RFID equipment tracking for real-time asset tracking, rigorous reconciliation of asset registers, and the implementation of revised maintenance processes to facilitate data-driven decision-making.

The ISP further emphasises the changes in the regulatory landscape and that strict regulatory compliance is non-negotiable to achieving the vision of the ISP is contingent upon a skilled technical workforce – in some areas of the business this is now a regulatory requirement.

While the Infrastructure Stability Programme provides a structured pathway to securing Cape Town's water future, its successful execution requires resource allocation, project prioritisation, and sustained institutional commitment. Furthermore, mitigating delays in the New Water Programme and fostering a culture of operational excellence remain prerequisite conditions for achieving the ISP's ambitious objectives and safeguarding the City's bulk water supply.

3.3 Riviersonderend Tunnel Shutdown

In August 2026 the National Department of Water & Sanitation has indicated that it intends to shut down the Riviersonderend Tunnel. Should the shutdown not be undertaken this year, it is expected that it will be planned for 2027. This tunnel system conveys water between Theewaterskloof, Berg River Dam and Kleinplaasie dam whereafter it is conveyed to the City of

Cape Town's Faure and Blackheath Water Treatment Works. Most days, this system provides between 40-60% of Cape Town's water supply.



Figure 3 *Extent of the RSE Tunnel System*

The RSE tunnel should be inspected on a regular basis. As such it is important for a tunnel shutdown to take place and include, inter alia, the following work:

- Inspection of the condition of the tunnel, especially the reinforced sections in fault zones. The inspection is expected to conclude with a condition assessment to inform future planning, design, and for the City this will provide an input into our water safety planning.
- Undertaking of a 3D scan of the tunnel.
- Removal of accumulated sand, sediment and debris.
- Performing of urgent repairs and planning of future repairs likely to take place in 2027.

The shutdown is expected to take place in two initial phases – whereafter further shutdowns may be expected to address any maintenance or other findings identified in the initial two phases. In the first phase the tunnel will be shut between Theewaterskloof Dam and Dasbos. This will allow the Dasbos pump station to continue to supply via the tunnel to the City. In the second phase the tunnel between Dasbos and Kleinplaasie Dam will be shut. Splitting the shutdown into two phases it reduces the risk significantly as the time to restore supply in an emergency is reduced from approximately 5 days to less than 3 days. This duration can be mitigated using the bulk water storage. To further reduce the risks, it will be important to implement low level restrictions during Phase 2 to ensure water demand is minimised during this period.

4 Update on Water Strategy Programmes

The Water Outlook series has up until now largely focused on the water resource commitments made in the Water Strategy. The Water Strategy however was developed to provide an integrated approach to water management for Cape Town. This approach is intended to ensure that Cape Town's Water Services are robust and resilient to shocks and stresses, and that the City can continue to provide safe, reliable and sustainable water services to Cape Town. This Water Outlook, therefore, intentionally focuses on several of the other initiatives that the City's Water & Sanitation Directorate are implementing. The Water Strategy is in the process of being updated with a revised strategy due for completion by the end of June 2027.

4.1 WC/WDM Strategy

Commitment 2 of the Council Approved Water Strategy committed Cape Town to "water wise use". The Long-Term Water Conservation and Water Demand Management (WC/WDM) Strategy aims to address this, and was approved by Council in October 2025. The WC/WDM strategy provides a long-term framework to ensure sustainable, reliable, and efficient water use in the face of growing population pressure, climate variability, and limited water resources and builds on lessons from the 2015–2018 drought and aims to transition Cape Town from water scarcity to water security through systematic demand reduction and improved resource management. The strategy is anchored around the following core targets to be achieved by 2034/35:

- Reduce Non-Revenue Water (NRW) to below 20% (from ~27%)
- Lower per capita water consumption to below 150 litres/person/day
- Limit potable water demand growth to 1–1.5% annually, below projected population growth



These targets are supported by enabling goals focused on strengthening institutional capacity, improving data and monitoring systems, and ensuring sustainable funding to ensure delivery of amongst others, the following:

- **Pressure Management:** Pressure management has been successfully implemented over the past 20 years and remains one of the City's primary interventions for reducing water losses and extending the lifespan of the water distribution network. Over the next 10 years, the entire water reticulation system will be further sub-zoned into manageable sectors, with water balances undertaken at zone level to support targeted, measurable, and performance-driven interventions.
- **Pipe Replacement Programme:** The pipe replacement programme has historically been implemented largely on a reactive basis. Through the funding provided by the WC/WDM Strategy, the programme will be expanded to achieve the replacement of up to 1.5% of the reticulation network annually. This initiative will be complemented by targeted service connection replacement programmes in areas where a high number of leaks are reported on service connections.
- **Active Leak Detection and Repair:** Active leak detection and repair programme have been implemented since 2013 and has contributed significantly to water loss reduction. Over the next 10 years, these programmes will be enhanced through the adoption of advanced leak detection technologies and the establishment of dedicated City plumbing teams to prioritise repairs and improve repair quality. Active leak detection and repair activities will also be extended to the bulk water supply system.
- **Meter Management Programme:** The meter management programme has largely operated on a reactive basis. Going forward, all new water connections will be metered within specified timeframes, and the meter replacement programme will be significantly expanded to reduce water losses and increase billed metered water consumption.
- **Indigent and Informal Settlement Water Demand Management:** Focused water demand management programmes will be implemented within indigent communities and informal settlements to reduce water losses, minimise wastage, and promote the efficient use of water.
- **Preventative Maintenance of Water Infrastructure:** Preventative maintenance programmes for critical water infrastructure, including reservoirs, control valves, pipelines, and associated assets, will be strengthened. These programmes will be informed by regular audits, verifications, condition assessments, and risk-based maintenance planning to improve asset performance and reliability.

- **Enhanced Water By-law Enforcement:** The enforcement of water by-laws will be strengthened through the deployment of additional enforcement teams, improving compliance, reducing unlawful water use, and supporting responsible water consumption across the City.
- **Water Conservation Education and Awareness:** Water conservation education and awareness programmes have been implemented since 2007 and have played a key role in promoting responsible water use. Over the next 10 years, these programmes will be further enhanced and strategically targeted to maximise their impact across all customer sectors.
- **Alternative Water Supplies for Non-Potable Use:** The use of alternative water sources, including treated effluent and spring water, for non-potable applications will continue to be promoted and expanded. New customers will be encouraged to utilise these alternative supplies where feasible, reducing demand on the potable water system and supporting long-term water security.

The estimated cost of implementation of the WC/WDM Strategy is R14.7 billion over 10 years (2025/26-2034/35). Current funding commitments amount to approximately R8 billion, leaving a shortfall of R6.7 billion. Without full funding, only about 55% of the intended water savings (90MLD) can be achieved, highlighting the importance of prioritised investment.

While adequately funding the WC/WDM Strategy is important, capital investment alone will not achieve the strategy's objectives. It is essential that interventions are complemented by measures that build public understanding of water-saving practices, raise awareness of the importance of conservation, and ensure effective enforcement of relevant City by-laws.

4.2 Advanced Metering Infrastructure

The City of Cape Town's Advanced Metering Infrastructure (AMI) Programme is a major strategic initiative led by the Water and Sanitation Directorate to modernise water management and service delivery through the deployment of smart metering technology. The programme represents a long-term investment in digital transformation, aimed at enhancing operational efficiency, improving resource management, and supporting the City's broader sustainability objectives.

The AMI programme involves the rollout of more than 660,000 advanced water meters, together with the supporting communications networks and infrastructure required for a fully integrated, digital metering system. These smart meters automatically measure and transmit water usage data, eliminating the need for manual readings and enabling more accurate, real-time monitoring of consumption. This is expected to result in the following:

- Elimination of manual meter readings, improving both privacy and security
- Automated readings should significantly reduce human error
- Proactive alerts, including leak notifications and anomaly detection, communicated via the City's digital platforms to minimise queries and enable cost-saving interventions as well as reducing water loss
- Remote access to detailed and transparent consumption data through the City's Mobile App, empowering customers with real-time insights



Figure 4 Cape Town's first smart meter being installed

From an operational perspective, AMI is expected to transform day-to-day work processes by reducing manual and repetitive tasks and enabling greater automation. This will allow employees to focus on more value-added activities, while improving overall efficiency and responsiveness within the Water and Sanitation Directorate. As roles evolve, they will remain secure, with enhanced opportunities for career development and progression.

To oversee this significant undertaking, the City has established robust governance structure to manage this programme comprising senior representatives across the Directorate, alongside specialised working groups. The successful implementation of the AMI programme is important to delivering the targets in the WC/WDM Strategy (Section 4.2) and thus is critical for achieving a water wise Cape Town (Commitment 2 – Water Strategy).

4.3 Metro Trading Services Reform

The National Treasury Metro Trading Services Reform (MTSR) programme is a national initiative aimed at reversing declining service quality and underinvestment in key municipal services across all metros in South Africa. It introduces funding incentives through the Urban Development Financing Grant (UDFG) and requires metros to meet core reform conditions, including Single Point of Management Accountability (SPoMA), improved revenue collection, financial surpluses, clear institutional roles, and fit-for-purpose organisational structures.

The City of Cape Town's Water and Sanitation Directorate is actively implementing the National MTSR programme to strengthen financial sustainability, service delivery, and operational performance across the full water and sanitation value chain. The City adopted a Water and Sanitation Reform Strategy (2024), supported by a Business and Investment Plan (BIP) and Performance Improvement Action Plan (PIAP) that will ensure the Water & Sanitation's reforms align with national reform requirements to improve accountability, infrastructure, and customer service.

Within this framework, the Water and Sanitation Directorate will be seen as a Trading Service (W&STS). The W&STS is responsible for end-to-end management of water and sanitation services, including bulk supply, distribution, and commercial functions, with full accountability placed on the head of the service – the Executive Director. The directorate is focusing on infrastructure modernisation, climate resilience, improved resource management, affordability, and financial sustainability, while addressing risks such as water security, revenue constraints, and public trust.

The Water and Sanitation Directorate sees the MTSR programme as a vehicle for the directorate to improve institutional performance over the next few years. Figure 5 provides an overview of the W&STS Theory of Change - Logic Model which is a framework explaining how and why the planned activities or interventions are expected to lead to a desired long-term outcome or impact.

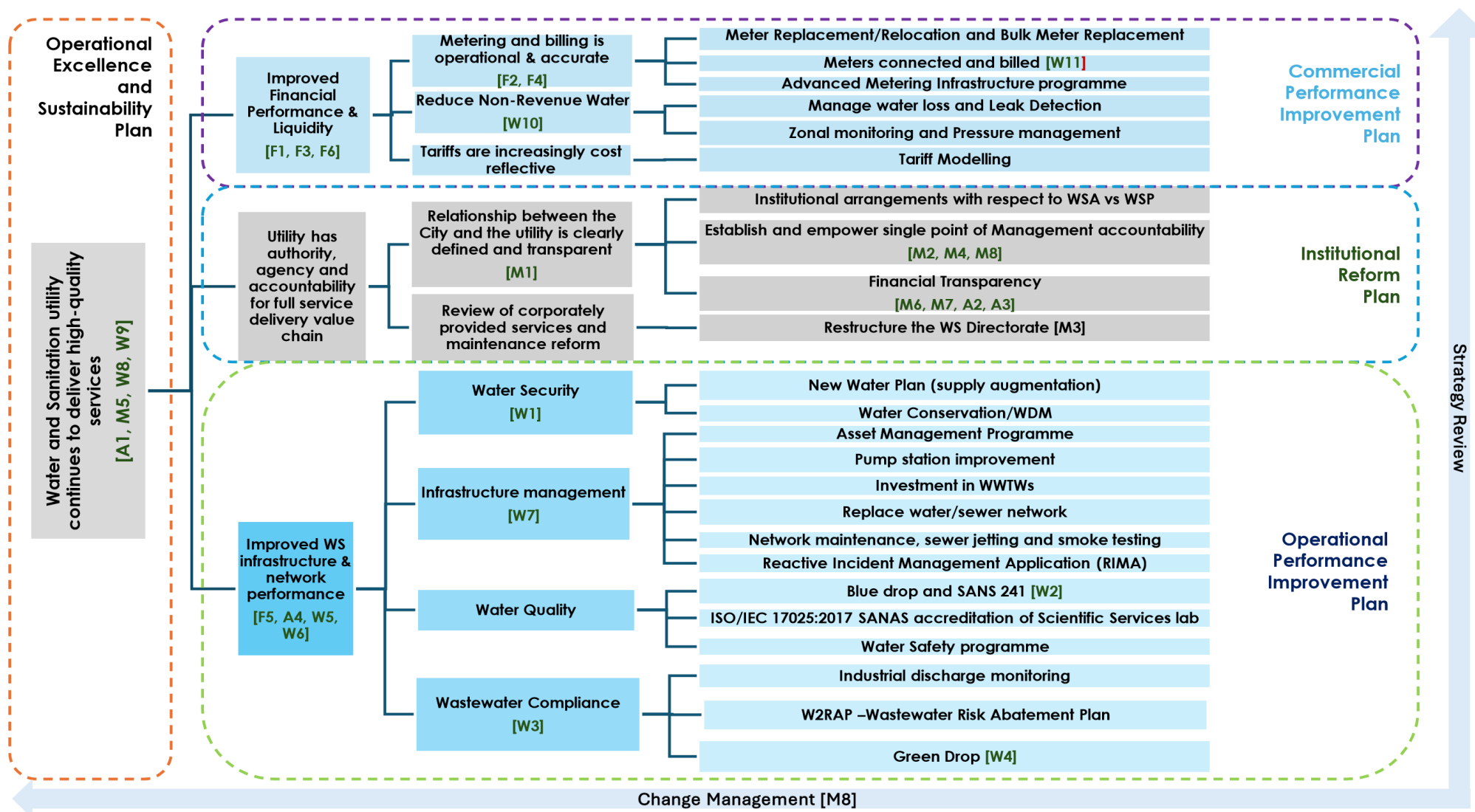


Figure 5 Water and Sanitation MTSR Theory of Change – Logic Model

4.4 New Water Programme

While the foundation of the Water Strategy is to diversify Cape Town's water supply sources and decrease the reliance on surface water, surface water is and will remain a cheap water source. The City has therefore signed an agreement with the National Department of Water and Sanitation (DWS) to purchase water from the Berg River – Voelvlei Augmentation Scheme (BRVAS). DWS have recently revised the anticipated delivery date to June 2030 – seven (7) years later than planned in the City's Water Strategy (2019).

4.4.1 Surface Water

The Berg River Voelvlei Augmentation Scheme (BRVAS) is a critical component of the Water Strategy providing around 40 million Liters per day. DWS have recently revised the anticipated delivery date to 2030, approximately seven (7) years later than the envisioned 2023 implementation date as shown in the City's Water Strategy (2019). This delay is contributing to both increasing costs, and the challenges with remaining within the City's available allocation (Section 3.2). The City is actively monitoring progress and consulting the National Department on possible means of addressing the negative impacts that these delays are expected to have for Cape Town's Water Security.

4.4.2 Ground Water Management

Since the Water Outlook 2025 was published, there has been a concerted effort to accelerate the operationalisation of the three flagship groundwater initiatives, namely: Table Mountain Group Aquifer (TMGA), Cape Flats Aquifer Management Scheme (CFAMS), and the Atlantis Water Resource Management Scheme (AWRMS).

The Cape Flats Aquifer Management Scheme (CFAMS) is progressing at scale, with 74 production boreholes completed alongside an expanded network of monitoring and managed aquifer recharge (MAR) infrastructure. Treatment capacity development is advancing across multiple sites: the 6 ML/day Strandfontein West Water Treatment Plant (WTP) is in commissioning, while construction of the 10 ML/day Hanover Park/Philippi WTP is underway, and the design of the flagship 38 ML/day Mitchells Plain WTP is nearing completion. Supporting this, the advanced water reclamation plant – designed to treat effluent for aquifer recharge – has completed civil works, with mechanical and electrical installations in progress.

While the Atlantis Water Resource Management Scheme (AWRMS)'s wellfield has been expanded to 47 production boreholes and equipping of boreholes is largely complete, the upgrades have been impacted by major cable theft which and has left many boreholes without power. Work is underway to restore power.

The TMGA scheme continues to advance, with 11 production and three standby boreholes completed, and associated pump infrastructure now operational, which is highlighted by the increased groundwater production on the weekly dashboard. In operationalising the various boreholes, learning lessons from some earlier challenges, boreholes are being started at half production and slowly increased (over months) to full production.

Across all schemes, governance and transparency are reinforced through dedicated "Cape Town Groundwater Abstraction Monitoring Committee" which comprises various stakeholders including, amongst others, National Government, Provincial Government, BOCMA, academia, and other stakeholder representatives.

4.4.3 Advanced Water Treatment

Advanced Water Treatment comprises both direct and indirect reuse, as well as desalination. Advanced water treatment schemes typically offer a higher assurance of supply but are also significantly more expensive and complex to operate. In this regard, alternative service delivery mechanisms, such a Public Private Partnership (PPP) have been considered to ensure effective implementation of these high value pioneering programmes which are key to our water security. Over the last year significant milestones have been achieved in the Faure New Water Scheme and Desalination projects as highlighted below.

Faure New Water Scheme

Water Outlook 2025 highlighted that in June 2024, Council granted a Section 78(2) decision to proceed with a detailed feasibility study (in compliance with Section 78(3) of the MSA and Section 120(4) of the Municipal Finance Management Act, 56 of 2003) of alternative options for the procurement, financing, construction and operation of the proposed Faure New Water Scheme.

The Section 78(3) feasibility study investigated three service delivery options (Under all of the options, the City retains ownership of the asset):

- Option 1: internal mechanism whereby City constructs (through conventional procurement) and operates the scheme,
- Option 2: Public-private partnership and
- Option 3: City constructs (through conventional procurement) and appoints an external operator to operate the scheme through a management contract.

The feasibility study was completed and circulated to National Treasury, Provincial Treasury, Department of Water & Sanitation and to the public for comment in line with Section 120 of the MFMA. All comments received (including TVR 1 from National Treasury) was incorporated into the Council Report for a Section 78(4) decision.

In December 2025 Council resolved (C31/12/25) that that the recommendation of the report on the Section 78(3) Feasibility Study that *"the financing, construction, and operation and maintenance of the proposed Faure New Water Scheme be via a public private partnership, be supported, and that an in-principle decision was made to proceed with procuring the public-private partnership."*

This is expected to follow a two stage bidding process with the Request for Qualifications (RFQ) expected to be published in September 2026 followed by the Request for Proposal (RFP) from qualified bidders in the second half of 2027.

Desalination

Following the Section 78(1) and 78(2) Mayco and Council resolutions obtained in 2024, as discussed in Water Outlook 2025, the Section 78(3) Feasibility study was concluded in 2025. In December 2025, Council resolved (C32/12/25) to support an in-principle decision in terms of Section 78(4) of the MSA and section 120(6) of the MFMA to proceed with the procurement via a PPP for the financing, construction, and operation and maintenance of the proposed 70 MLD Paarden Eiland Desalination Plant. In doing so Council noted In December 2025, Council resolution C 32/12/25 notes *"that the request for Treasury Views and Recommendations I (TVR I) were submitted to National Treasury in July 2025. Whilst such approval is not a prerequisite for Council review and decision on this report, the standard one-month turnaround timeframe in the Municipal Public Private Partnership Guideline from National Treasury has been exceeded and no feedback has been received despite follow-up efforts. This matter is accordingly being submitted to Council for decision to enable the Project to advance."* Council further noted *"that*

Transnet National Port Authority (TNPA) has advised in November 2025 that an updated Port Development Framework Plan (PDFP) is expected next year which may materially impact the Feasibility Study assumptions for this project. Follow-up meetings with TNPA are planned for end January 2026 to clarify the detailed PDFP ratification process and timelines. Should the updated PDFP result in material changes to the Paarden Eiland Desalination Plant feasibility assumptions and outcomes, this matter will be resubmitted to Council for further consideration and decision"

TVR1 has subsequently been approved by National Treasury.

The scoping phase of the environmental impact assessment process has been completed, and additional investigative studies have been identified and initiated.

The Transnet National Port Authority (TNPA) advised in November 2025 that it intended an updated its Port Development Framework Plan (PDFP) in 2026 and that this may materially impact the Feasibility Study assumptions for this project. CCT is engaging with TNPA to clarify the detailed PDFP ratification process and timelines. These developments are deemed to be a risk to the project progress in the upcoming period. Should the updated PDFP result in material changes to the Paarden Eiland Desalination Plant feasibility assumptions and outcomes, this matter will be resubmitted to Council for further consideration and decision and will result in a delay to the schemes planned delivery date.

The implementation of desalination remains a critical component of the City's long-term water resilience programme. However, material changes to TNPA's planning framework and unresolved land readiness and marine infrastructure constraints necessitate a cautious, evidence-based reassessment of the project's delivery approach to ensure it remains feasible, affordable and defensible. Due to the uncertainty of the scale of the impact the Project team has begun identifying and investigating alternative sites. An alternative site could come with other advantages such as: lower constructions costs and better integration into the bulk water supply system. It must be noted that irrespective of the final site chosen, a similar delay in the final water date will materialise due to the processes that need to be followed prior to re-obtaining Section 78(4) approval from Council. Unfortunately, as laid out in Section 6, this will result in a revised expected delivery date to 2036.

4.5 Adaptable programme

The Bulk Water Resource and Infrastructure Plan (2025) has finalised the long-term infrastructure investment requirements and programme. The study has now advanced to focus on the challenges being experienced in operating the Voëlvlei pipeline; the impact of desalination's planned operating approach; and the sensitivity of changes to the spatial planning forecasts on the Bulk Water long-term planning. These are being addressed, in the following investigations:

- The Voëlvlei pipeline's production being limited to approximately 60% of its design capacity. To address this the following investigations are ongoing:
 - An analysis of operational inefficiencies that may be leading to pipe bursts.
 - A detailed condition assessment including acoustic leak detection, destructive testing, soil corrosivity testing. The inspection done is one of the longest free swimming pipeline inspections in South Africa.
- Refinement of Western Cape Water Supply System Reconciliation Strategy proposals and impacts, climate change impacts, desal/re-use operational impact and integration with other municipalities at Voëlvlei Scheme level.
- This focused part of the study will provide insights into how Cape Town's water supply system operations may change in future, and how they will need to be developed to accommodate near constant source injection from desalination and reuse with variable supply from surface water sources.
- The City recently appointed a PSP to undertake the planning, investigations, and design of future water reuse schemes in accordance with the Bulk Water Masterplan for the next 10 years. The length of this tender is intended to ensure continuity, technical consistency, and long-term capacity building within the City's water reuse programme. Water reuse projects are complex, capital-intensive initiatives that typically require extended periods to progress from early planning through procurement, construction, commissioning, and full operational maturity.

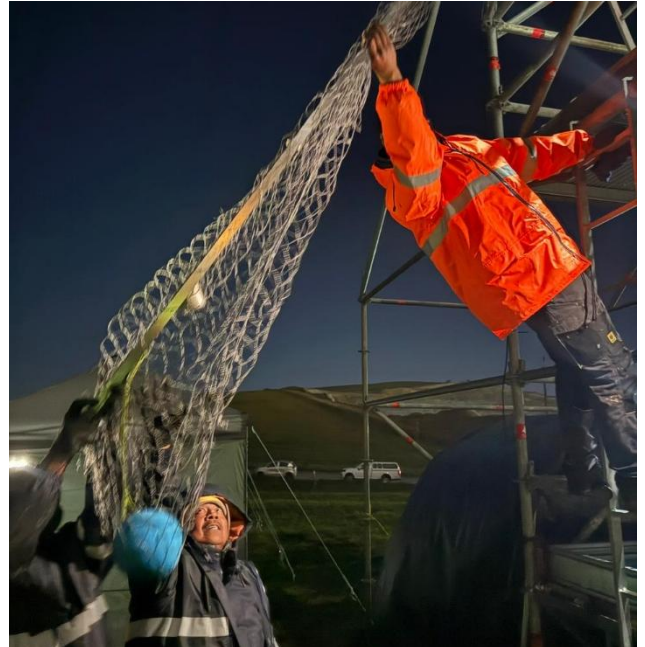


Figure 6 Acoustic leak detection “free swimming ball” used to inspect pipeline being retrieved

- The City has also commenced with site selection and pre-feasibility work for a larger desalination plant with a capacity of up to 360 Ml/d. Sites which are under consideration include Melkbos and Atlantis. The City is in the process of appointing a PSP to undertake the necessary technical investigations. Implementation of this plant will be post 2036 but it is imperative to undertake all the planning work upfront to be implementation ready.
- The remaining work is to update the outcomes of the master plan with the recently released 2050 land use model to gauge the effect on the current implementation plan. The target in terms of growth in demand, location of demand, availability of surface sources, availability of funds etc. is ever changing. By continuing to investigate and plan for the projects described above and by continuing to track trends and making adjustments as required, the City will remain agile in the face of these changes.

The outcomes of this phase of the Bulk Water Resource and Infrastructure Plan will solidify the Bulk Water infrastructure planning for the next 25 years.

4.6 Regional Water Resource Management

The Water Strategy committed the City to investing in several initiatives that would improve resilience, improve decision-making, ensure water quality, and ensure a new relationship with water is realised. This section provides brief updates on a selection of these initiatives.

4.6.1 Breede-Olifants Catchment Management Agency

The practical operationalisation of the Breede-Olifants Catchment Management Agency (BOCMA) across its full Water Management Area — including the Berg-Olifants catchment — marks a structural shift in how water resources underpinning Cape Town's bulk supply are governed. For the City's Water and Sanitation Directorate, this transition demands early engagement and strategic positioning.

Established under the National Water Act (Act 36 of 1998) and formally gazetted in July 2005, BOCMA has undergone a protracted evolution that culminated in 2022 with its boundary extension to absorb the Berg-Olifants Water Management Area — the catchment that feeds Theewaterskloof, Wemmershoek, the Berg River Reservoir, and the Steenbras system. Until 2026, however, this jurisdictional expansion remained largely nominal: a Memorandum of Understanding with the Department of Water and Sanitation (DWS) restricted BOCMA's

operational reach to the original Breede-Gouritz footprint, with no staff transfer from the Berg-
Olifants area having been affected. That constraint has now been resolved.

For the City of Cape Town, BOCMA's full operationalisation introduces a new regulatory interface. Historically, bulk water use authorisations and catchment-level decisions were handled directly by DWS's Regional Office. With a fully staffed and functional BOCMA now active across that geography, the City's engagement on water use licences, catchment management strategy participation, and allocation reform processes is being conducted directly through BOCMA.

BOCMA is currently in the process of developing a detailed strategy for the management of water resources which the City supports, in line with Commitment 4 of the Water Strategy.

4.6.2 Alien Invasive Plants

Clearing alien invasive plants remains a cost-effective and sustainable method for building resilience and improving Cape Town's water security. Investing in nature-based solutions (NbS) such as controlling IAPs is also embedded in national and provincial policy frameworks as a key means to diversify and secure water resources. It aligns with the national water-resources mandate (e.g., National Water Resource Strategy (NWRS-33)), and is explicitly identified in the Western Cape Climate Change Response Strategy as a necessary intervention in strategic water-source areas. In the WCWSS Reconciliation Strategy, NbS sits alongside infrastructure development as a required component of reconciling future water requirements.

The GCTWF is designed as a 30-year programme where costs reduce overtime while the water benefits accrue as long as the cleared areas are maintained. Figure 7 highlights the hectares cleared since April 2019 (until February 2026), for all implementers falling under the Greater Cape Town Water Fund (GCTWF). Hectares cleared are captured monthly in the GCTWF Decision Support System (DSS) and progress can be tracked. The initial phase constituted the high-impact phase to substantially reduce invasion levels, whereas follow-up work is required to maintain the water gains.

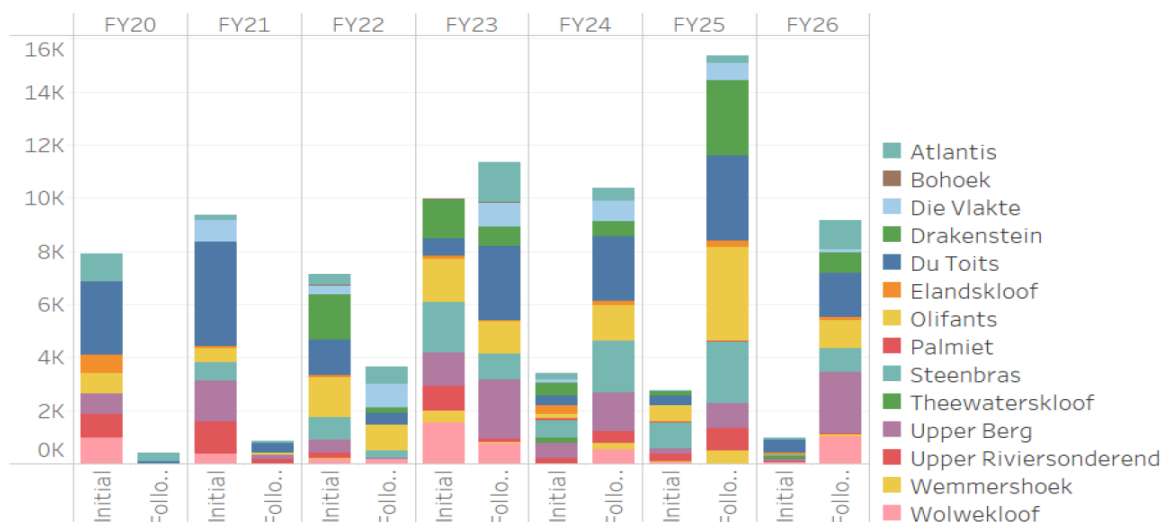


Figure 7: Hectares cleared by the GCTWF within the WCWSS since April 2019 to February 2026

The City is in the process of obtaining Council approval to enter into a Memorandum of Agreement (MOA) with the GCTWF for the 2026/7 – 2028/9 financial years (Phase III). This will allow the City to commit a further R60 million towards the GCTWF over three years (2026 - 2029). The GCTWF has been able to secure an equal investment from private funders, towards addressing the challenge Alien Invasive Plants present to water security in the WCWSS.

Long-term there is a need for a sustainable funding model for clearing and ensuring the catchments remain clear of alien invasive plants. To this end, the City continues to advocate for a ringfenced catchment management tariff applicable to all water users in the WCWSS that provides adequate funding for the clearance and ongoing maintenance.

The City's New Water Strategy (2020) formally recognised nature-based solutions, particularly invasive alien plant clearing, as a core intervention to enhance long-term water security and system resilience for the City's growing population.

The Phase III MOA therefore introduces a programme-based approach, whereby City funding supports water security outcomes across priority source areas of the WCWSS, rather than being restricted to predefined catchments. This approach enables operational flexibility to respond to environmental disturbances such as wildfire, optimise implementation sequencing, and ensure effective utilisation of approved funding within financial years.

Significant progress has been made during the current phase of implementation in strengthening both the funding and institutional framework supporting the Greater Cape Town Water Fund (GCTWF). Most notably, the Cape Water Performance-Based Bond has been successfully launched. This represents a first-of-its-kind, nature-linked financial instrument in which investor returns are directly linked to independently verified ecological restoration outcomes. The bond

introduces a new financing model for ecological infrastructure by demonstrating that conservation outcomes can be quantified, monitored, and integrated into mainstream capital markets. For the GCTWF, this milestone addresses a long-standing constraint relating to irregular and unpredictable funding flows. The bond secures a defined medium-term funding stream and strengthens the credibility of the programme, thereby improving its ability to attract sustained public and private sector co-investment. This development positions the programme for scaling and enhances confidence in nature-based solutions as a viable component of long-term water security planning.

In parallel, institutional support from the Department of Water and Sanitation South Africa has progressed, with in-principle executive agreement to explore the strategic use of the Water Resource Management Charge (WRMC) as a sustainable funding mechanism for catchment restoration and maintenance. This includes support for:

- the exploration of ringfencing a portion of the WRMC for ecological infrastructure investment; and
- the establishment of mechanisms enabling Catchment Management Agencies (CMAs) to allocate revenue towards Water Funds for the maintenance of restored catchments.

This evolving institutional alignment reflects growing recognition within the water sector that sustained investment in ecological infrastructure is required to protect water resources. It further supports the long-term financial sustainability of the GCTWF and strengthens the enabling environment for blended finance mechanisms such as the Water Fund and associated bond structures.

5 Cape Town Water Outlook

5.1 Update of Water Strategy

The City of Cape Town annually reviews the long-term water balance between available supply and projected water demand. Table 3 provides the latest timing of the schemes forming part of the Committed Programme. Three (3) notable changes in that BRVAS, CFA Phillipi & Hanover and Desalination Phase 1 have been delayed since the last Water Outlook. This means that the City will deliver a peak design capacity of 305 million liters a day of new water by 2036. This will equate to an expected annual production of around 101 million cubic meters per year once the operational rules, planned maintenance, unplanned maintenance and unforeseen shutdowns are accounted for. This highlights the significant volume that the New Water Programme is intended to add to Cape Town's water supply.

Table 3: City of Cape Town New Water Programme

Description	First water date/ Peak Production / Yield (Revision 7)			
	Full Capacity date	Peak Production (Ml/d)	Estimated Annual production (million cubic meters)	Comment
Clearing Invasive Alien Plants	N/A	30	11	Need to engage with DWS to ensure ongoing funding mechanism.
Table Mountain Steenbras P 1	Jun 2023	25	5	
CFA Strandfontein West	Jun 2024	6	1.8	
CFA Phillipi & Hanover Park	Jun 2029	10	3	
CFA Strandfontein N & E & Mitchells Plain	Jun 2031	38	11	
Atlantis Aquifer	Jun 2026	16	5.2	
Berg River Voelvlei Augmentation Scheme (BRVAS)	May 2030	40	15	DWS/TCTA project. CCT entered into supply agreement with DWS. Delayed to 2030
Faure New Water Scheme Phase 1 (including verification)	Jun 2031	70	23	
Desalination Phase 1	Dec 2036	70	23	
Implementation of the NWP	Dec 2036	305	98	

The Water Outlook 2025 highlighted the impact that changes such as these have on achieving commitments in the Water Strategy. Realistically, these changes mean that the City's amended planning assumptions have been adjusted to:

- Adopt the 50th percentile of climate change forecasts. While anecdotal evidence of shifts in climate – particularly concerning intensity and seasonality – have been noted, the initial assumptions in the Water Strategy were demonstrably conservative. With no evidence yet of the realization of a “step change”, the relaxation of this planning assumption is considered reasonable. It has also become evident that planning for a high climate change scenario would not be financially affordable
- Maintain the 1:200-year assurance of supply for the reasons mentioned in Water Outlook 2025.
- Accept that until approximately 2030 that the City's Assurance of supply will remain at a 1:50-year assurance of supply, with no allowance for climate change
- It is critical that the WC/WDM (Section 4) achieve the proposed objectives of reducing the rate of growth in water demand (The next Water Outlook will provide more detail on the WC/WDM Strategy)
- The current committed New Water Programme will be fully implemented by the end of 2036.

Figure 8 shows the low demand curve above the available supply when plotted against the planning assumptions in the Council-approved Water Strategy. Figure 8 further demonstrates that should the worst-case climate change scenario occurs, it is likely demand would exceed the low demand curve, there may be a shortfall in supply.

Figure 9, illustrates a scenario predicated on realistic planning assumptions: specifically, a 1:200-year assurance of supply and a 50th-percentile projection of climate change impact. This analysis suggests that the system is operating in a state of approximate equilibrium with the "low" demand curve, which the City is currently tracking.

The significant change in Figure 9 compared with Figure 8 is the reduction in the severity of climate change being planned for. The adjustment to the 50th-percentile aligns our planning methodology more closely with that adopted by other spheres of government. This change only benefits the near future with less of a difference between availability and demand. In the longer term there remains a difference that could result in a there may be a shortfall in supply

Figure 10 shows the South African approach to planning, with a 1:50-year Assurance of Supply. On this approach, which is used for determining water allocations, on the low-demand curve there is adequate water resources within the planning horizon. However, to stay within allocation will require careful system operation, which will be difficult to achieve unless the New Water Programme (Section 4.4), Infrastructure Stability Programme (Section 3.2) and Adaptable Programme (Section 4.5) are implemented. Should the City exceed its allocation on any resource

(Surface water or groundwater) this could have an impact on the City's success in both Blue Drop and the Metro Trading Services Reform Programme and possible lead to low level water restrictions. It is therefore critical that these programme are implemented on time.

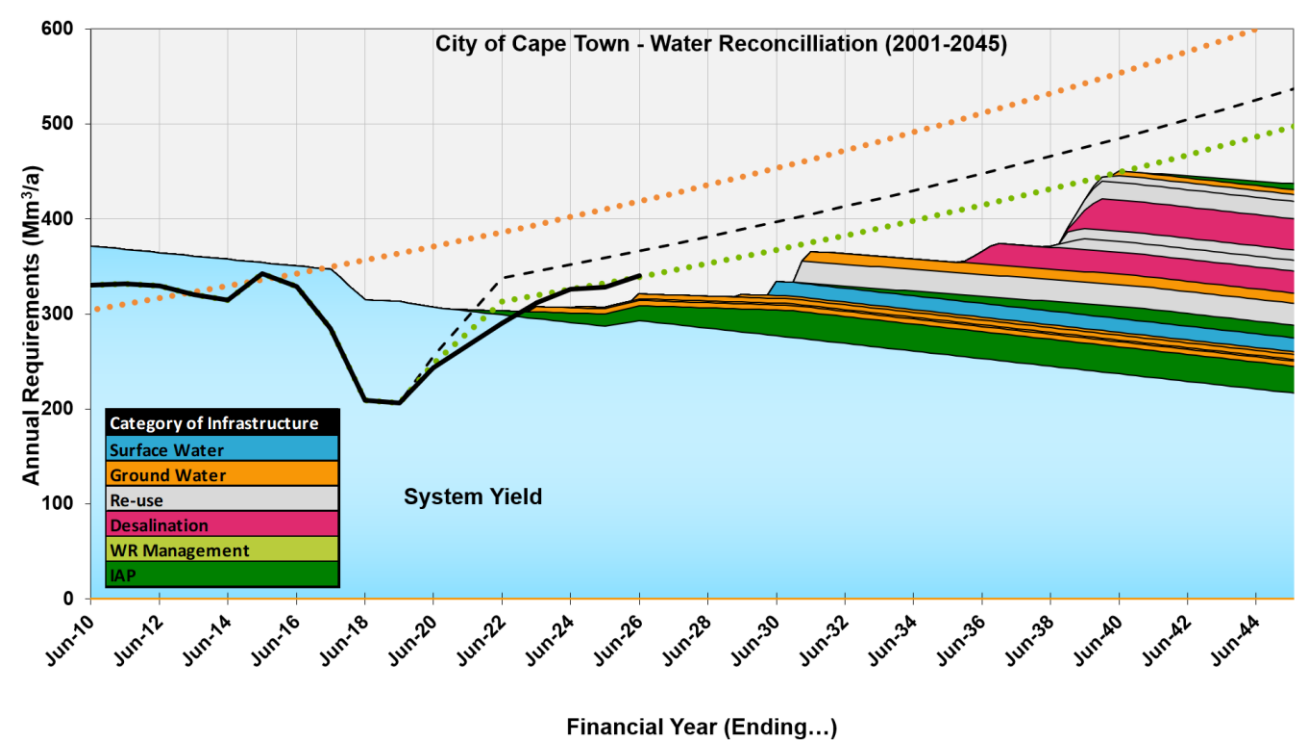


Figure 8: City of Cape Town water balance, including the New Water Programme (as per the Water Strategy with a 1 in 200 year assurance of supply and 90-percentile impact of climate change)

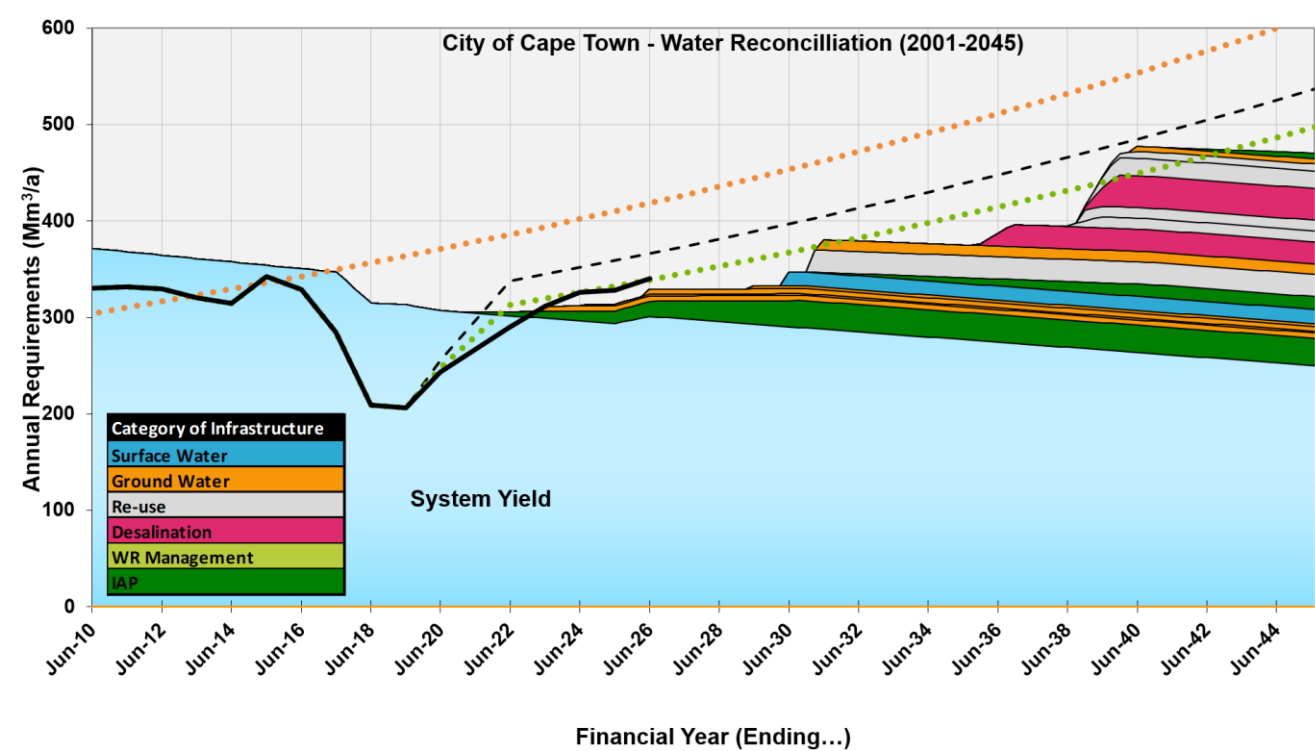


Figure 9: City of Cape Town water balance, including the New Water Programme (with a 1 in 200 year assurance of supply and 50-percentile impact of climate change)

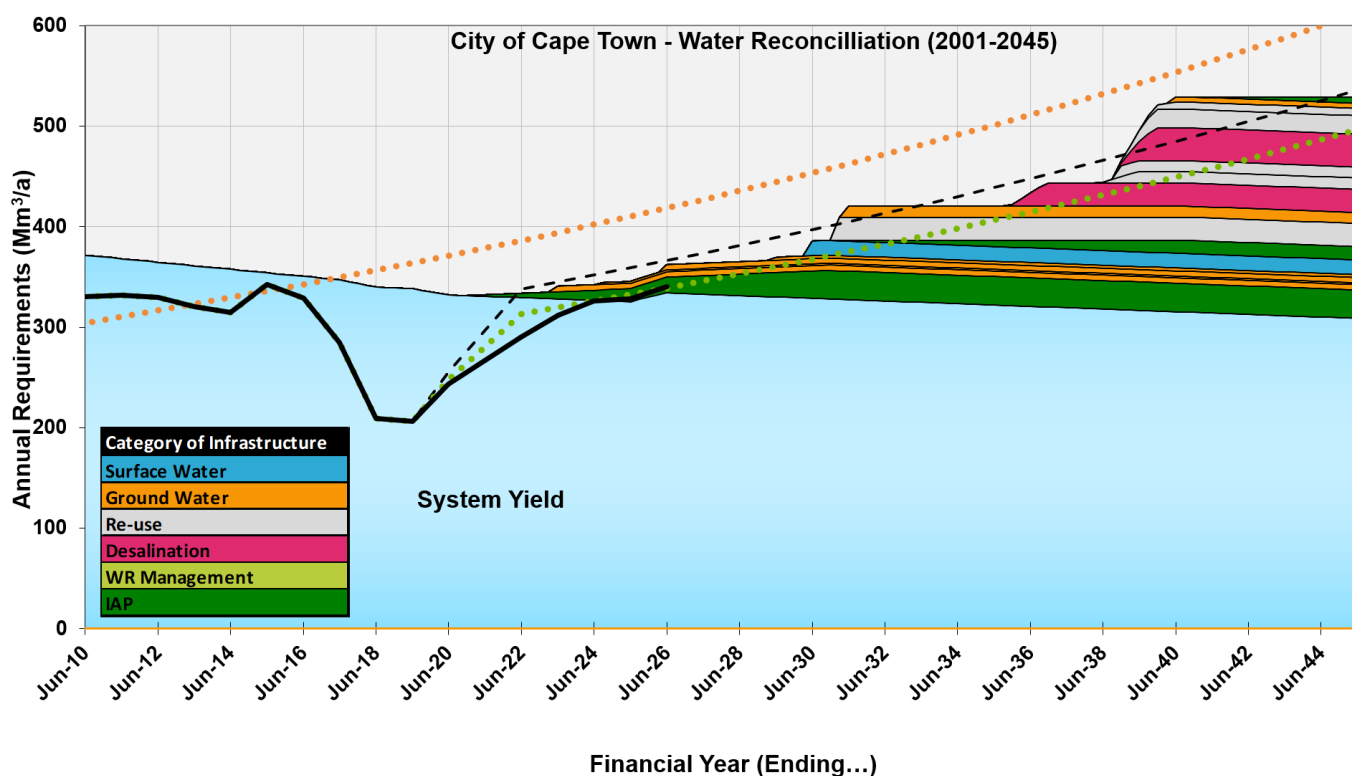


Figure 10: City of Cape Town water balance, including the New Water Programme (with a 1 in 50 year assurance of supply)

Figure 8, Figure 9 and Figure 10 all highlight the delicate balance that needs to be struck between the planning assumptions, ambitious commitments that were made in the Water Strategy, drought resilience, and affordability constraints. It also highlights the critical importance of the Water Conservation / Water Demand Management Strategy being successful, to ensure that water demand does not (like this year) grow faster than what the City can afford to deliver from new more expensive sources and seeks, as one of its objectives, to limit the growth in water demand over the next ten (10) years.

In assessing these risks the City will continue to consider the economic costs that water stress will have on the City. Delays in implementing schemes increases the risk of imposing low-level restrictions earlier and more frequently to avoid the risks of more severe restrictions.

5.2 Risk of Imposing Water Restrictions

Over the last year it has become evident that the risk of imposing water restrictions is multidimensional. It is also important to understand the linkages between Sections 2.2, 3, and 4. It could be, amongst others, due to:

- Climate drivers (Section 2.2)
 - Flooding – in the last 5-years two flood events have resulted in water, albeit, temporarily becoming “untreatable” due to exceptionally high turbidity raw water. While the Bulk Water Branch was able to provide adequate volumes of water from storage, these events place significant strain on the infrastructure.
 - Drought – the increasing uncertainty related to drought cycles will require a cautious approach to managing risk. This is even more important in the next five (5) years as the City utilises its full allocation from the Western Cape Water Supply System (WCWSS). To mitigate this risk it will require a conservative approach – implementing restrictions early, even if it turns out not to be required.
 - The approximate 5% growth in water demand during 2025/2026 was significantly driven by climatic factors. This included an earlier (than previous years) start to summer and a longer drier summer. If this were to continue to repeat the City will need to implement low level water restrictions to stay within its allocations.
- Infrastructure (Section 3)
 - Conveyance – Several of the City’s major pipelines, particularly the Voëlvlei pipeline, require refurbishment. Currently, the limitations on the operation of the Voëlvlei pipeline, are the primary reason for the City not being able to fully utilise its allocation from Voëlvlei dam.
 - Treatment capacity – The City has been in the very fortunate position over the last 10 years where, due to historic investment, there was significant bulk water storage. With water demand continuing to grow, the ratio between storage and demand has decreased. As Section 3.3. outlined, several water treatment plants require refurbishment and upgrades and until this is achieved there will be a risk to meeting peak demands, particularly as bulk water storage reservoirs will not be able to meet demand for as long as they previously have.
 - Reservoir Storage – The City has awarded the tenders for the construction of Muldersvlei Reservoir. This reservoir will provide 300 megalitres of critical bulk water storage to ensure system redundancy.
 - Raw Water availability – for the foreseeable future, the City expects the National Department of Water and Sanitation to annually plan to shutdown the RSE tunnel to inspect and undertake maintenance. While certain sections – like the section

being planned for inspection this year (Section 3.4) – may have limited impact on the production of water, other sections could reduce supply by 40-60% of average production. During these periods other schemes will need to produce at maximum capacity to meet demand, and in certain cases to mitigate risk, restrictions may be implemented.

As such, the risk of needing to implement restrictions has increased, and while the immediate risk of restrictions is uncertain due to poor forecast skill, the City of Cape Town is continuously reviewing potential developing risks and the need for water restrictions due to either low rainfall (as forecast) or infrastructure challenges.

As highlighted in the Water Outlook 2025, unforeseen events such as plant malfunctions or declining raw water quality may necessitate short-term restrictions, and while mitigation strategies are underway, these will take several years to yield tangible benefits.

5.3 Conclusions

Based on the current analysis, the following conclusions are drawn:

- The City is nearing and expected to reach its raw water allocation from the Western Cape Water Supply System within the next two years.
- The City is forecasting the completion of the committed phase of the New Water Programme in the mid 2030's. This increases the probability of imposing water restrictions.
- The implementation of the National Department of Water and Sanitation's Berg River Voëlklei Augmentation Scheme remains critical for Cape Town's water security.
- Considering the water resource challenges, the City's implementation of its Water Conservation and Demand Management strategy as approved by Council and aim to ensure that growth in water demand over the next ten (10) years is limited to less than 1.5% growth through a strong focus on water conservation and demand management.
- In the short to medium term, the likelihood of restrictions also exists due to concerns surrounding ageing infrastructure, possible changes in raw water quality and growth in water demand in the short-term.
- Communication around the implementation of the Water Strategy, tariffs, and risks will increasingly become important as the cost of water will increase substantially over the next

few years, as outlined in the Water Strategy (2019). If for affordability reasons the tariffs cannot be increased, tradeoffs will need to be made. Balancing water security and affordability requires careful management and transparent communication.