ANNEXURE E

Comments and Responses:

1) Provincial Treasury Compliance Checklist SIME 2
2) Provincial Treasury Assessment Report SIME 2
3) Provincial Treasury Presentation SIME 2
4) Swellendam Municipality Presentation on SIME 2
5) Budget Inputs Received and Comments

2026/2027

Provincial Treasury
Kim Engel
Local Government Budget Office
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Reference: PTR 13/5/1/18 (2026/27)

Private Bag X9165
CAPE TOWN
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The Municipal Manager
Swellendam Municipality
PO Box 20
SWELLENDAM
6740

For attention: Ms A Vorster

COMPLIANCE WITH THE MUNICIPAL FINANCE MANAGEMENT ACT, MUNICIPAL BUDGETING AND REPORTING REGULATIONS, MUNICIPAL STANDARD CHART OF ACCOUNTS, MUNICIPAL SYSTEMS ACT AND ENVIRONMENTAL AND DEVELOPMENT PLANNING LEGISLATION AND GUIDELINES

Thank you for submitting the 2026/27 tabled budget, draft IDP, draft SDBIP and supporting budget documents to Provincial Treasury (PT) subsequent to the tabling thereof in council by the Mayor on 31 March 2026 in terms of section 16(2) of the Local Government: Municipal Finance Management Act (MFMA) (Act No. 56 of 2003).

Sections 17 and 20 of the MFMA, read together with Regulation 9 of the Municipal Budget and Reporting Regulations (MBRR), stipulates that the annual budget and supporting documents must be in the prescribed format. The specific format, which is applicable to all municipalities and municipal entities, is outlined in Schedule A of the MBRR. Municipalities and municipal entities are also expected to comply with the mSCOA regulations with effect from 1 July 2017.

For the 2026 MTREF, municipalities must comply with guiding legislation by submitting the following to the GoMuni Upload Portal immediately after tabling in Council:

- Version 7.1 of the A-Schedules in electronic (PDF) format; and
- mSCOA data strings.

Provincial Treasury reviewed the tabled budget documentation and finds that compliance with the MFMA Circular 132 requirements is as follows:

Budget Tabling and Submission Compliance Assessment:

Tabling	Compliance Due Date	Municipal Tabling Date
Draft Budget, IDP and supporting documentation	Latest, 31 March 2026	31 March 2026
Submission	**Compliance Due Date**	**Municipal Submission/ Upload Dates**
mSCOA data strings	Immediately after tabling	TABB: First successful upload 26 March 2026
		A1D (non-financial data strings): First successful upload – 2 April 2026

In addition, PT together with the Department of Local Government and Department of Environmental Affairs and Development Planning, reviewed the tabled budget, draft IDP and related documents to assess if the tabled documents conform to the requirements of the MFMA, MBRR, mSCOA (Version 7.1), MFMA Circulars, MSA, and Environmental and Development Planning Legislation and Guidelines.

The findings and recommendations flowing from the review of the submitted documents are attached hereto as an Appendix – *Compliance overview of the 2026/27 MTREF Budget and related documentation*, in terms of the applicable legislation, regulations, guidelines and best practices.

The Municipality is requested to consider the issues highlighted and ensure that it is granted the necessary attention as the final MTREF Budget, IDP and related documentation for 2026/27 is prepared.

Please do not hesitate to contact our offices should you require any assistance.

Yours faithfully

OWEN WILLCOX
CHIEF DIRECTOR: PUBLIC POLICY SERVICES
DATE: 13 April 2026

Western Cape Government

SIME2 2026 COMPLIANCE ASSESSMENT

WC034 Swellendam

	Parameter	**Evidence**	**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No/ Partially**	**Comments/ Recommendations**
COMPLETENESS of the IDP (DLG)				
The details below outline the conformance assessment of the Municipality's tabled IDP				
IDP Time Schedule of Key Deadlines in terms of Section 21 of the MFMA				
1	Has the Municipality approved a Time Schedule of Key Deadlines to guide the 2025/26 IDP review process?	Swellendam Municipality (the Municipality) approved a Time Schedule of Key Deadlines on 28 August 2025.	Yes	N/A
2	Was the Time Schedule of Key Deadlines tabled within the legislated timeframe? (No later than August 2025).	The Time Schedule of Key Deadlines was approved by Council on 28 August 2025, Item A151/28/08/2025.	Yes	N/A
Review and Amendment of the IDP in terms of Section 34 of the MSA				
3	In terms of Section 34 of the MSA -			
	(a) Has the IDP been reviewed?	The Municipality has submitted a Council Resolution reflecting that the IDP has been reviewed (Item A68/31/03/2026).	Yes	N/A
	(b) Has the review resulted in the tabling of amendments to the IDP?	The Council Resolution (Item A68/31/03/2026) indicates that the review of the IDP has not resulted in an amendment.	Yes	N/A
4	If applicable, has the prescribed process of Regulation 3 been followed to date, to process the amendments of the IDP?	N/A	N/A	N/A
IDP Core Components (Section 26 of the MSA and Regulation 2 of the Municipal Planning and Performance Regulations)				
5	Has the Municipality tabled an IDP that meets the legislative requirements in terms of Section 26 of the MSA (Core			
	(a) The municipal council's vision for the long term development of the Municipality.	The vision of the Municipality is reflected on page 216 of the draft IDP.	Yes	N/A

WC034 Swellendam				
Parameter		**Evidence**	**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No/ Partially**	**Comments/ Recommendations**
COMPLETENESS of the IDP (DLG)				
The details below outline the conformance assessment of the Municipality's tabled IDP				
IDP Core Components (Section 26 of the MSA and Regulation 2 of the Municipal Planning and Performance Regulations)				
5	(b) An assessment of the existing level of development in the Municipality, including the identification of communities who do	The existing level of development and access to basic services is reflected on pages 44 - 79 of the	Yes	N/A
	(c) Council's development priorities and objectives for the elected term, including its local economic development aims and internal transformation needs.	Page 216 of the draft IDP reflects the Council's development priorities, with Strategic Objective 4 aimed at promoting local economic development.	Yes	N/A
	(d) Council's development strategies which must be aligned with any national or provincial sectorial plans and planning requirements binding on the Municipality in terms of legislation.	Pages 182 - 195 of the draft IDP reflect the strategic alignment of the municipal priorities and objectives with the national and provincial plans.	Yes	N/A
	(e) Spatial Development Framework inclusive of the provision of basic guidelines for a land use management system.	Pages 199 - 209 of the draft IDP reflect an overview of the Municipal Spatial Development Framework.	Yes	N/A
	(f) Financial Plan, inclusive of budget projections for at least the next 3 years.	The Financial Plan and the budget projection forecast are reflected in Chapter 9 of the draft IDP (pages 228 - 249).	Yes	N/A
	Does the District/Municipal CMP meet the content requirements listed in Sections 49 and 52 of the NEM:ICMA?	The key performance indicators and performance targets are reflected on pages 248 - 254 of the draft IDP.	Yes	N/A
	(h) Applicable Disaster Management Plan.	Page 197 of the draft IDP reflects that the Municipality has a Disaster Management Plan.	Yes	N/A
	Is the Plan up to date?	Page 197 of the draft IDP indicates that the Plan was reviewed and approved in 2025.	Yes	N/A
	(i) Organogram of the top structure?	Page 116 of the draft IDP reflects the top structure organogram.	Yes	N/A
	(j) Investment initiatives in the Municipality?	Pages 228 - 246 of the draft IDP reflect investment initiatives in the Municipality.	Yes	N/A
	(k) Development initiatives in the Municipality including infrastructure, physical, social, economic and institutional development?	Pages 228 - 246 of the draft IDP reflect the development initiatives.	Yes	N/A

WC034 Swellendam				
Parameter		Evidence	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No/ Partially	Comments/ Recommendations
COMPLETENESS of the IDP (DLG)				
The details below outline the conformance assessment of the Municipality's tabled IDP				
IDP Core Components (Section 26 of the MSA and Regulation 2 of the Municipal Planning and Performance Regulations)				
5	(l) All known projects, plans and programs to be implemented in the Municipality by any organ of state?	Pages 228 - 246 of the draft IDP reflect the projects, plans and programs to be implemented in the Municipality.	Yes	N/A
Related municipal sector plans				
6	(a) Does the Municipality have a Human Settlement Plan?	Page 197 of the draft IDP reflects that the Municipality has a Human Settlement Plan.	Yes	N/A
	Has the Plan been reviewed within the 2022 - 2027 term of office?	Page 197 of the draft IDP indicates that the Plan was approved in 2015 as a 10-year Housing Pipeline.	Yes	N/A
	(b) Does the Municipality have a Local Economic Development Strategy?	Page 196 of the draft IDP reflects that the Municipality has a Local Economic Development Strategy.	Yes	N/A
	Has the Strategy been reviewed within the 2022 - 2027 term of office?	Page 196 of the draft IDP reflects that the Strategy was adopted in 2019.	No	N/A
	(c) Does the Municipality have a Water Services Development Plan?	Page 197 of the draft IDP reflects that the Municipality has a Water Services Development Plan.	Yes	N/A
	Has the Plan been reviewed within the 2022 - 2027 term of office?	Page 197 of the draft IDP reflects that the Municipality intends to review the Plan in the 2026 - 2027 financial year.	No	N/A
	(d) Does the Municipality have a Storm Water Master Plan?	Page 197 of the draft IDP reflects that the Municipality has a Storm Water Master Plan.	Yes	N/A
	Has the Plan been reviewed within the 2022 - 2027 term of office?	Page 197 of the draft IDP reflects that the Municipality intends to review the Plan in the 2026 - 2027 financial year.	No	N/A

WC034 Swellendam				
Parameter		Evidence	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No/ Partially	Comments/ Recommendations
COMPLETENESS of the IDP (DLG)				
The details below outline the conformance assessment of the Municipality's tabled IDP				
Related municipal sector plans				
6	(e) Does the Municipality have an Integrated Transport Plan?	Page 197 of the draft IDP reflects that a District Integrated Transport Plan (LITP) was developed for	Yes	N/A
	Has the Plan been reviewed within the 2022 - 2027 term of office?	Page 197 of the draft IDP reflects that the Plan was reviewed in 2025.	Yes	N/A
	(f) Does the Municipality have an Electrical Master Plan?	Page 196 of the draft IDP reflects that the Municipality has Electricity Master Plans.	Yes	N/A
	Has the Plan been reviewed within the 2022 - 2027 term of office?	Page 196 of the draft IDP indicates that the plans were approved in 2017.	No	N/A
Council Tabling of the IDP (DLG)				
7	Has the Municipality's IDP been tabled by Council within the legislated timeframes and is there a Council Resolution attached in this regard?	An item served before Council on 31 March 2026 (Item A68/31/03/2026).	Yes	N/A

Western Cape Government

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Spatial and Land Use Planning			
8	SPLUM Governance Effectiveness composite score (baseline 2025)?	Effective (79%)	Most legislative and functional requirements are met; systems are in place and working, though some may require resourcing or refinement.
9	Year of adoption of the current MSDF	2020	
10	Has a new or amended MSDF been tabled or will it soon be tabled for Council adoption?	No	The MSDF adopted by Council in 2020 remain in place. However, this is a bit outdated and can be considered as being misaligned with current growth and infrastructure realities.
11	If yes to above, does the content of the MSDF meet the requirements i.t.o. the provisions of SPLUMA, LUPA, the Municipal Planning and Performance Regulations and the relevant Municipal By-law? Are there any process requirements in terms of the abovementioned planning legislation requiring resolution or attention?	N/A	
12	Has a performance review of the MSDF been undertaken in the last year in line with Section 34(a) of the MSA?	No	There is no evidence that a performance review of how well the Municipal SDF is being implemented has been undertaken. The Municipality is reminded that an annual performance review of the SDF is required.
13	Does the Municipality have an adopted CEF?	No	The Municipality have no Capital Expenditure Framework in place.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Spatial and Land Use Planning			
14	Does the draft budget of the municipality support the phased implementation of the MSDF and CEF prioritised portfolio of projects over the medium-term expenditure framework?	Partly Compliant	The draft budget demonstrates partial alignment with the Swellendam MSDF and CEF by directing significant capital investment toward identified growth nodes and transformation zones. Substantial allocations for Railton's bulk water and sewerage reticulation directly support the MSDF's "Integration Zone" strategy to bridge spatial divides. Furthermore, the concentration of funding (59.46%) within the Infrastructure and Planning Services vote aligns with the strategic objective to prioritize economic infrastructure in towns with high growth potential, such as Swellendam.
Coastal Management			
Municipal Capacity - Coastal Management			
15	Does the Municipality have a dedicated post to address coastal management matters and in which Department is this position located?	No	To our knowledge, the municipality does not have an environmental officer/official/manager, but rather a municipal official takes this function on as part of a shared portfolio with other municipal functions. The Sub-directorate: Coastal Management recommends that the environmental officer position is filled so that environmental and coastal matters can receive dedicated attention.
16	If no dedicated position exists to deal with coastal management, which post/unit will be responsible to ensure compliance with NEM:ICMA?		Request the municipality to please advise.

WC034 Swellendam			
Parameter		Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
National/Provincial Planning Instruments			
17	Are there any changes to legislation and/or policy relating to coastal management that the Municipality should be aware of?	Yes	The Department has drafted a Provincial Policy for Coastal Risk Management that will soon be advertised for public comment
18	Year of adoption of the Western Cape Coastal Management Programme		2023
Municipal Coastal Management Instruments			
i.	**Coastal Management Programme and By-laws**		
19	Year of adoption of the District/Municipal Coastal Management Plan (CMP)	Not compliant	The municipality has not endorsed the District or Local CMP.
20	When is the next review of the District/Municipal CMP due?	2029	Municipality to confirm that they have endorsed the District CMP.
21	Does the District/Municipal CMP meet the content requirements listed in Sections 49 and 52 of the NEM:ICMA?	Fully compliant	The District CMP meets the content requirements listed in Sections 49 and 52 of the NEM:ICMA
22	As required by Section 51 and 52 of ICMA (Act No. 24 of 2008), does the adopted/amended IDP align with/is consistent with the relevant Municipal CMP and other relevant statutory plans (including the National and Provincial CMPs)?	Fully compliant	The IDP shows alignment to provincial and national coastal objectives.
23	Are the required actions identified in the District/Municipal CMP reflected in the Municipal Budget to ensure implementation?	Yes	Budget allocations are made for economic and environmental services. Coastal management actions are identified in the IDP, which has relevance to the municipal CMP.
ii.	**Public Access to the Coast and Public Launch Sites**		
24	Is there a formal written agreement in place between the District and Local Municipality with respect to the designation of coastal access strips of land in terms of ICMA?	No.	No agreement has been entered into between district and local municipalities wrt the designation of coastal access land. An agreement between district and local municipalities is being reviewed by DotP: Legal Services. Once completed it will be circulated to all coastal municipalities.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
ii.	**Public Access to the Coast and Public Launch Sites**		
25	Has the Municipality adopted any bylaw to facilitate public access to the coast? (if so, what is the date of adoption)	No	Swellendam Municipality is in the process to submit the draft Swellendam By-law on Coastal Access Land. The draft Swellendam By-Law on Coastal Access Land will, after adoption, be published in the Provincial Gazette.
26	Has the Municipality designated strips of land, as coastal access land, in terms of the by-law?	No	
27	Number of public launch sites within the Municipal Area	3	The PLS are: Moddergat, Malgas Western Bank and Infanta Slipway.
28	Number of public launch sites which have approved Operational Management Plans	100%	All the PLS OPs have been finalised and approved by the MEC.
iii.	**Coastal Management Lines**		
29	Has the municipality delineated coastal management line(s) on a map or maps that form part of its SDF or zoning scheme?	Fully compliant	Although not yet established by the MEC, the Overberg coastal management lines are being included in relevant municipal planning documents.
30	Are the CMLs supported by coastal policy, guidelines, protocols or by-laws?	Yes	Overberg District Coastal Management Programme 2024
iv.	**Estuarine Management Plans**		
31	Has the relevant Estuarine Management Plan/s (EMP) been incorporated into the broader Municipal Coastal Management Programme?		
32	Has a written implementation protocol been entered into between the Province, District, Local municipality, and/or Implementing Agent for the implementation for estuarine management? If yes, please elaborate.	N/A	The department is still considering the development of Implementation Protocols with willing municipalities.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Biodiversity			
33	Does the municipality have an invasive species monitoring, control and eradication plan as part of the IDP in line with NEM:BA?	Fully compliant	
34	Has the invasive species monitoring, control and eradication plan been submitted to the Department of Environment, Forestry and Fisheries?	Fully compliant	
35	Is budget allocated for invasive species clearing and or follow-up?	No	Reference to need for alien clearing in the IDP, however no budget assigned. Only budget assigned by province
36	Is the budget allocation adequate in terms of the invasive species monitoring, control and eradication plan for the year under review?	No	No budget assigned
37	Did the municipality incorporate the latest available Provincial Biodiversity Spatial Plan and Handbook in the IDP?	Partly compliant	The SDF accurately indicates the WCBSP mapping and the correct corresponding SPCs as per WCBSP Handbook. The IDP does not refer to the WCBSP.
38	Did the Municipality assign correct spatial planning categories (Core 1 and/or the highest conservation priority) to Protected Areas, Critical Biodiversity Areas (CBAs) and Ecological Support Areas (ESA 1) in the current SDF, as per the latest Provincial Biodiversity Spatial Plan and Handbook land use guidelines?	Yes	The SDF incorporates the mapping and description of the categories of the WCBSP but does not reference the WCBSP
Climate Change			
39	Does the Municipality have a Climate Change Response Plan/Strategy in place or under development?	Partly compliant	Plan being compiled
40	Year in which the Climate Change Response Plan/Strategy was/will be published	Yes	Due 2026

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Climate Change			
41	Are potential climate change risks incorporated into the Municipality's Disaster Management Plan?	Yes	The Swellendam Local Municipality has 2015/16 Disaster Risk Assessment (DRA) that includes climate change related risks across the municipality. The assessment identifies a number of hazards, including flooding, wildland fires, drought, severe storms and strong winds, storm surges, coastal erosion, sea level rise, and broader climate change impacts such as increasing temperatures, shifting rainfall patterns, water scarcity, biodiversity loss, and heightened fire danger. These hazards intersect with the municipality's environmentally sensitive systems; including the Breede River estuary, wetlands, fynbos ecosystems, mountainous catchments, and heavily invaded by alien species; which are already under pressure from drought conditions, land degradation, invasive vegetation, and reduced water availability. The DRA also highlights significant socio economic and infrastructural vulnerabilities, particularly in informal settlements (Railton, Nuwe Dorp, Malgas), farming communities, coastal villages (Infanta, Witsands), aging or overstretched water, waste, stormwater and electricity systems, and settlements situated in river floodplains or high risk coastal zones. These vulnerabilities intensify the municipality's exposure to climate driven shocks and stresses, reinforcing the need for integrated adaptation, improved early warning systems, eco based risk reduction, and strengthened infrastructure planning.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Climate Change			
42	Are climate change considerations (in terms of addressing impacts, risks, opportunities, etc.) included in the Municipal IDP and Budget?	No	The IDP makes limited mention of climate change and in most cases, this relates to provincial and national policies and strategies, rather than actions for the municipality. Projects such as Municipal Energy Resilience and Coastal Management Programme are highlighted, but there is no mention made of the climate change considerations linked to these programmes.
Air Quality Management			
Municipal Capacity - Air Quality Management			
43	Is the Municipality responsible for any controlled emitters in its jurisdiction? If so, is the Municipality managing the controlled emitters?	Fully Compliant	
44	Does the Municipality have a designated Air Quality Officer for co-ordinating matters pertaining to Air Quality Management in the Municipality?	Fully Compliant	
45	Is the designated Air Quality Officer sufficiently qualified/experienced to fulfil the required air quality management duties?	Fully Compliant	
46	Apart from the AQO and in your view, does the Municipality have capacity to ensure air quality management compliance?	Partly Compliant	The Municipality is not a Licensing Authority in terms of the NEM:AQA, however, the designation of a Grade 1 EMI will assist with associated compliance and enforcement of air quality management in the area.
National/Provincial Planning Instruments			
47	Are there any changes to legislation and/or policy relating to air quality management that the Municipality should be aware of?	Yes	The National Ambient Air Quality Standards and the Section 21 Listed Activities Regulations are in the process of being amended. This will be published for comment by Municipalities.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
National/Provincial Planning Instruments			
48	Year of adoption of the Western Cape Air Quality Management Plan	Fully Compliant	2021 - 2026. The Western Cape 3rd Generation AQMP was adopted in 2021, and is currently being implemented. The AQMP is presently undergoing review.
49	Is there alignment between the Western Cape and Municipal Air Quality Management Plans?	Fully compliant	
Municipal Air Quality Management Instruments			
50	Does the Municipality have an Air Quality By-law?	Fully compliant	The Swellendam municipality's air quality by-law was gazetted 2014.
51	Is the Municipal By-law aligned to the NEM:AQ Act?	Fully compliant	
52	Any recommendations for improvement of the Municipal Air Quality By-law?	Fully compliant	
53	Year of adoption of the Municipal Air Quality Management Plan	Fully compliant	The Swellendam AQMP was adopted in 2025.
54	Next review of the Air Quality Management Plan due (every 5 years)	Yes	2029, the AQMP to be adopted in 2030.
55	Does the AQMP meet the content requirements listed in Section 16 of the NEM:AQA?	Fully compliant	
56	As required by Section 15(2) of NEMAQA (Act No. 39 of 2004), does the tabled/adopted IDP contain an Air Quality Management Plan (AQMP)?	Fully compliant	
57	Are the required actions identified in the AQMP reflected in the Municipal Budget to ensure implementation, including air quality monitoring equipment?	Partly compliant	A dedicated budget for Air Quality Management and air quality monitoring should be allocated to support effective implementation of the AQMP.
58	Does the Municipality have an emissions inventory?	Fully compliant	
59	Has the Municipality reported on the implementation of the Air Quality Management Plan in the annual report?	Fully compliant	

WC034 Swellendam			
Parameter		Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Municipal Air Quality Management Instruments			
60	Are there any improvements to the IDP/MSDF/AQMP that the Municipality should consider in the upcoming financial year to further strengthen alignment?	Partly compliant	A dedicated budget for Air Quality Management and air quality monitoring should be allocated in the upcoming financial year to support effective implementation of the IDP, MSDF and AQMP.
Air Quality Licences			
61	Has the Municipality taken on the role of Atmospheric Emission Licensing Authority in respect of the Atmospheric Emissions Licensing System and AEL applications?	No	Not applicable. The issuing of AELs is a District/Metro Municipality's function.
62	Does the Municipality have a designated Grade 1 Environmental Management Inspector (EMI) to attend to compliance & enforcement matters related to air pollution management, and emissions management and control?	No	The Municipality is not a Licensing Authority in terms of the NEM:AQA, however, the designation of a Grade 1 EMI will assist with associated compliance and enforcement of air quality management in the area.
Air Quality Awareness and Innovation			
63	Has the Municipality's air quality officials raised awareness on air quality matters (particularly on odour, noise and dust sources) with their Town and Regional Planners?	Partly compliant	Awareness raising is limited. AQOs are encouraged to raise awareness on air quality matters with their Town and Regional Planners.
64	Does the municipality annually implement an air quality awareness campaign/s?	Partly compliant	Awareness raising is limited. AQOs are encouraged to raise awareness on air quality matters with their Town and Regional Planners.
65	Has this Municipality implemented any special innovative initiatives on air quality management that could be shared with other Municipalities?	No	
Municipal Support and Capacity Building - Air Quality Management			
66	Based on the above assessment, are there any support/capacity building initiatives needed to improve this Municipality's performance (focussed on this Municipality only)?	Yes	A budget must be made available for Air Quality Management and Air Quality Monitoring to take place in the Municipality.

WC034 Swellendam			
Parameter		Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
MUNICIPAL OVERSIGHT **ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)**			
Waste Management			
Municipal Capacity - Waste Management			
67	Has the municipality designated, in writing, a Waste Management Officer?	Fully Compliant	Johan van Niekerk is the designated Waste Management Officer as from 23 August 2021.
National/Provincial Planning Instruments			
68	Are there any changes to legislation and/or policy relating to wate management that the Municipality should be aware of?		
69	Year of adoption of the Western Cape Integrated Waste Management Plan	Fully Compliant	The WC IWMP (2023 - 2027) has been approved by the MEC on 18 July 2023 and endorsed by the National Minister on 23 January 2024.
Municipal Waste Management Instruments			
70	Year of adoption of the municipality's IWMP	Fully compliant	2025
71	When is the next review of the IWMP due and indicate whether it is outdated?	Fully compliant	The Municipality's 3rd Generation IWMP expires in 2029, the next review is due is 2030.
72	Has the Municipality's IWMP been endorsed?	Fully compliant	The Municipality's 3rd Generation IWMP 2024-2029 was endorsed by DEA&DP on 1 October 2024.
73	As required by Section 11(4) of NEMWA (Act No. 59 of 2008), does the tabled/adopted IDP contain/include an endorsed Integrated Waste Management Plan (IWMP)	Fully compliant	Yes, the IWMP is integrated in the IDP (IDP Review 2025/26)
74	Are the required actions identified in the IWMP reflected in the Municipal Budget to ensure implementation?	Partly compliant	The 2025/26 SDBIP includes the overall figures for waste expenditure and revenue per month.
75	Does the Municipality report on the implementation of the IWMP in the annual report?	Non-compliant	Annual implementation Reports were not received in 2025.
76	Does the Municipality have a Waste Management By-law? Year of adoption	Yes	2015
77	Is the by-law aligned to the NEM: Waste Act?	Partly compliant	By-law partially aligned to NEMWA.
78	Are there any improvements to the by-law that the Municipality should attend to?	Yes	The new draft bylaw has been drafted and is pending finalisation

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Waste Management Facilities - Licencing and Operations			
79	Indicate the total number of waste management facilities within this municipality		6
80	Indicate the total number of operating waste management facilities within this municipality		5 Landfills Barrydale: Builders' Rubble & Garden Refuse: Due for Decommissioning (Still receiving waste) Bontebok: Municipal Solid Waste Infanta: Builders' Rubble & Garden Refuse Malgas: Municipal Solid Waste: Due for Decommissioning Suurbraak: Builders' Rubble & Garden Refuse Norms and Standards Registration Compost Facility near Bontebok
81	Are all municipal waste management facilities registered on IPWIS?	Yes	The following sites are registered on IPWIS :Bontebok Landfill D04131-01, Bontebok Landfill D04131-02.
82	Indicate the number of waste management facilities with quantification systems?	Compliant	No sites have weighbridges and all use the Waste Calculator.
83	Does the municipality report the waste quantities on IPWIS?	Yes	For the Period Jan to Dec 2024 the municipality disposed 14044 T and diverted 1890 T of waste.
84	Are internal (quarterly) compliance audits conducted at all waste facilities?	Non-compliant	Internal audits are not conducted at all the waste facilities in Swellendam.
85	Are external (annual) compliance audits conducted at all waste facilities?	Non-compliant	External Audits are not conducted at all the waste facilities in Swellendam
86	Are all internal & external audits submitted to the Department (DEA&DP)?	Partly compliant	The Municipality must submit for all their waste facilities

WC034 Swellendam			
Parameter		Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Waste Management Facilities - Licencing and Operations			
87	List and Indicate the rate of compliance per operating waste management facility		Barrydale: Compliance Rating: 13%, Bontebok: Compliance Rating: 66.18%, Infanta: Compliance Rating: 46%, Malgas: Compliance Rating: 26%, Suurbraak: Compliance Rating: 29%,
88	Are there any environmental licences or applications that the Municipality must urgently attend to?		Malgas WDF WML and Barrydale WDF WML is due for decommissioning.
89	Are any of the facilities subject to a law enforcement process initiated by DEA&DP or are there any concerns that the Municipality should urgently attend to?	Yes	The Municipality received a compliance notice for the mismanagement of the Suurbrak WDF and is currently putting measures in place.
Landfill Sites - Capacity and Planning			
90	Indicate if the current integrated waste management infrastructure can accommodate the projected waste quantities over the next 5 years.		The Municipality has approximately 5 years of disposal capacity left at its main disposal facility (Bontebok), where after it would consider transferring its waste to the regional Karwyderskraal WDF.
91	If the Municipality has, or is about to run out of landfill capacity within the next 5 years, has the municipality initiated a process to address capacity constraints?		The Municipality has approximately 5 years of disposal capacity left at its main disposal facility (Bontebok), where after it would consider transferring its waste to the regional Karwyderskraal WDF.
92	If the Municipality is about to run out of landfill capacity, has budget been provided to address the capacity constraints?	No	
93	Is the Municipality reliant on the construction of a Regional Landfill Site to ensure continued waste services?	Yes	The Municipality will consider the already operating Karwyderskraal Regional WDF if and when their disposal airspace are depleted.
94	Location of future Regional Landfill Site		Portion 1 of Farm Afdaksrivier No. 575, Kaywyderskraal, the municipality are planning a waste to energy plant should challenges exist then they will join the District at the Karwyderskraal WDF
Landfill Sites - Capacity and Planning			
95	If Municipalities are reliant on the construction of a Regional Landfill Site, has the District Municipality provided budget for planning and construction of such a site?		Karwyderskraal WDF is operationally compliant with its conditions of authorisation.

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
96	Has an EA been issued for the Regional Landfill site, and when is the lapsing date?		Karwyderskraal WDF is operationally compliant with its conditions of authorisation. The waste site needs to apply for a new cell authorization as the air space is only available up to 2026. The ODM are in the process of applying for the authorization to build a new cell and is currently in the final stages of getting all the approvals in place.
97	In which year is the Regional Landfill Site planned to become operational?		Karwyderskraal WDF is operationally compliant with its conditions of authorisation.
98	Indicate any issues experienced with the establishment of a Regional Landfill Site.		Karwyderskraal WDF is operationally compliant with its conditions of authorisation.
99	Indicate how DEADP is supporting the District in establishing the Regional Landfill Site.		Karwyderskraal WDF is operationally compliant with its conditions of authorisation. The DEADP attend the Residence Monitoring committee meeting. The Department also provide the quarterly Waste Management Officers Forum where ODM give regular feedback on matters.
Waste Minimisation			
100	Tonnes of municipal solid waste sent to landfill per capita		No info available
101	Tonnes of municipal solid waste diverted from landfill per capita		No info available
102	Does the Municipality have an Organic Waste Diversion Plan?	Yes	**2025**
103	Year of adoption of the Organic Waste Diversion Plan by the Municipal Council	Fully compliant	From MWMRP: Endorsed by MEC on 1/10/24 REFERENCE: 19/2/1/2/4/BS4 (3/11/2/27 – 2024/179) Approved by Swellendam Council on 29/05/25 (Item A83/29/05/2025)

WC034 Swellendam			
Parameter		**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
MUNICIPAL OVERSIGHT **ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)**			
Waste Minimisation			
104	Which waste minimisation system/s has/have been implemented in the municipality?	Yes	Separation @ Source at households: (Pilot) clear bags handed out to all residents and numerous pick up initiatives implemented Separation @ Source for businesses: (Pilot) Most businesses have a recycler linked to them and a pig farmer or black soldier fly for OW. Waste drop offs available, landfill MRF under construction for processing this waste. SMMEs are assisting in collection and diversion of recyclables in 5 towns, assisting with separation at source imitative as well. Most recovery of waste takes place at the landfill and drop offs by the waste pickers. Swop shop: CAP has a full time textile swap shop, Railton foundation has a ad hock pancake for recycling. Packa-Ching is full time organic diversion at Bontebok landfill site managed by DZIKO
105	Are there measures to divert construction and demolition waste from landfill?	Yes	Rubble used for building and roads
106	Is there concern regarding the implementation of the OWDP and 2027 Provincial deadline to divert all organic waste from landfill? Please specify	Yes	OWDP was only passed in June 2025, so the mun. has not had much time to implement the OWDP, however, from the 26 initiatives listed, the mun has started 18 already .
Access to Refuse Removal Services			
107	Percentage of households with basic refuse removal services or better	Partly compliant	81.50%

WC034 Swellendam			
Parameter		Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
MUNICIPAL OVERSIGHT ASSESSMENT OF TABLED IDP, MSDF, SECTOR PLANS AND BUDGET DURING THE SIME2 PROCESS (DEA&DP)			
Waste Management Awareness and Innovation			
108	Does the municipality annually implement a waste awareness campaign/s?	Yes	Talk at schools, eco clubs with the school, Christmas eco club, Facebook and Instagram update, street clean collaborate with local NGO(once monthly), painting bins, Keep Swellendam clean.
109	Has this Municipality implemented any special innovative initiatives on waste management that could be shared with other Municipalities?	Yes	Initiated over 70 waste reclaimers and provided PPE, training and help with projects. Polyco and Petco have supplied carts, PPE, bags and training for Waste Pickers. Started a integration project with 2 CWP teams called WasteNot recycling where mun. train them to start their own recycling companies
Municipal Support and Capacity Building - Waste Management			
110	Based on the above assessment, are there any support/capacity building initiatives needed to improve this Municipality's performance (focussed on this Municipality only)?		See Departmental Support Plan
Environmental Law Enforcement			
111	Are there any enforcement notices (I.e. pre-compliance notice, pre-directives, compliance notice, directive) issued to this Municipality?	Yes	14/1/1/E2/8/3/3/0611/21 - Pollution of the Klip Rivier by the Klippe River Waste Water Treatment Works (“WWTW”) located on the Remainder of Erf 2307, Swellendam - Pre-Directive and Directive notice issued on 20 Aug 2021. 14/1/1/E2/8/2/4/0959/25 - Alleged non-compliance with the WML of the Suurbraak Landfill Site, Swellendam - Compliance notice was issued on 11 Feb 2026.
112	Are there any criminal investigations and/or dockets registered with the SAPS in respect of environmental offences, against this Municipality?	Yes	Case registered with SAPS CAS no. 81/12/2019 - Alleged illegal burning of waste and non-compliance with waste management license at the Bontebok Waste Disposal facility located on Erf RE/1, Swellendam

WC034 Swellendam

	Parameter	Evidence	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
BUDGET DOCUMENTATION AND DRAFT SDBIP				
Completeness of budget documentation and draft SDBIP (PT: LGBO)				
113	Overview of Budget Process	Is there a paragraph/section included on this aspect; MBRR (Schedule A) r. 10	Yes	
114	Overview of alignment of annual budget with IDP	Is there a paragraph/section included on this aspect; MBRR (Schedule A) r. 11	Yes	
115	Measurable performance objectives and indicators	Is there a paragraph/section included on this aspect; MBRR (Schedule A) r. 12	Yes	
116	Does the Municipality provide an overview of the budget and	Budget documentation.	Yes	
117	Has the Municipality documented its draft Service Level Standards as part of the budget documentation?	Service level standards in budget documentation.	No	This could not be found within the submitted documentation. The Municipality must submit the draft annually with the tabled budget as well as with the final budget documentation.
118	Is the Municipality's budget (SA4, SA5 and SA6) reflective of the IDP strategic objectives?	SA4, SA5, SA6.	Yes	

WC034 Swellendam				
Parameter		**Evidence**	**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
BUDGET DOCUMENTATION AND DRAFT SDBIP				
Completeness of budget documentation and draft SDBIP (PT: LGBO)				
119	Is the information in A10 aligned to the Municipality's socio-economic reality?	A10.	The total household services figures are markedly lower than the 2022 Census (which is aligned to SA9) or the Mid-Year Population Estimates (MYPE) for household information.	The Municipality could consider aligning with an official data source, as was done for SA9 with the 2022 Census, as the household service numbers reflected in A10 are significantly lower than official figures; for example, the highest total recorded is for water services at 9 479 households, compared to 15 477 total households in the 2022 Census, while the MYPE household data (see MERO 2025) estimates 11 498 households.
120	Is the information in SA9 and aligned to the municipality's socio-economic reality.	SA9.	The population and household figures are aligned to the 2022 Census information. There are also some gaps in SA9.	It is recommended that the Municipality progressively complete the areas where there is missing information.
121	Draft SDBIP (top-level) has been prepared and included in line with MBRR 14.	Draft SDBIP, MBRR Reg 14.	Yes	A draft SDBIP was included with the budget documentation, but it only included non-financial information.
122	Draft SDBIP (top-level) has been prepared and included - in line with Circular No. 13.	Draft SDBIP, MFMA Circular No. 13.	No	Financial information still needs to be added. This must be included as part of the final SDBIP.
	(a) Component 1: Monthly projections of Revenue to be collected per source.		No	

WC034 Swellendam				
Parameter		**Evidence**	**Non-compliant/ Partly compliant/ Fully compliant OR Yes/No**	**Comments/Recommendations**
BUDGET DOCUMENTATION AND DRAFT SDBIP				
Completeness of budget documentation and draft SDBIP (PT: LGBO)				
122	(b) Component 2: Monthly projections of Expenditure and revenue for each vote.		No	
	(c) Component 3: Quarterly projections of service delivery targets and performance indicators for each vote.		Yes	
	(d) Component 4: Ward information for expenditure and service delivery.		No	
	(e) Component 5: Detailed Capital Works Plan broken down per ward over 3 years.		No	

Western Cape Government

WC034 Swellendam

Parameter		Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Procedural compliance					
123	Draft MTREF Tabled 90 days prior to new financial year	Verify that the budget was tabled by 31 March	MFMA s. 16(2)	Yes	
124	Grant Budget (SA18) is aligned to DoRA	Verify if the grant allocations reconcile to DoRA	MFMA s. 21(2)(c)	Yes	
125	Correct version of Schedule A1	Verify electronic submission version	MBRR r. 9	Yes	
126	Table of Contents	Verification of inclusion in budget	MBRR (Schedule A) r. 2	Yes	
Annual Budget					
127	Mayors Report	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 3	Yes	
128	Resolutions	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 4	Yes	
129	Executive Summary	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 5	yes	
Annual Budget Tables A1 to A10					
130	Table A1: Budget Summary	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
131	Table A2: Budgeted Financial Performance (Revenue and Expenditure by standard classification)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	

WC034 Swellendam					
Parameter		Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Annual Budget Tables A1 to A10					
132	Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
133	Table A4: Budgeted Financial Performance (Revenue and Expenditure)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
134	Table A5: Budgeted Capital Expenditure by Vote, Standard Classification & Funding	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
135	Table A6: Budgeted Financial Position	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
136	Table A7: Budgeted Cash Flow	Rate completeness of table on	MBRR (Schedule A) r. 6	3	
137	Does the District/Municipal CMP meet the content requirements listed in Sections 49 and 52 of the NEM:ICMA?	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
138	Table A9: Asset Management	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
139	Table A10: Basic service delivery measurement	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 6	3	
Budget Related Policies					
140	Tariff Policy on Property Rates	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes	
141	Tariff Policy on Electricity	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes	
142	Tariff Policy on Water	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes	

WC034 Swellendam					
	Parameter	Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Budget Related Policies					
143	Tariff Policy on Sanitation	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes	
144	Tariff Policy on Refuse Removal/ Solid Waste	Must be included if service is rendered	MBRR r. 7 (footnote 1)	Yes	
145	Credit Control and Debt Collection Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
146	Cash Management and Investment Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
147	Borrowing Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
148	Funding and Reserves Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
149	Policy related to long-term financial planning	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
150	Supply Chain Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
151	Policy related to the Management and Disposal of Assets	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
152	Policy relating to dealing with infrastructure investment and capital projects	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
153	Indigent Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
154	Budget Implementation and Management Policy	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
155	Cost containment policy - required by cost containment regulations			Yes	

WC034 Swellendam					
Parameter		Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Budget Related Policies					
156	Long Term Financial Plan			Yes	
Supporting Documentation					
157	Budget Assumptions	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 16	Yes	
158	Overview of Budget Funding including funding compliance (Table SA10)	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 17	Yes	
159	Expenditure on grant allocations and grant programmes	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 18	Yes	
160	Allocations on grants made by the municipality	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 19	Yes	
161	Councillor and board member allowances and employee benefits	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 20	Yes	
162	Monthly targets for revenue, expenditure and cash flow	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 21	Yes	
163	Service Delivery Agreements of Municipal Entities (if applicable)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 25	N/A	
164	Annual budgets of municipal entities (D Schedule)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 25	N/A	
165	Contracts having future budgetary implications	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 26	Yes	
166	Capital expenditure details	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 27	Yes	
167	Legislation Compliance Status	Is there a paragraph/section included on this aspect	MBRR (Schedule A) r. 28	Yes	
168	Quality Certificate (signed)	Verification of inclusion in budget report/document	MBRR (Schedule A) r. 31	Yes	

WC034 Swellendam					
Parameter		Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Supporting Tables					
169	SA9: Social, Economic and Demographic Statistics and Assumptions	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	2	The Municipality partially completed the supporting table
170	SA11: Property Rates Summary	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
171	SA12a: Property Rates by category (current year)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
172	SA12b: Property Rates by category (budget year)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
173	SA13a: Service Tariffs by Category	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
174	SA13b: Service Tariffs by Category	Rate completeness of table on	MBRR (Schedule A) r. 29	3	
175	SA14: Household Bills	Rate completeness of table on scale from 0 to 4	MBRR (Schedule A) r. 29	3	
176	SA22: Summary Councillor and Staff Benefits	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
177	SA23: Salaries, Allowances and Benefits (political office bearers/councillors/senior managers)	Rate completeness of table on scale from 0 to 3	MBRR (Schedule A) r. 29	3	
178	SA24: Summary of Personnel Numbers	Rate completeness of table on	MBRR (Schedule A) r. 29	3	

WC034 Swellendam					
Parameter		Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (LGF)					
Revenue Management					
179	Revenue Management Tool	Included with budget documentation	MFMA Circular 130	Yes	
180	Municipal Valuation Roll Revenue Tool	Included with budget documentation	MFMA Circular 130	No	The tool submitted is not in the format as per MFMA Circular 130.
181	Cost Reflective Tool	Included with budget documentation	MFMA Circular 130	Yes	The Municipality is reminded to complete the latest issued cost reflective tariff tool when the final budget is adopted in Council.

WC034 Swellendam

	Parameter	Sub Component/ Explanation	Ref.	Non-compliant/ Partly compliant/ Fully compliant OR Yes/No	Comments/Recommendations
DRAFT MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK - CHECKLIST OF COMPLIANCE TO MUNICIPAL BUDGET AND REPORTING REGULATIONS (SCM)					
Budget Related Policies					
182	Supply Chain Management Policy		MBRR r. 7 (footnote 1(h) + MFMA Ch. 11	Yes	
(a)	FIDPM (Infrastructure Procurement & Delivery Mgmt) Policy		MBRR r. 7 (footnote 1) + MFMA s. 168 (MFMA Circular 106)	Yes	
(b)	Preferential Procurement Policy		MBRR r. 7 (footnote 1) + PPPFA + PPRs 2022	Yes	
(c)	Inventory Management Policy		MBRR r. 7 (footnote 1(h) + MFMA Ch. 11	Yes	
(d)	SCM-related SOPs		MBRR r. 7 (footnote 1(h) + MFMA SCM Regs	No	
(e)	SCM Delegations		MBRR r. 7 (footnote 1(h) + MFMA SCM Regs	No	
(f)	Procurement Plan (incl. CAPEX & OPEX)		MBRR r. 7 (footnote 1); SCM Reg. 10	Yes	
(g)	Contract Register		MBRR r. 7 (footnote 1), MFMA SCM Reg: 21, 32, 38, 39, 50, 51	No	
183	Policy related to the Management and Disposal of Assets	If not included, verify reference given	MBRR r. 7 (footnote 1)	Yes	
(a)	Asset Management Policy, incl. SOPs		Footnote 1(i); MFMA Ch. 11 + s. 14	Yes	
(b)	Asset Disposal Policy *(if separate)*		Footnote 1(i); MFMA Ch. 11 + s. 14	No	Not separate
(c)	Asset Register		Footnote 1(i); MFMA Ch. 11 + s. 14	No	

Western Cape Government

FOR YOU

Strategic Integrated Municipal Engagement (SIME 2) 2026

Overberg District

Swellendam Municipality

SWELLENDAM MUNICIPALITY

INTEGRATED PLANNING AND BUDGETING ASSESSMENT: ANALYSIS OF MUNICIPAL IDP, SDF AND BUDGET

Western Cape Government

APRIL/MAY 2026

SWELLENDAM MUNICIPALITY DIAGNOSTIC AND SUMMARY OF KEY RECOMMENDATIONS

Integrated Development & Spatial Planning	• The Municipality's performance trajectory across the 2022 – 2027 IDP cycle reflects a gradual stabilisation in governance and institutional performance, particularly in relation to SO5, SO6, and SO7, from 2023/24 onwards and sustained into mid-year 2025/26. • The Municipality is recommended to develop and implement a targeted infrastructure recovery and water loss reduction plan, with specific focus on unaccounted-for water and maintenance expenditure efficiency. • Enhance internal capacity development through improved implementation of the Workplace Skills Plan to ensure alignment between staffing capacity and service delivery demands; and • Utilise the performance trends identified in this report as baseline conditions to inform the development of the 2027 – 2032 IDP.
Economic Sustainability	• Reduce water losses through a targeted loss-reduction programme, including setting of, and reporting against realistic targets. • Align water demand and backlog data with more recent population data to correct potential underestimation in A10 figures and ensure appropriate infrastructure planning and funding. • Increase allocations to repairs and maintenance across all core services to protect infrastructure investments and improve long-term sustainability. • Strengthen bulk infrastructure investment (water, electricity, wastewater, roads) in Swellendam growth nodes to ensure capacity constraints do not limit future residential, industrial, and economic expansion. • Address ageing electricity infrastructure and Eskom capacity constraints through prioritised bulk upgrades and funding submissions. • Revise electricity loss targets downward, ensuring realistic SDBIP targets supported by quarterly reviews and action against illegal connections (current losses 9.38%). • Implement a costed waste transition plan for Bontebok landfill closure, including tariff impact modelling to avoid steep future tariff increases. Critical to delay cost escalation is the implementation of the Integrated Waste Management Plan with actions focused on organic waste diversion and extending landfill lifespan. • Implement Storm Water Master Plan with priority projects, focusing on high-risk areas to mitigate flood risks.
Revenue and Expenditure	• The Municipality tabled a **funded budget** over the 2026/27 MTREF. This suggests that the Municipality projects a balanced financial position for the upcoming years to meet its expenditure needs with available resources. However, the Municipality placed a **disclaimer** in the budget document regarding system related errors in the A-schedules and data strings submitted and projected operating deficits over the MTREF. • The Municipality is encouraged to work towards tabling a surplus operating budget, to strengthen the financial position that can support ongoing acceleration in capital investment. Collect revenue due to enhance the current revenue streams by making use of the revenue tools developed by National Treasury and smart metering systems to restrict or interrupt water supply to defaulting customers. • It is a requirement of mSCOA that a **funding source** must be identified for each **operating expenditure** line item, with strict measures/controls implemented for the Municipality not to spend on funds it does not have. The Municipality must review the operating budget and limit expenditure according to the anticipated revenue projections. The Municipality is encouraged to work towards tabling operating budget surplus and build reserves to strengthen the financial position to be able to support ongoing acceleration in capital investment.
Capital Budget & Infrastructure	• The Municipality should develop and implement a financial sustainability strategy aimed at strengthening its cash position and reducing over-reliance on borrowing and government grants for capital funding. • To address the current liquidity constraints, the Municipality should gradually reduce dependence on borrowing by increasing the proportion of capital funding sourced from internally generated cash reserves over the MTREF.
mSCOA Compliance	• While the Municipality can confirm data capture, the inability to fully validate data strings reporting accuracy presents a financial reporting risk that requires strengthened controls and interim assurance measures until system issues are resolved. The Municipality must escalate and actively monitor all unresolved issues with the **system vendor**, including setting clear timelines for resolution and formal service level commitments.

TABLE OF CONTENTS

LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BESP	Built Environment Support Programme
CAPEX	Capital Expenditure
CBA	Critical Biodiversity Areas
CBD	Central Business District
CMP	Coastal Management Programme
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEA&DP	Department of Environmental Affairs and Development Planning
DLG	Department of Local Government
DM	District Municipality
DOI	Department of Infrastructure
DWA	Department of Water Affairs
EPWP	Expanded Public Works Programme
FBE	Free Basic Electricity
HSP	Human Settlements Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
ISDF	Integrated Strategic Development Framework
ITP	Integrated Transport Plan
IWMP	Integrated Waste Management Plan
IYM	In-year Monitoring
JOC	Joint Operations Centre
Kl	kilolitre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt hour (1 000 watt hours)
LED	Local Economic Development
LTFP	Long Term Financial Plan
LUPA	Land Use Planning Act

MBRR	Municipal Budget and Reporting Regulations
MDG	Millennium Development Goal
MER	Municipal Energy Resilience
MFMA	Municipal Finance Management Act
MI	Municipal Infrastructure
MIG	Municipal Infrastructure Grant
MIP	Municipal Infrastructure Plan
MISA	Municipal Infrastructure Support Agency
MMP	Maintenance Management Plan
MTREF	Medium Term Revenue and Expenditure Framework
MVA	Megavolt Amperes (1 million volt amperes)
MWh	Megawatt hour (1 million watt hours)
NDHS	National Department of Human Settlements
NRW	Non-revenue Water
NT	National Treasury
O&M	Operations and Maintenance
OPEX	Operating Expenditure
PMS	Performance Management Systems
RMP	Road Management Plan
SCM	Supply Chain Management
SDBIP	Service Delivery Budget Implementation Plan
SDF	Spatial Development Framework
SOP	Standard Operating Procedure
SWMP	Stormwater Management Plan
WCSDF	Western Cape Spatial Development Framework
WDM	Water Demand Management
WSDP	Water Service Development Plan
WTW	Water Treatment Works
WWTW	Wastewater Treatment Works

SECTION 1: INTRODUCTION

The 2026 SIME assessment summarises comments by the Western Cape Government (WCG) on the draft 2026/27 MTREF Budget, Integrated Development Plan (IDP), Spatial Development Framework (SDF) and other relevant polices and documents.

The assessment covers the following key areas; conformance with the Municipal Finance Management Act 56 of 2003 (MFMA), Municipal Systems Act 32 of 2002 (MSA) and Municipal Budget and Reporting Regulations (MBRR); an integrated, spatial and environmental planning analysis of the IDP and SDF and the responsiveness, credibility and sustainability of the tabled budget.

The WCG intends meeting the executives of your Municipality in May 2026, where the key findings and recommendations of this report will be presented and deliberated upon. The planned engagement will contextualise the Municipality's challenges and responses as presented in the draft budget, IDP, Local Economic Development (LED), SDF and as well as other strategic matters for discussion between the two spheres of government. All the information related to the assessment and analysis of the draft annual budget, IDP and SDF is found in the report below.

SECTION 2: INTEGRATED PLANNING

2.1 Integrated Development Planning

The Municipal Systems Act 32 of 2000 (MSA) requires every municipal council to review its Integrated Development Plan (IDP) annually, based on an assessment of its performance measurements, and to the extent that changing circumstances demand. The MSA further provides that a municipal council may amend its IDP by following the prescribed process set out in Regulation 3 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 (MSA Regulations).

In compliance with these provisions, the Swellendam Municipality (the Municipality) conducted the annual review of its IDP during the 2025/26 financial year. This represents the fourth and final review of the 2022 – 2027 IDP, and the Municipality resolved to adopt a reviewed IDP in May 2026.

2.1.1 IDP Compliance

The core components of an IDP are outlined in Section 26 of the MSA and Regulation 2 of the MSA Regulations. Sections 28 and 29 of the MSA require municipalities to adhere to an established process when reviewing or amending their IDPs. The compliance of the reviewed IDP with legislative requirements and the process followed were assessed using a compliance checklist.

2.1.2 IDP Implementation

Section 41 of the MSA provides for a Municipality to, in accordance with its performance management system, set performance measures with regard to its development priorities and objectives set out in the IDP. In addition, Section 41 provides for the monitoring of performance, measuring and reviewing performance at least once per year, implementing steps to improve performance, and setting up a regular reporting system.

Following the assessment of the Municipality's implementation of the IDP as part of the 2024/25 IDP assessment process, this section reflects on whether previously identified implementation risks have been addressed. For the assessment, the Department of Local Government has consulted the statutory reporting documents of the Municipality, including the 2024/25 Annual Report, the Section 72 Report, and the 2025/26 Technical Integrated Municipal Engagement (TIME) Report. The Municipality is encouraged to take these analyses into account to address identified shortcomings over the remainder of the term of office and to inform planning processes for the upcoming 2027 - 2032 IDP cycle.

To enable direct year-on-year comparability, the analysis is structured in accordance with the Municipality's seven strategic objectives (SOs), which have remained unchanged following the adoption of the 2022 - 2027 IDP, which provided a consistent strategic framework for implementation and performance monitoring. The SOs are as follows:

- SO1: To enhance access to basic services and address maintenance backlogs
- SO2: To create a safe and healthy living environment
- SO3: To develop integrated and sustainable settlements with the view to correct spatial imbalances
- SO4: To enhance economic development with focus on both first and second economies
- SO5: To promote good governance and community participation
- SO6: To create a capacitated, people-centred institution
- SO7: To improve financial viability and management

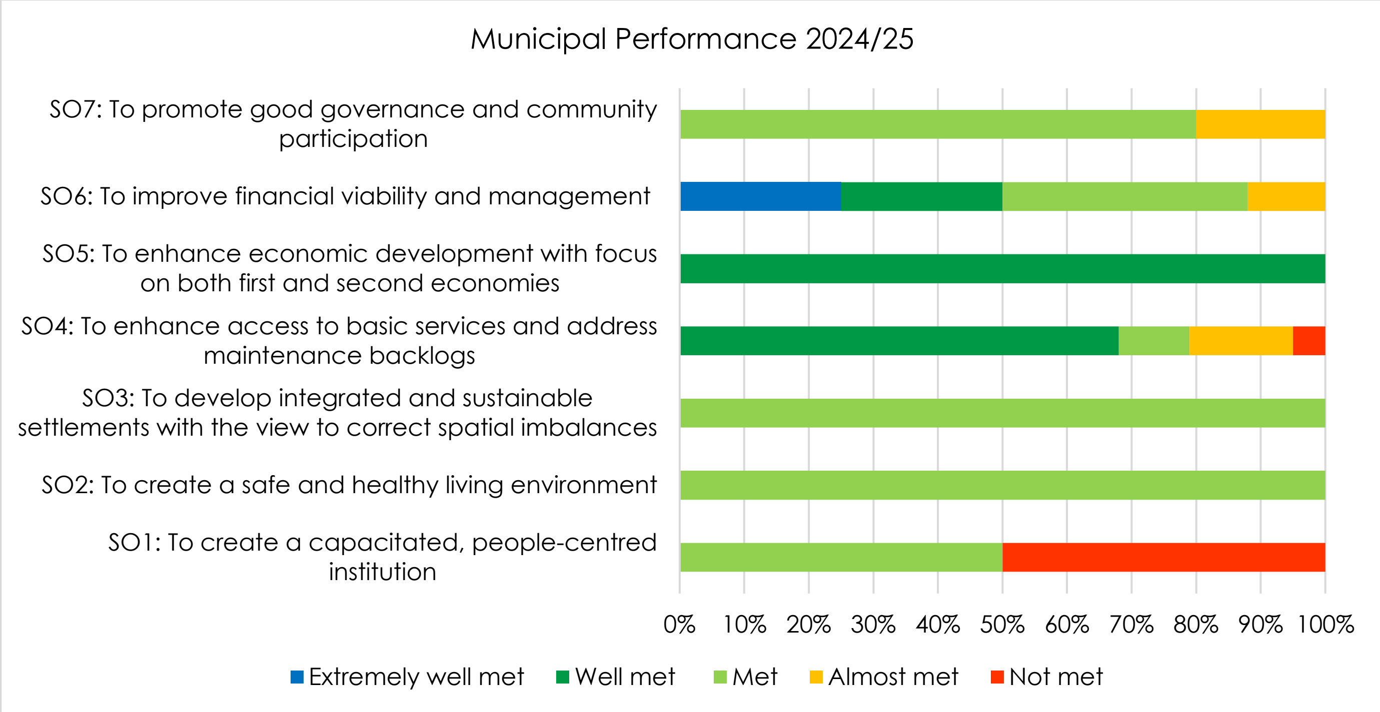
The Top Layer Service Delivery and Budget Implementation Plan (SDBIP) has been progressively refined over the cycle, with 56 KPIs in 2022/23 revised to 53 KPIs, remaining unchanged in 2023/24, and reduced to 40 applicable targets in 2024/25, reflecting a consolidation of the performance framework over time.

Performance Trends Across the IDP Cycle

In the 2022/23 financial year, the Municipality assessed 53 KPIs, with underperformance reflected across several SOs. Approximately 40 per cent of KPIs under SO1 were not achieved, along with shortfalls in SO2, SO4, SO5, SO6, and SO7, each reflecting non-achievement of below 25 per cent, indicating widespread implementation pressures across the performance framework.

In 2023/24, performance improved in SO2, SO5, SO6, and SO7, reflecting some stabilisation in governance and institutional performance. However, constraints persisted and, in some instances, intensified. Non-achievement under SO1 increased from 40 per cent to 50 per cent, while SO4 increased marginally from 21 per cent to 23 per cent. Performance in SO3 declined significantly, with all KPIs not achieved. This was primarily due to a Council resolution to incorporate the Human Settlements Pipeline into the IDP, rather than adopting it as a standalone plan. Contributing factors across the period included staff capacity constraints, delays in the review of key strategic policies such as the Growth and Development Strategy and Integrated Water Management Plan and underspending on allocated budgets.

The graph below illustrates the Municipality's performance for the 2024/25 financial year.



The 2024/25 financial year reflects a combination of institutional resilience and operational strain. The Municipality was recognised as one of the top three municipalities nationally by Ratings Afrika for a second consecutive year, reflecting sustained performance in SO7. In SO1, basic service delivery targets were met or exceeded, including service connections for water, sanitation, electricity, and refuse removal, as well as the provision of free basic services to 2 742 indigent households against a target of 2 291.

However, performance in infrastructure delivery and maintenance under SO1 remained constrained. Unaccounted-for water increased to 36.39 per cent against a target of 25 per cent, largely due to operational challenges at the Railton Water Treatment Works. In addition, maintenance expenditure on electricity and wastewater infrastructure was below target, at 85.66 per cent and 82.78 per cent respectively. In SO6, the workplace skills plan expenditure was below target, at 0.15 per cent against a 0.50 per cent target, while employment equity targets at senior management level were not achieved due to critical vacancies. In SO5, implementation of the Risk-Based Audit Plan (RBAP) reached 88 per cent against a 90 per cent target, with outstanding audits only finalised in July 2025.

The 2025/26 TIME Report reflects a positive mid-year trajectory, with the Municipality achieving 24 of 27 applicable targets assessed. Performance was fully achieved across assessed targets in SO1, SO5, and SO6, reflecting improved performance in service delivery, governance, and institutional functions. However, performance challenges persist in SO4, relating to underspending on the water maintenance budget, with 22.52 per cent actual against a 30 per cent mid-year target, together with unaccounted for water levels of 35.2 per cent against a 25 per cent target. In SO7, RBAP implementation reached 36.36 per cent against a 40 per cent target, reflecting a marginal shortfall in governance assurance processes.

The Municipality's performance trajectory across the 2024/25 and mid-year 2025/26 period indicates generally stable performance in governance and core service delivery functions, supported by incremental improvements at mid-year. However, persistent challenges in infrastructure maintenance, water losses, and selected governance processes suggest that these gains are not yet fully embedded. The remainder of the financial year will require targeted and coordinated interventions to strengthen infrastructure management, improve maintenance spending, and sustain governance performance.

2.2 Key findings and recommendations

2.2.1 Key Findings

Based on the above assessment, below is a summary of key findings:

- The Municipality's performance trajectory across the 2022 – 2027 IDP cycle reflects a gradual stabilisation in governance and institutional performance, particularly in relation to SO5, SO6, and SO7, from 2023/24 onwards and sustained into mid-year 2025/26; and
- Despite these improvements, persistent underperformance remains in infrastructure-related functions under SO1 and SO4 across the cycle.

2.2.2 Recommendations

It is recommended that the Municipality:

- Develop and implement a targeted infrastructure recovery and water loss reduction plan, with specific focus on unaccounted-for water and maintenance expenditure efficiency.
- Enhance internal capacity development through improved implementation of the Workplace Skills Plan to ensure alignment between staffing capacity and service delivery demands; and
- Utilise the performance trends identified in this report as baseline conditions to inform the development of the 2027 – 2032 IDP.

2.3 Environmental and Planning Analysis

2.3.1 Spatial Performance

The DEA&DP utilises a comprehensive index framework to monitor spatial performance across all districts, tracking shifts in human welfare, liveability, and environmental systems. This data-driven, indicator-led approach serves as a critical decision-making tool to advance the Provincial and Departmental Strategic Plans' spatial transformation goals while strengthening governance through evidence-based research and growth analysis.

Spatial performance across the Built and Natural Environment and Socio-economic Systems reflect an unequal distribution with medium performance overall but suggesting spatial benefits are not equally distributed across. Swellendam demonstrates strong Livability outcomes supported by good Socio-economic System performance, suggesting effective service delivery and social support networks as a strong foundation, but more moderate equitable outcomes imply uneven access to spatial opportunity limiting overall growth potential. The next 5-year IDP cycle needs to focus on aspects that limit improvement in overall growth potential. In 2018, the overall Growth Potential for Swellendam showed an improvement which shows that it can be done with the overall measured potential ranked in the medium growth potential category. The updated Growth Potential report (GPS 24) will become available for distribution early in May 2026 for consideration in the final IDP.

The overall spatial performance for Swellendam highlights the importance of leveraging MSDF and CEF to ensure that the Municipality improves, building on the strong natural environment endowment foundations that exist, delivering improved outcomes and equal access to basic services, economic opportunities to produce human welfare benefits across. It will be important to leverage ecological infrastructure, and importantly, to give effect to Climate Change responsiveness.

2.3.2 Spatial Transformation and Managed Urbanisation

The purpose of this assessment is to evaluate the extent to which municipal planning and budgeting instruments are aligned to give practical effect to the Municipality's spatial vision and development trajectory. In particular, it seeks to determine whether the draft IDP and MTREF reflect and implement the spatial priorities set out in the MSDF and, where applicable, the Capital Expenditure Framework (CEF), so that investment decisions are directed in a manner that supports spatial transformation, restructuring and more efficient urban form. The assessment focuses on whether the Municipality is moving beyond policy intent toward plan-led budgeting and implementation, where spatial plans inform capital allocation, infrastructure sequencing and development outcomes. In doing so, it aims to identify gaps between spatial planning and budgeting, highlight areas requiring municipal action, and support a more deliberate translation of spatial strategies into funded, implementable programmes that advance inclusive, well-located and sustainable human settlements.

This approach enables a clear theory of change for spatial transformation. Spatial plans, on their own, do not change spatial outcomes, they must shape where and how public investment is directed. When MSDF priorities are translated into a prioritised capital investment pipeline, and that pipeline is reflected in the MTREF and annual budgets, infrastructure and service delivery begin to reinforce the intended spatial structure. Over time, this shifts growth toward priority nodes and corridors, improves access to well-located land and opportunities, and reduces inefficient and fragmented development patterns. Without this link between planning and budgeting, spatial transformation remains aspirational rather than implementable.

2.3.3 Municipal Spatial Development Framework Performance Review and Adoption Process

In the 2025 SIME narrative it was recommended that the Municipality undertakes an annual review of performance in relation to SDF implementation. It is promising to note that in the draft 2026/27 draft IDP Review, the Municipality has identified a specific performance objective to *"Review the Spatial Development Framework" and submit it to Council for consideration by 31 May 2026*[1]*".*

The Municipality is again reminded that this is a statutory requirement and not optional, and the MSDF Performance Review should be undertaken together with the IDP review. This lack of regular annual, indicator-based monitoring weakens the Municipality's ability to track the implementation of its spatial vision and limits its ability to systematically assess whether the draft IDP and budget are giving effect to the MSDF, and whether any amendment to the MSDF is required in response to changing conditions or implementation constraints.

The Municipality must fulfil its specific performance objective to undertake a review of its MSDF and submit it to council for consideration by 31 May 2026. It is reiterated that the formal MSDF review process must include a spatial performance report as a core component of the annual IDP review. Therefore, the draft annual IDP review should be amended to include an annual MSDF performance review chapter or section, explicitly assessing implementation progress, outcomes, gaps, and whether any MSDF amendment triggers have arisen.

Swellendam Municipality has confirmed that it is not proposing a new MSDF or an amendment to its existing MSDF in the current IDP cycle, with the Council-approved 2020 MSDF remaining in force.

In Council Item A68/31/03/2026; it is recommended that: *"Council take note that the existing Swellendam Municipal Spatial Development Framework (SDF) will be revised in 2027/28 to ensure alignment with the next 5-year IDP development cycle."*

The Municipality must clarify if the proposed "revision" will result in a formal amendment or a new MSDF in the next IDP cycle (2027/28).

2.3.4 Capital Expenditure Framework and Alignment of Budget with MSDF Priorities

The Municipality indicated that they do have a Capital Expenditure Framework. However, this CEF does not align with the expected requirements of a CEF. A CEF provides a strategic, spatially informed and financially grounded roadmap for prioritising infrastructure investment, aligning capital expenditure with development objectives, sequencing projects over time, and supporting a plan-led budget rather than ad hoc allocation. Section 6 of the 2020 MSDF establishes the required investment logic and identifies specific Priority Development Areas (PDAs), such as the Railton CBD upgrade, industrial expansion, and Barrydale WWTW to unlock latent development potential. However, MSDF explicitly states that future iterations of the SDF will have to build on this information to develop the CEF, indicating that a full 10-year sequenced financial and infrastructure portfolio has not yet been finalised.

The Municipality must prioritise a Capital Expenditure Framework that explicitly ranks projects based on the MSDF's spatial logic and financial sustainability. As stated in previous SIME inputs, should budgetary constraints be prohibiting the development of a CEF, we would like to encourage Swellendam Municipality to contact the Directorate: Spatial Planning. The Directorate can assist by facilitating connections with potential funding partners.

2.3.5 Incremental Upgrading of Informal Settlements

The MSDF partially identifies informal settlement upgrading areas. The MSDF identifies the growth of informal settlements as a major challenge and specifically highlights Railton as the focus of the Informal Settlement Support Programme (ISSP). The spatial proposals for Railton and Rondomskrik primarily focus on "Subsidised Housing Needs" (a 950-unit project) rather than a clearly demarcated map of settlements for in-situ incremental upgrading as required by SPLUMA section 21(k).

The draft capital budget includes R1.26 million for "Provision of Precast Toilets" and R1.64 million for a "Security Fence at Swellendam Informal Settlements. Notably, significant capital projects for "Railton Informal Settlements, Water Services" (R2.99m), "Sewerage Services" (R2.99m), and "Roads" (R2.93m) were listed in the 2025/26 draft but have been reduced to zero for the 2026/27 budget year. This discontinuation of the above-mentioned infrastructure projects in the 2026/27 year suggests a significant slowdown in the actual upgrading of settlement conditions. However, there are investments in electrical infrastructure proposed for the outer years.

2.3.6 Key Findings and Recommendations

It is recommended that the Municipality:

- Must spatially demarcate each informal settlement and categorize them for in-situ upgrading.
- Should seek to reinstate capital funding for reticulation infrastructure (water and sewer) in the MTREF to ensure that informal settlements are incrementally.

2.3.7 Inclusionary and Affordable Housing Policy Responsive and Use of Housing Market Evidence

A formal, comprehensive Housing Market Study (HMS) does not appear to exist or is not cited as completed evidence base in the current MSDF. While the MSDF records a general subsidised housing backlog of 2 250 units, it explicitly states that an investigation into providing housing options for this market (gap housing) is urgently required. There is no evidence that a formal Inclusionary Housing Policy or Affordable Housing Policy is currently under development. The MSDF contains conceptual support for "integration" and "socio-economic integration" in identified areas like Cooper Street, but these goals have not yet been translated into a municipal policy framework that mandates or incentivizes the private sector to include affordable units in residential developments. The "Gap Housing" market has been identified as the primary underserved segment. This includes residents who do not qualify for a full government housing subsidy but remain unable to access the formal private bond market. Community engagements in Railton further highlight a specific lack of affordable rental and mixed-use housing options.

It is recommended that the Municipality must use the Western Cape Inclusionary Housing Policy Framework as a guide, the Municipality should draft a local policy to provide clear rules for developers regarding inclusionary housing requirements in high-value or integration zones.

2.3.8 Climate Change Resilience

During 2025/26, Municipalities continue to experience the impact of climate-linked extreme weather events like extreme heat, extensive veld fires and flooding across the province.

Climate change, however, should not be seen only in a negative light and as a disaster management issue but also from an opportunity perspective. While extreme weather events are important to plan for, municipalities also need to consider longer term and less visible impacts. Conditions like extended fire seasons, persistent water security concerns as well as coastal erosion impact significantly on municipal resources and increasingly do so in the near future.

The most effective way to deal with these impacts is to shift from disaster response to proactive risk reduction, or what is referred to as climate change resilience. As indicated, resilience is a key focus of the WCSDF and revolves around reducing existing and structural vulnerabilities that make communities, economic activities, systems and infrastructure sensitive to climate related threats. This could include economic impacts such as reduced demand for our carbon intensive products, and how climate change will gradually affect land use, infrastructure, and settlement patterns over time.

Key recommendations for integration of climate change considerations into the operations of the Municipality are:

- **Risk Assessments:** The assessment of risks to municipal operations and services, including but not limited to disaster risks, is already well-entrenched as mechanism to ensure accountability, responsible investment and change management. The same mechanism should recognise the short- and long-term risks exacerbated by changing climatic conditions and accordingly inform and direct municipal planning and spending.
- **Communication and Awareness:** Surveys indicate poor climate change awareness in the Western Cape. This likely inhibits the rate of behaviour change towards climate responses and decisions. WCG is working towards consolidated climate change messaging and encourages Municipalities to do the same within their communications and environmental education spheres. A recently launched WCG resource for climate change related communication materials can be accessed here: https://museumstories.co.za/climate-change/
- **Focus on vulnerability:** There are many resources available to assess vulnerability to climate related stresses. These should be accessed to guide municipal planning and interventions to areas or situations where exposure to physical, economic or well-being threats are the greatest. DEA&DP can assist municipalities in many of these aspects.
- **Focus on Energy Resilience:** There are opportunities for municipalities to improve energy resilience within their operations and for their customers through promotion of energy efficiency and renewable energy opportunities at both the small and large scale.

With improved energy resilience, the Western Cape will be able to manage energy-related disasters (including loadshedding) more effectively and work towards a more secure, decarbonised and sustainable energy system for the Western Cape. A number of WCG departments, including DEA&DP, DoTP through the Energy Resilience Programme and DoI, can assist municipalities in implementing interventions that support energy resilience.

Municipal officials must remain aware of the prescripts of the Climate Change Act, especially those related to the compilation of Climate Change Needs and Response Assessments for District Municipalities. Although the obligations are currently deferred, the Department of Forestry, Fisheries and the Environment (DFFE) is developing guidelines to support its development and implementation. The WCG's Climate Change Directorate is assisting Districts with pre-emptive work on revised climate change response plans and encourages broad collaboration between the Districts and Local Municipalities as well as participation by technical departments within municipalities to ensure effective mainstreaming of climate change responsiveness.

2.3.9 Environmental Quality

2.3.9.1 Adoption of the Western Cape Provincial Biodiversity Strategy and Action Plan 2025 – 2030

The Provincial Biodiversity Strategy and Action Plan is the strategic umbrella for coordinated action across government, civil society and business, with explicit alignment with both national and international biodiversity aspirations and agreed upon targets. Municipalities play a vital role in the achievement of these biodiversity targets and should take note of this recent adoption in relation to their own strategies and biodiversity management targets.

2.3.9.2 Ecological Infrastructure Investment Framework and Plans

Ecological infrastructure entails naturally functioning ecosystems that provide services to people and the economy. When ecological infrastructure functions correctly, it supports municipal service delivery by providing reliable, good-quality raw water supply, disaster risk reduction (especially protection against wildfire risks and inland/coastal flooding), climate regulation, etc.

Municipalities are encouraged to include ecological infrastructure into strategic plans and budgets. Some practical steps include:

- Incorporate the Western Cape Biodiversity Spatial Plan (WCBSP 2023) outcomes into MSDFs. Where appropriate, ensure alignment with Municipal Land Use Schemes by assigning the correct zoning to secure protection of ecological infrastructure and incorporating these areas as part of a wider municipal open space system;
- Incorporate ecological infrastructure as part of asset management plans and budgets;
- Draft and secure approval for strategic Maintenance Management Plans to ensure compliance with legislation; and
- Collaborate with other stakeholders by participating in programmes such as Working for Water, Working for Wetlands, Boland Groot Winterhoek Collective, Outeniqua to Tsitsikamma Water Working Group, etc.

To guide municipalities in investing in Ecological Infrastructure, the Western Cape Government developed the Western Cape Ecological Infrastructure Investment Framework. Guiding materials and examples are also available from the DEA&DP. Municipalities are urged to tailor ecological infrastructure investment to their local context as a complementary strategy to enhance service delivery and human wellbeing within their administrative domains. When designed carefully, these strategies could be used to attract external funding and boost service delivery effectiveness.

Ecological Infrastructure Management Programmes are currently being developed by municipalities in the Western Cape, and a dedicated programme to roll out these EIMPrs within strategically important municipalities will be undertaken over the Medium Term Expenditure Framework.

2.3.10 Waste Management

Over the past five years, Swellendam Municipality has transitioned from a traditional "collect and dump" approach toward a more structured, circular waste economy. While the journey has seen significant administrative wins, the physical reality of landfill airspace remains a pressing concern.

2.3.10.1 Operational Performance and diversion

On the operational front, the Municipality has achieved a gold standard in data transparency, maintaining a **100 per cent reporting frequency** to the Integrated Pollutant and Waste Information System (IPWIS). In 2024, the Municipality managed a total waste stream of **15 934 tonnes**. While the majority **(14 044 tonnes)** was directed to landfills, the Municipality successfully diverted **1 890 tonnes**, resulting in an **11 per cent diversion rate**.

This diversion is fuelled by a mix of grassroots initiatives and infrastructure development. The Municipality has moved beyond simple collection by launching pilot **Separation at Source (S@S)** programs and integrating the informal sector through creative outlets like textile swop shops and the **Packa-Ching** recycling initiative. Notably, organic waste is being redirected to local pig farmers and innovative **black soldier fly projects,** while construction and demolition waste is being repurposed for infrastructure. To scale these efforts, a new **landfill Material Recovery Facility (MRF**) is currently under construction, which will serve as the engine room for future recovery targets.

2.3.10.2 Strategic Planning and Governance

Governance has seen a period of stabilisation and modernisation. The appointment of a designated Waste Management Officer in 2021 provided the necessary leadership to shepherd the **3rd Generation Integrated Waste Management Plan (IWMP)** through to its 2025 adoption. Waste management is no longer a peripheral issue; it is now firmly embedded in the **Integrated Development Plan (IDP)** and the Service Delivery and Budget Implementation Plan (SDBIP), ensuring that green goals are backed by actual municipal coin.

However, the transition from "planning" to "reporting" has a significant gap. While the strategies are endorsed, the Municipality has consistently struggled to submit **annual IWMP implementation reports** to the Department. Addressing this administrative hurdle is essential to validate that the progress mentioned in council chambers is actually happening on the ground.

2.3.10.3 Key Challenges and compliance

The Municipality's physical infrastructure presents a tale of two realities. The **Bontebok Waste Disposal Facility (WDF)** is the "straight-A student," showing consistently improved compliance scores and serving as the primary operational hub. Conversely, the historical sites at **Malgas, Infanta, and Barrydale** have reached the end of their lifespan and are slated for decommissioning. The **Suurbraak** facility also requires an operational overhaul to meet licensing standards.

The most critical challenge remains **landfill airspace**. With the "waste-to-energy" project no longer on the table, the Municipality faces a strategic crossroads: it must either drastically accelerate its organic and recyclable diversion to save space at Bontebok or commit to the **Karwyderskraal WDF** as a long-term regional solution. Furthermore, the legislative framework is in a state of flux; while the 2015 By-laws provided a foundation, the Municipality is currently racing to finalize a new **Waste Management By-law** to ensure full alignment with national standards.

2.3.11 Western Cape Integrated Waste Management Plan 2027 – 2032 & Budget Facility for Infrastructure

The Western Cape Department of Environmental Affairs and Development Planning (DEA&DP) has launched a strategic **R3.1 billion** initiative under the Budget Facility for Infrastructure (BFI). This program is designed to systematically modernize waste management across the province's municipalities by transitioning from traditional disposal to a resource-recovery model.

Core Strategic Pillars:

- **Infrastructure Backlog & Lifecycle Planning:** The initiative targets a **R3.1 billion** funding gap. Crucially, it shifts the planning burden onto municipalities to account for **full lifecycle costs**-ensuring that facilities are not just built but are financially sustainable over their entire operational life.
- **Green Initiatives & Circularity:** The strategy pivots toward aggressive sustainability targets, specifically **organic waste diversion** (aiming for 100 per cent diversion by 2027), large-scale recycling, and the development of **waste-to-energy** technologies.
- **Integration with Provincial Growth**: This waste-specific funding is a vital subset of the **R132 billion long-term infrastructure pipeline** announced in April 2026. It positions waste management as a "catalytic" sector for economic growth rather than just a basic service.
- **Priority Projects**: Immediate implementation is focused on regionalization, such as the **Karwyderskraal Regional Landfill Facility expansion** (specifically Cell 5A), which serves as a blueprint for shared municipal infrastructure.
- **Alternative and Blended Finance (ABF):** To circumvent national fiscal limitations, the province is utilizing the **ABF Framework**. This model leverages public funds to de-risk projects, attracting private sector investment to ensure long-term capital stability.

The BFI initiative serves as the primary financial engine for the **4th Generation Western Cape Integrated Waste Management Plan (WCIWMP) 2027 – 2032.**

- **Strategic Alignment:** While the WCIWMP sets the regulatory and policy targets (the "what"), the BFI application provides the capital (the "how"). The plan explicitly incorporates the R3.1 billion backlog data into its **Phase 1 Situational Analysis,** which was finalized in early 2026.
- **Implementation Progress:** As of April 2026, the transition from **Phase 1 to Phase 2 (Implementation Plan)** is underway. The progress is currently focused on "bankable" project preparation, ensuring that municipal projects meet the technical and financial criteria

SECTION 3: ECONOMIC AND FINANCIAL SUSTAINABILITY

3.1 Introduction

This section provides an assessment of key indicators related to the responsiveness, credibility and sustainability of the tabled budget.

Key to assessing the above criteria is the alignment of the Municipality's budget to its strategic objectives, where if there are gaps identified, recommendations will be provided considering the budget responsiveness to the municipal area's current socio-economic context and challenges.

The revenue and expenditure analysis and risks section provide a gap analysis with regard to trading services, analysing the credibility and tariff structure of the Municipality's budget.

As capital infrastructure development is a key catalyst for economic growth and sustainability, the Municipality's capital funding mix, capital budget implementation and procurement planning assessment are also critical to understand the municipal area's growth trajectory.

3.2 Sustainable Economic Development

3.2.1 Socio-economic context

Table 1 Socio-economic indicators (selected)

Population & Population growth 2025	Unemployment 2024	Poverty: Food Poverty Line 2024	GDPR/Economic Growth 2023-2024	Basic Services: Access levels 2024
40 936	9.6%	43.7%	1.3%	Electricity: 95.7%
				Water: 98.9%
Growth 2024-25: 0.8%				Sanitation: 95.8%
				Refuse: 81.5%

Education 2024	Health 2024/25	Crime: Actual Numbers Reported SWELLENDAM 2024	Crime: Per 100 000 Population SW VS OD 2024
Matric pass rate: 95.0%	Immunisation rate: 54.5%	Murders: 18	45 vs 46
	Child malnutrition: 0.0 per 100 000 population	Common assault: 395	973 vs 657
Learner retention Rate (Gr 10 - 12): 69.3%	Teenage pregnancy rate: 15.6%	Drug related crime: 449	1 105 vs 1 481
	Termination of pregnancy rate: 0.6%	Malicious damage to property: 154	380 vs 355

Source: Municipal Economic Review and Outlook (MERO) 2025/26 – Overberg/ Swellendam

- Swellendam reflects a small but growing population, with moderate economic expansion and relatively lower unemployment. However, high levels of food poverty indicate that growth is not broadly inclusive and that many households remain under pressure. Basic service access is strong overall, particularly for electricity, water, and sanitation, although lower refuse removal coverage points to targeted service gaps.

- Education outcomes are strong at matric level, but lower learner retention highlights ongoing socio-economic barriers to progression. Health and social indicators are mixed, with low child malnutrition but concerns around immunisation coverage and teenage pregnancy. Crime trends, particularly assault and drug-related offences, further point to underlying social pressures within the Municipality.
- Overall, the Municipality is positioned on a relatively stable service delivery foundation but continues to face persistent socio-economic and community safety challenges. This requires a coordinated and integrated approach that aligns social development, economic growth, and public safety efforts to improve overall community wellbeing.

3.2.2 Budget alignment to IDP Strategic Objectives

Table 2 Strategic Objectives for the 2026/27 Medium Term Revenue & Expenditure Framework

Strategic Objective	2026/27 Medium Term Revenue & Expenditure Framework OPEX				2026/27 Medium Term Revenue & Expenditure Framework CAPEX			
R thousand	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29	Average Annual Growth	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29	Average Annual Growth
SO1: To enhance access to basic services and address maintenance backlogs	201 697	217 545	238 055	8.6%	52 175	26 454	21 031	-36.5%
SO2: To create a safe and healthy living environment	112 109	117 702	124 054	5.2%	9 256	1 965	620	-74.1%
SO3: To develop integrated and sustainable settlements with the view to correct spatial imbalances	101 014	49 684	16 477	-59.6%	-	50	50	
SO4: To enhance economic development with focus on both first and second economies	7 869	8 591	8 919	6.5%	609	-	-	-100.0%
SO5: To promote good governance and community participation	35 392	36 832	38 810	4.7%	245	140	130	-27.2%
SO6: To create a capacitated, people centred institution	18 478	18 358	19 716	3.3%	-	-	-	
SO7: To improve financial viability and management	43 868	46 145	48 299	4.9%	1 135	630	460	-36.3%
Total Expenditure	**520 427**	**494 856**	**494 331**	**-2.5%**	**63 419**	**29 239**	**22 291**	**-40.7%**

Source: Swellendam Municipality, A-Schedules

- The Municipality maintains its vision of 'A visionary Municipality that strives towards prosperity for all through cooperative participation and high-quality service delivery'. In alignment with this vision, the following strategic objectives as captured in the table above guide municipal investment and service delivery.
- The strategic objectives noted in budget tables SA5 and SA6 for the 2025/26 MTREF are aligned to the strategic goals in the IDP and reflects financial commitments for all seven strategic objectives (SOs). The IDP also states that the Municipality aligns to national and provincial, including the Medium-Term Development Plan 2024 - 2029 and the Provincial Strategic Plan 2025 - 2030.
- There are however discrepancies between the total for operating and capital expenditure for SA5 and SA6, as summarised in the table above, and the total budget figures. This implies misalignment is present and that the reported figures here are not a true reflection of budgeted figures. For the operating budget, the total for the 2026/27 MTREF are R518.556 million, R536.657 million and R564.700 million while the capital expenditure totals are R50.935 million, R42.235 million and R57.773 million across the MTREF.

- These discrepancies indicate inconsistencies between reporting tables within the tabled budget, undermining the credibility and reliability of the information presented. The information needs to be aligned to the main budget totals to enable an accurate assessment of the split between strategic priorities and to support credible planning, decision-making, and performance monitoring.

3.2.3 Budget Responsiveness to Services, Socio-Economic Environment & Growth

<table>
<tr><th>Service area</th><th>Municipal challenges/risks</th><th>Budget responsiveness</th></tr>
<tr><td>Cross cutting challenges</td><td colspan="2">• Technical and financial support needed to update Masterplans.
• Increased operating cost due to vandalism/ theft.
• Poor contract management.
• Limited services maintenance. Insufficient cash available for operations and infrastructure maintenance, as well as internal reserves for capital expansion, increasing backlogs.
• Lack of technical expertise. Limited staff and equipment - partnerships with District, Misa, EPWP, CWP, private partnerships.</td></tr>
<tr><td>Water</td><td>• Inadequate bulk and bulk link infrastructure for new developments in Swellendam.
• Need for additional storage capacity for Swellendam to accommodate growth.
• The Municipality identified ageing infrastructure and inadequate capacity of water networks, non-compliance with water treatment plant permits/authorizations and illegal water connections, as part of its strategic/operational risks, as outlined in the IDP.
• Lack of funding to upgrade and improve water services network.
• Ageing water infrastructure.
• Pipe bursts increasing due to the ageing of water pipelines and insufficient pressure control.
• Community needs identified by the different wards in the IDP includes the upgrading of water work and network, including storage of raw water to increase water capacity, the installation of electronic water meters,
• Water losses/theft.</td><td>• The budget indicates that approximately 5% of households have a water backlog, which, while not very high overall, remains impactful for the affected households. However, discrepancies between the budgeted household figures (A10) and more recent official data, such as Census 2022, suggest that unmet service needs may be understated. If so, this points to the need for further expansion of the water network.
• Ageing infrastructure remains a risk to service reliability, contributing to persistently high water-losses (36.39% in 2024/25) that negatively impacts municipal revenue.
• The Municipality has set its '% unaccounted water' SDBIP target at 25% in an effort to improve on past performance. While this may reflect the Municipality's intent to improve performance, it may not be realistic given existing constraints and historical trends.
• In response to these challenges raised, the Municipality has prioritised water management within its 2026/27 operating budget, allocating R37.576 million (7.2% of the total operating budget), a 13.7% increase from the 2025/26 adjusted budget. Over the MTREF, water management expenditure will fluctuate, reaching R38.750 million in 2028/29, which overall, amounts to average annual growth of 1.6%, under forecasted inflation (as per MFMA Circular 134).
• However, only 3.6% of the water management operating budget is earmarked for repairs and maintenance, raising concerns about the sufficiency of resources for infrastructure upkeep.
• On the capital side, R7.918 million, 15.5% of the total capital budget has been allocated to water infrastructure in 2026/27. The largest part of this allocation is directed toward the Swellendam (Railton): Upgrade of Bakenskop and Railton Pump station, completion of rising main to Railton reservoir (R6.087 million), Swellendam (Railton): Bulk Water Reticulation and Distribution (R573 913) and Swellendam (Railton): Bulk Water Reticulation and Distribution (R438 933).</td></tr>
</table>

Service area	Municipal challenges/risks	Budget responsiveness
Water	• Lack of funds to upgrade water and sewerage plants - due to inflow of people, placing additional pressure on networks, ageing infrastructure, increase in demand.	• The capital allocations directly respond to several of the identified challenges by strengthening bulk and bulk link infrastructure in Swellendam. The upgrade of the Bakenskop and Railton pump station, together with the completion of the rising main to the Railton reservoir, improves system capacity, thereby addressing issues such as pipe bursts, ageing infrastructure, and insufficient network capacity. • The bulk reticulation and distribution upgrades further support network expansion to accommodate growth and reduce service constraints in developing areas. While these investments contribute meaningfully to improving resilience, efficiency, and service continuity, broader challenges such as water losses, illegal connections, and funding constraints for wider system upgrades remain only partially addressed. • The outer year allocation in 2028/29 increases substantially to R21.178 million, in large part allocated to the Buffelsjag WTW, the Suurbraak development, and further investment into the Swellendam (Railton): Upgrade of Bakenskop and Railton Pump station, completion rising main to Railton reservoir.
Electricity	• Electricity losses/theft. • Future development and growth in Swellendam depends on reliable energy, as electricity is the Municipality's main revenue source and key to its financial sustainability. • The Municipality identified illegal electrical connections, as part of its strategic risks, as outlined in the IDP. • In Swellendam, current/ projected growth placing strain on current electricity supply capacity provided by Eskom – considerable upgrades of Eskom supply points and bulk electrical infrastructure needed. Also, unsafe switchgear and old low and high voltage lines. • In Barrydale, electrical distribution infrastructure needs upgrading. • In Suurbraak, electrical distribution network capacity not sufficient for any further development in the area; distribution network needs upgrade.	• In the 2026/27 financial year, the Municipality has allocated R5.096 million (10.0% of total capital expenditure) towards capital investment in electricity infrastructure. • The largest electricity investment for 2026/27 is R3.913 million towards the Swellendam Railton (950 erven) - Elec Infrastructure. This relatively low level of electricity capital expenditure is concerning in the context of ongoing pressures on the system. In Swellendam, current and projected growth is placing increasing strain on Eskom's existing supply capacity, with significant upgrades required to supply points and bulk electrical infrastructure, as well as broader improvements needed to the electrical distribution network. If not addressed, these constraints could risk curtailing future development and broader economic expansion in the area. • An amount of R180 000 has been allocated for street lighting in the Swellendam area, which aligns with needs identified by wards in the IDP. • On the operating side, bulk electricity purchases constitute a substantial portion of expenditure, with an allocation of approximately R146.468 million in 2026/27. This marks a continued upward trend from R79.694 million in 2022/23, driven primarily by rising Eskom tariffs. • In response to Eskom's bulk tariff increase of 9.1%, the Municipality has proposed a 9.22% increase in consumer electricity tariffs for 2026/27, subject to NERSA's approval. This above-inflation adjustment is necessary to recover the escalating cost of service delivery but will place additional strain on household budgets. • To mitigate the impact on vulnerable households, the Municipality plans to provide 50kWh of free basic electricity monthly to approximately 2 800 (draft SDBIP) qualifying indigent households. However, a discrepancy exists between the number of indigent households reflected in the draft SDBIP and budget (A10). Alignment between these planning documents must be ensured.

Service area	Municipal challenges/risks	Budget responsiveness
Electricity	• Inspections and first line maintenance of the old HV switchgear. • Monitoring and reporting of electrical losses a challenge. • Load shedding. • Community needs identified by the different wards in the IDP includes streetlighting and high mast lighting.	• The management and containment of electricity losses remains an ongoing operational challenge. Reported unaccounted for electricity increased slightly 9.08% in 2023/24 to 9.38% in 2024/25, highlighting the need for continued attention to network efficiency and loss management. However, the Municipality has set its '% unaccounted electricity' SDBIP target at 12%, which is above its historical performance benchmark. It is recommended that the target be revised downward and supported by loss-reduction interventions to curb the continued escalation of losses.
Wastewater/Sanitation	• Lack of funds to upgrade water and sewerage plants - due to inflow of people, placing additional pressure on networks, ageing infrastructure, increase in demand. • The existing sewerage works for Swellendam is reaching/ progressing to exceeding capacity and upgrade of the sewerage disposal capacity is very high priority. • The sewerage reticulation system for the Swellendam town is also old and pipe network needs upgrading and replacement to provide sufficient level of service for new developments. • The Municipality identified ageing infrastructure and inadequate capacity of wastewater networks, pollution caused by industrial effluent discharge, non-compliance with wastewater treatment plant permits/authorizations, illegal wastewater connections as part of its strategic/ operational risks, as outlined in the IDP.	• In the 2026/27 financial year, 8.0% of the operating budget is allocated to wastewater management, reflecting a 7.2% increase from the 2025/26 adjusted budget. Over MTREF, this allocation is projected to grow at an average annual rate of 4.9%, exceeding inflation and enabling potential improvements in service delivery. This above-inflationary growth presents an opportunity to increase expenditure on repairs and maintenance, which currently comprises 4.5% of the wastewater management operating budget. This is key to ensure the sustainability and reliability of wastewater services, mitigate infrastructure deterioration and environmental risks, and support improved service delivery outcomes over the medium term. • A capital allocation of R11.906 million (23.4% of the capital budget) has been made for wastewater infrastructure for 2026/27, in main for the upgrade of the Barrydale (Smitsville) WWTW (R10.281 million, increasing to R15.170 million in 2027/28). The Suurbraak development also receives an allocation of R9.767 million in 2028/29 for sewer services. • Although capital allocations are substantial (particularly given municipal resources), the upward trajectory over the MTREF indicates a measured commitment to addressing mounting infrastructure demands. The upgrade of the Barrydale (Smitsville) WWTW addresses ageing infrastructure, capacity limitations and helping to reduce system overloading. It also supports increasing demand resulting from population growth. Similarly, the planned investment in sewer services for Suurbraak responds directly to household sanitation needs. • Overall, these investments focus on strengthening wastewater infrastructure and support sustainable settlement growth. While the current spending profile is responsive to the most urgent infrastructure needs, it is not sufficient to address all challenges simultaneously and fully deal with backlogs, highlighting the importance of continued and expanded investment.

<table>
<tr><th>Service area</th><th>Municipal challenges/risks</th><th>Budget responsiveness</th></tr>
<tr><td>Waste/Refuse</td><td>The Municipality identified the limited lifecycle/lifespan of waste disposal facility (Bontebok) as part of its strategic risks, as outlined in the IDP. New avenues for waste disposal must be explored.
The closure of the landfill site will have significant financial implications, with refuse needing to be transported to Karwyderskraal. This is likely to result in very high tariff increases.
Illegal dumping.
Finalising an Integrated Waste Management Plan (will be complete in 2025/26).
Illegal waste picking and infrastructure vandalism.
Waste facility licenses.
External audits needed where funding allows.</td><td>An allocation of R35.080 million, representing 6.8% of the 2026/27 operating budget has been set aside to support refuse collection services across the municipal area. This reflects a notable 7.2% increase compared to the 2025/26 adjusted budget, with a further average annual growth of 3.4% projected over the MTREF.
The Municipality's commitment to sustaining service delivery is reflected in these above-inflationary increases, in the context of rising fuel costs and ongoing operational challenges.
Illegal dumping places additional strain on the waste services, increasing costs through the need for extra clean-up campaigns and unplanned interventions.
The 2026/27 capital allocation of R5.215 million has been mainly allocated towards a refuse compactor (R3.600 million), the installation and repositioning of a fence at the Bontebok landfill (R900 000) and R560 000 towards the Suurbraak landfill facilities (detail not specified). In addition, R80 000 has been allocated to recycling drop off containers and R75 000 for AHP (Absorbent Hygiene Product) disposal bins, as the Municipality moves more towards recycling, composting and even exploring waste to energy opportunities.
To extend the lifespan of the current Bontebok landfill (currently most cost-effective waste solution), the Municipality will need to implement the types of initiatives outlined in the 2024–2029 IWMP. These include a shift away from the traditional "bury and forget" approach towards a circular economy model, beginning with organic waste diversion and resource recovery.
The limited lifecycle of the waste disposal facility and the possible impacts alternative more costly options, must be factored into planning and budgeting, to avoid sudden steep increases.</td></tr>
<tr><td>Economic infrastructure/Investment</td><td>Roads and Stormwater maintenance, upgrades, and reseal costs by far exceed available budget provision.
Lack of funding -roads and stormwater; and investigation of alternative funding solutions.
Deterioration of roads infrastructure – needs continuous reseal and rehabilitation to minimise backlogs.
Abnormal vehicle weight in the industrial area of Swellendam (specific funding submissions to be drafted).
Speed calming devices asked from wards to ensure safety of residents.</td><td>The Municipality's capital budget for the 2026/27 financial year is set at R50.935 million, with 59.2% of the budget allocated towards trading services as discussed above. Other capital infrastructure investments are concentrated in economic infrastructure and community amenities in alignment with Integrated Development Plan (IDP) priorities and community needs.
Roads and Stormwater
The roads infrastructure receives an allocation of R4.443 million for the 2026/27 financial year, on the back of a larger (R12.797 million) allocation in the current (2025/26) financial year.
The largest capital expenditure for roads in 2026/27 is towards a grader for gravel roads (R2.500 million); infrastructure allocations are R1.600 million for the Russel link reconstruction and R293 000 towards roads in Railton. The housing allocations increase again in the outer MTREF years to R8.800 million (for Suurbraak roads, R4.500 million; the Glen Barry road reconstruction, R3.250 million and R1.000 million for the access road gravel for industrial erven) and R11.817 million (mainly for roads in Suurbraak – R9.767 million) respectively.
These are supported by an operating budget allocation of R48.937 million in 2026/27; and R47.819 million and R49.901 million in the outer MTREF years respectively.</td></tr>
</table>

Service area	Municipal challenges/risks	Budget responsiveness
Economic infrastructure/Investment	• Illegal dumping in stormwater systems. • Implementation of Storm Water Master Plan recommendations. • Vandalism of structures (stormwater) and manhole cover theft. • Need for Risk Management Plan (stormwater) for the Korrnlands, Huis and Buffeljags Rivers.	• The 2026/27 roads allocation of R4.443 million, following a higher allocation in 2025/26, reflects the constraints of a tight fiscal environment and the need to balance competing service delivery priorities. Planned investments, such as the procurement of a grader for gravel roads and targeted upgrades, will help sustain core operations and address immediate needs. However, given the extent of the existing maintenance and resealing backlog, these allocations are not likely to significantly reverse the ongoing deterioration of the road network. • Pressure on roads infrastructure is further compounded by factors such as heavy vehicle usage in industrial areas, which accelerates wear and increases maintenance requirements, as well as community demand for traffic calming measures to improve safety. While outer-year allocations show some scaling up of investment, particularly in areas like Suurbraak, the overall funding trajectory remains modest relative to the scale of infrastructure needs. This underscores the challenge of maintaining service standards while gradually addressing long-standing backlogs within limited means. • Stormwater infrastructure faces similar constraints, with funding limitations affecting the pace of maintenance, upgrades, and implementation of the Storm Water Master Plan. Ongoing issues such as illegal dumping, vandalism, and theft of infrastructure components continue to place additional strain on resources, while the absence of a comprehensive risk management plan for key river systems adds to long-term vulnerability. In this context, the Municipality's approach reflects a measured and incremental response, with continued emphasis needed on preventative maintenance, improved asset management, and exploring alternative funding opportunities. **Municipal Job Creation - EPWP** • To support job creation through the Expanded Public Works Programme (EPWP), the Municipality has set a target of 135 temporary jobs for the financial year. This intervention plays an important role in providing short-term employment opportunities, particularly for low-skilled and vulnerable individuals, thereby contributing to poverty alleviation, income support, and skills development. In addition, it helps stimulate local economic activity through wage spending in the local economy, offering a modest but meaningful contribution to reducing unemployment pressures at community level.

<table>
<tr><th>Service area</th><th>Municipal challenges/risks</th><th>Budget responsiveness</th></tr>
<tr><td>Social infrastructure/Investment</td><td>Informal settlement growth, with social tensions, crime and vandalism.
Challenge with funding for bulk infrastructure services for housing.
Increase in the erection of illegal dwellings.
Need for Gap Housing for middle income residents.
Vandalism of sports related infrastructure.
Upgrades and upkeep needed for sport facilities e.g. building repairs/ upgrades, lighting for playing fields, paving etc.
Community needs also include upgrades and the need for additional sports and recreational facilities.</td><td>Housing
Human settlements/housing presents critical challenges as highlighted, with the figure in the IDP indicating a current housing backlog of 2 250 (Draft IDP 2026/27).
A total of R2.905 million is allocated to housing expenditure (capital) in the 2026/27 financial year – R1.263 million for the provision of precast toilets and R1.642 million for a security fence at Swellendam informal settlement, while the operating budget for housing totals R6.487 million.
While the budget provides some support for ongoing housing-related functions, the limited investment suggests that progress in delivering opportunities will remain gradual. This underscores the Municipality's reliance on external funding sources and intergovernmental support to meaningfully address housing demand. In the interim, the emphasis on basic services and incremental improvements plays an important role in maintaining living conditions, even as broader structural housing challenges persist.
Stadiums, Sport Facilities, Recreational Facilities & Rebuild of Thusong Centre
As part of the R2.907 million capital allocation towards sport and recreation, the upgrade of the Suurbraak Sports Facility is the single largest investment, receiving an allocation for R1.992 million for the 2026/27 financial year.
Other smaller sports investments include the new grandstand seating for the Buffeljagsrivier Sport Facility (R570 435).
Another large allocation is for the rebuild of the Thusong Centre (municipal offices) to the value of R7.671 million) that was damaged by a fire approximately three years back.
The 2026/27 allocation towards sport and recreation, primarily directed to the upgrade of the Suurbraak Sports Facility, reflects a focused effort to improve key community assets within limited means. Smaller investments, such as grandstand seating at the Buffeljagsrivier Sport Facility, further support the functionality of existing infrastructure. However, ongoing challenges such as vandalism and general wear and tear continue to place pressure on maintenance resources and affect the longevity of investments.
While these upgrades address some of the identified needs, the overall level of funding remains modest relative to broader demand, with vandalism further straining limited resources by diverting funds from new and planned improvements. This reinforces the need for stronger asset protection measures alongside more sustained, long-term investment planning.</td></tr>
</table>

Service area	Municipal challenges/risks	Budget responsiveness
Conclusionary remarks – Budget Responsiveness	• The 2026/27 budget demonstrates a responsive approach to the challenges, with spending directed towards sustaining essential services and addressing the most urgent infrastructure risks. Given a constrained fiscal environment, the Municipality prioritises maintaining service continuity, while incrementally responding to pressures arising from population growth, ageing infrastructure, and socio-economic vulnerability. The overall spending pattern reflects a focus on stabilisation, risk mitigation, and targeted upgrades. • Water and wastewater investments focus on upgrading ageing networks, improving bulk capacity, and addressing system failures linked to pipe bursts, overloading, and service expansion pressures. Electricity spending responds to both infrastructure constraints and community needs for safety and access, including streetlighting and upgrades in growth areas, while also addressing affordability through indigent support. Waste management allocations respond to landfill constraints and recycling needs, while also attempting to extend the lifespan of existing facilities. • In the roads and stormwater sector, the budget response is incremental, with spending focused on critical repairs and selected upgrades. Stormwater-related challenges such as flooding risks, vandalism, and illegal dumping are acknowledged, but funding limitations mean that implementation of the Storm Water Master Plan and broader risk mitigation measures remains partial. • Social infrastructure spending around housing, safety and access to facilities remains limited relative to demand. Investments in sports facilities and community infrastructure respond to identified needs, although vandalism and limited maintenance capacity reduce their long-term impact and absorb additional resources that could otherwise support expansion. • The budget demonstrates responsiveness through targeted interventions that address the most immediate service delivery challenges. However, this is shaped by fiscal constraints, resulting in prioritisation rather than resolution. The approach therefore balances maintaining existing infrastructure, addressing critical risks, and providing basic improvements, while relying on incremental investment and external funding to gradually close service gaps over time.	

3.3 Revenue and Expenditure Analysis and Risks

3.3.1 Budget Overview

Table 3 Budget overview for the 2026/27 MTREF Budget

Swellendam	CURRENT YEAR								
Description	2025/26	2025/26	2025/26	2026/27	2026/27	2027/28	2027/28	2028/29	2028/29
R thousand	Original Budget	Adjusted Budget	Treasury Calculation	Budget Year +0	Treasury Calculation	Budget Year +1	Treasury Calculation	Budget Year +2	Treasury Calculation
Total Operating Revenue (excluding capital transfers and contributions)	541 946	560 588	**560 588**	**473 739**	**473 739**	**494 910**	**494 910**	**523 738**	**523 738**
Total Operating Expenditure	564 230	591 962	**562 016**	**518 556**	**487 560**	**536 657**	**504 175**	**564 700**	**530 337**
Surplus/(Deficit)	**(22 284)**	**(31 374)**	**(1 428)**	**(44 817)**	**(13 821)**	**(41 747)**	**(9 265)**	**(40 962)**	**(6 599)**
<u>Non Cash Items</u>									
Depreciation & asset impairment	21 527	36 790	36 790	**38 600**	38 600	**40 491**	40 491	**42 474**	42 474
A4: Total Operating Budget Restated Result	**(756)**	**5 416**	**35 362**	**(6 216)**	**24 779**	**(1 256)**	**31 226**	**1 512**	**35 876**
A5: Total Capital Expenditure	**102 616**	**102 887**	**107 828**	**50 935**	**50 935**	**42 235**	**42 235**	**57 773**	**57 773**
Funded by:									
Transfers recognised - capital	65 057	68 179	73 120	**24 515**	24 515	**30 149**	30 149	**48 014**	48 014
Borrowing	6 050	9 059	**9 059**	**6 100**	**6 100**	**–**	**–**	**–**	**–**
Internally generated funds	31 509	25 649	**25 649**	**20 320**	**20 320**	**12 086**	**12 086**	**9 759**	**9 759**
A7 - Cash/cash equivalents at the year end:	**103 657**	**150 036**	**204 419**	**127 268**	**209 085**	**111 916**	**241 800**	**105 008**	**282 342**
A8 - Surplus / (shortfall) after application of cash and investments	**54 976**	**80 551**	**103 788**	**73 698**	**112 711**	**65 296**	**158 384**	**59 892**	**181 983**
BUDGET FUNDING POSITION	**FUNDED**								

Source: A1 schedules, NT funding tool, TABB data strings

- The Municipality is projecting **operating deficits** over the 2026/27 MTREF. Budgeting for an operating deficit means that the Municipality is planning to **spend more on its day-to-day operations than it expects to earn** during the 2026/27 MTREF. This was also raised in the 2025/26 budget assessment and indicates a persistent and unresolved financial imbalance. Deficits are usually funded by using cash reserves; delaying payments to creditors or increasing borrowing, which is risky for operational costs. The Municipality must indicate whether there are uncommitted cash-back accumulated funds from previous year's surplus to fund the deficits.
- According to Treasury calculation on table A8 the Municipality tabled a **funded budget** over the 2026/27 MTREF. This suggests that the Municipality projects a balanced financial position for the upcoming years to meet its expenditure needs with available resources. However, the Municipality placed a **disclaimer** in the budget document regarding system related errors in the A-schedules and data strings submitted.
- It should be noted that the Municipality will not be allowed to table an unfunded budget in future therefore enforcement of compliance with Section 18 of the MFMA promotes prudent financial management by ensuring that municipalities adopt fully funded budgets, which in turn requires effective revenue collection and the timely settlement of obligations for services rendered.
- The budget outcomes over the 2026/27 to 2028/29 MTREF period indicate that the Municipality has adequate funding, in line with Sections 18 and 19 of the MFMA, which require that operating expenditure does not exceed operating revenue. These surpluses suggest that the Municipality has accumulated funds from prior years' positive financial performance. Furthermore, the National Treasury funding compliance tool reflects favourable outcomes of R112.71 million in 2026/27, R158.38 million in 2027/28, and R181.98 million in 2028/29, reinforcing the Municipality's overall funding adequacy position.
- A positive cash position and cash flows display that obligations will be met as and when they are due, confirmed by the assessment of the cash balances on Table A8 Cash backed reserves/accumulated surplus reconciliation, Municipal and National Treasury Funding Tool determined a favourable outcome.
- The Municipality's projected current ratios are 1.93:1 in 2026/27, 1.76:1 in 2027/28, and 1.65:1 in 2028/29. In comparison, the funding tool reflects an upward trend, with ratios of 2.85:1 in 2026/27, 3.18:1 in 2027/28, and 3.57:1 in 2028/29. Overall, the Municipality's ratios fall within, and the funding tool ratios exceed, the National Treasury recommended benchmark of 1.5 – 2:1. This indicates that the Municipality is in a sound position to meet its short-term obligations.
- The Municipality's liquidity ratios are projected at 1.23:1 in 2026/27, declining to 1.04:1 in 2027/28 and further to 0.93:1 in 2028/29. In contrast, the National Treasury funding tool reflects stronger liquidity positions, with ratios of 2.22:1, 2.56:1, and 2.95:1 over the same period. The Municipality's declining liquidity trajectory is a concern, as the ratio approaches the minimum acceptable level in 2027/28 and falls below 1:1 in 2028/29. This suggests that the Municipality may face increasing difficulty in meeting its short-term obligations as they become due, particularly from 2027/28.
- Reported cash coverage ratios are 3.19 months in 2026/27, 2.75 months in 2027/28 and 2.29 months in 2028/29, compared to the National Treasury funding tool outcomes reported ratios of 4.90 months in 2026/27, 5.55 months in 2027/28 and 6.22 in 2028/29 over the MTREF period. Overall, declining cash coverage ratios signal growing liquidity pressure and highlight the need for improved cash management, stronger revenue collection, and tighter expenditure controls to maintain financial sustainability.
- As at end February 2026 the Municipality reported a **collection rate** of 93.4 per cent which is below the 95 per cent norm. Outstanding debtors over 90 days amount to R27.30 million or 48 per cent of total outstanding debtors, with 68 per cent of these debtors outstanding for over 1 year. The Municipality must conduct a **comprehensive debtor age analysis** to distinguish between recoverable and non-recoverable debt, continue to enhance and improve revenue collection by making use of the available

revenue tools developed by National Treasury. Supposedly by making use of the available tools and smart metering systems, municipalities will be in a better position to prepare cost-reflective tariffs and credible funded budgets, budgets that align with actual revenues and expenditures.

- The capital expenditure budget over the 2026/27 MTREF indicates that the Municipality will be reliant on government grant, internally generated funds and borrowings to fund the budget. This highlights a mixed funding model; however, the risk lies in **over-reliance and sustainability**, especially given the liquidity constraints that were mentioned in the budget documents and the projected operating deficits over the MTREF. The Municipality is encouraged to ensure that financial resources are allocated efficiently to sustain a positive financial position.

3.4 Trading Services

- This assessment provides a Provincial Treasury cost-reflective tariff analysis of Swellendam Municipality's proposed tariffs for the 2026/27 MTREF, aligned to the principles set out in the Municipal Finance Management Act (MFMA), MFMA Circular 132 and National Treasury guidelines on tariff setting, financial sustainability and affordability.
- Provincial Treasury acknowledges Swellendam Municipality's commitment to tariff fairness under difficult economic conditions and its intention to reform tariff structures. However, the current tariff framework remains only partially cost-reflective across most trading services and continues to rely on cross-subsidisation, which may become unsustainable over the medium term.
- Swellendam Municipality must continue targeted tariff reform to ensure long-term financial sustainability and infrastructure resilience.

3.4.1 Outcomes Of The Cost Reflective Tool

Table 4 Outcome of the Cost-Reflective Tool

Tariff Assessments for the MTREF Period								
Financial Year	Period	Item	Water	Waste Water	Electricity	Solid Waste	Total Surplus/Deficit	
2026/27 Tabled Budget	Year1	Revenue Required by NT Tariff Tool	29 189 939	22 364 413	161 774 619	23 789 297	237 118 268	Year 1
		Revenue Budgeted	30 831 134	26 000 979	166 456 615	19 538 089	242 826 817	
		Shortfall/Excess	1 641 195	3 636 566	4 681 996	- 4 251 208	5 708 549	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Cost Reflective	Not Cost Reflective	Cost Reflective	
2026/27 Indicative Tabled Budget 2027/28	Year2	Revenue Required by NT Tariff Tool	30 458 369	22 331 851	174 003 990	24 203 202	250 997 412	Year 2
		Revenue Budgeted	33 513 313	27 613 038	181 776 919	20 808 065	263 711 335	
		Surplus /Deficit	3 054 944	5 281 187	7 772 929	- 3 395 137	12 713 923	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Cost Reflective	Not Cost Reflective	Cost Reflective	
2026/27 Indicative Tabled Budget 2028/29	Year3	Revenue Required by NT Tariff Tool	30 695 568	23 795 140	192 571 336	24 580 792	271 642 836	Year 3
		Revenue Budgeted	35 691 581	29 269 820	198 508 948	22 056 549	285 526 898	
		Surplus /Deficit	4 996 013	5 474 680	5 937 612	- 2 524 243	13 884 062	
Assessment Outcome per Service			Cost Reflective	Cost Reflective	Cost Reflective	Not Cost Reflective	Cost Reflective	

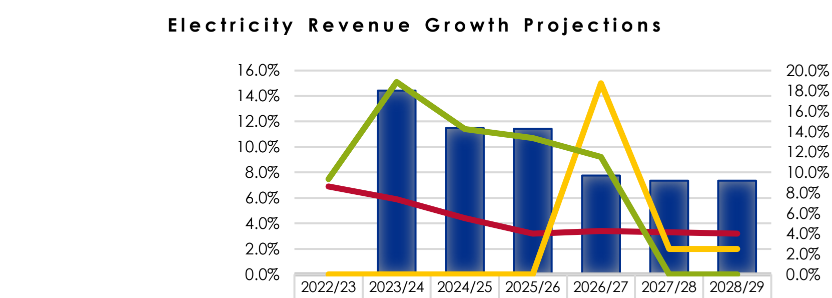
Source: Source Swellendam Municipality budget documents 2026

- Aggregate results indicate a broadly cost-reflective position over the 2026/27 MTREF, with an improving consolidated surplus. Service-level analysis indicates improving water and wastewater positions, fluctuating electricity surpluses and structurally under-recovering refuse services. As per the outcome, the surplus increases from R5.708 million to R13.884 million for the 2025/27 and 2028/29 financial years respectively.
- Specific observations:
  - The surplus quantum for water as well as wastewater services increase steadily over the 2026/27 MTREF. For water the surplus increases from R1.641 million in 2026/27 to R4.996 million for the 2028/29 financial year.
  - The electricity service surplus is R4.681 million in 2026/27; increasing to R7.772 million in 2027/28 and decreasing to R5.937 million in 2028/29.
- The refuse/solid waste reflects the outcome as not cost reflective, manifesting a deficit of R4.251 million in 2026/27, R3.395 million in 2027/28 and R2.524 million in 2028/29.

3.4.2 Energy Services

3.4.2.1 Energy Services Credibility and Sustainability

Diagram 1 Energy trading service trends



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Service Charges: Electricity Growth %		18.0%	14.4%	14.3%	9.7%	9.2%	9.2%
Inflation NT Circular	6.9%	5.9%	4.4%	3.2%	3.4%	3.3%	3.2%
Service Charges: Electricity Consumption Growth SA9	0.0%	0.0%	0.0%	0.0%	15.0%	2.0%	2.0%
Service Charges: Electricity Tariff Increase Tariff List	7.47%	15.10%	11.40%	10.70%	9.22%	0.00%	0.00%

Cost Recovery	Direct and Indirect	2026/27	2027/28	2028/29
	Revenue Required	R161 774 619	R174 003 990	R192 571 336
	Revenue	R166 456 615	R181 776 919	R198 508 948
	Surplus/Deficit	R4 681 996	R7 772 929	R5 937 612

Source: A1 schedules

2025/26 Tariffs	Basic Charge	Basic Charge (WC Avg)	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	R1 085.18	R1 225.85	9.22%	9.74%
Households	R590.72	R475.99	9.22%	9.74%

Source: Municipal Budget Assumptions

Basic Service Delivery	Number of Households (LGES)	Operational Cost of Electricity Services (R'000)		
		2026/27	2027/28	2028/29
Indigent (A10,SA1)	0	R3 194	R3 488	R3 810
Indigent (LGES)	13 122	R11 543	R12 215	R12 386

Source: A1 schedules

Source: NT GoMun 2026/27 Draft Budget

- **Electricity charges**, including availability charges, constitute 35 per cent of total operating revenue budget, which indicates a significant reliance on electricity as a primary revenue source. The Municipality has proposed a tariff increase of 9.22 per cent, aligned with the NERSA-approved bulk electricity purchase increase, demonstrating consideration of external cost drivers and consumer affordability.
- The Municipality has indicated in the budget documentation that it intends to introduce a revised tariff structure aligned with the cost of supply. It is noted that the Municipality is experiencing a **gradual decline in electricity revenue**, and the proposed tariff restructuring is aimed at mitigating this trend. The implementation of the new tariff structure is planned to be phased in over a five-year period. The Municipality should provide a detailed and transparent explanation of the factors contributing to the decline in electricity revenue and should communicate this information to the community in an accessible and understandable manner, clearly linking these challenges to the need for the proposed tariff restructuring. This will enhance transparency, improve public understanding, and support informed stakeholder engagement during the implementation process.

- The Municipality recorded **electricity distribution losses** of 9.38 per cent during 2024/25 which is within the norm. Tampered meters and illegal connections are part of the challenges facing the Municipality as per 2024/25 audited AFS. However, the Municipality indicates that it takes regular actions against defaulters and faulty meters are replaced as soon as they are reported. The Municipality is commended for efforts made to manage electricity losses and is encouraged to continue ensuring the efficient and sustainable use of electricity resources for managing technical and non-technical losses.

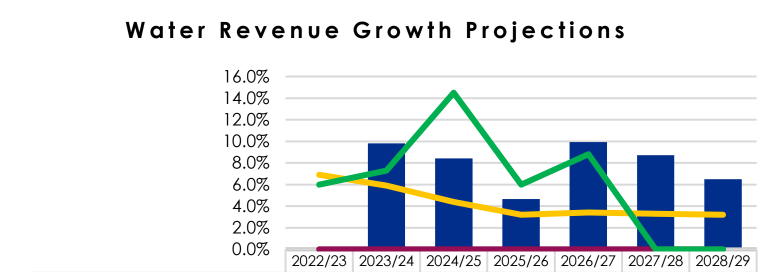
3.4.2.2 Energy Tariff Analysis

- Council approved an average electricity tariff increase of 9.22 per cent for 2026/27, broadly aligned with Eskom's approved municipal bulk increase of 9.01 per cent. It is noted that the approved increase is broadly aligned with bulk electricity cost pressures; and it represents the Municipality's shift towards improved cost-recovery relative to prior years.
- Despite this alignment, electricity tariffs remain under structural pressure due to long-standing reliance on volumetric consumption charges and relatively low fixed charges. Provincial Treasury highlights the need to strengthen fixed charges and recover full network, depreciation and lifecycle costs (including solar PV infrastructure). The implementation of the cost-of-supply study over the 2026/27 MTREF is supported.
- As manifested in the aforementioned NT Tariff Cost Reflective Tool, a sustainability risk is identified regarding the declining electricity sales volumes (revenue) and related surplus erosion. The current national electricity market reform and customer mobility may also contribute to the surplus erosion; and thereby limiting the Municipality's ability to cross-subsidise other services (in particular solid waste/refuse management).
- The Municipality's intention to phase in a new cost-of-supply based tariff structure over five years is noted as a positive reform trajectory. Successful implementation will require:
  - Gradual strengthening of fixed and capacity-related charges.
  - Protecting indigent households through targeted Free Basic Electricity, rather than reliance on broad cross-subsidisation practices.
  - Incorporating more strategically asset depreciation, refurbishment and future network investment into electricity tariffs.
- **Policy Implications: Electricity Regulation Reform**
- National electricity sector reforms will increasingly (i) limit scope for undocumented cross-subsidisation; (ii) enable customer mobility, including alternative suppliers and off-grid solutions and (iii) increase price and cost transparency.
- This reform will introduce greater competition and customer mobility. Over time, large consumers may exit municipal supply if tariffs are not competitive. This places electricity cross-subsidies under pressure and reinforces the need to diversify revenue sources and strengthen direct cost recovery across all services.
- Increased market transparency will limit the ability for municipalities to cross-subsidise between customer categories without clear justification. Factors such as increased competition and customer choice, large customers seeking alternative electricity suppliers, may reduce municipal revenue if tariffs are not competitive.

3.4.3 Water Services

3.4.3.1 Water Services Credibility and Sustainability

Diagram 2 Water trading service trends



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Service Charges: Water Growth %		9.8%	8.4%	4.6%	9.9%	8.7%	6.5%
Inflation NT Circular	6.9%	5.9%	4.4%	3.2%	3.4%	3.3%	3.2%
Service Charges: Water Consumption Growth SA9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service Charges: Water Tariff Tariff List	6.00%	7.30%	14.50%	6.00%	8.80%	0.00%	0.00%

Cost Recovery	Direct and Indirect	2026/27	2027/28	2028/29
	Revenue Required	R29 189 939	R30 458 369	R30 695 568
	Revenue	R30 831 134	R33 513 313	R35 691 581
	Surplus/Deficit	R1 641 195	R3 054 944	R4 996 013

Source: A1 schedules

2025/26 Tariffs	Basic Charge	Basic Charge (Avg)	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	R288.93	R289.86	8.8%	6.1%
Households	R161.66	R170.62	8.8%	6.1%

Source: Municipal Budget Assumptions

Basic Service Delivery	Number of Households (LGES)	Operational Cost of Water Services (R'000)		
		2026/27	2027/28	2028/29
Indigent (A10,SA1)	-	R6 778	R7 367	R7 846
Indigent (LGES)	13 122	R16 627	R17 594	R17 841

Source: A1 schedules

Source: NT GoMun 2026/27 Draft Budget

- **Service charges - water** inclusive of availability charges constitute 7 per cent of the total operating revenue budget. The Municipality is budgeting for a tariff increase of 8.8 per cent on average based on block in 2026/27 budget year, which is above the inflation the reasons for above CPI inflation target. The Municipality did not complete the Consumer Consumption information in supporting Table SA9. This omission limits the ability to adequately assess the underlying factors that informed the proposed tariff increases, including consumption trends and demand patterns. The absence of this data limits transparency and makes it difficult to evaluate whether the tariff adjustments are based on realistic consumption trends or sound financial assumptions.
- **Water losses** increased to 36.4 per cent in the 2024/25 audited Annual Financial Statements, when compared to 29.1 per cent reported in the 2023/24 audit year. This trend is concerning, as the current level exceeds the acceptable norm of 15 to 30 per cent, indicating potential inefficiencies and losses within the water distribution system.
- These losses are primarily due to inter alia, leakages, the tampering of meters, the incorrect ratios used on bulk meters, faulty meters and illegal water connections. The problem with tampered meters and illegal connections is an ongoing process, with regular action being taken against defaulters. The Municipality further indicated that faulty meters and leakages are replaced/repaired as soon as they are reported. However, despite these interventions, water losses continued to increase, indicating that the current control measures are not effective sufficiently to curb the rising trend. The Municipality should strengthen its water loss reduction strategy by implementing a comprehensive action plan with clear targets, improving leak detection and meter management, and enhancing controls over illegal connections to reduce losses to within acceptable norms.
- Operational cost of water services in the above table depicts that the Municipality can provide services when comparing the cost of providing the free basic service to indigents against the equitable share portion for water.

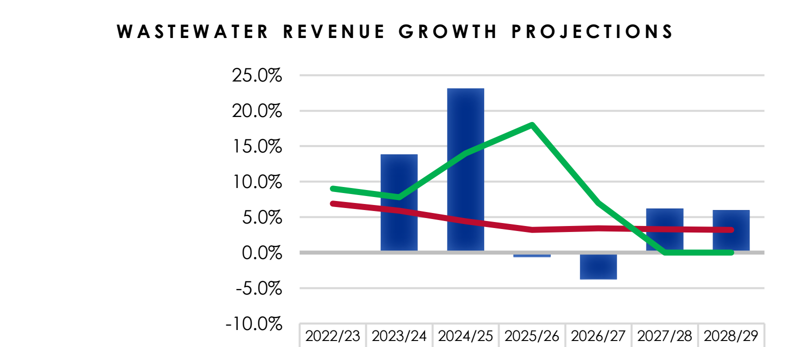
3.4.3.2 Water Tariff Analysis

- The Municipality proposes an average water tariff increase of approximately 8.8 per cent, with stepped block increases ranging roughly between 8.65 per cent and 9.2 per cent. While the increase is material, Provincial Treasury notes that the bulk water cost escalation (10 per cent increase by the Overberg Water Board), energy costs, treatment and distribution pressures may exceed the approved tariff growth. Proposed water tariff increases are below bulk water cost increases, creating a risk of structural under-recovery.
- The tariff structure continues to place pressure on upper consumption blocks to subsidise basic consumption.
- Future tariffs must anticipate increased costs linked to new water treatment capacity. The Municipality is upgrading the main water treatment works to accommodate future demands by 2035. The Municipality also aims to prioritise non-revenue water reduction through meter replacement, leak detection and pressure management. Deferred recovery increases the risk of infrastructure underinvestment and future tariff shocks.
- **Water Sector Reform: National Water Amendment Bill**
- The National Water Amendment Bill and the related reforms place emphasis on the following aspects. These include (i) cost recovery, (ii) efficient pricing signals and (iii) demand management and water security. Going forward, municipalities will face:
  - Tighter compliance monitoring;
  - Higher expectations around asset funding and water loss reduction; and
  - Reduced tolerance for tariff-driven operating subsidies.
- Key municipal focus areas should include water security and demand management, incentivising efficient water use through pricing mechanisms; as well as addressing non-revenue water and infrastructure losses.

3.4.4 Wastewater Services

3.4.4.1 Wastewater Services Credibility and Sustainability

Diagram 3 Wastewater trading service trends



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Service Charges: Wastewater Growth %		13.8%	23.1%	-0.6%	-3.8%	6.2%	6.0%
Inflation NT Circular	6.9%	5.9%	4.4%	3.2%	3.4%	3.3%	3.2%
Service Charges: Wastewater Tariff Tariff List	9.00%	7.80%	14.00%	18.00%	7.00%	0.00%	0.00%

Cost Recovery	Direct and Indirect	2026/27	2027/28	2028/29
	Revenue Required	R22 364 413	R22 331 851	R23 795 140
	Revenue	R26 000 979	R27 613 038	R29 269 820
	Surplus/Deficit	R3 636 566	R5 281 187	R5 474 680

Source: A1 schedules

2025/26 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	Yes	7.0%	6.2%
Households		7.0%	6.2%

Source: Municipal Budget Assumptions

Basic Service Delivery	Number of Households (LGES)	Operational Cost of Wastewater Services (R'000)		
		2026/27	2027/28	2028/29
Indigent (A10,SA1)	-	R12 113	R12 864	R13 636
Indigent (LGES)	13 122	R9 943	R10 522	R10 669

Source: A1 schedules

Source: NT GoMun 2026/27 Draft Budget

- Service charge revenue from **wastewater** is projected to decrease by 4 per cent in the 2026/27 budget year when compared to 2025/26 adjustment budget. The budget document did not indicate the underlying reasons for the decrease. The Municipality should analyse the factors driving the projected decline in wastewater revenue and implement appropriate measures to improve billing efficiency, revenue collection, and service sustainability.
- The cost-recovery analysis in the above table reflects surpluses over the MTREF, representing an improvement compared to the declining growth recorded in the current budget year. This indicates that wastewater service revenue is expected to be sufficient to cover the costs incurred in providing the service. The Municipality should ensure that the projected cost recovery surpluses over the MTREF are fully supported by realistic and evidence-based assumptions, including accurate consumption forecasts, billing efficiency, and collection performance.
- As at the end of February 2026, **wastewater debtors outstanding over** 90 days constituted the second-largest component of long-outstanding debt, amounting to R5.53 million or 10 per cent of total debtors over 90 days. This reflects ongoing challenges in revenue collection from this service, and poses a risk of **cash flow constraints**, which may limit the Municipality's ability to fund wastewater operations, maintenance, and infrastructure investments. The Municipality is encouraged to strengthen credit control and debt collection measures, including the use of water service restrictions or interruptions as a collection mechanism. Such measures should also be applied in areas supplied directly by Eskom, where applicable.
- Operational **cost of wastewater services** in the above table depicts that the Municipality provides more wastewater services to indigent households when compared to the equitable share portion for wastewater. This may place pressure on the Municipality to subsidise the shortfall using own revenue sources, potentially affecting its ability to fund other essential services and infrastructure maintenance. The Municipality should consider implementing efficiency measures to reduce operational costs without compromising service quality and ensure that indigent policy provisions are aligned with available funding to maintain the financial sustainability of wastewater services.

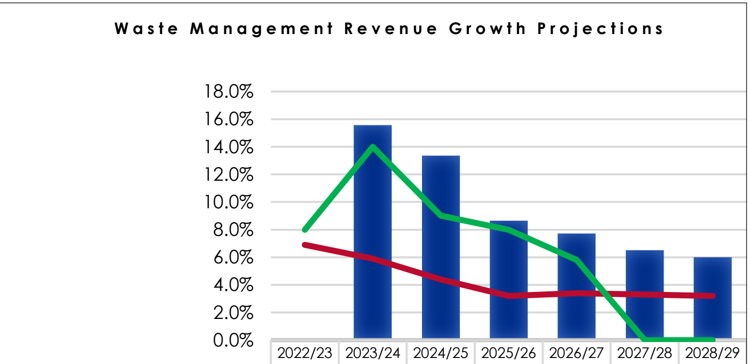
3.4.4.2 Wastewater Services Tariff Analysis

- Council approved a 5.8 per cent sewerage tariff increase for 2026/27. Despite the increase, total wastewater/sewerage revenue is projected to decline due to reduced industrial effluent penalties.
- Wastewater/sanitation tariffs currently generate operating surpluses which cross-subsidise other services. Surpluses have been used to subsidise non-trading services, particularly property rates and administrative functions.
- Provincial Treasury cautions that sustained surplus extraction may undermine long term infrastructure sustainability–particularly for wastewater treatment works compliance and refurbishment.

3.4.5 Waste Removal Services

3.4.5.1 Waste Removal Services Credibility and Sustainability

Diagram 4 Waste removal service trends



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Service Charges: Waste Growth %		15.5%	13.3%	8.6%	7.7%	6.5%	6.0%
Inflation NT Circular	6.9%	5.9%	4.4%	3.2%	3.4%	3.3%	3.2%
Service Charges: Waste Tariff Tariff List	8.00%	14.00%	9.00%	8.00%	5.80%	0.00%	0.00%

	Direct and Indirect	2026/27	2027/28	2028/29
Cost Recovery	Revenue Required	R23 789 297	R24 203 202	R24 580 792
	Revenue	R19 538 089	R20 808 065	R22 056 549
	Surplus/Deficit	-R4 251 208	-R3 395 137	-R2 524 243

Source: A1 schedules

2025/26 Tariffs	Basic Charge	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	Yes	5.8%	2.3%
Households		5.8%	2.3%

Source: Municipal Budget Assumptions

Basic Service Delivery	Number of Households (LGES)	Operational Cost of Waste Services (R'000)		
		2026/27	2027/28	2028/29
Indigent (A10,SA1)	-	R9 655	R10 283	R10 900
Indigent (LGES)	13 122	R8 335	R8 820	R8 944

Source: A1 schedules

Source: NT GoMun 2026/27 Draft Budget

- Service charges - **waste management** is projected to increase by 8 per cent in 2026/27 budget year when compared to 2025/26 adjusted budget. However, the cost recovery table above indicates that the expenditure for rendering of service will be more than revenue anticipated as deficits are projected over the MTREF. This indicates that, despite tariff increases, the Municipality is not recovering full cost of rendering this service, even though the revenue growth suggests a positive trend that could help reduce the operating deficit in future years. If this growth is sustained and paired with efforts to manage costs, the Municipality could move closer to break-even or surplus positions in outer years.
- Operational **cost of waste services** in the above table depicts that the Municipality provides more waste services to indigent households when compared to the equitable share portion for wastewater. This may place pressure on the Municipality to subsidise the shortfall using own revenue sources, potentially affecting its ability to fund other essential services and infrastructure maintenance. The Municipality should consider implementing efficiency measures to reduce operational costs without compromising service quality and ensure that indigent policy provisions are aligned with available funding to maintain the financial sustainability of wastewater services.
- As at the end of February 2026, **waste debtors outstanding over 90 days** amount to R4.44 million or 8 per cent of total debtors over 90 days. The Municipality should strengthen its credit control and debt collection measures with consistent application of credit control policies, and regular monitoring of debtor ageing reports.

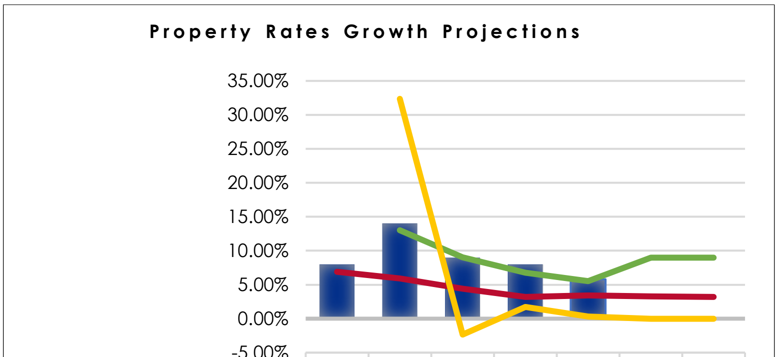
3.4.5.2 Waste Removal Services Tariff Analysis

- Waste removal/refuse collection tariffs increase by approximately 7.0 per cent. The minor surplus generated continue to subsidise administrative overheads.
- The Municipality does not fully isolate landfill rehabilitation, environmental compliance and fleet renewal costs. The latter compliance costs must be fully provisioned, with consideration given to ring-fencing operating surpluses.

3.5 Revenue

3.5.1 Property Rates

Diagram 5 Property rates



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Property Rates Tariff Increase	8.00%	14.00%	9.00%	8.00%	5.80%	0.00%	0.00%
Inflation NT Circular	6.9%	5.9%	4.4%	3.2%	3.4%	3.3%	3.2%
Property Rates % Movement		13.0%	9.0%	6.8%	5.5%	9.0%	9.0%
% Growth in Market Value		32.4%	-2.3%	1.7%	0.3%	0.0%	0.0%

2025/26 Tariffs	Rate in Rand (Mun)	Rate in Rand (WC Avg)	Tariff Increase (Mun)	Tariff Increase (WC Avg)
Business	R0.01133	R0.01488	5.8%	R0.01488
Households	R0.00985	R0.00905	5.8%	R0.00905

Source: Municipal Budget Assumptions

Property Rates Rebates	Number of Indigent HH	Rebates		
		2026/27	2027/28	2028/29
Indigent (A10,SA1)	-	R8 974	R9 781	R10 662
Last GV date	01-07-23			

Source: A1 schedules

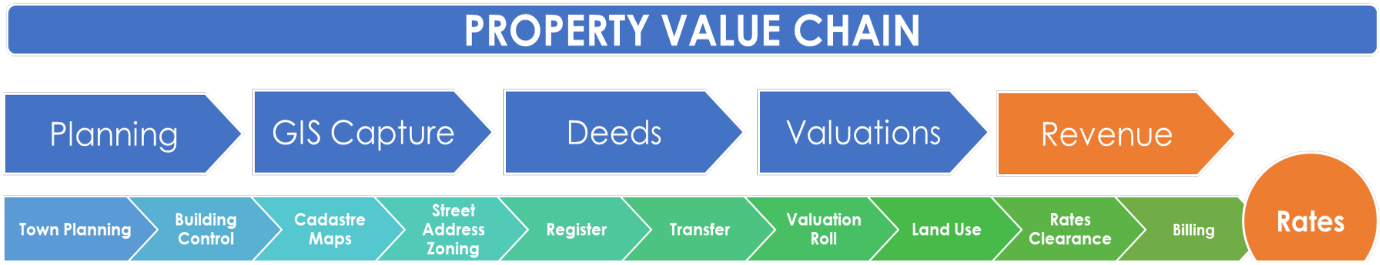
Source: NT GoMun 2026/27 Draft Budget

- **Property rates** project a tariff increase of 5.8 per cent in the 2026/27 budget year, which is above the CPI inflation rate. Property rates will contribute 15 per cent of the total operating revenue budget, highlighting their significance as a key revenue source for the Municipality. A comparison of Supporting Tables 12a and 12b shows an increase in the number of business and commercial properties from 367 to 436, indicating growth in commercial activity within the municipal area, which could positively impact revenue generation.
- As at the end of February 2026, **property rates debtors outstanding over 90** days constituted the largest portion of total long-outstanding debt, amounting to R8.21 million or 15 per cent of total debtors over 90 days. This remains a concern, particularly given that property rates represent one of the Municipality's most stable and significant own-revenue sources. The high level of long-outstanding property rates debt indicates challenges in revenue collection from this source and suggests that the existing credit control and debt management measures are not sufficiently effective.
- The Municipality should strengthen the management of property rates revenue, recognising that this charge is not consumption-based but a statutory obligation linked to property ownership and valuation. In this regard, emphasis should be placed on improving billing accuracy, ensuring that property valuations are up to date, and enforcing consistent credit control measures for overdue accounts. The Municipality should also enhance debt recovery processes through timely issuing of reminders, final demand notices, and legal enforcement where necessary, to ensure that non-payment is addressed effectively and that arrears do not accumulate beyond 90 days.

3.5.2 The Property Value Chain

The Municipality's main asset is its property. Its main source of income is derived from charging for property rates. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. Municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing. Diagram 6 below highlights the key inputs into the Property Value Chain to realise maximum revenue from property rates.

Diagram 6 Property Value Chain



Source: City of Cape Town Municipality

3.5.3 Other Revenue Risks

- As at the end of February 2026, **interest on arrear debtor accounts** amounted to R4.82 million or 8 per cent of total outstanding debtors over 90 days which raises concerns about **recoverability**. This indicates that a significant portion of long-outstanding debt is attributable to accumulated interest rather than original service charges. Overdue debtors weaken cash flow, reduce revenue realisation, and negatively impact on the Municipality's financial sustainability and service delivery. The Municipality must strengthen early-stage collections by improving interventions at 30 to 60 days to prevent accounts from ageing to the point where interest becomes excessive.

3.5.4 Government Debt Management

Treasury Circular Mun 10 of 2024 WCPT introduced a revised debt template and dashboard for Municipalities to track ageing debt per department. Together with the unbundling of government debtors, the template links municipal records to department asset registers and the MFMA s71 Age Analysis of Debtors (AD) mSCOA code.

There are still some challenges with the full implementation of the template, including specification of ownership of Erf's. Given these challenges WCPT would like to encourage the Municipality to fully utilise the Government Debt Dashboard by implementing the following steps:

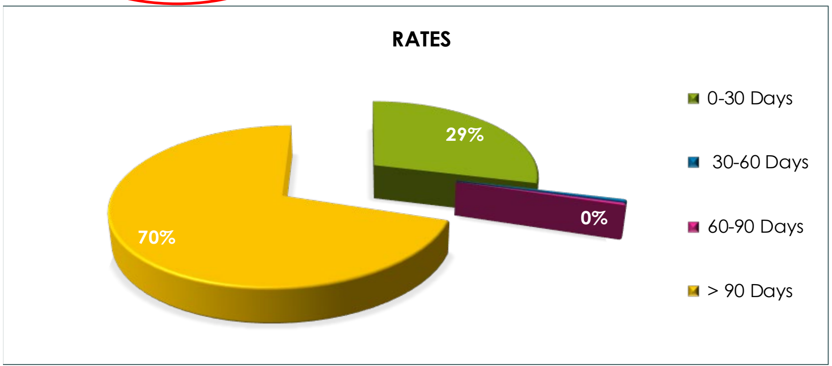
1. Implement a focused **monitoring system**, using the debt dashboard to track ageing of debt for each department responsible, and the payment history.

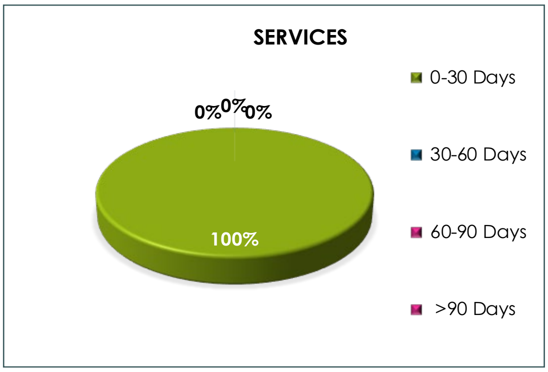
DEBT DASHBOARD

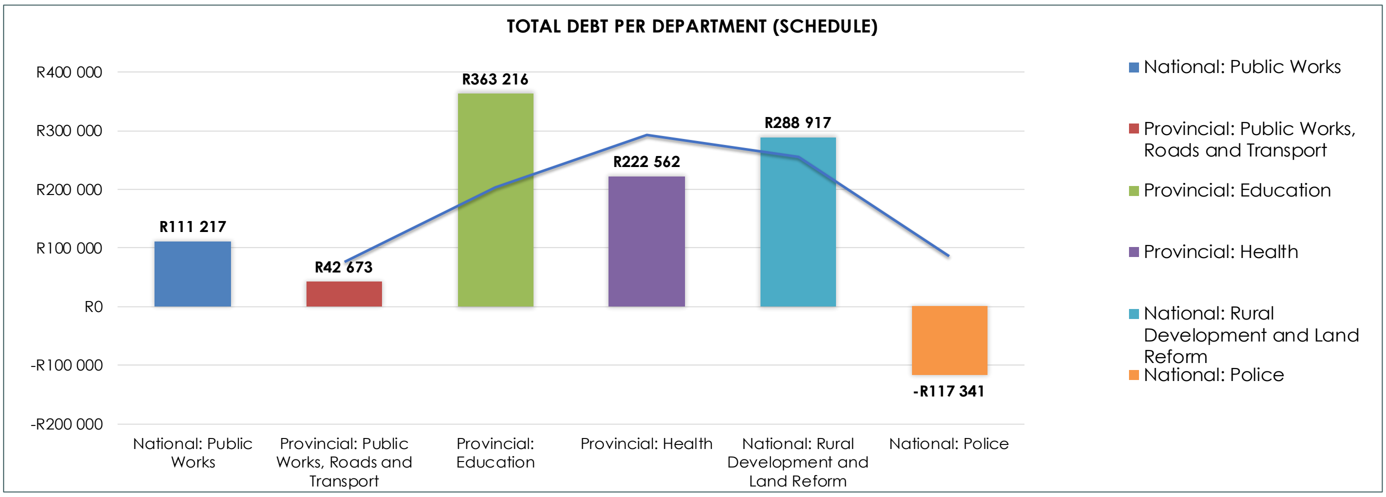
Reporting Month: February

	TOP 5 Accounts	Acccount No	Debt >90
1	Provincial: Public Works, Roads and Transport	1000231377	R75 568
2	National: Rural Development and Land Reform	1000117000	R48 232
3	National: Rural Development and Land Reform	1000116999	R41 072
4	National: Rural Development and Land Reform	1000260311	R40 370
5	National: Rural Development and Land Reform	1000116975	R35 700

Total number of accounts	Debt 60-90 Days R'000	Debt >90 Days R'000	Total debt value R'000
146	R4	R248	R911







The Government Debt Dashboard displays the "top 5 accounts", for the over 90 days age category. The respective sector departments will be required to provide feedback/comments on the "top 5 accounts" on a monthly basis. The Municipality should therefore ensure that the "Municipal Comments" column is as detailed as possible (per guidance below) to enable constructive responses from departments.

2. **Data-cleansing exercise**: The purpose of asset verification process is to equip municipalities with the tools to correctly identify property ownership and ensure that invoices are directed to the appropriate department for payment. WCPT acts as a mediator in cases where properties are missing from the asset register, or where devolution/ transfers have occurred, but ownership was not properly recorded at the Deeds Office. However, this requires the municipality to actively undertake the data-cleansing exercise. In many cases this exercise provides sufficient information for the municipality to update its billing records with the correct department, thereby resolving the issue. Where WCPT's mediation is needed, municipalities should provide as much detail as possible in "**Municipal Comments**", including:

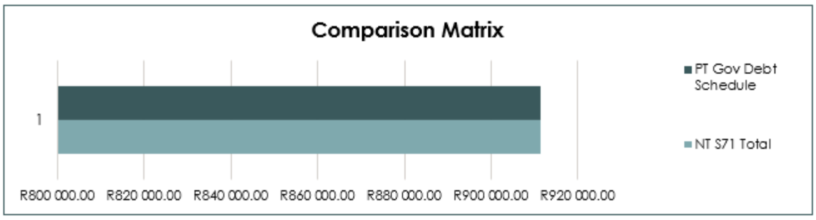
- Verify if the erf/property of the accounts is on any of the departmental asset registers.

- who is utilising the property? is it a multi-use property?
- is it a vacant erf or is its undeveloped property?
- which department made the last payment?

The details of the Municipality's monthly Government Debt schedule show that the Municipality has not yet fully utilised the provincial asset register data, as there are still misalignments between municipal and departmental records for some properties (as identified by erf numbers).

3. **Regular Reconciliation**: Furthermore, the monthly dashboard assists with credible data reporting to all spheres of government, via the comparison between National Treasury Age Analysis of Debtors (AD) for "Organ of State debt" and the Provincial Treasury Govt Debt Schedules.

Comparison Matrix between NT Section 71 (DB) and PT Govt Debt Schedule		
Swellendam Municipality	NT S71 Total	PT Gov Debt Schedule
	R911 244.00	R911 243.29



The table above compares data for February 2026. The municipality is commended for the alignment between the National Treasury Age Analysis of Debtors (AD) return and the Government Debtor Schedules reported to WCPT, which will positively impact debt management and recovery.

The comparison matrix table highlights minor misalignments between the National Treasury Age Analysis of Debtors (AD) for 'Organ of State debt' and the Provincial Treasury Government Debt Schedules, attributable to rounding. While the amounts reconcile, the 'Property Account Name' and 'Property Account Address' fields should be accurately captured within the Government Debt Schedule. Leveraging the asset registers from the verification process will strengthen this accuracy and, in turn, enhance debt management effectiveness.

Comparison Matrix between MFMA s71 (DB) and PT Government Debt Schedule			
Municipality	Customer Group	MFMA s71 Total	PT Govt Debt Schedule
Swellendam	National: Rural Development and Land Reform	288 921	288 917
	National: Police	-117 341	-117 341
	National: Public Works	111 216	111 217
	National: Agriculture, Forestry and	-	
	Provincial: Health	222 561	222 562
	National: Social Development	-	
	National: Tourism	-	
	National: Transport	-	
	Provincial: Agriculture	-	
	Provincial: Education	363 214	363 216
	Provincial: Other Departments	-	-
	Provincial: Public Works, Roads and Transport	42 673	42 673
	Other Municipalities	-	-
	RSA	-	-
Total		**911 244**	**911 243**

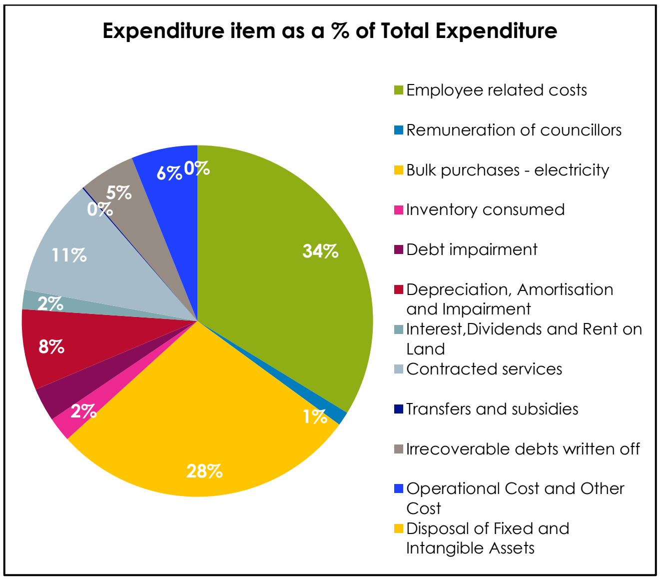
Given that the national Department of Public Works and Infrastructure has devolved all their tenants/client departments to pay all their service accounts (effective April 2026), WCPT will within the next two to three months create new sheets within the Govt Debt Schedule to reflect the devolution process. The Municipality need to ensure that invoices are forward to the correct department to ensure payment.

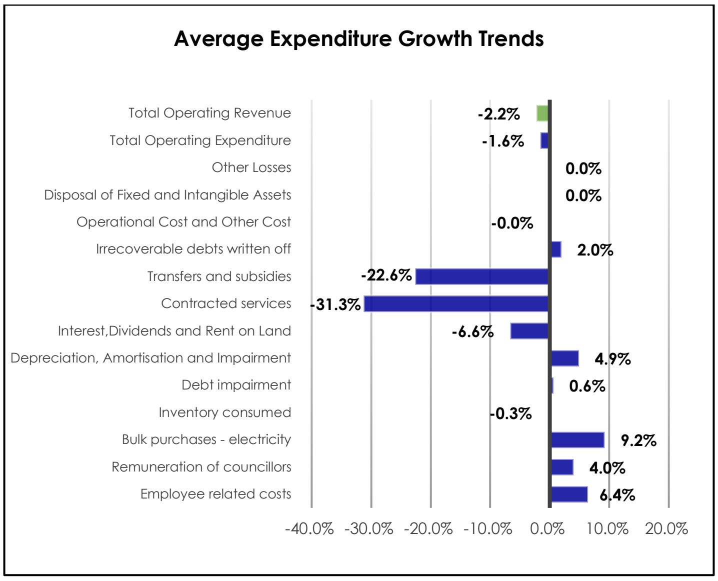
4. **Structured Engagement**: WCPT aims to have quarterly intergovernmental meetings (municipality-provincial/national departments) from July 2026, to have a collaborative platform for addressing municipal debt, leveraging the strengths and opportunities available, and ensuring that government departments meet their obligations to municipalities in a timely and transparent manner.

Provincial Treasury is committed to working together to resolve outstanding amounts owed to the municipality.

3.6 Operating Expenditure

Diagram 7 Operating expenditure trends





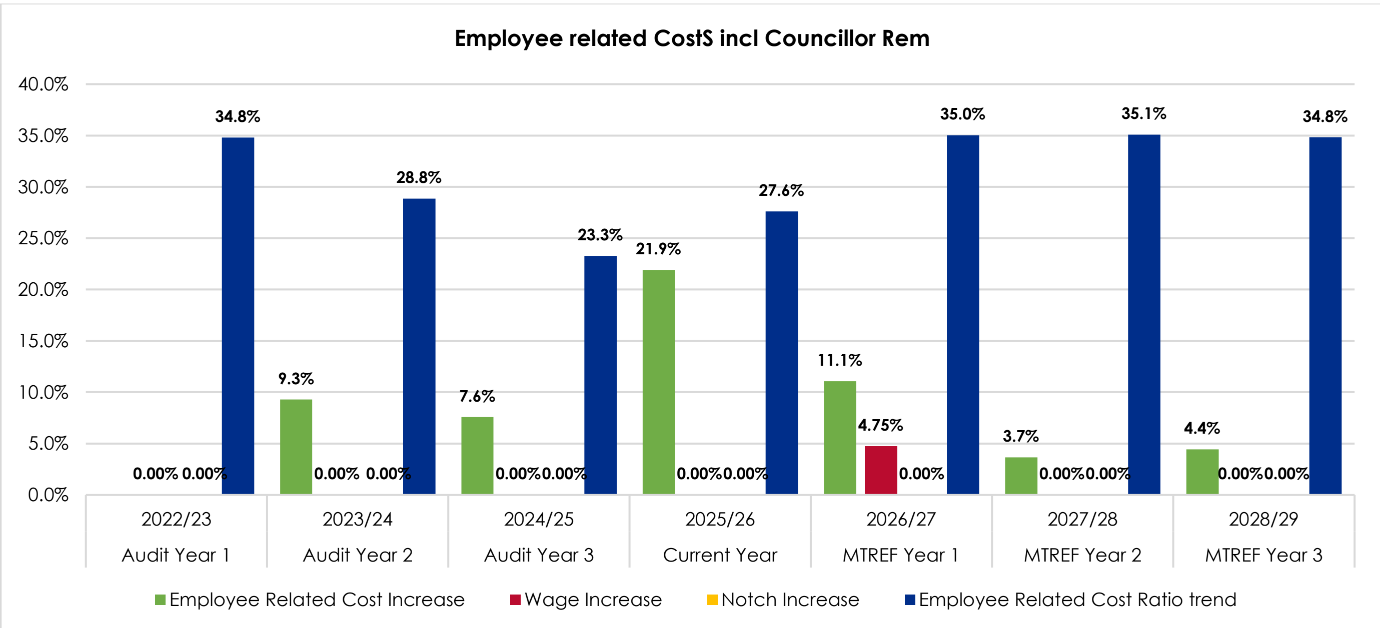
Source: NT GoMun 2026/27 Draft Budget

- **Operating expenditure** is projected to exceed **operating revenue** over the 2026/27 MTREF. Operating deficits indicate risks to municipal financial sustainability which may result in the Municipality not having sufficient revenue to cover day to day operations. They also reflect a structural imbalance that may compromise liquidity, financial sustainability, and compliance with prudent financial management principles. The Municipality is advised to review the expenditure budget and limit expenditure to the anticipated revenue projections.
- The pie chart above highlights the **main cost drivers** of operating expenditure for the 2026/27 budget year as employee-related costs, which account for 34 per cent of total expenditure and bulk purchases - electricity at 28.2 per cent. The Municipality should strengthen its cost management and expenditure efficiency framework to ensure sustainability of its operating budget, given the high concentration of expenditure on employee-related costs and bulk electricity purchases.
- **Depreciation, amortisation and impairment** are expected to increase by 5 per cent in the 2026/27 budget year compared to the adjustment budget. This increase may suggest that the Municipality has acquired additional assets or capitalised a higher number of projects, thereby increasing depreciation costs. The Municipality is referred to MFMA Circular No. 115, section 5.2, which requires that depreciation charges be funded from operating revenue. Adequate funding of depreciation will enable the Municipality to generate sufficient surpluses for transfer to cash-backed reserves.

- **Interest** expenditure is projected to decrease by 9 per cent in the 2026/27 budget year compared to the adjustment budget. This suggests that the Municipality is effectively managing its debt portfolio and meeting its loan repayment obligations as scheduled. The Municipality should ensure that the planned new borrowing in the 2026/27 budget year is carefully assessed for affordability, sustainability, and long-term fiscal impact, particularly considering its potential to reverse the current reduction in interest expenditure.
- **Irrecoverable debt write-offs** are projected to increase by 4 per cent in the 2026/27 budget year compared to the adjustment budget. An upward trend in debt written off often indicates challenges in revenue management, including weaknesses in billing processes, ineffective credit control, or declining payment levels among consumers. It may also be reflective of broader socio-economic pressures within the community, such as high unemployment or affordability constraints. However, the budget documentation does not provide reasons for the variance, which limits the ability to assess the credibility and long-term sustainability of this trend.
- As at end February 2026 the total **outstanding creditors** amounted to **negative** R5.37 million, of which a negative R3.88 million relates to outstanding balances over 90 days. The negative creditors balances, including aged items over 30 days, indicates potential data integrity and reconciliation challenges that require urgent investigation to ensure the accuracy and reliability of financial reporting. The Municipality must engage with the **financial system vendor** where system configuration or mSCOA mapping errors are identified.
- The Municipality has incurred **unauthorised, irregular, fruitless and wasteful expenditure** as per the 2024/25 Audited Financial statements which is a concern as it is not in line with the norm as per MFMA Circular No. 71 financial ratios. It is recommended that a ratio that exceeds 0 per cent must be investigated and acted upon. The Municipality should strengthen its financial governance, internal controls, and consequence management processes to prevent the recurrence of unauthorised, irregular, fruitless and wasteful expenditure.

3.6.1 Employee Related Cost

Diagram 8 Employee related cost including councillor remuneration



Source: NT GoMun 2026/27 Draft Budget

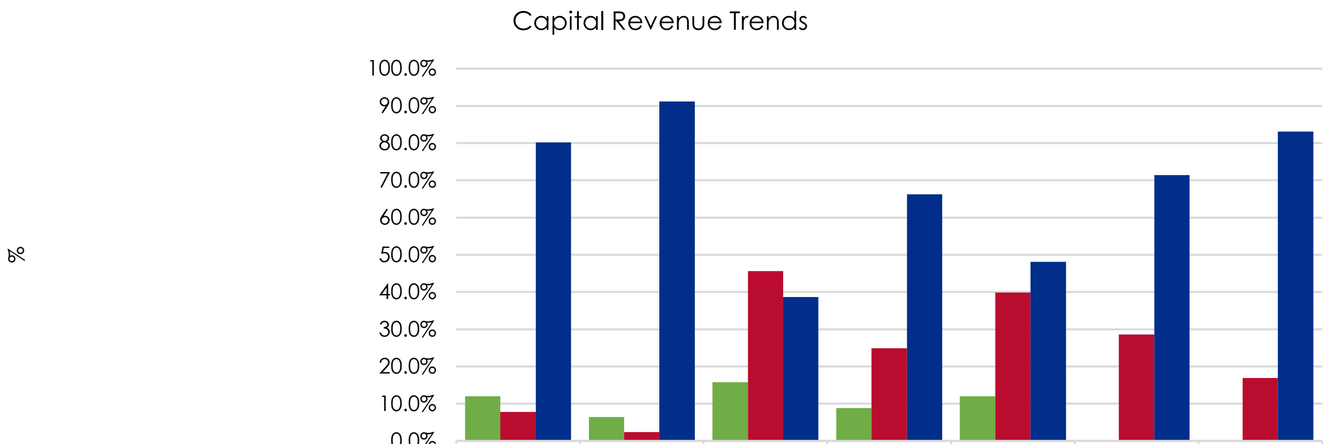
- **Employee-related cost** and **councilors' remuneration** is projected to contribute on average 35 per cent to the total operating expenditure over 2026/27 MTREF. This falls within the acceptable range of 25 and

40 per cent according to MFMA Circular No. 71 financial ratios and norms. It also indicates that the Municipality is managing staffing levels responsibly and maintains reasonable payroll costs relative to total expenditure. The Municipality should continue to ensure that employee-related costs and councillor remuneration remain within the norm, while maintaining a balance between affordability, service delivery requirements and financial sustainability.

- **Employee related costs** are projected to increase by a significant 11 per cent in the 2026/27 budget year when compared to the 2025/26 adjusted budget, which is above the CPI inflation target and not in line with the wage increase of 4.7 per cent provided for in the applicable wage agreement. The budget documentation did not provide explanations for above inflation increase. The Municipality must review the salaries budget and ensure that it is in line with the wage increase when the budget is adopted in Council. It is further imperative that the projected employee related cost increases remain affordable, are supported by sufficient revenue, and do not negatively affect the Municipality's overall financial position.
- **Overtime** contributes 4 per cent of the total employee related cost which is within the overtime threshold of 5 per cent as per the NT norm. This indicates that the Municipality plans to maintain reasonable control of overtime spending. The Municipality is advised to strengthen cost containment measures to curb overtime expenditure and ensure that spending remains within prescribed norms.

3.7 Capital Funding Mix

Diagram 9 Capital funding mix



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Borrowing as % of total CAPEX	12.0%	6.4%	15.8%	8.8%	12.0%	0.0%	0.0%
Internally Generated Funds as % of total CAPEX	7.8%	2.4%	45.6%	24.9%	39.9%	28.6%	16.9%
Capital Grants as % of total CAPEX	80.2%	91.2%	38.6%	66.3%	48.1%	71.4%	83.1%

Source: NT GoMun 2026/27 Draft Budget

- The table above depicts a trend that the Municipality will remain highly reliant on **government grants** and **internally generated funds** to fund capital expenditure over the 2026/27 MTREF. Although government grants and internally generated funds remain critical sources of capital financing, the Municipality should consider strengthening its contribution to **capital replacement reserves** in order to enhance infrastructure investment capacity and support long-term service delivery sustainability.
- **Internally generated funds** are projected to decrease by 21.8 per cent in 2026/27 budget year when compared to 2025/26 adjustment budget, this reduction suggests that the Municipality expects limited internal funding available to support the financing of capital assets. Despite this, reserves are forecast to remain stable over the 2026/27 MTREF, as reflected in Supporting Table SA3**.** The Municipality did not

indicate in the budget document how it is going to fund the internally generated funds given that the budget on A5 exceeds the reserves on supporting table SA3.

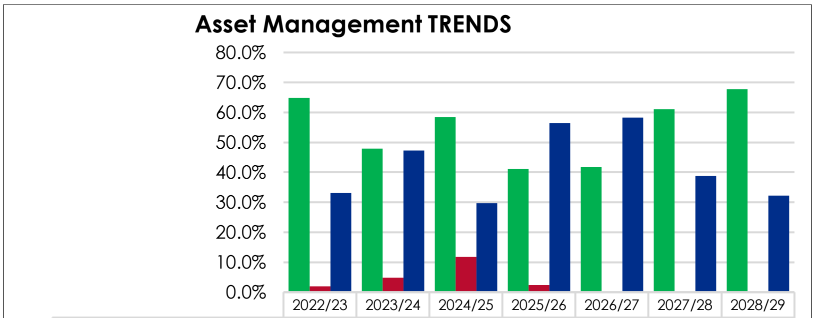
- It is observed that the Municipality intends to secure additional **borrowing** of R6.10 million over the 2026/27 budget year to support its capital programme. Provincial Treasury has taken note of the statement in the draft budget indicating that, given the Municipality's favourable gearing ratio, the decision was made to enhance the capital programme through this borrowing. However, the budget document also indicates that the Municipality is concerned about its liquidity ratio and is therefore applying daily cashflow management to pay its creditors and due to financial constraints, it cannot budget for maintenance backlogs. The Municipality is requested to advise how it is planning to repay this borrowing, given the concerns indicated in the budget document.
- The Municipality must strengthen the alignment between its **borrowing strategy**, **liquidity management**, and **infrastructure maintenance** obligations to ensure long-term financial sustainability. The impact of capital spending on future operating expenses such as maintenance and the creation of new infrastructure also remains a critical determining factor and **borrowing preference** should be given to income-generating assets that can contribute to the growth of revenue base thus ensuring adequate reserves for the replacement and refurbishment of assets.

3.7.1 Borrowing

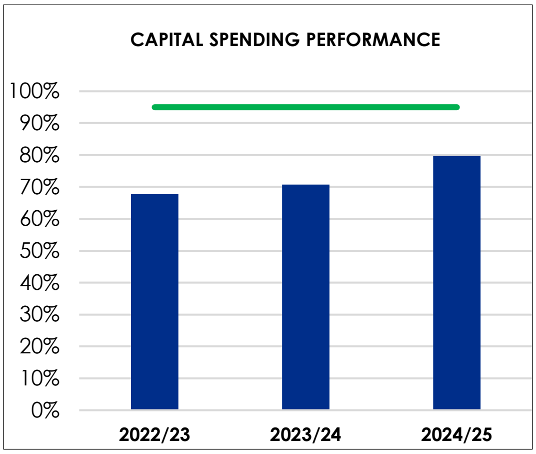
- During the 2026/27 MTREF year the Municipality intend to raise borrowings to an amount of R6.10 million. The debt to operating revenue ratio is 7.46 per cent, 5.71 per cent and 4.11 per cent over the MTREF. The funding tool ratio outcomes are reported as 5.93 per cent in 2026/27, 5.56 per cent in 2027/28 and 5.24 per cent in 2028/29, although the Municipality has the capacity to take up the borrowings this should be considered within the available working capital requirements of the Municipality.
- Borrowings raised should be utilised to be spent on revenue enhancing assets to create operational surpluses to fund future Capex. This MTREF period, 2026/27 to 2028/29 display that the Municipality has a sound financial position and the ability to service the intended borrowings.
- Municipality is cautioned of the rising cost of inflation and economic climate. Increase in fuel cost including the impact it may have on sustainable service delivery. Favourable liquidity ratio outcomes are forecasted however the Municipality is advised to precautionary planning against the increase in outstanding consumer debtors more than 90 days.

3.8 Capital Expenditure Trends

Diagram 10 Asset Management



	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
% New Assets of Total Capital Expenditure	64.9%	47.9%	58.5%	41.2%	41.7%	61.1%	67.8%
% Renewal of Total Capital Expenditure	2.0%	4.8%	11.8%	2.4%	0.0%	0.0%	0.0%
% Upgrade of Total Capital Expenditure	33.1%	47.2%	29.7%	56.4%	58.3%	38.9%	32.2%



Source: NT GoMun 2026/27 Draft Budget

- The Municipality projects allocations between investment in **new assets** and **upgrading of existing assets** over 2026/27 MTREF and nothing is budgeted for asset renewal over the MTREF. The Municipality should reprioritise its capital budget over the MTREF to ensure that adequate provision is made for **asset renewal** in line with asset management best practices and applicable legislative frameworks. A balanced allocation between new assets, upgrades, and renewal must be achieved to sustain existing infrastructure and ensure continued service delivery.
- **Upgrading of existing assets** accounts for 58 per cent of the capital budget in the 2026/27 budget year. However, a declining trend is observed over the two outer years, which is a cause for concern that may negatively affect the long-term sustainability of municipal assets. While the allocation meets the requirements of MFMA Circular 55 threshold for upgrading of assets, the Municipality should take proactive steps to ensure that investment in existing assets is **sustained or increased over the MTREF** to support long-term infrastructure viability and service delivery.
- **Repairs and maintenance** projected at 5.2 per cent of property plant and equipment in 2026/27 budget year which is below the 8 per cent NT norm. This confirms the statement made in the budget document that the Municipality cannot address maintenance backlog due to financial constraints. Maintenance of municipal infrastructure and assets is essential for ensuring service delivery continuity, extending asset life, and avoiding costly replacements in the long term.

  Continued underinvestment in asset renewal and maintenance may accelerate infrastructure deterioration, increase long-term replacement costs, and compromise the Municipality's ability to deliver sustainable services. The Municipality is therefore, advised to prepare a multi-year plan that incrementally increases allocations toward asset renewal and repairs and maintenance over the MTREF, prioritise **critical infrastructure and high-risk assets** to ensure limited resources are directed where service delivery risks are greatest, review and rationalise **non-essential capital projects**, particularly new assets, to redirect funding toward the preservation of existing infrastructure; and enhance **revenue collection, cost containment, and efficiency measures** to create fiscal space for increased maintenance and renewal spending.
- The graph above indicates that during the past three audited years the Municipality did not meet the 95 per cent norm for capital spending and the trend is projected to continue in the current financial year as the year-to-date spending at end February 2026 stood at 32 per cent of the total adjustment budget which is extremely low. Persistent underperformance in capital spending will lead to service delivery backlogs, delay infrastructure development and inefficient use of allocated funds.
- It is observed that the capital expenditure budget for the 2026/27 MTREF is primarily allocated to service delivery infrastructure, with a strong focus on **trading services** function, which make up an average of 70 per cent of the capital budget over the MTREF. The Municipality should strengthen and maintain a balanced allocation framework that considers both revenue-generating infrastructure and social/community infrastructure.
- Investment in infrastructure remains a critical component of the province's economic recovery efforts. However, the ongoing underperformance in capital spending continues to raise concerns regarding the effective implementation of these investment and asset management plans. The Municipality should strengthen the implementation of its **Asset Management Plans (AMPs)** and **Infrastructure Investment Plans** to ensure that infrastructure allocations translate into effective capital delivery and support economic recovery objectives. Strengthening asset management and infrastructure investment planning improves capital spending performance by ensuring that budgets are supported by realistic, prioritised, and implementation-ready projects, thereby reducing delays and increasing the Municipality's ability to spend allocated funds efficiently.

SECTION 4: REVIEW OF THE HISTORICAL FINANCIAL INFORMATION

4.1 The Financial Performance as per the Audited Annual Financial Statements

The assessment of the financial health and performance is an integrated process involving a review of a Municipality's audited annual financial statements, audit report and ratio analysis. The results of the ratio analysis are used to support financial decisions and to identify factors which may influence the financial stability of the Municipality.

Adverse ratio outcomes show potential areas requiring action to ensure sustainability. The assessment trend analysis is based on the audited financial statements for 2023; 2024 and 2025; however, the table provides a five-year time frame (2021 to 2025) to provide a more comprehensive perspective for evaluating the 2026/27 budget.

The analysis is conducted largely on the National Treasury MFMA Circular No. 71 issued January 2014. PT has analysed these ratios, and the following items are highlighted.

4.2 Summary And Findings From Historical Trends

NT WEB-BASED PORTAL STATUS

The Municipality **has submitted** only the 2024/25 (audited) ratios on the NT Portal and not the 2023/24 (restated) ratios. PT **is in the process of validating** the ratios with the Municipality. Note that in order for PT to engage, it is essential that the ratio analysis submission occur on the NT web-enabled system (MFMA Circular 114 issued February 2022). This report is based on the **PT's** calculations as guided by MFMA Circ. 71; **PT** has communicated with the Municipality to capture the restated 2023/24 restated ratios on the **NT web-based portal.**

	Favourable
	Unfavourable
	Needs Improvement

4.2.1 Asset Management

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
1	Impairment of Property, Plant and Equipment, Investment Property and Intangible Assets (Carrying Value): **0%**	0.0%	0.0%	0.3%	1.4%	4.1%	
2	Repairs and Maintenance as a % of Property, Plant and Equipment, Investment Property (Carrying Value): **8%**	6.4%	5.1%	5.2%	7.4%	9.4%	

Impairment of assets

- The ratio results indicate impairments have escalated from 0 per cent (2021 – 2022) to 4.1 per cent in 2025 (R23.2m), driven by fire damage and potentially inadequate maintenance in prior years. The asset base actually declined despite R51.7m additions, indicating the severity of the write-down.
- It is recommended if not already considered that the Municipality undertake and continuously review of asset condition, especially fire-affected property. Ensure that insurance recoveries and corrective maintenance are prioritised in the 2026/27 budget to halt further impairment.

Repairs and Maintenance as a percentage of assets

- Repair & Maintenance (R&M) spend increased from 6.4 per cent to 9.4 per cent in 2025, now exceeding the 8 per cent norm for the first time. This is a significant achievement and indicates a proactive approach to asset preservation. The R52.4m spent is adequate relative to the R558.8m asset base.
- It is recommended that the Municipality sustain spending at least at the 8 per cent level. Monitor that increased maintenance translates into lower future impairments.

4.2.2 Working Capital

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
3	Net debtors' days: **≤30 days**	27 days	37 days	36 days	37 days	30 days	
4	Creditors Payment Period (Trade Creditors): **30 days**	62 days	79 days	53 days	69 days	48 days	

Net debtor's days

- The ratio results reflect a fluctuating trend over the assessment period as debtor's days increased from 27 days in 2021, remained elevated between 36 and 37 in 2023 and 2024 before improving to 30 days in 2025. In the 2025 financial year the Municipality improved its collectability by 7 days and is within the NT norm as prescribed.
- Though collectability has improved, it must be noted that the provision has only decreased by R1.5 million from 2024 despite an increase of R30.9 million in revenue. The provision has remained static around R23 million over the review period which may imply an ageing analysis and that consideration must be given for debtors that may have to be written off.
- The improvement in collectability is an overall improvement in 2025; however, the provision may be understated given that there was a R6.1 million increase to provisions in 2024 when revenue increased by R31.1 million.
- The Municipality should review and revise its policy and/or calculations on determining provisions for bad debt to ensure they are relative to its current debtor holdings as has been necessary in previous years.

Creditors Payment Period

Although the trend improved from 69 days, the Municipality still pays 18 days late. The narrative notes that the Municipality has sufficient cash (R125m in investments) but does not pay creditors on time. This is non-compliance with MFMA Section 65(2)(e).

- The results indicate that the Municipality needs to revise its overall controls regarding payment to creditors and possibly its creditors payment strategy and related policies. The concern is that the Municipality has sufficient cash to settle creditors and manage its operational expenses, yet creditors are settled after 2 months.

- It is recommended that the Municipality immediately reduce payment to creditors to ≤30. The liquidity position (Current Ratio 2.2) and cash reserves fully support prompt payment. The 2026/27 cash flow budget must reflect compliance.

4.2.3 Going Concern

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
5	Total Liabilities to Total Assets: **<50%**	35.4%	31.3%	29.4%	31.5%	31.9%	
6	Current Ratio: **1.5-2:1**	1.6:1	1.7:1	2.0:1	2.0:1	2.2:1	

Total Liabilities to Assets

- The ratio results indicate an improvement from 35.4 per cent in 2021 to 31.9 per cent in 2025 are within the acceptable NT norm of less than 50 per cent for the period under review.
- Though the ratio has consistently hovered around a third of the asset base, this does not automatically give rise to capacity and in turn affordability or preclude capacity to take on additional borrowings. As the debt increases, so does the payment ability.
- One such example is the ability to pay creditors as they become due. Contracted services increased by R87.5 million in one year and this if paid

Current Ratio

- The ratio indicates that the Municipality has had a steady coverage of current liabilities over the period of assessment as it has improved its overall liquidity from 1.6 in 2021 to 2.2 in 2025. Swellendam Municipality's liquidity indicates that it is able to settle its short-term obligations twice over should the need arises.
- The concern with liquidity is always what is outstanding when determining available cash. In this instance, we ask how much cash is available to cover outstanding debt. If current liabilities were to be repaid, would the remaining cash be available to service any new borrowings?
- If we look at this further, R125.5 million is held as investments, which leaves R83.3 million in actual cash to service working capital requirements. This equates to 0.67:1 ratio, though technically it is 2.1:1. But it does beg the question is affordability there to take on any new borrowings.
- Furthermore, creditors should be paid as per prescribed legislation even though this would reduce the level of available cash.

Overall, the ratio results indicate that the Municipality has the ability to operate as a going concern for the foreseeable future, provided that available cash is not committed. The Municipality should ring fence its committed funds, should there be any and indicate as such in its AFS. This would preclude that cash from being included in the current ratio. A ratio of 1:1 is also acceptable, though not as favourable as is current

4.2.4 Expenditure Management

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
7	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/Total Operating Expenditure: **0%**	4.0%	7.0%	1.2%	17.8%	8.7%	

- The ratio results indicate a fluctuating trend year on year; however, the Municipality has incurred such expenditure each year for the review period which is not in line with the NT norm of zero tolerance. It illustrates a continued inefficiency in expenditure management and inadequate financial management practices in place which fails to implement control mechanisms to avoid incurrences of Irregular, Fruitless and Wasteful and Unauthorised expenditure.
- It is therefore encouraged that the Municipality strengthen their control environment around expenditure management with improved adherence to the approved budgets, and review of all expenditure and liabilities. Weaknesses in the control environment should be identified, and controls should be implemented or revised to mitigate these weaknesses.
- The Municipality is reminded of National Treasury, MFMA Circular No 111, Unauthorised, Irregular, Fruitless and Wasteful Expenditure reduction strategy and plans to which the Municipality is required to discuss and resolve on its UIFW reduction strategy and implementation plans as a matter of priority and urgency. Furthermore, the Municipality is referred to the guidance provided by MFMA Circ. 68 (01 April 2026).

4.2.5 Budget Implementation

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
8	Capital Expenditure Budget Implementation Indicator: 95%-100%	60.1%	87.3%	67.6%	70.6%	79.6%	
9	Service Charges and Property Rates Revenue Budget Implementation Indicator: 95%-100%	101.6%	99.7%	98.2%	102.9%	97.7%	

Capital Expenditure Budget Implementation Indicator

- The trend analysis indicates that the ratio results fluctuated year-on-year with a high of R95.0 million or 87.3 percent in 2022 and a moderate R51.7 million in in 2025. The ratio remains below the NT required norm. This indicates under-utilisation of the capital budget. Given the actual cash available, it may indicate that cash is tied up in working capital and not available for capital spend.
- Under-spending on capital assets will ultimately result in assets that are used past its useful life and require high repair and maintenance cost which will utilise more cash over the long term than if capital assets were replaced when required.
- The credibility of the capital budget must be analysed carefully. It is imperative that the Municipality start building strategies to deal with any risks identified, which resulted in the current low capital expenditure, in their future capital budget to avoid the repeat of such trends.

Service Charges and Property Rates Revenue Budget Implementation Indicator

- The ratio results remained relatively flat year-on-year with a 5.2 per cent change between the maximum and minimum in 2024 and 2025 respectively. The ratios remained within the NT norm, indicative of the Municipality's ability to collect what is due per its budget.

- The over-collection of revenue should be investigated as this could be an under-estimate of targeted revenue to be collected. The Municipality should revise its revenue budget taking into consideration the results of its investigation into over collection of revenue and underestimating its budget.

Grant Dependency

No.	Financial ratios & norms	2021 Audited	2022 Audited	2023 Audited	2024 Audited	2025 Audited	Overall Rating
10	Own Funded Capital Expenditure (Internally Generated Funds + Borrowings) to Total Capital Expenditure: no norm	-79.3%	14.11%	24.6%	14.1%	54.6%	

- The ratio results improved from -79.3 per cent (2021) to 54.6 per cent, indicating greater reliance on own funds and borrowings. However, the sharp increases and volatility suggest reliance on insurance proceeds and loans, not sustainable internal surpluses.
- It is recommended that the Municipality continue building internal funding capacity through revenue enhancement and cost containment. The 2026/27 budget should set a stable target for own-funded capex (>50 per cent) without over-reliance on debt.

4.3 mSCOA Implementation

4.3.1 mSCOA Priorities

- Ensure governance of mSCOA implemented at municipalities, i.e., roadmaps in place and adequate, SteerComs in place and functional, champions appointed and active.
- Promote the use of the FAQ database for all queries and report updates.
- Perform continuous inspection and assessment of municipalities' systems and implementation to determine compliance (circulars, legislation, regulation), vulnerability and progress of mSCOA implementation.

4.3.2 Credibility of mSCOA Data Strings

MFMA regulations and circulars emphasises that credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted are used as the single source for all analysis and publications of municipal information. Municipalities have been given access to the GoMuni portal since April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

MFMA Circular No 134 further states that currently, the LGDRS implements automated stage 1 and 2 validations to ensure that credible data strings are submitted to the GoMuni Upload portal. The stage 1 validations verifies that the file structure is correct, while the stage 2 validation verifies that the *m*SCOA chart has been used correctly across 18 validation areas. A third stage automated validation will be introduced from the 2027/28 MTREF to validate the credibility of *m*SCOA data strings. The development and piloting of the stage 3 validation to verify the credibility of *m*SCOA data strings submitted to the Local Government Database and Reporting System (LGDRS) has not been concluded and will only be introduced in the 2027/28 MTREF. This validation will automate the data string analysis currently undertaken by the National and Provincial Treasuries, and data string submissions that fail this validation will be rejected.

Table 5 mSCOA Segments Use Analysis

mSCOA Segment Analysis		
No	**Segment**	**TABB 2026**
1	**Project Segment**	
1.1	Use of the Project Segment	The municipality has not consistently applied balance sheet budgeting and movement accounting in relation to capital projects. In the current budget. VAT has not been applied or budgeted for on these capital projects, Absence of VAT strings at the budgeting stage leads to issues where VAT is only recognized during transactions.
2	**Fund Segment**	
2.1	Use of Fund Segment	Although the funding segment has been applied, it is required to balance to zero. The identified imbalance is attributable to property rates and levies, which do not net to zero, resulting in misstated funding segment reporting. The Municipality is therefore advised to assess and rectify these items to ensure correct alignment, as a zero balance in the funding segment is a requirement of sound budgeting principles.
3	**Function Segment**	
3.1	**Use of Function Segment**	Each function should include a mini trial balance (identifying Revenue, Assets, Liabilities, Expenditure, and Net Assets) linked to the correct function and sub-function. Please refer to the further analysis of functions and items to assist in identifying where the budget is not allocated per function/sub-function, limited to core services only. All sub-functions should balance to zero.
4	**Costing Segment**	
4.1	**Use of Costing Segment**	Sufficiently used
5	**Region Segment**	
5.1	**Use of Region Segment**	Sufficiently used
6	**Item Segment**	
6.1	The municipality's item segment budgeting contains several inconsistencies requiring review, particularly in the treatment of interest on outstanding debtors, electricity service charges, debt impairment, VAT recognition. Key issues include missing credit entries for property rates interest, unbalanced debtor accounts for electricity, incorrect VAT treatment on debt and discrepancies in VAT reconciliation amounts. Additionally, the municipality did not budget for water inventory. The municipality should address these matters in line with the MSCOA guidance on accounting treatment, Circular 12, and the inventory budgeting guidance issued by the National Treasury for natural resources.	

Provincial Treasury shared the TABB segment analysis with the Municipality, with the goal of assisting the Municipality in examining their data and determining if the information is appropriately retrieved across all segments before finalising the ORGB data strings. TABB shall be rectified in the ORGB before the adopted budget is locked on the financial system and the ORGB data string is created. Furthermore, it is recommended that the Municipality make themselves available for a session (through MS Teams) on the TABB segment analysis to provide further clarification on the segment analysis shared.

It is noted in the budget document that the Municipality can only confirm data capture, and not full correctness of reporting strings due to unresolved system errors. Until system-related errors are fully resolved and independent validation controls are strengthened, there remains a risk that financial reporting may not fully comply with mSCOA classification accuracy requirements. The Municipality must escalate and actively monitor all unresolved issues with the **system vendor**, including setting clear timelines for resolution and formal service level commitments.

ANNEXURE A: MUNICIPAL BENCHMARKING GRAPHS

This Annexure presents a summary comparing key variables from the tabled 2026/27 budgets of the 24 local municipalities in the Western Cape.

Diagram 1 Cash coverage

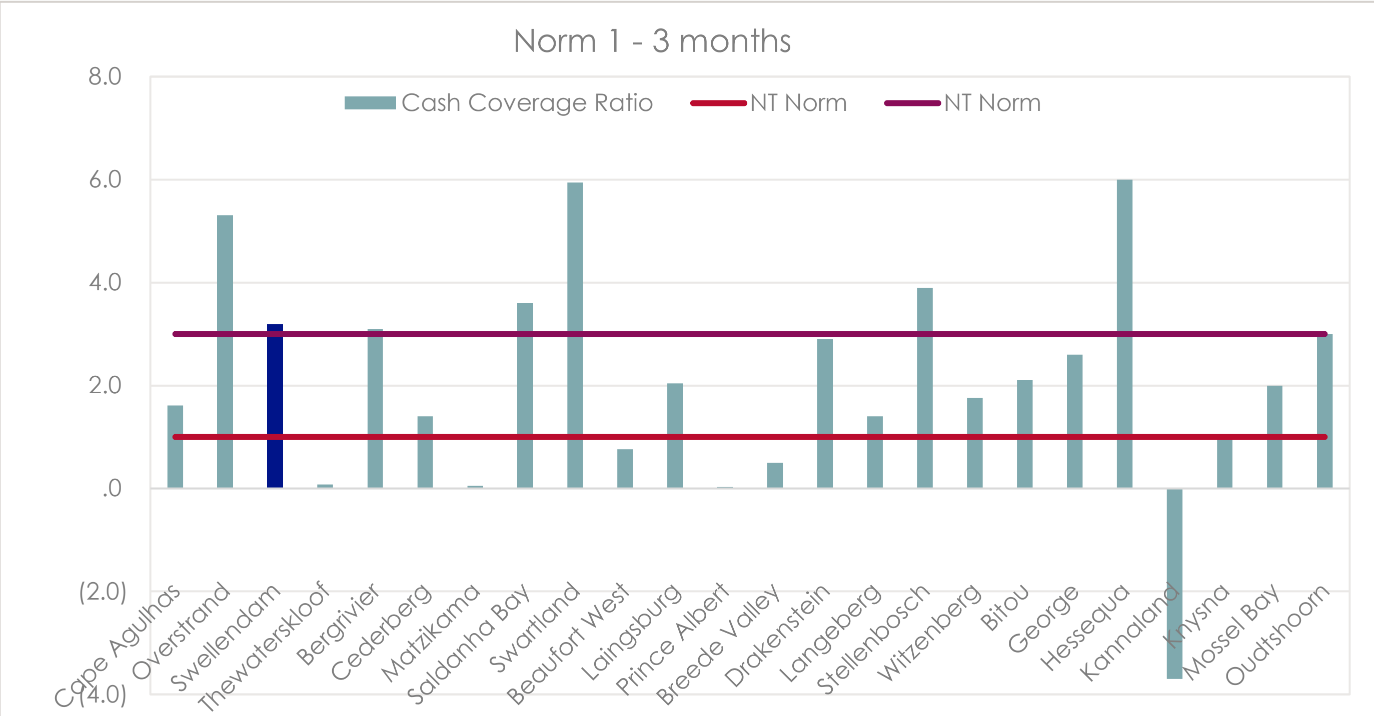


Diagram 2 Current Asset Ratio

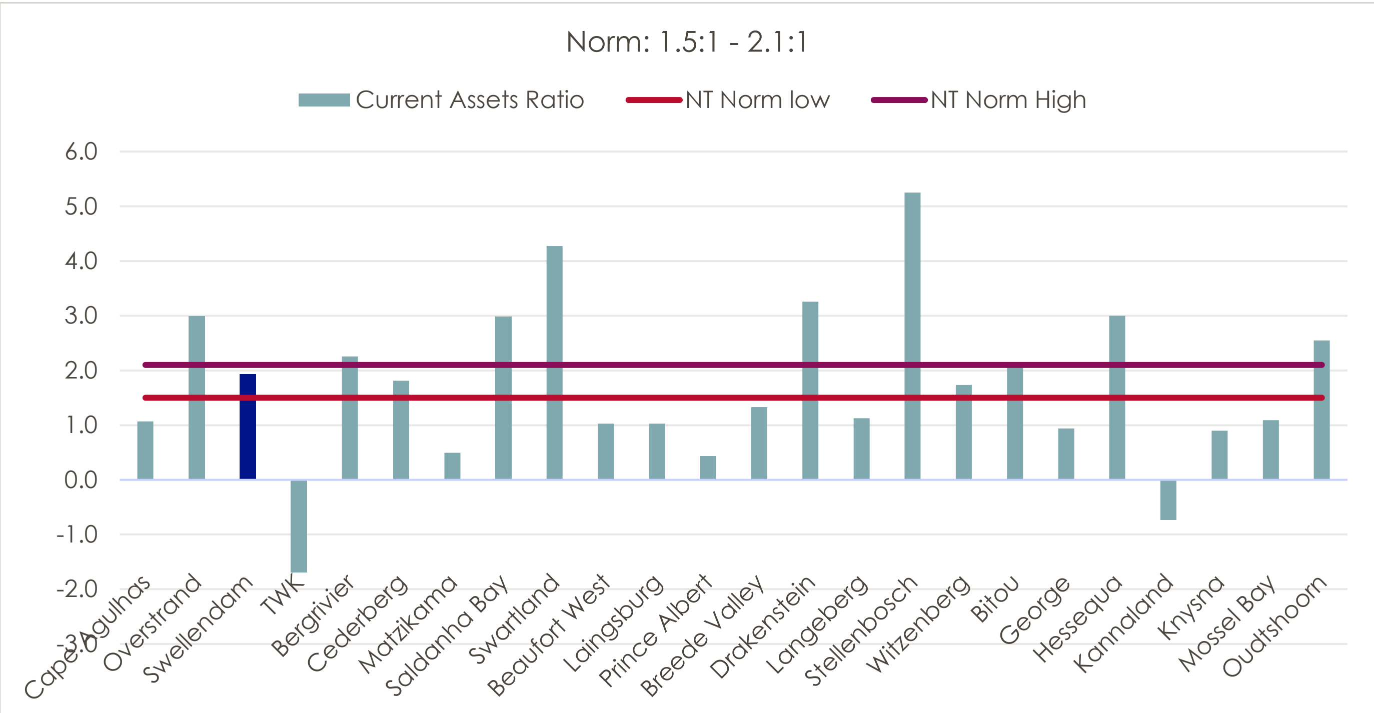


Diagram 3 Collection rate

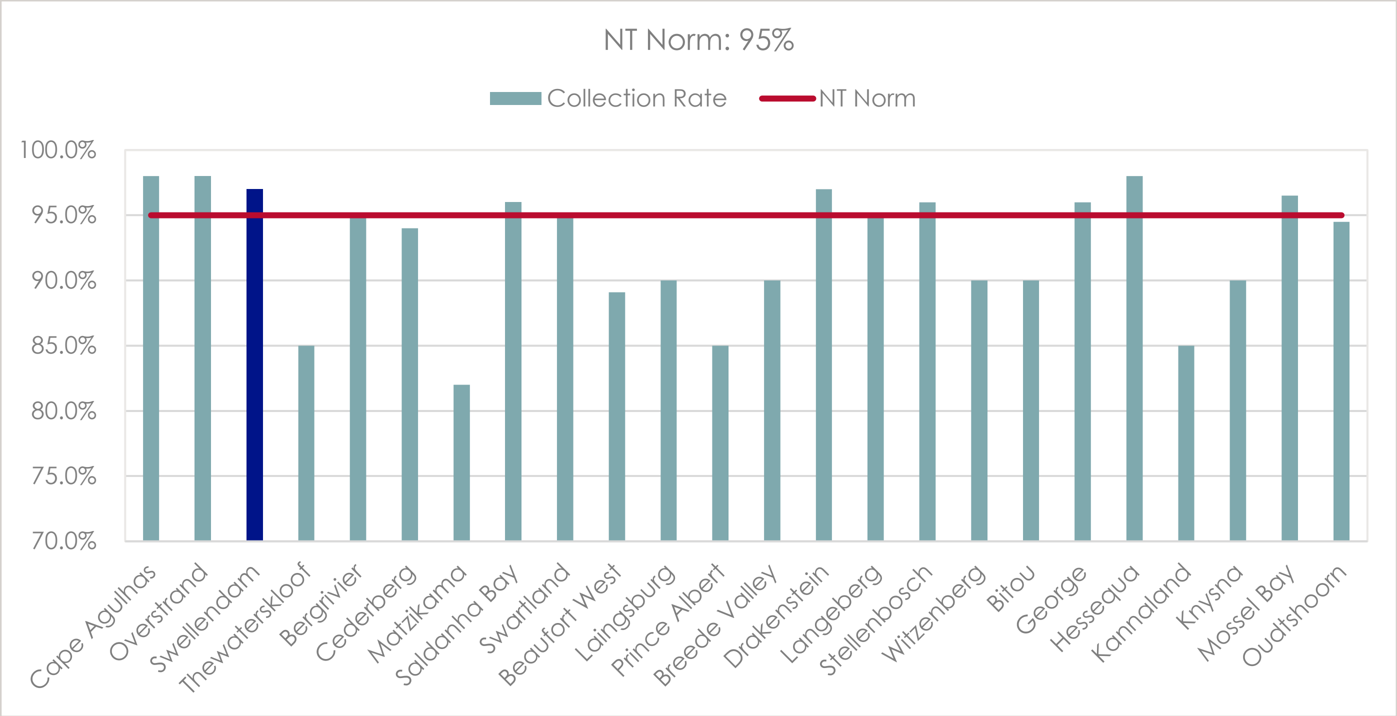


Diagram 4 Percentage Employee Related Costs to Total Opex (excl. Councillors)

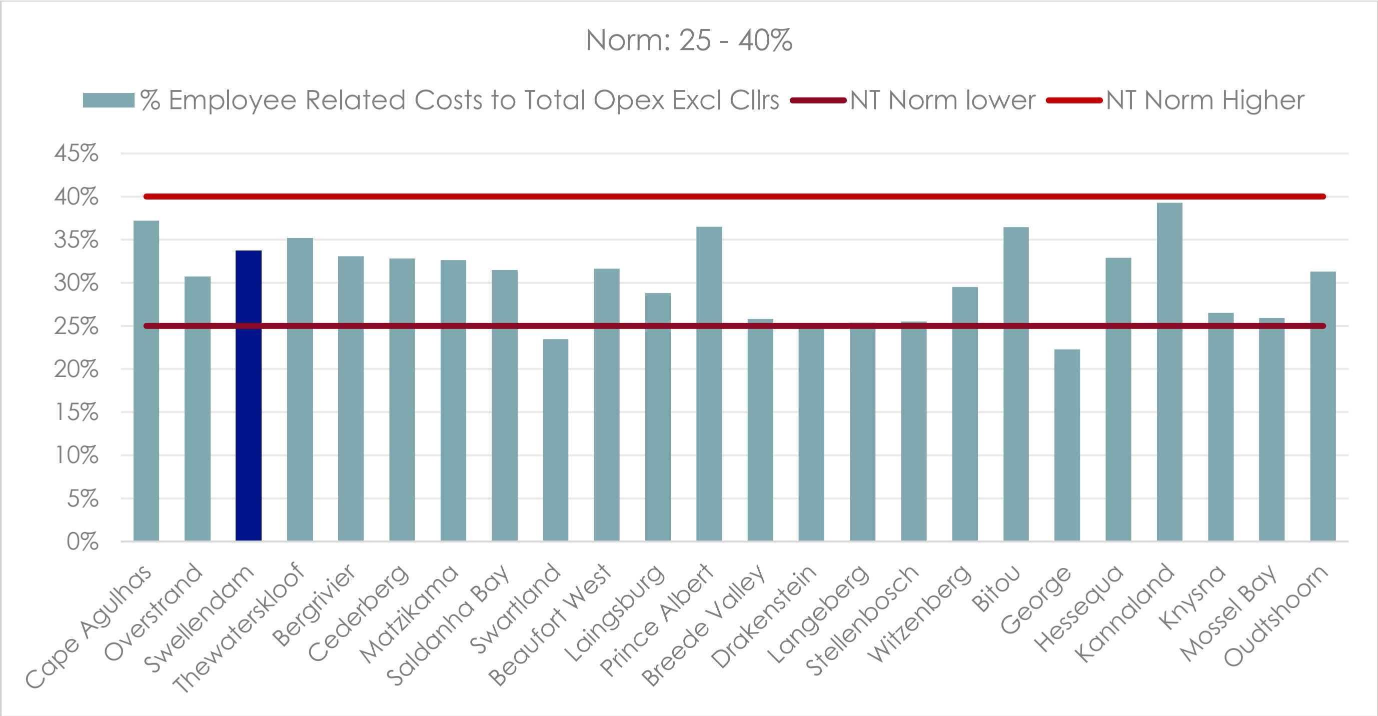


Diagram 5 Repairs & Maintenance as a Percentage of PPE & Investment Property

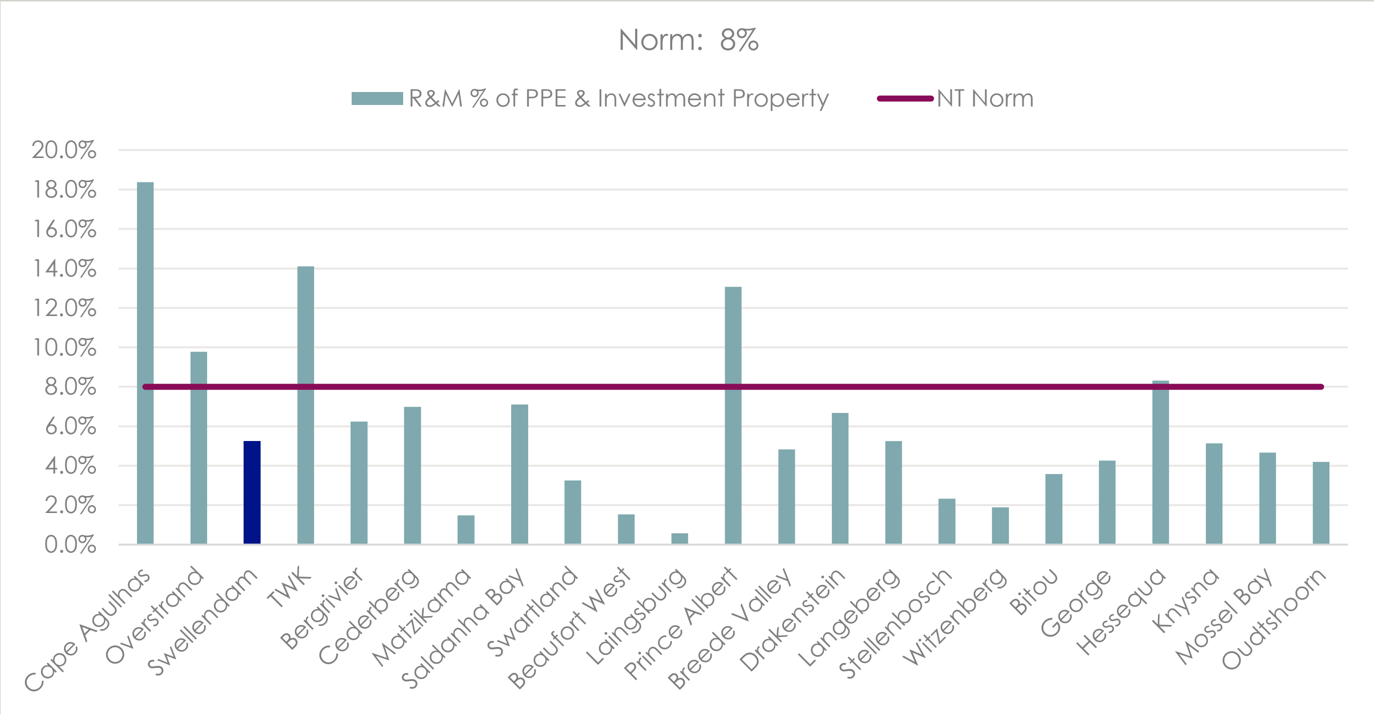


Diagram 6 Renewal and Upgrading Existing Assets as a Percentage of Total Capex

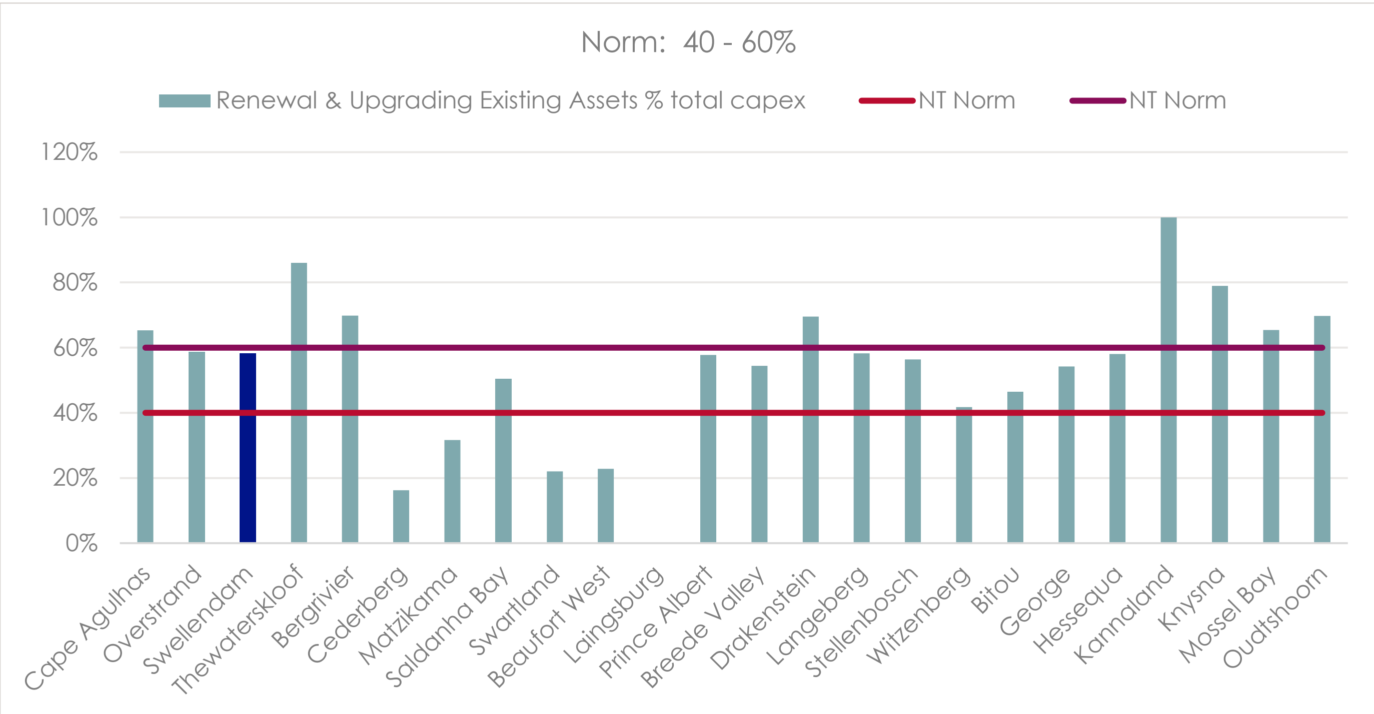


Diagram 7 Percentage Increase/Decrease in Property Rates Revenue

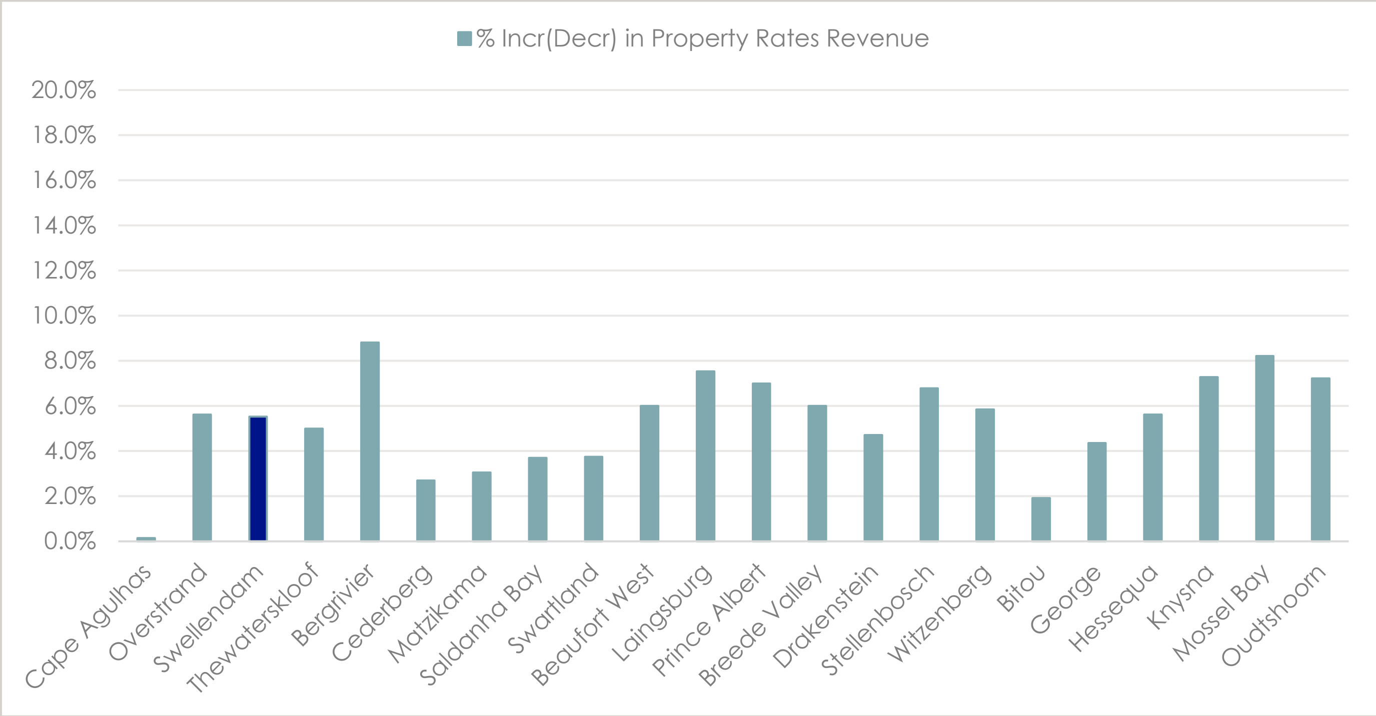


Diagram 8 Monthly Bill - Middle Income (illustrative household bill, as captured on SA14)

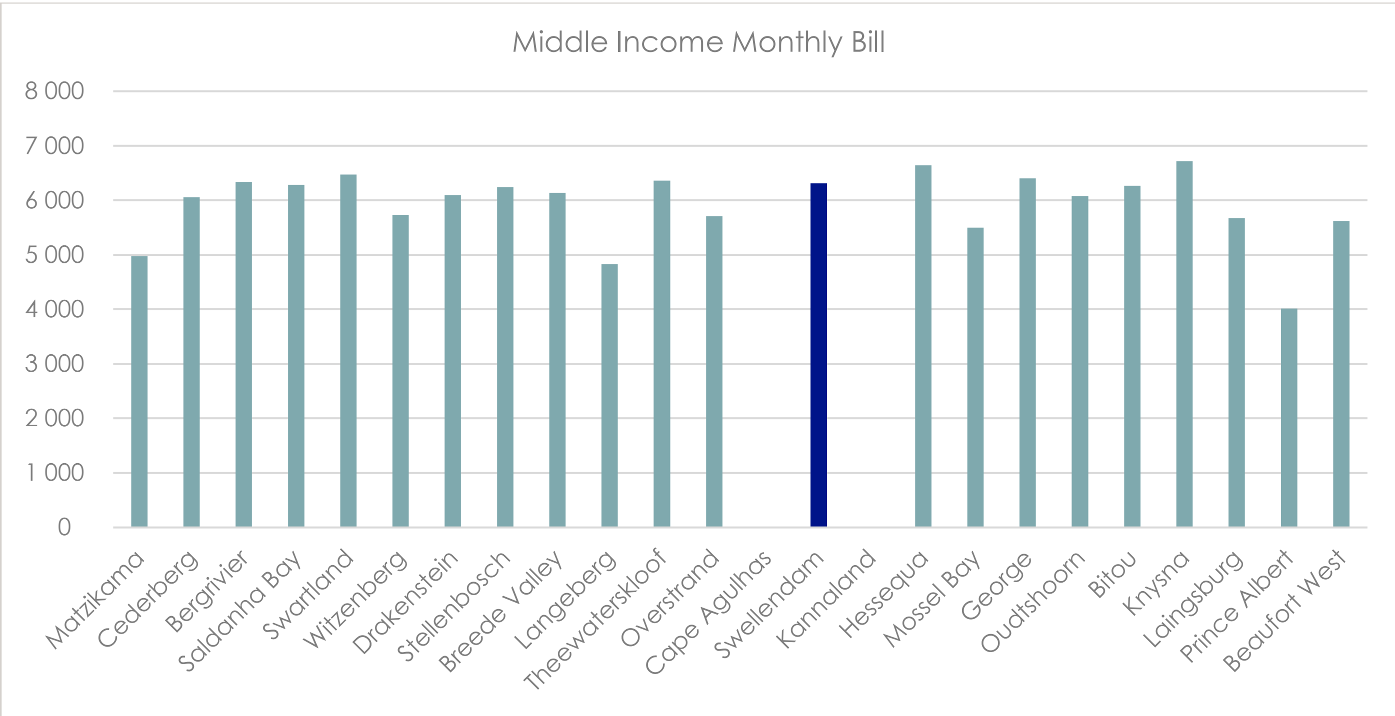


Diagram 9 Monthly Bill - Affordable Income (illustrative household bill, as captured on SA14)

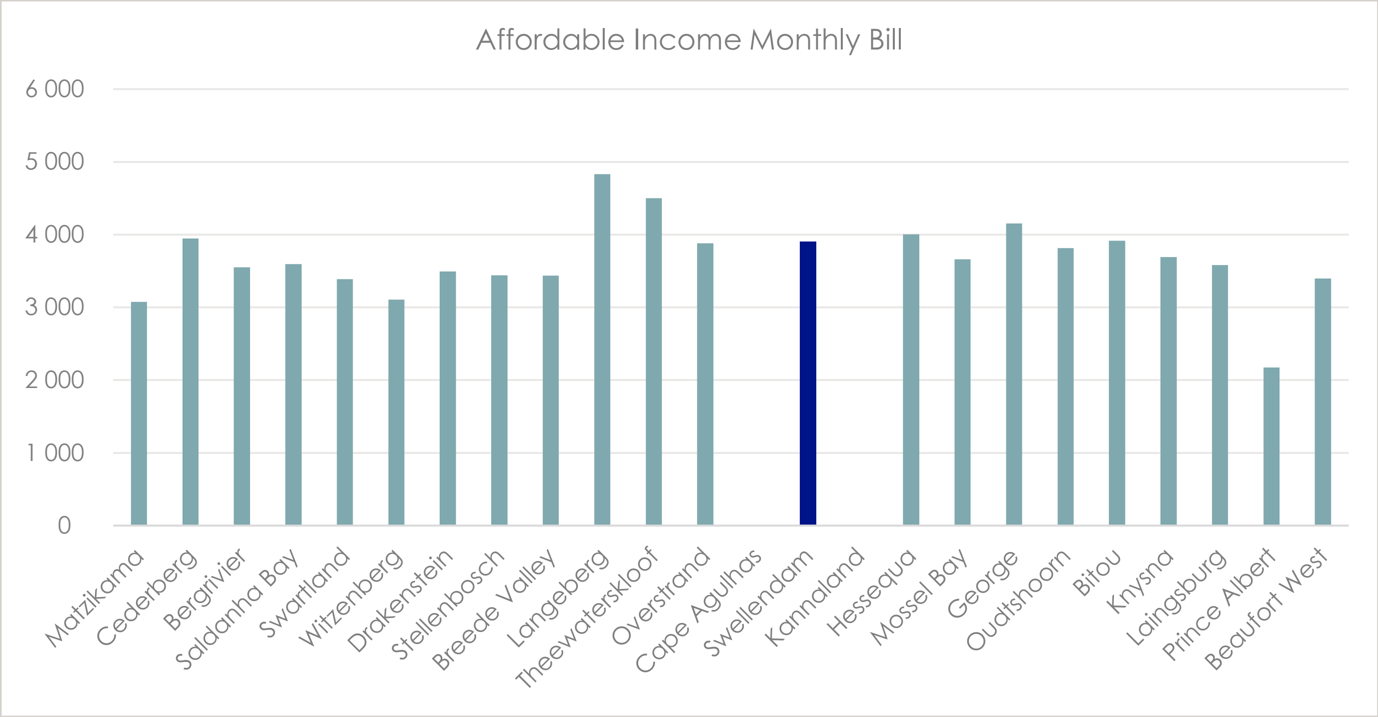
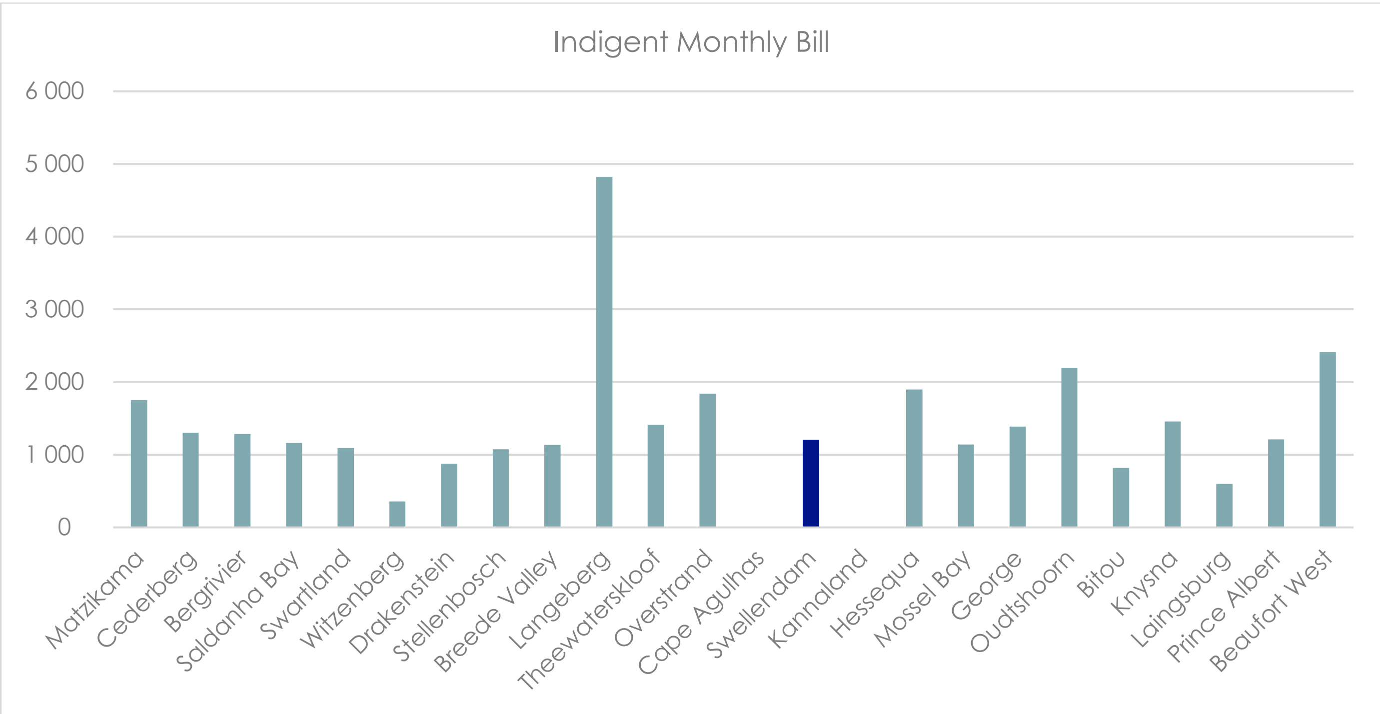


Diagram 10 Monthly Bill – Indigent (illustrative household bill, as captured on SA14)



Disclaimer: The information used to populate the graphs are based on the Municipal TABB data strings and the 2026/27 MTREF Draft Budget uploaded on GoMUni. The outcome of the ratios may therefore be affected by the quality of the information submitted by the Municipality.

2026 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENT (SIME 2)
SWELLENDAM MUNICIPALITY

2026/27 MTREF BUDGET, IDP, SDF & OTHER ASSOCIATED DOCUMENTS

12 May 2026

Cloudy with a chance of rain…

Emerging Municipal Planning & Budget Risks for 2026

Pressure System Building

- A low-growth, high-pressure economic environment is expected to limit meaningful expansion in municipal revenue bases.
- Global instability, including conflict and energy market volatility, is likely to sustain unpredictability in key input costs.
- Inflation is currently relatively contained but is expected to begin edging upward, introducing renewed cost pressure.
- Interest rates may increase or remain elevated in response, keeping borrowing costs high and limiting financial flexibility.
- Limited fiscal space at national level suggests no significant expansion in support to local government.

Political Economy

- Election-year dynamics likely to constrain implementation of fully cost-reflective tariff increases. Ongoing pressure to prioritise visible service delivery outcomes over financial sustainability.
- Budgeting and planning decisions are likely to reflect a short-term bias.
- Hung-councils post-election.

Planning Environment

- New IDP cycle requires municipalities to reassess priorities and align planning to evolving fiscal and service delivery realities.
- Alignment to the new Provincial Strategic Plan (PSP) will be required, placing additional demands on coordination and strategic prioritisation.
- Risk that planning processes may not fully reflect emerging financial constraints, leading to misalignment between plans and budgets.

Financial Sustainability

- Operating positions expected to tighten, even where budgets appear balanced. Municipalities are likely to continue using cash reserves to smooth budgets rather than reset cost structures.
- Partial tariff under-recovery in key services is expected to persist.
- Household affordability constraints are expected to intensify, weakening consumers' ability to absorb tariff increases and placing downward pressure on collection rates and trading service revenues.
- Ageing infrastructure will continue to drive maintenance requirements faster than available funding.

Climate Risks

- Increasing climate variability expected to place pressure on municipal planning and infrastructure resilience.
- Risk of natural disasters, including floods, droughts, and fires, introduces potential for sudden and unplanned expenditure shocks.
- Limited climate responsiveness & adaptation capacity may heighten fiscal exposure and recovery costs.

Silver lining…

- **Review of the White Paper on Local Government** provides an opportunity to establish a clearer and more realistic roadmap toward a more stable and sustainable local government system.
- The continued strengthening of financial management systems, including mSCOA, is improving data quality, transparency, and the ability to support more informed decision-making.
- **Growing use of alternative and blended finance** approaches is beginning to unlock new funding sources for infrastructure, reducing sole reliance on constrained public finances.
- **Increased focus on infrastructure asset management and maintenance planning** is gradually shifting municipalities toward more sustainable long-term service delivery models.
- Ongoing national and provincial reform initiatives are placing **greater emphasis on accountability, governance, and financial sustainability** within the local government system.

2026/27 SIME 2 Assessment

Key Findings

Western Cape Government

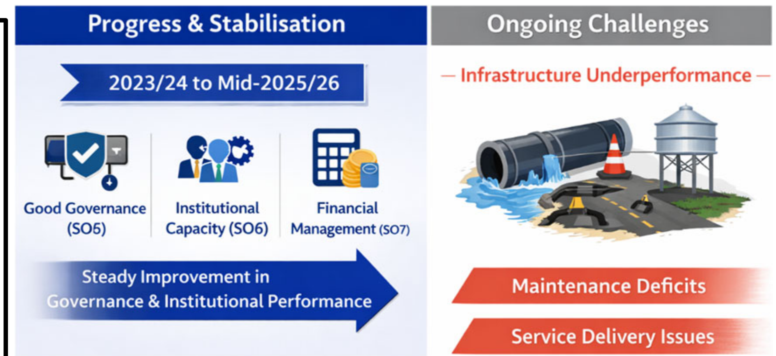
INTEGRATED DEVELOPMENT PLANNING - Implementation

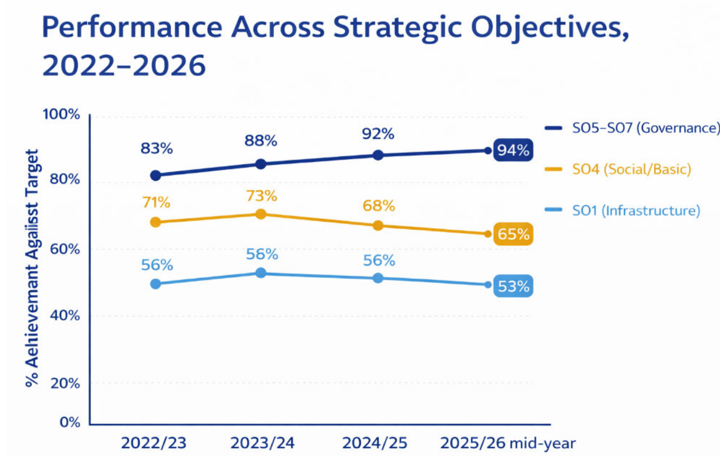
Status of tabled IDP: Sec 34 of the MSA – IDP Review

IDP IMPLEMENTATION

Key Considerations

- **Infrastructure Recovery and Water Loss Reduction:** Develop a targeted plan to reduce water losses and improve maintenance efficiency.
- **Workplace Skills Development**: Enhance internal capacity development through effective implementation of the Workplace Skills Plan to ensure alignment between staffing capacity and service delivery demands;
- **Strategic Planning**: Utilise the performance trends from the 2021-2026 IDP cycle as baseline conditions to inform the **development of the 2027–2032 IDP**.





ENVIRONMENTAL AFFAIRS & DEVELOPMENT PLANNING:

SPATIAL TRANSFORMATION AND HOUSING

Strengths: The municipality has set a clear performance objective to review its Spatial Development Framework (SDF) by 31 May 2026.

Gaps: The current Capital Expenditure Framework (CEF) does not meet standards and lacks a 10-year sequenced project portfolio.

Actions: Amend the IDP to include an annual MSDF performance review. Spatially demarcate informal settlements for in-situ upgrading. Prioritize a CEF that ranks projects based on MSDF spatial logic.

CLIMATE CHANGE & BIODIVERSITY

Strengths: Risk assessment mechanisms for municipal operations are well-entrenched.

Gaps: Vulnerability to extreme weather (heat, fire, flooding) impacts municipal resources.

Actions: Shift from disaster response to proactive risk reduction. Promote energy efficiency and renewable energy opportunities. Mainstream climate responsiveness across all technical departments

WASTE MANAGEMENT

Strengths: Achieved a "gold standard" in data transparency with 100% reporting to IPWIS.

Gaps: Critical landfill airspace shortage; the "waste-to-energy" project is no longer an option. Consistent failure to submit annual Integrated Waste Management Plan (IWMP) implementation reports.

Actions: Finalize the new Waste Management By-law to align with national standards. Target 100% organic waste diversion by 2027.

ECONOMIC SUSTAINABILITY

Socio-Economic Climate

- Relatively small but growing population placing pressure on infrastructure
- Moderate economic growth, but high food poverty persists
- Ageing infrastructure increasing maintenance pressures
- Fiscal constraints limiting ability to address backlogs

Fiscal Response

- Budget prioritises essential service continuity
- Targeted investment in water and wastewater upgrades
- Bulk infrastructure spending supports growth nodes
- EPWP targets 135 temporary jobs
- Incremental investment approach adopted across sectors

Sustainability & Infrastructure Risks

- High water losses and electricity losses remain a concern
- Ageing infrastructure threatens service reliability
- Eskom supply constraints may limit future growth
- Landfill lifespan and future waste costs pose risks
- Limited funding slows backlog reduction and maintenance

Strengthening Long-Term Sustainability & Resilience

- Strengthen investment in bulk infrastructure upgrades
- Increase repairs and maintenance allocations
- Implement targeted electricity and particularly water loss reduction programmes
- Advance waste transition planning
- Improve alignment of planning and budgeting

FINANCIAL SUSTAINABILITY

BUDGET OVERVIEW

REVENUE & EXPENDITURE MANAGEMENT

FUNDED BUDGET

CAPITAL INFRASTRUCTURE

CASH FLOW

BUDGET OVERVIEW

- Budget funded across the MTREF, however, budget document included a disclaimer on accuracy of data strings and A-schedule concerns.
- Operating deficits persist, indicating underlying structural pressure or could be financial system related.
- Revenue growth modest and constrained by economic conditions

REVENUE & EXPENDITURE

- Property rates tariff increase of 5.8%, however, largest contributor to outstanding debtors over 90 days.
- All services charges projects operating surpluses over the MTREF except for waste removal that projects deficits. All services charges recorded outstanding debtors over 90 days as at end February 2026. Water losses reported 36% exceeds the norm.
- ERC ratio (incl Cncllr rem) is 35% of opex, within the norm, however, it should continue to be closely monitored to ensure it remains sustainable.
- ERC increased by 11% compared to adjusted budget, which is above CPI inflation. The Municipality to provide a detailed breakdown and justification for the increase.

CAPITAL INFRASTRUCTURE

- Investment in new assets and upgrading of existing assets over 2026/27 MTREF and nothing is budgeted for asset renewal.
- Capital budget focused primarily on service delivery infrastructure.
- Concerns over mixed funding model and sustainability thereof given liquidity challenges highlighted in the budget document.
- Capital spending performance in the past 3 audit years was below 95% norm and trend is projected in the current year.

CASH FLOW

- Exercise expenditure controls to keep expenditure within authorized limits and maintain financial sustainability.
- Precautionary planning to maintain current collection rate and remain sustainable in the current economic climate.
- Has capacity to increase borrowings, however this should be done within the affordability and working capital requirements of the Municipality.

Western Cape Government

Supply Chain & Asset Management

SCM Policy	Policies to be updated
Preferential Procurement Policy	Strong Policy, updates required for full compliance
Infrastructure Procurement Policy	Strong policy in place
Asset Management Policy	Asset Policy to be updated
Contract Register	Contract Register provide
Asset Register	Strong Asset Register in Plan but gaps to be updated
Procurement Plan	Plan to be updated

CALL TO ACTION

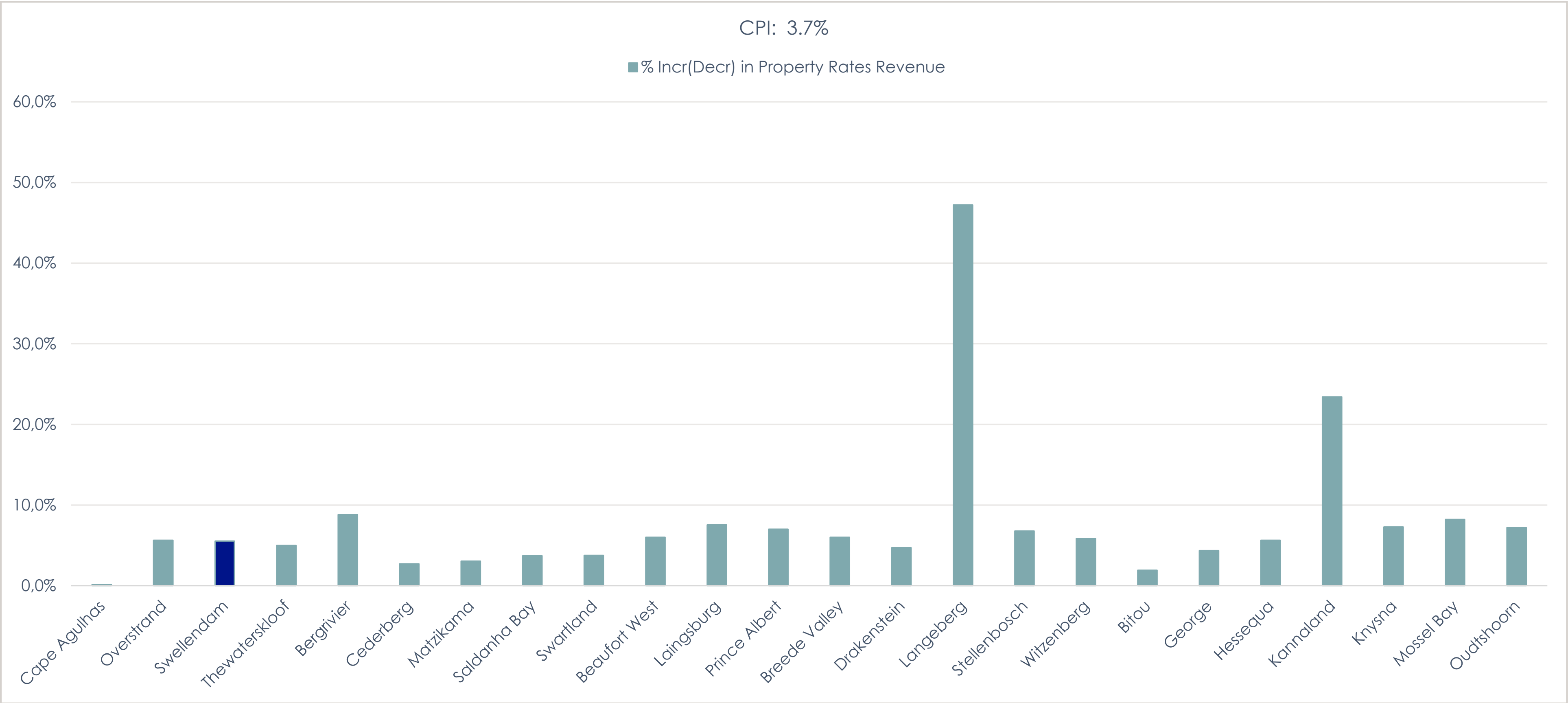
- Update **SCM policies** to reflect recommendations in the report especially petty cash and cost containment policies
- Update and maintain **asset register** to demonstrate compliance to asset management policy
- Consider opportunities for **economic transformation** through strategic procurement
- Consider **alternative procurement methods** for greater value for money .i.e framework agreements
- Review accessibility and transparency of its **SCM-related reporting** on the municipal website

Consider RT contracts

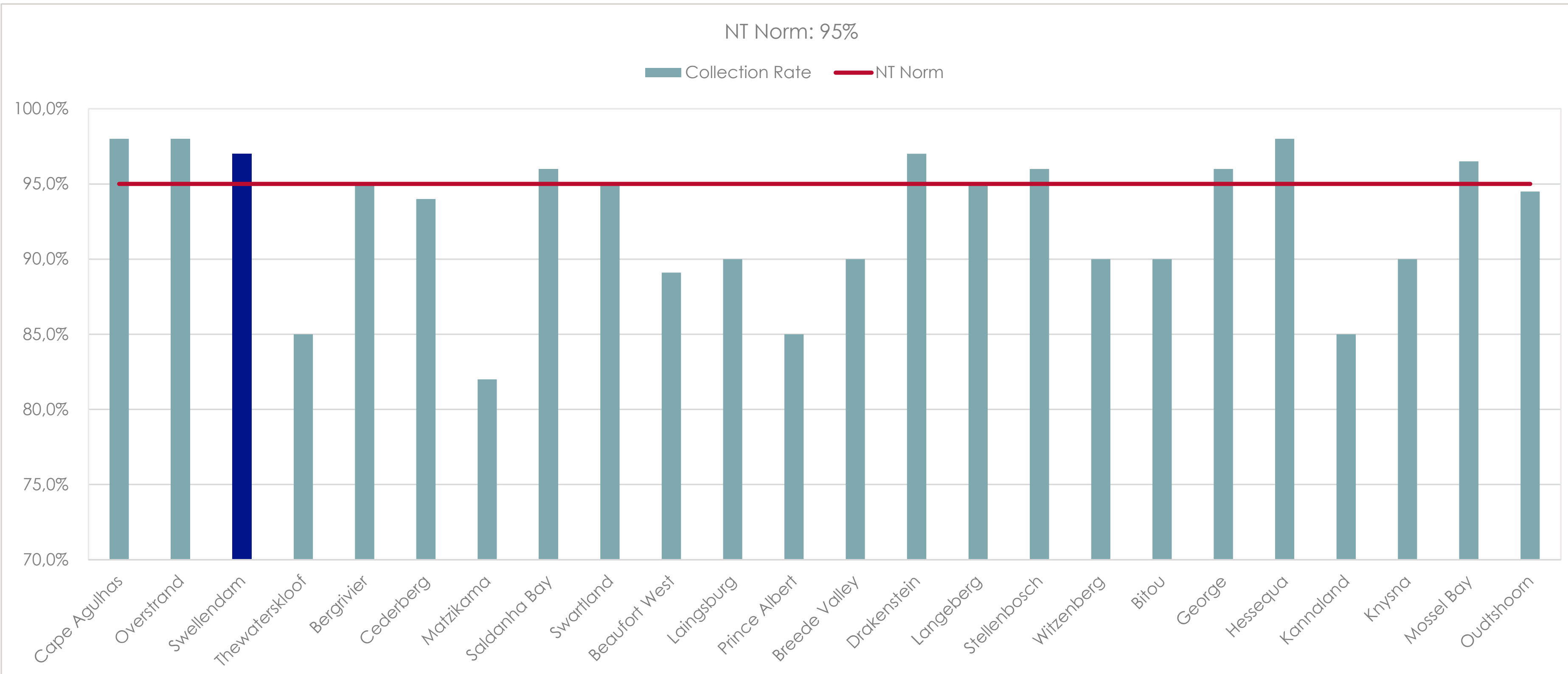
Pesticide/ Herbicide	Copiers	Air Quality Mgmt	Fleet	Fleet Mgmt. *(incl repairs)*	Oils & Lubricants	Tyres & Tubes	Fuel	Rescue & Tactical Eqpt	Tissue Items	Uniforms + Footwear

Thank you

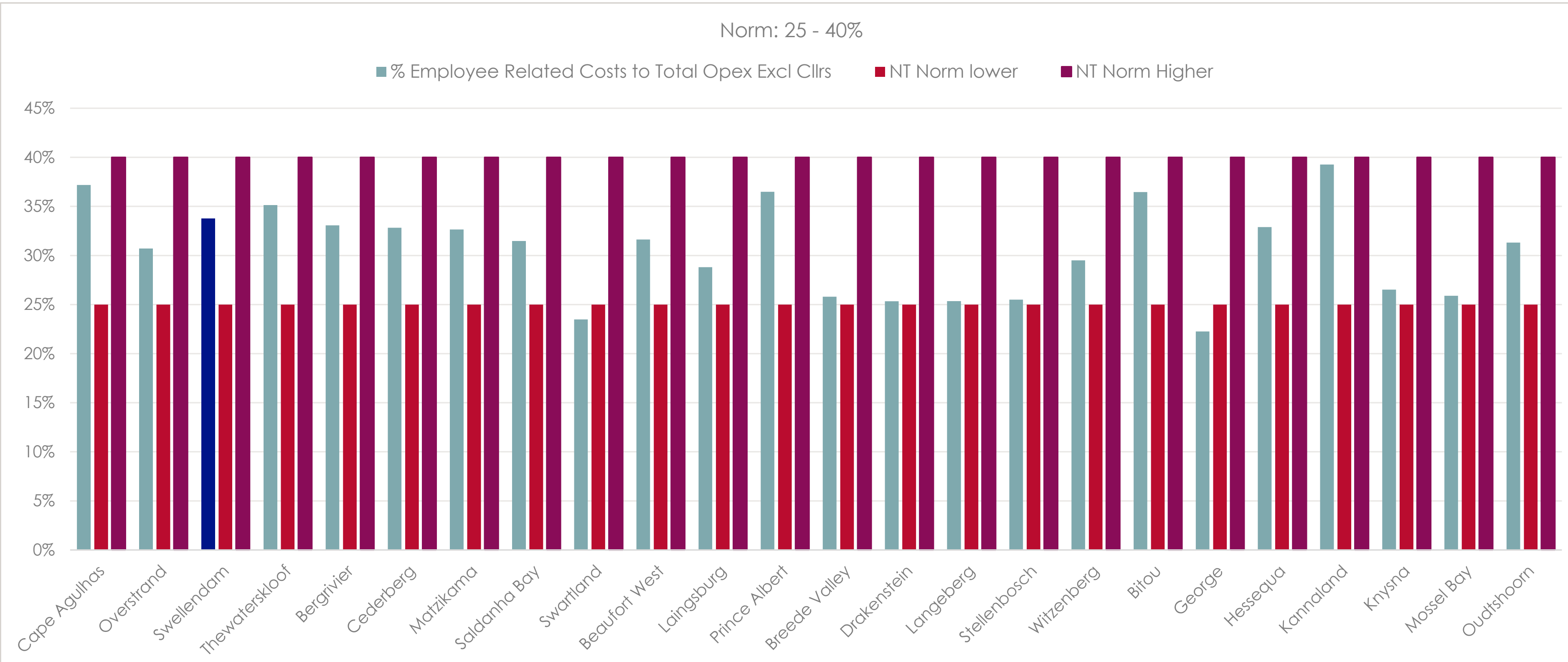
ANNEXURE: BENCHMARKING GRAPHS - Percentage Increase in Property Rates Revenue



ANNEXURE: BENCHMARKING GRAPHS – Collection rate

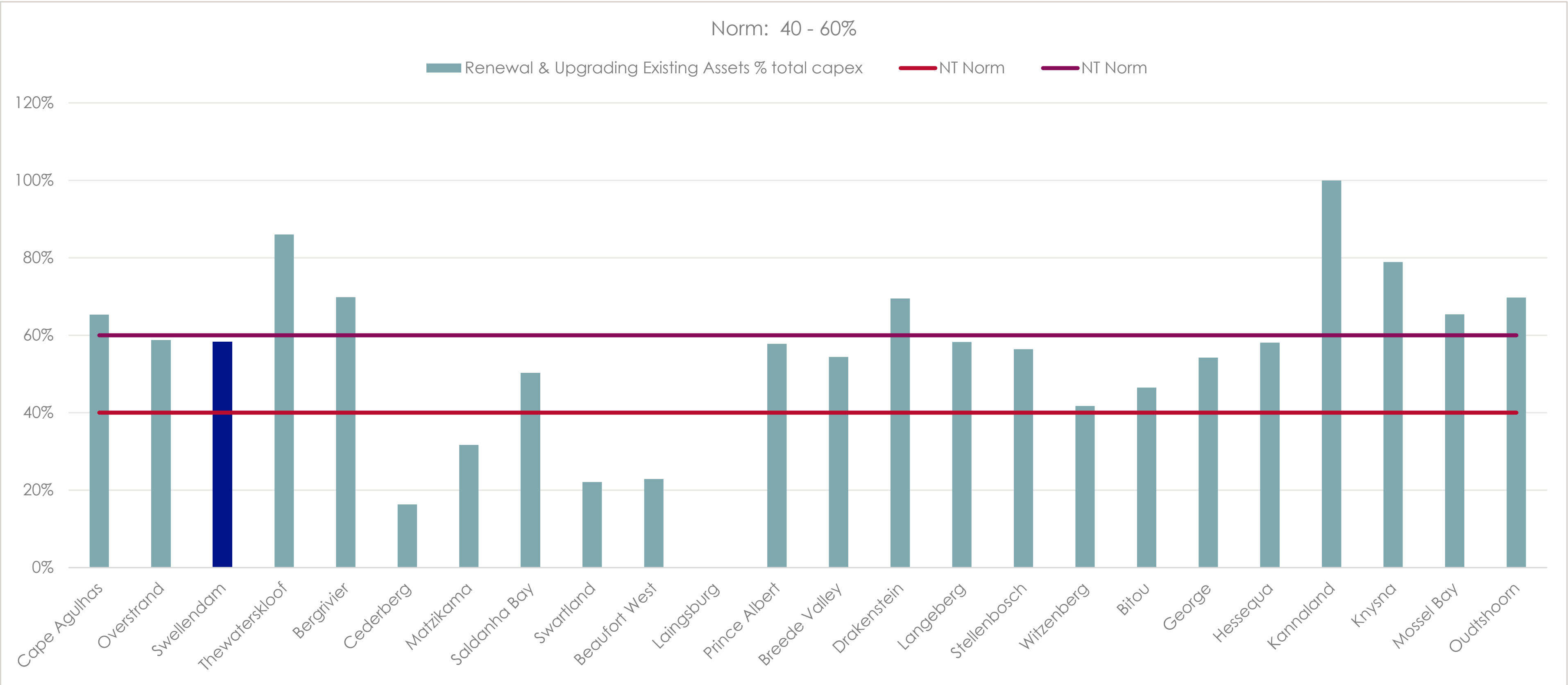


ANNEXURE: BENCHMARKING GRAPHS - Percentage Employee Related Costs to Total Opex (Incl Cllrs)

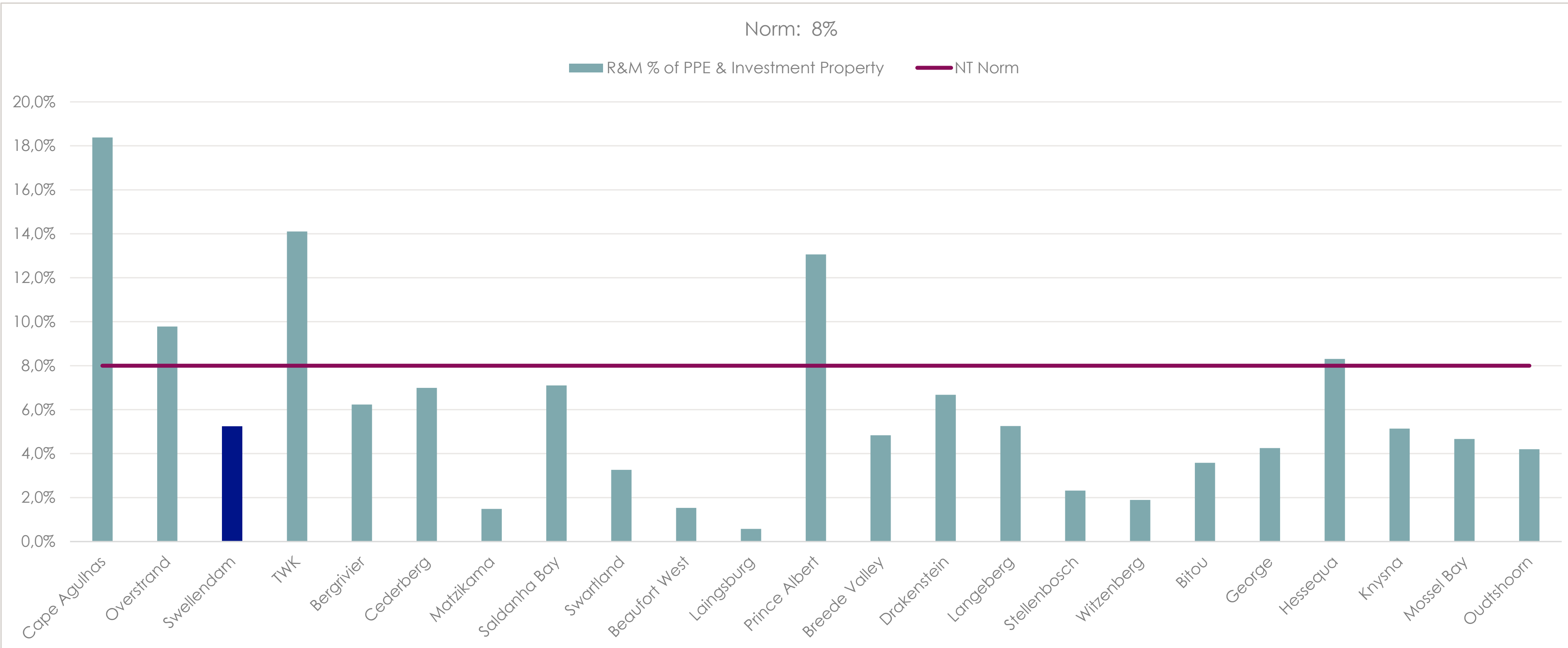


Western Cape Government

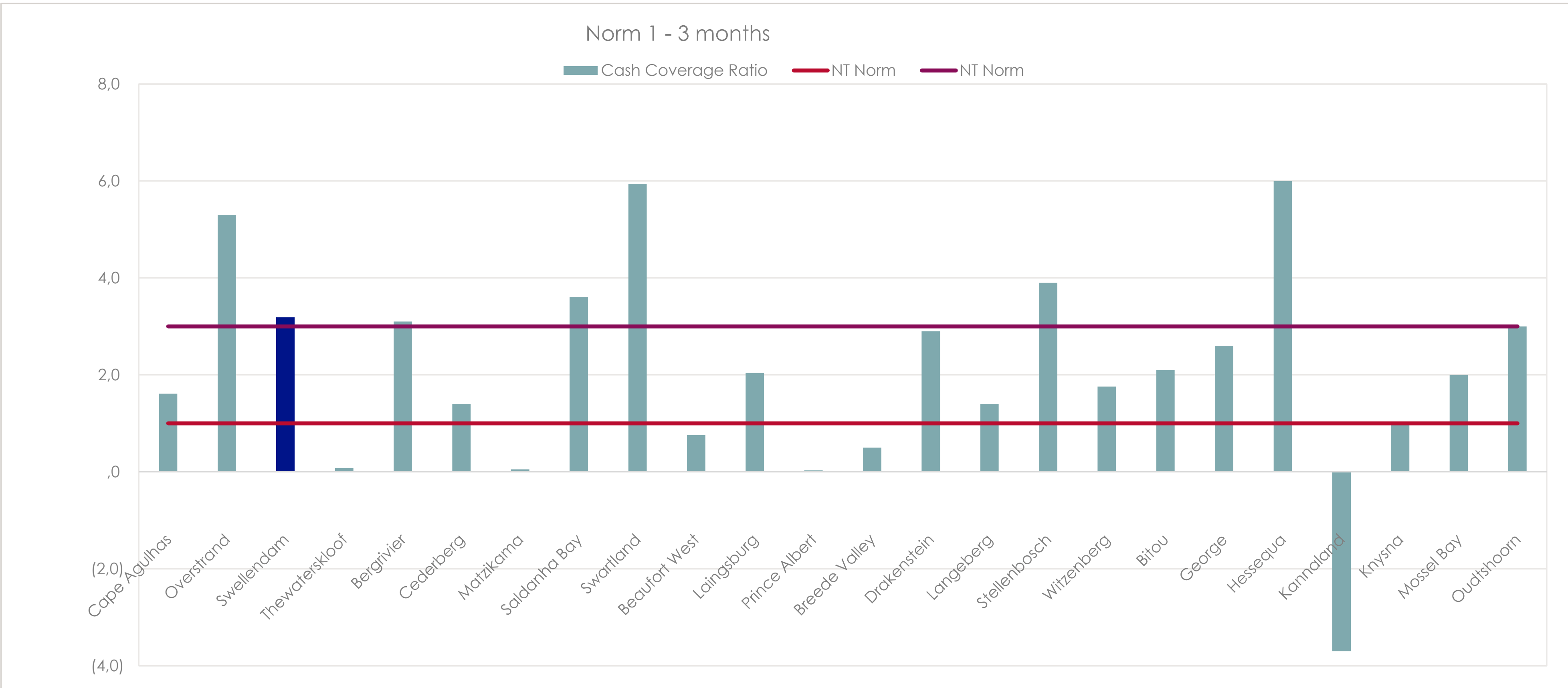
ANNEXURE: BENCHMARKING GRAPHS - Renewal and upgrading existing assets as a percentage of total capex



ANNEXURE: BENCHMARKING GRAPHS - R&M as a percentage of PPE & Investment Property

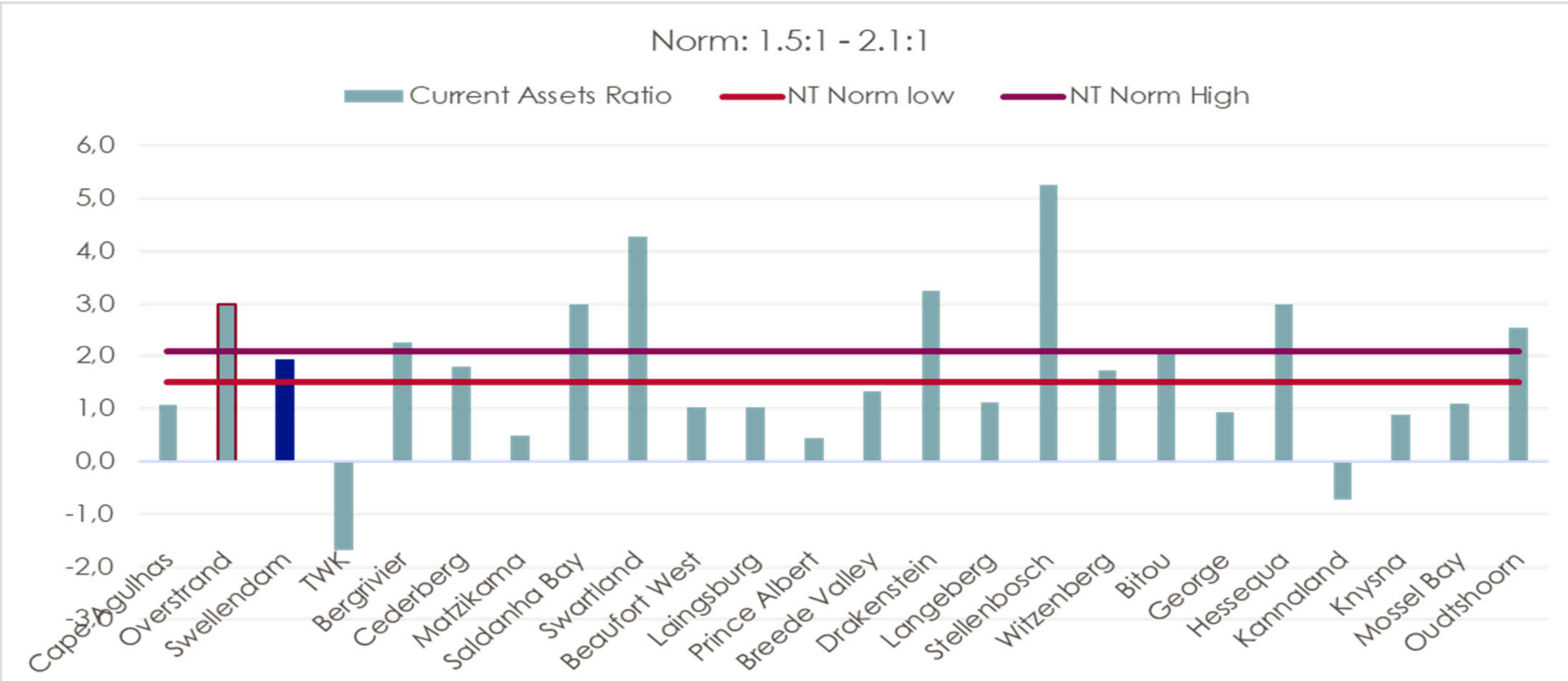


ANNEXURE: BENCHMARKING GRAPHS - Cash coverage

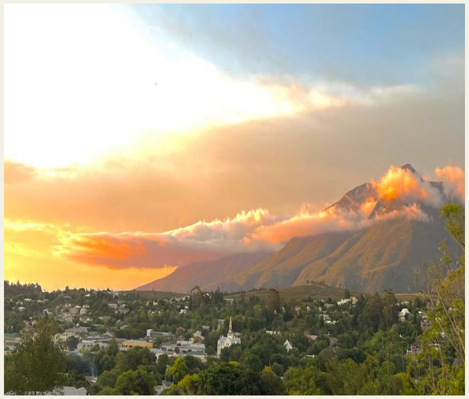


Western Cape Government

ANNEXURE: BENCHMARKING GRAPHS - Current Asset Ratio





WORKING AND GROWING TOGETHER

Working and Growing Together

SWELLENDAM MUNICIPALITY

2026 STRATEGIC INTEGRATED MUNICIPAL ENGAGEMENT

21 May 2026
14h00

Swellendam Council Chambers

Contents
SIME 2 – 2026/2027

Item	Responsibility	Time
1. **Opening and Introductions**	Lead: Provincial Delegation and Municipal Manager	10 min
2. **Western Cape Government Presentation** • Integrated presentation by Provincial Treasury, Department of Local Government and Department of Environmental Affairs and Development Planning.	Provincial Government	30 min
3. **Municipal Presentation** The intention of this session is to provide the Municipality with an opportunity to respond to the findings and recommendations in the SIME report as well as to articulate municipal priority areas and risks. The presentation template provides guidance on the structure of the presentation. More focus should be placed on priority areas for discussion.	Municipality	45 min
4. **Questions and Discussion Session** This session intends to facilitate a question session on the WCG presentation and the Municipality's presentation. There will also be an opportunity to discuss any further strategic matters contributing towards the facilitation of a sustainable, broad-based growth and development path.	All	45 min
5. **Way forward and next steps** • Summary of key resolutions from the engagement.	Provincial Lead	10 min
6. **Closure**	Municipal Manager	10 min

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/MASIPALA

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SWELLENDAM
MUNICIPALITY/MUNISIPALITEIT/MASIPALA

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2025/26 MTREF Assessment Response

ASSESSMENT RESPONSE

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INTEGRATED DEVELOPMENT & SPATIAL PLANNING

➢ The Municipality's performance trajectory across the 2022 – 2027 IDP cycle reflects a gradual stabilisation in governance and institutional performance, particularly in relation to SO5, SO6, and SO7, from 2023/24 onwards and sustained into mid-year 2025/26.	❑ Implementation of a structured water meter inspection programme to reduce non-revenue water, supported by a targeted water pipeline replacement and maintenance initiative.
➢ The Municipality is recommended to develop and implement a targeted infrastructure recovery and water loss reduction plan, with specific focus on unaccounted-for water and maintenance expenditure efficiency.	❑ Municipality will be developing a loss reduction plan for both water and electricity. The new complaint system will assist in tracking maintenance efficiency.
➢ Enhance internal capacity development through improved implementation of the Workplace Skills Plan to ensure alignment between staffing capacity and service delivery demands; and	❑ A skills development plan has been developed, based on the personal development assessments received and submitted to SETA.
➢ Utilise the performance trends identified in this report as baseline conditions to inform the development of the 2027 – 2032 IDP.	❑ Baseline determinations is based on previous performance, combined with new developments in area.
Next SDF and amendments impact next 5-year IDP BFI Funding	

ASSESSMENT RESPONSE

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/UMASIPALA

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ECONOMIC SUSTAINABILITY

- Reduce water losses through a targeted loss-reduction programme, including setting of, and reporting against realistic targets.
- Align water demand and backlog data with more recent population data to correct potential underestimation in A10 figures and ensure appropriate infrastructure planning and funding.
- Increase allocations to repairs and maintenance across all core services to protect infrastructure investments and improve long-term sustainability.
- Strengthen bulk infrastructure investment (water, electricity, wastewater, roads) in Swellendam growth nodes to ensure capacity constraints do not limit future residential, industrial, and economic expansion.
- Address ageing electricity infrastructure and Eskom capacity constraints through prioritised bulk upgrades and funding submissions.
- Revise electricity loss targets downward, ensuring realistic SDBIP targets supported by quarterly reviews and action against illegal connections (current losses 9.38%).
- Implement a costed waste transition plan for Bontebok landfill closure, including tariff impact modelling to avoid steep future tariff increases. Critical to delay cost escalation is the implementation of the Integrated Waste Management Plan with actions focused on organic waste diversion and extending landfill lifespan.
- Implement Storm Water Master Plan with priority projects, focusing on high-risk areas to mitigate flood risks.

- Completion of a Cost of Supply Study for Waste Management to inform tariff setting and financial sustainability.
- Updating of the Water and Sewer Master Plans for the 2026/2027 financial year to support infrastructure planning and investment decisions.
- Implementation of revenue protection measures, including the auditing of electricity pre-paid metering systems.
- Ongoing update and enhancement of the Rural Road Asset Management System to improve infrastructure planning and maintenance prioritisation.
- Inconsistency in Census population data and MERO/SEP/ own data. Water provision cannot be provided on Water Service's Act's Norms and Standards due to budget and capacity constraints – (Stormsvlei)
- Depended on budget – funding applications submitted- Eskom constraint has to be fixed by Eskom – balanced approach on RE in new developments

ASSESSMENT RESPONSE

REVENUE AND EXPENDITURE

- The Municipality tabled a **funded budget** over the 2026/27 MTREF. This suggests that the Municipality projects a balanced financial position for the upcoming years to meet its expenditure needs with available resources. However, the Municipality placed a **disclaimer** in the budget document regarding system related errors in the A-schedules and data strings submitted and projected operating deficits over the MTREF.
- The Municipality is encouraged to work towards tabling a surplus operating budget, to strengthen the financial position that can support ongoing acceleration in capital investment. Collect revenue due to enhance the current revenue streams by making use of the revenue tools developed by National Treasury and smart metering systems to restrict or interrupt water supply to defaulting customers.
- It is a requirement of mSCOA that a **funding source** must be identified for each **operating expenditure** line item, with strict measures/controls implemented for the Municipality not to spend on funds it does not have. The Municipality must review the operating budget and limit expenditure according to the anticipated revenue projections. The Municipality is encouraged to work towards tabling operating budget surplus and build reserves to strengthen the financial position to be able to support ongoing acceleration in capital investment.

- ICT due diligence assessment on the current financial system indicates a current compliance level of 41%.
- The Finance Department utilises an internally developed budget tool, supplemented by reference to the National Treasury budget tool.
- Electricity revenue remains under sustained pressure. New cost of supply to be undertaken.
- The municipal budgeting model progressively incorporates non-cash items, including depreciation, to enhance financial reporting accuracy.
- Revenue collection remains a priority. Smart metering is an option being investigated

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/MASIPALA

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ASSESSMENT RESPONSE

Working and Growing Together

CAPITAL BUDGET & INFRASTRUCTURE

Assessment	Response
➢ The Municipality should develop and implement a financial sustainability strategy aimed at strengthening its cash position and reducing over-reliance on borrowing and government grants for capital funding. ➢ To address the current liquidity constraints, the Municipality should gradually reduce dependence on borrowing by increasing the proportion of capital funding sourced from internally generated cash reserves over the MTREF.	❑ The budget model progressively incorporates non-cash items to achieve a funded position, with careful consideration given to the impact on tariffs. ❑ Borrowings are strategically considered to support operations and service delivery, while available cash resources are optimised, taking into account their effect on liquidity. ❑ The Municipality is optimising all revenue streams, but the rates basis remains limited. A long term financial plan is in place – funding needed for review,

ASSESSMENT RESPONSE

Working and Growing Together

mSCOA COMPLIANCE		
	➢ While the Municipality can confirm data capture, the inability to fully validate data strings reporting accuracy presents a financial reporting risk that requires strengthened controls and interim assurance measures until system issues are resolved. The Municipality must escalate and actively monitor all unresolved issues with the **system vendor**, including setting clear timelines for resolution and formal service level commitments.	❑ An ICT due diligence assessment of the current financial system indicates a compliance level of 41%. ❑ The identified shortcomings present a material risk to financial reporting reliability. ❑ It is recommended that Council consider the procurement of a new, fully compliant financial system to ensure adherence to mSCOA requirements and strengthen financial governance.

ASSESSMENT RESPONSE

Working and Growing Together

Other	➢ The Municipality does not have a comprehensive Capital Expenditure Framework in place, but the SDF does contain a section relating to the CEF which is considered appropriate for the interim; ➢ The master plans in process to be updated for the CEF and long-term financial planning; ➢ The draft budget demonstrates partial alignment with the Swellendam MSDF and CEF by directing significant capital investment toward identified growth nodes and transformation zones. ➢ Substantial allocations for Railton's bulk water and sewerage reticulation directly support the MSDF's "Integration Zone" strategy to bridge spatial divides. ➢ Furthermore, the concentration of funding (59.46%) within the Infrastructure and Planning Services vote aligns with the strategic objective to prioritize economic infrastructure in towns with high growth potential, such as Swellendam. ➢ Coastal management matters are dealt with in conjunction with the envornmental unit of the Overberg District Municipality (ODM). In addition, the Lower Breede River Trust (LBRCT) serves as a dedicated service provider for the extent of the breede river intertidal estuary and related coastal matters. ➢ The municipality has apppointed an environmental monitor and compliance officer, who works in collaboration with the ODM and the LBRCT on all coastal matters – which is more than adequate for the needs. ➢ Responsibility of compliance with NEM: ICMA vests with the sub-directorate town planning and building control, working together with ODM and the LBRCT – which all work directly with DEA&DP (biodiversity & coasts)

2026 Local Government Elections: Readiness and Risks

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/MASIPALA

Working and Growing Together

2026 Local Government Elections Readiness and Risks

Working and Growing Together

Risks

- Change of Political Landscape expected;
- Potential shifts in governance priorities and decision-making direction;
- Increased public dissatisfaction and unrest;
- Growing service demand pressures;

Readiness

- The Municipality has regular MPLC meetings;
- Election facilities prepared, but farms refuse access if their livestock is not vaccinated – before the registration weekends on 20/21 June;
- This should be escalated to a national level as it will not be limited to only Swellendam;
- Strengthened governance and controls;
- Ongoing public participation;

Needs

- Request legislative libraries for new councillors from the province;
- Training for new councillors will be needed;

Top Municipal Priority Areas for Discussion

Working and Growing Together

TOP MUNICIPAL PRIORITY AREAS

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/MASIPALA

Working and Growing Together

Financial Sustainability and Good Governance

- Strengthening financial governance through enhanced financial controls, and a comprehensive review of policies, delegations, and standard operating procedures (SOPs);
- Enhancing internal legal capacity through the appointment of a Governance Manager;
- Reinforcing consequence management to ensure accountability and compliance;
- Pursuing strategic partnerships in key service areas, including recycling, cleaning operations, and recreational services;
- Noting that irregular expenditure is primarily historical, largely attributable to housing-related contracts;
- Addressing the underfunding of library services and vehicle licensing, with consideration given to the rationalisation or scaling down of these services;
- Ensuring strict monitoring and control of capital expenditure;
- Maintaining a strong focus on public participation, while recognising increasing resistance from ratepayers, which is expected to intensify in the lead-up to the elections;

TOP MUNICIPAL PRIORITY AREAS

Working and Growing Together

Basic infrastructure provision

- Roads infrastructure remains a concern, with a strategic focus on the upgrade of industrial roads through grant funding and public–private partnerships;
- The municipal fleet is ageing; although a replacement programme is in place, extended travel distances place significant pressure on maintenance due to high utilisation levels;
- Focus on improving water infrastructure and long term water security
- Wastewater services face a high risk of non-compliance, compounded by operational constraints arising from a limited fleet and the extensive distances to areas such as Malagas, Infanta, and surrounding farming communities;
- Klipperivier WWTW's upgraded to Class A – challenge to man full-time with shifts
- Refuse removal remains a key focus area, with a Cost of Supply (COS) study underway and an Airspace Study, strong emphasis is placed on recycling initiatives, which will require municipal capital investment, supported by strategic partnerships with businesses, buy-back initiatives, and collaboration with EPIP, EPWP, and CWP programmes;
- Uncontrolled littering continues to present a significant challenge;
- Continued focus is being placed on the Waste-to-Energy (W2E) project;
- Electricity services remain constrained by capacity limitations; progress includes the development of a wheeling framework, replacement of energy-saving devices on municipal infrastructure, and the completion of meter audits;
- The Municipality has implemented a Capital Contribution Policy to support infrastructure funding requirements, which need to be aligned with the new regulation

TOP MUNICIPAL PRIORITY AREAS

Working and Growing Together

Human Settlements

- The Municipality have four informal settlements;
- Formalisation and servicing of Matjoks remain a priority;
- Metering of services to informal areas is being implemented to support revenue management and sustainability.
- The informal settlement on private land in Malgas requires further engagement and resolution;
- There is a need for GAP housing for higher-income residents.
- Strategic release of municipal land is being prioritised to support development objectives.

TOP MUNICIPAL PRIORITY AREA

Working and Growing Together

Environmental Management

- Extension of the LBRCT contract is being pursued to ensure continuity of service delivery.
- Strict land use management measures are being enforced.
- Ongoing monitoring of the Spatial Development Framework (SDF) implementation is underway, with a formal amendment of the SDF planned for the upcoming financial year.
- Monitoring and preventative measures for sewer spillages are being strengthened.
- Illegal dumping remains a significant challenge, with increased focus on recycling initiatives and awareness programmes.
- The Capital Expenditure Programme will be aligned with and incorporated into the SDF as part of the budget documentation.
- Organisational review – environmental matters now resort under one department

TOP MUNICIPAL PRIORITY

Working and Growing Together

Local Economic and Social Development

- Part of the COGTA project to develop a Local Economic Strategy;
- Incentive policy in place for development.
- Engagement on a possible research project with UCT and Norway on the impact of the windfarm project on municipalities;
- Strategic partnership focus i.e recycling, creches, clean-ups, greening, community gardens and markets;
- Strategic releasing of municipal land – eg Hermitage;
- Development of Transnet land – with GAP housing, school of skills – engagements with Universities;
- Commonage management;
- Fostering high-income development (private sector);
- Availed a Victim Empowerment facility to SAPS in Swellendam;
- Increase in protection racket within Swellendam;
- Wind farm led to an influx in Swellendam Informal Settlement.
- Provision of water to farms – unaffordable;

Capital Budget Discussion

Working and
Growing Together

Service Delivery Objectives

Working and Growing Together

- The objective is to achieve a 95% implementation rate of the Capital Budget;
- The municipality is in the process of strengthening the Project Management Unit (PMU) through the addition of an extra position;
- Consultant appointments for the WSIG and MIG projects have already commenced. Furthermore, the strategy is to hold specification meetings immediately after the budget is approved in May 2026;
- Monthly monitoring of the Demand Management (Procurement Plan);
- Two Section 78 investigations underway;

Service Delivery Challenges

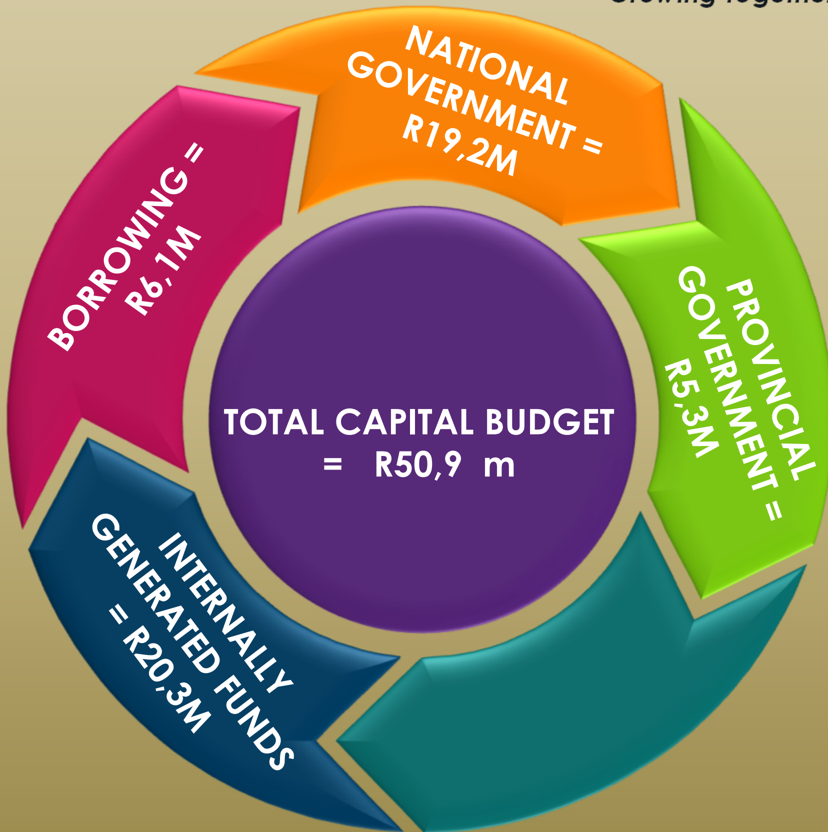
Working and Growing Together

- Delays in the initiation of the procurement process;
- Submission of incomplete bids and instances of non-compliance with specifications;
- Receipt of objections after the bidding process;
- Insufficient oversight by consultants, including a reluctance to enforce corrective measures against contractors;
- Diesel price increases affecting line product pricing;
- Severe weather damage – significant;
- Note that the severe weather damage resulted in a lot of debris coming to the Bontebok landfill site – to be recycled;
- Transfer of land to Suurbraak CPA (fire risk is high);

FUNDING MIX & EXTERNAL BORROWING STRATEGY

Working and Growing Together

- The Internally Generated Funds incorporate a provision of R7,7m allocated towards the reconstruction of the Thusong Centre, financed through proceeds from the Insurance Claim combined with Own Contribution;
- While the Municipality continues to rely heavily on grant funding, own revenue has shown a steady upward trajectory since 2021, nearly doubling to reach R8,5m;
- A loan facility of R6,1m is required to fund the replacement of vehicles within the fleet;
- An allocation of R4,1m has been committed as counter funding towards MIG projects;



Our Capital Investment History & Future

2023 – 62,9 m

2024 – R53 m

2025 – R51,7 m

PAST

2026 – R102,8 m

2027 – R50,9 m

2028 – R42,2 m

2029 – R57,7 m

FUTURE

How is the Capital Budget Funded for 2026/27

Municipal Infrastructure Grant – R9,2m

- R1,7m Upgrade Suurbraak Sport Facility
- R7,1m Upgrade Barrydale WWTW
- R0,4m Swellendam Bulk Water Reticulation

Water Services Infrastructure Grant – R6,1m

- R6,1m Upgrade of Bakenskop and Railton Pumpstation

Integrated National Electricity Program R3,9m

- R3,9 m for the Electrification of Housing Project;

Other Grants – R4,6m

- R0,8 m for Phase3 of the Railton Walkway Project;
- R 1m Railton CDB
- R1,2m Precast Toilets Informal Settlement
- R1,6m Security Fence Informal Settlement

Capital Replacement Programme – R20,4 m

- R4,1m Counter Funding for MIG projects;
- R7,7m for the rebuild of the Thusong Centre;
- R1m for Upgrading of N2 Pumpstation;
- R0,9m for Bontebok Landfill site fence;
- R1,6m For Russel Link Construction;
- R0,5m for Suurbraak Landfill site facilities;
- R0,2 for Shand/Gelderblom Street Lights
- R4,4m for machinery, equipment and minor capital items

Borrowing Finance Lease – R6,1 m

- R3,6m Refuse Compactor;
- R2,5m Grader for Gravel roads;

Department Sport & Agricultural – R0,6

- R0,6m Grandstand Buffelsjagrivier Sport Facility;

Infrastructure Pipeline

Working and Growing Together

Below is the Infrastructure Pipeline for the Financial Years beyond 2026/2027:

Service	27/28	28/29	29/30 – 33/34	34/35 Onwards
Total	**373 921 450**	**138 938 000**	**112 400 000**	**845 000 000**
Sanitation	19 925 800	11 000 000	40 400 000	45 000 000
Water	68 995 650	5 750 000	57 000 000	650 000 000
Energy/Electricty	255 000 000	122 188 000		150 000 000
Roads & Stormwater	30 000 000			-
Solid waste	-	-	15 000 000	-

All of the above projects are unfunded.

Infrastructure Pipeline

No	Project Name	Sector	Estimated Total Cost (R)	Funding Source	Readiness Stage	Priority	Target Start Date	Target Completion Date	Comments / Notes
1	Eskom link, new transmission substation to Vryheid Substation	Energy/ Electricity		Eskom		High			Construction of a new Eskom high-voltage transmission lines connecting the Overberg region to the national grid at adequate capacity. The lines are needed to unlock capacity in the region.
2	Upgrade Waste Water Treatment Works: Barrydale	Sanitation	24 945 000	MIG	Detail design	High	2025/26	2029	Upgrade and expansion of the Barrydale Waste Water Treatment Works to increase treatment capacity and bring the facility in line with current Green Drop regulatory requirements. Funded through MIG. This entry reflects the MIG portion of the project budget. | The existing WwTW in Barrydale is operating at or beyond capacity. Without upgrading the treatment works, new residential and commercial development in Barrydale cannot be approved as there is insufficient wastewater treatment capacity. The upgrade is essential to unlock growth and ensure environmental compliance.
3	Upgrade Waste Water Treatment Works: Barrydale	Sanitation	5 280 800	CRR	Detail design	High	2025/26	2029	Upgrade and expansion of the Barrydale Waste Water Treatment Works — CRR (own-funding) portion of the project, complementing the MIG-funded component. | As above: the Barrydale WwTW upgrade is a prerequisite for any new development in Barrydale. The CRR funding component ensures the municipality can bridge funding gaps and complete the full scope of works.
4	Upgrade Of Barrydale Water Pipeline from Water Treatment Works to Reservoir	Water	7 000 000	CRR	Concept/Problem definition	High	2030/31	2035	Replacement and upgrading of the bulk water pipeline from the Barrydale Water Treatment Works to the main reservoir, improving flow capacity and reliability of water supply to the town. | The existing pipeline is aged and undersized relative to current and future demand. Failure of this pipeline would cut water supply to Barrydale entirely. Upgrading it is necessary to support population growth and any new development in the town.
5	Upgrade Of Barydale Bulk Sewer Line to Waste Water Treatment Works	Sanitation	8 000 000	CRR	Concept/Problem definition	High	2028/29	2030	Upgrading of the bulk sewer main from Barrydale to the Waste Water Treatment Works, increasing conveyance capacity to accommodate current loads and future growth. | The bulk sewer line is a critical link in the sanitation chain. An undersized or failing bulk sewer line limits how much wastewater can be conveyed to the treatment works, effectively capping development. This upgrade is required to support the WwTW upgrade and unlock new connections.
6	Second Phase of Barrydale Water Treatment Works Upgrade	Water	26 000 000	WSIG	In construction	High	2025/26	2026	Second phase of the Barrydale Water Treatment Works upgrade, increasing potable water production capacity to meet current demand and support future growth in Barrydale and surrounding areas. | Barrydale's water treatment capacity is constrained. Without increased treatment capacity, the municipality cannot supply potable water to new consumers. This upgrade is a prerequisite for lifting the development moratorium on water connections in Barrydale.

Infrastructure Pipeline

No	Project Name	Sector	Estimated Total Cost (R)	Funding Source	Readiness Stage	Priority	Target Start Date	Target Completion Date	Comments / Notes
7	New Reservoir Barrydale	Water	10 000 000	WSIG	Concept/ Problem definition	High	2029/30	2035	Construction of a new bulk water storage reservoir in Barrydale to increase the town's storage capacity and improve supply security, particularly during peak demand periods and emergency situations. | Adequate reservoir storage is essential to buffer supply interruptions and meet peak demand. The current storage capacity is insufficient for the existing population and cannot accommodate growth. A new reservoir will improve service reliability and support new development approvals.
8	Upgrade Sewer Network Barrydale to Water Born Network (Current Septic System)	Sanitation	45 000 000	CRR	Concept/ Problem definition		2035/36	2040	Conversion of Barrydale's existing septic tank sanitation system to a waterborne sewerage network, including laying of new sewer reticulation and connections to all properties currently on septic tanks. | The current septic tank system in Barrydale is inadequate for an urban environment and poses long-term public health and groundwater contamination risks. A waterborne system is the accepted standard for urban sanitation, will improve environmental compliance and significantly improve living conditions for residents.
9	Upgrading of Roads in The Industrial Area Swellendam	Roads & Stormwater	27 000 000	other	Planning	High	2025/26	2027	Upgrading and rehabilitation of roads in the Swellendam industrial area, including stormwater improvements, surfacing and road structure upgrades. This entry covers the primary civil works contract (R27 million). | The industrial area is the economic engine of Swellendam. Poor road conditions limit the movement of heavy goods vehicles, increase transport costs for businesses, and deter new investment. Upgraded industrial roads will improve logistics, attract new business, and support job creation. Department or agriculture showed promise to fund the project but exited after long negotiations which ended up without a positive outcome.
10	Upgrading Of Roads in The Industrial Area Swellendam	Roads & Stormwater	3 000 000	other	Concept/ Problem definition	High	2025/26	2027	Upgrading of roads in the Swellendam industrial area — supplementary works component (R3 million) covering ancillary roadworks, kerbing, and drainage. | As above: this component completes the industrial road upgrade programme. Together with the primary contract, it ensures the full industrial road network is upgraded to a standard that supports heavy industrial traffic and economic activity.
11	Upgrade of Bakenskop to Railton Bulk Water Pipeline to Reservoir	Water	28 695 650	WSIG	In construction	High	2027	2028	Construction of an upgraded bulk water pipeline from the Bakenskop Reservoir to the Railton distribution network, increasing flow capacity to the Railton residential area and informal settlement. | Railton and the adjacent informal settlement are among the fastest-growing residential areas in Swellendam. The existing pipeline is undersized and cannot deliver sufficient water to meet current demand, let alone accommodate growth. This pipeline is a prerequisite for any new housing development in Railton.
12	Upgrading of Sewer Line from Informal to N2 Pumpstation Railton	Sanitation	3 000 000	Human Settlements Grant	Concept/ Problem definition		2028/29	2029	Upgrading of the sewer line from the Railton informal settlement to the N2 pump station, replacing the existing undersized pipe to handle current and future wastewater flows from the settlement. | The informal settlement in Railton is a priority area for housing formalisation and service delivery. The existing sewer line is inadequate and prone to blockages and overflows. Upgrading it is essential to support the formalisation programme and ensure dignified sanitation for residents.

Infrastructure Pipeline

No	Project Name	Sector	Estimated Total Cost (R)	Funding Source	Readiness Stage	Priority	Target Start Date	Target Completion Date	Comments / Notes
13	Upgrade Pumpstation and Rising Main to Bakenskop Swellendam	Water	10 000 000	CRR	Concept/ Problem definition	High	2027/28	2030	Upgrading of the pump station and rising main that conveys water from the lower supply system to the Bakenskop Reservoir, increasing pumping capacity to meet current and future demand. | The pump station and rising main are critical links in Swellendam's water supply chain. Without adequate pumping capacity, the Bakenskop Reservoir cannot be filled at a rate sufficient to meet peak demand. This upgrade is required to ensure reliable water supply to the upper areas of Swellendam and to support new development.
14	Upgrading Of Waste Water Treatment Works - Kliprivier Swellendam'	Sanitation	40 400 000	CRR	Concept/ Problem definition	High	2029/30	2035	Upgrade and expansion of the Kliprivier Waste Water Treatment Works, which serves Swellendam town, to increase treatment capacity . | The Kliprivier WwTW is the primary wastewater treatment facility for Swellendam. It is operating within capacity but will need to be upgraded in the future.
15	New Reservoir for Informal and Railton Area	Water	15 000 000	WSIG	Concept/ Problem definition	High	2030/31	2035	Construction of a new bulk water storage reservoir to serve the Railton residential area and the adjacent informal settlement, improving supply security and enabling new housing connections. | There is currently insufficient reservoir storage capacity to supply Railton and the informal settlement reliably. A new reservoir is essential to support the formalisation of the informal settlement and the delivery of new housing units. Water use will increase drastically with the formalisation of the informal settlement.
16	New Reservoir Bakenskop	Water	25 000 000	Loan	Concept/ Problem definition	High	2030/31	2035	Construction of a new bulk water storage reservoir at Bakenskop to increase total storage capacity for Swellendam town, improve supply security, and support new development in the upper areas of the municipality. | Swellendam's current reservoir capacity is insufficient in this area to meet growing demand, particularly during periods of high consumption or supply interruptions. Additional storage is a prerequisite for approving new developments and ensuring the town's water supply is resilient.
17	Upgrade Swellendam Water Treatment Works	Water	25 000 000	Loan	Concept/ Problem definition	High	2035/36	2040	Upgrade and expansion of the Swellendam Water Treatment Works to increase potable water production capacity and achieve full Blue Drop compliance with water quality and operational standards. | The Swellendam WTW produces drinking water for the entire town. Its current capacity is constrained and cannot support significant population or economic growth. Upgrading the treatment works is fundamental to ensuring long-term water security and enabling new development approvals.
18	Smart Meters and Control System	Energy/ Electricty	70 000 000	DLG Energy Resilience	Concept/ Problem definition		2027/28	2030	Installation of a smart metering system across the municipality, including automated meter reading, a real-time monitoring and control platform, and integration with billing systems for all water and electricity consumers. | Smart meters significantly reduce non-revenue water and electricity losses by enabling rapid detection of leaks, theft, and billing errors. They improve revenue collection, reduce operational costs, and provide the data needed for effective demand management — all critical for the financial sustainability of municipal services.

Infrastructure Pipeline

No	Project Name	Sector	Estimated Total Cost (R)	Funding Source	Readiness Stage	Priority	Target Start Date	Target Completion Date	Comments / Notes
19	Upgrade Municipal Feeders from Eskom to Bethal Substation	Energy/ Electricty	52 188 000	Loan	Concept/ Problem definition	High	2027/28	2035	Upgrading of the municipal electricity distribution feeders between the Eskom supply point and the Bethal substation, increasing capacity and reliability of electricity supply to Swellendam. | The existing feeders are operating close to their rated capacity. Without upgrading them, the municipality cannot increase electricity supply to existing consumers or connect new ones. This upgrade is essential to support economic growth and new development in Swellendam, and works in conjunction with the broader Eskom transmission upgrade (Project 1).
20	New Reservoir and Upgrade WTW Buffelsjag	Water	25 000 000	CRR	Concept/ Problem definition		2027/2028	2029	Construction of a new bulk water reservoir and upgrade of the Water Treatment Works at Buffelsjagrivier to ensure reliable potable water supply to the community. | Buffelsjagrivier currently has adequate water storage capacity. The existing infrastructure cannot support growth or withstand supply disruptions on the purification side. The upgrade of the water purification works is much needed to ensure reliable water quality.
21	New Intake Substation Suurbraak Bulk Electricity	Energy/ Electricty	150 000 000	CRR	Concept/ Problem definition		2035/36	2040	Construction of a new bulk electricity intake substation at Suurbraak to replace the existing inadequate supply infrastructure and provide a reliable, correctly sized electricity supply point for the town. | Suurbraak's current electricity supply infrastructure is aged and undersized. The existing supply cannot reliably meet current demand, let alone accommodate growth. A new intake substation is the foundation of any future electricity supply improvements in Suurbraak and is critical for service delivery and development.
22	Solar/Battery/Bes/ Cap Banks System	Energy/Electricty	255 000 000	other	Concept/ Problem definition	High	2026/27	2030	Installation of a solar generation, battery energy storage, capacitor bank and Building Energy System (BES) at key municipal facilities, creating a hybrid renewable energy system to reduce dependence on Eskom supply and improve energy resilience across the municipality. | Given the severe electricity supply constraints in the Overberg District, the municipality must reduce its dependence on Eskom grid supply. A solar and battery system will reduce peak demand on the grid, lower electricity costs, improve supply reliability during load shedding, and demonstrate responsible energy management. It also positions the municipality to operate critical services independently of Eskom when necessary.
23	Upgrade Railton Bulk Water Distribution and Reticulation	Water	8 000 000	CRR	Concept/ Problem definition	High	2025/26	2026	Upgrading and extension of the bulk water distribution network in Railton, replacing ageing pipes and increasing reticulation capacity to meet current demand and enable new housing connections. | The Railton water distribution network is inadequate for the current population and cannot support the planned housing development in the area. This upgrade is a direct enabler of new housing delivery and the formalisation of the informal settlement.
24	Future Water Security Swellendam	Water	600 000 000	other	Concept/ Problem definition	High	2035/36	2040	Investigation, planning and ultimate implementation of a long-term bulk water source augmentation scheme for Swellendam, most likely the construction of an in-stream dam on the Buffeljags River, to provide a secure, long-term water supply for the town and surrounding areas. | Swellendam's current water source — the Grootkloof dam system — has limited yield relative to the town's long-term growth trajectory. Without a new bulk water source, the municipality will face a hard ceiling on population growth and economic development. This is the most strategically important water infrastructure project for Swellendam's future.

Infrastructure Pipeline

No	Project Name	Sector	Estimated Total Cost (R)	Funding Source	Readiness Stage	Priority	Target Start Date	Target Completion Date	Comments / Notes
25	Buffelsjagrivier: Upgrade WTW and new reservoir	Water	25 000 000	Other	Concept/Problem definition	Priority 6	Post2030		Construction of a new Water Treatment Works and bulk water storage reservoir at Buffelsjagrivier to replace inadequate existing infrastructure and provide a reliable, compliant water supply to the community. | Buffelsjagrivier's water supply infrastructure is inadequate. The existing system cannot reliably treat water for the community. This project is fundamental to achieving basic service delivery standards and enabling any future development.
26	Suurbraak: Upgrade of Suurbraak water pipeline from weir to pumpstation	Water	5 750 000	Other	Concept/Problem definition	Priority 4	2028/29		Upgrade of the raw water supply pipeline from the Suurbraak weir on the Buffeljagsrivier to the pump station, increasing the volume of raw water that can be abstracted and conveyed to the Water Treatment Works. | The existing raw water pipeline limits how much water can be abstracted from the river, constraining the total volume of potable water that can be produced. This upgrade is essential to improve water security in Suurbraak and support reliable supply to the community.
27	Swellendam: New Silo sewer pumpstation	Sanitation	2 800 000	Own-Muni	Implementation	Priority 1	2025/26	2026	Construction of a new sewer pump station at the Silo area of Swellendam to replace the existing failing pump station infrastructure and ensure reliable conveyance of wastewater from the lower town to the treatment works. | The Silo pump station is a critical node in Swellendam's sewerage system. Failure of this pump station would result in sewage overflows affecting the surrounding area. Replacing it with a new, correctly sized pump station is essential for service continuity and public health.

Working and
Growing Together

Key Service Delivery & Fiscal Risks

KEY SERVICE DELIVERY AND FISCAL RISKS

SWELLENDAM MUNICIPALITY/MUNISIPALITEIT/MASIPALA

Working and Growing Together

- Ageing fleet and infrastructure continue to place pressure on service delivery capacity and operational efficiency.
- Ongoing uncontrolled migration contributes to increased demand on municipal services and infrastructure.
- Potential political instability and public unrest present a risk to governance and service continuity.
- ICT-related risks persist due to cyber threats, outdated systems, and reliance on manual processes.
- The reconstruction of the damaged municipal building remains a critical priority.
- Revenue management remains under pressure; however, improved debt collection strategies have increased the collection rate to 93%, including policy amendments relating to deceased estates.
- Strategic partnerships remain essential to support service delivery and unlock additional capacity.
- Manpower limitations and PPE constraints continue, with operations heavily reliant on EPWP programmes.

KEY SERVICE DELIVERY AND FISCAL RISKS

Working and Growing Together

- Compliance requirements impose a significant administrative burden, particularly within procurement processes.
- Community expectations are often misaligned with the Municipality's financial and operational capacity.
- Water and wastewater compliance continues to present challenges.
- Sewer spillages occur within parts of Swellendam, impacting environmental and public health standards.
- Service delivery to informal settlements in Swellendam (Matjoks), Malagas (Nuwe Dorp), Suurbraak (Nuwe Tarief), and Barrydale remains a key challenge.
- Illegal dumping and maintenance of parks and public spaces require strengthened interventions.
- Maintenance funding remains constrained relative to infrastructure requirements.
- Certain services, including libraries and vehicle licensing, are becoming more financially unsustainable.

Areas of Support

Working and
Growing Together

Areas of Support

Working and Growing Together

- SCM Processes – Specifications, Evaluations and adjudication;
- Funding for Smart metering roll-out – R25,5m;
- Shared examples on DC policies from other municipalities;
- Assistance on the budgeting of water inventory, such as employee cost and operational cost etc., and the impact of that on the ratios of the municipality;
- Assistance to provide SOP's for the SCM Unit and departments;
- Land for Nuwe Dorp informal settlement in Malagas;
- CEF drafting assistance;
- Review of the Breede River Flood line
- Funding for review of long-term financial plan

Working and
Growing Together

Conclusion & Thankyou

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Admin/PA - Ofebruary@swellendam.gov.za

..ed 2026/2027 MTREF Inputs

Person	Depart / Public	Detail	Value 2026/27	Value 2027/28	Value 2028/29	Response
Lucinda Cupido	Integrated Human Settlements	Goeie dag Mev. Hendricks Met verwysing na die voorgestelde begroting rakende befondsing vir behuising, wil ek hiermee versoek dat daar oor 'n tydperk van drie jaar (vanaf die 2026/2027 boekjaar) voorsiening gemaak word vir die sloop van onwettige strukture. Dit is van kardinale belang dat hierdie item begroot word, aangesien ons daagliks uitdagings ervaar met inwoners wat onwettig strukture op munisipale grond oprig. Oor die afgelope jare was daar 'n beduidende toename, veral in die Majoks informele nedersetting, waar strukture vinnig opgerig word. Ons het reeds die tenderproses begin en is tans in die proses om 'n diensverskaffer aan te stel. Ongelukkig is die befondsing vir die 2025/2026 boekjaar tydens die aanpassingsbegroting verwyder, wat die afdeling in 'n ongemaklike posisie plaas. Ons versoek dus vriendelik dat befondsing vir die sloop van onwettige strukture in die Swellendam-area weer ingestel word. Dit sal waardeer word indien 'n bedrag van R500 000.00 begroot kan word, met aanpassings vir inflasie in die daaropvolgende jare. Baie dankie vir u oorweging in hierdie verband. Vriendelike groete Lucinda Cupido Manager : Human Settlements	500 000	516 500	533 028	An amount of R500 000 was in the budget.
Alfredo Meyer	ICT	Hi Nadia Ons het nog 'n R200 000 nodig vir Computer Equipment vir die die nuwe raad wat na die verkiesing gaan begin. Computer Equipment - All departments	200 000	-	-	An additional amount of R2(was provided
Ron Brunnings	Town planning	Wilma Soos tevore bespreek, gaan ons 'n groeiende getal betaalde boetes (itv. 56 van die CPA) vanaf die hoof begin ontvang. Dit, tesame met toekomstige betalings itv.die "Compliance Penalty Policy" (wat onlangs goedgekeur is) beteken dit dat ons dalk 'n spesifieke lyn item in die oorhoofse begroting moet aantoon /skep om pas te hou? Lw. die boetes is nie dieseldfde as verkeersboete nie, dit it is fokus op grondgebruik en bouwerk oortredings, asook tot 'n mate oorlas oortredings. Hoe gaan ons te werke om dit vestig? Sal waardeer. Verder, ons sal dalk ook 'n begroting moet vasmaak vir regskostes mbt. bostaande. My Afdeling gebruik huidige die MM se begroting. Dalk is dit genoeg?	?	?	?	Only revenue ukey without b was created under town pla
ıa - Blua (Charles Payne) - BARRYDALE LEIWATER EBRUIKERSVERENIGING	Water Services (Public)	1. Inleiding. Die toestand van Barrydale se leiwaterstelsel infrastruktuur is tans in 'n benarde toestand as gevolg aan 'n gebrek aan instandhouding gedurende die laaste dekade, of eerder die afwesigheid van enige instandhouding. As leiwater gebruikers was ons op ons eie vermoëns en fondse aangewese om te verseker dat die leiwaterstelsel nog tot 'n mate effektief funksioneer. 2. Leiwater Vereniging. As gebruikers het ons reeds gedurende 2021 'n gesprek begin met die doel om ons leiwater infrastruktuur instandhouding deur die Munisipaliteite te verseker. Op 22 Januarie 2022 het vier leiwater gebruikers as stigterslede begin met die aanvoorwerk om 'n Leiwater Vereniging te stig. Die resultaat hiervan was Barrydale Leiwater Gebruikersvereniging (BLGV) Stigtingsvergadering op 14 Maart 2022, nadat die Munisipale Bestuurder op 14 Februarie 2022 met 'n Munisipale Kennisgewing versoek het dat ons as Leiwater gebruikers 'n vereniging stig ten einde die bestuur en instandhouding van Leiwater oor neem. BLGV het reeds op 8 Januarie 2026 sy eerste Algemene Jaarvergadering gehou, waartydens ons Grondwet asook Reëls en Regulasie goedgekeur is. 3. Instandhouding. Ten spyte van die feit dat ons as gebruikers jaarlikse betaal het vir die gebruik van leiwater, was die instandhouding en fondse wat vir die leiwaterstelsel begroot was hoegenaamd nie voldoende nie en was leiwaterslote en -sluise nie in 'n aanvaarbare toestand nie. Deur bemiddeling van CAP Swellendam het ons die dienste van 'n aantal EPWP werkers verkry sedert Julie 2022 tot en met Maart 2024 wat aangewend was om die plantegroei langs leiwater infrastruktuur te verwyder. Jare se swak of geen onderhoud op die leiwaterstelsel het tot erge skade gelei op die leiwaterkanale en infrastruktuur. Om die EPWP werkers effektief te kon aanwend was BLGV genoodsaak om uit eie fondse gereedskap, werk uitrusting en verbruiksgoedere aan te koop. Daar was ook gebruik gemaak van plaaslike tuindienste en werkers na Maart 2024 tot en met hede. 4. BLGV fondse. Ons het geen vaste inkomste en dus geen begroting nie en word alle instandhouding en herstelwerk gedoen deur BLGV , wie se lede self die koste daarvan dra. Die uitgawes hieronder is 'n opsomming van wat BLGV gespandeer het sedert Oktober 2022 tot en met hede. a. Krag- en tuingereedskap aankoop en herstel R 30 800 b. Materiaal en verbruiksgoedere R 16 000 c. Beskermende drag en veiligheids uitrusting vir werkers R 12 000 d. Werkerslone R 21 500 e. Tuindienste kontrakteur R 7 000 f. Diverse uitgawes R 8 000 Totaal R 95 300 5. BLGV oorname van die Leiwaterstelsel. As Munisipaliteit het u BLGV kennis gegee dat die voorsiening van leiwater nie as 'n noodsaaklike diens beskou word nie, die kapasiteit van die Munisipaliteit oorlaai word, dit nie vir die Munisipaliteit koste effektief is op die lang duur nie en dat BLGV se gebruikers beter bedien kan word deur aflewering en instandhouding deur BLGV. 6. Werksverskaffing. BLGV bestaan uit 105 lede wat leiwater ontvang by 110 erwe en elkeen van hierdie lede verskaf weer werk aan 'n inwoner vir 'n deel van elke week, as gevolg van leiwater beskikbaarheid, wat beslis 'n groot bydrae maak tot werksverskaffing. 7. Water gebruik. Ons woon in 'n streek waar waterskaarste en droogtes sinoniem is met mekaar en kan ons nie bekostig dat water verlore gaan as gevolg van 'n gebreke leiwaterstelsel wat nie na behore onderhoud word nie. As gevolg hiervan verdwyn baie water uit die stelsel in die proses van lewering en het ons bereken dat daar waarskynlik meer as 50% van die beskikbare leiwater water verlore gaan as gevolg van hierdie toedrag van sake. 8. Barrydale gemeenskap. Leiwater is 'n integrale deel van Barrydale gemeenskap, nie net uit 'n historiese oogpunt nie, maar ook as ekonomiese bydrae met werksverskaffing en toerisme. Die Rugbyklub sowel as die Ontspanningsklub is ook leiwatergebruikers en baie afhanklik van die leiwater. 9. Herstel van leiwaterstelsel infrastruktuur. Ten spyte van ons werksaamhede en eie fondse is die Leiwaterstelsel nog nie naastenby in 'n aanvaarbare toestand nie en gaan BLGV 'n strukturele swak stelsel erf by oorname, waarvoor ons nie oor die nodige fondse gaan beskik om dit te kan herstel nie. Aanhangsel A is 'n fotografiese opname van die huidige toestand en gebreke met die leiwaterstelsel infrastruktuur wat met herstel tot 'n aanvaarbare standaard deur BLGV oorgeneem kan word. Dit is belangrik om daarop te let dat in baie gevalle dien die leiwaterkanale ook as stormwaterslote in die dorp. Die beveiliging van infrastruktuur is ook nodig ten einde vandalisme en kwaadwillige beskadig sowel as die oop en toemaak van kleppe en sluise te voorkom. BLGV versoek dat u dringend die leiwaterstelsel infrastruktuur soos vervat in Aanhangsel A byvoeg tot die Geïntegreerde Ontwikkelingsplan as deel van die begroting vir 2026/2027.	IDP inputs no budget vales			The leiwater revenue was re from the budget, as it will in payable to the Barrydale Lei Vereniging. In addition, an a R100 000 was budgeted as c contribution to the cleaning stormwater channels.
Swellendam People's ssociation of Ratepayers Collective (Hennie Smit)	Various (Public)	Re: Addendum to SPARC's written submission on the 2026/2027 Draft Integrated Development Plan On behalf of SPARC, I write to supplement our written IDP submission of 13 April 2026. Material relevant to the IDP process has come to light since then. We submit this addendum within the public input window and ask that it be read together with our earlier submission. This addendum covers four matters: the water situation, drawing on the provincial water resilience funding announced on 17 April 2026, the WEC-Consult Option Analysis Report on borehole feasibility, and the Water Master Plan timeline confirmed at the Ward 1 IDP meeting; public participation in the 2026/2027 IDP cycle, covering the status of the Ward 1 ward committee, public participation on water solutions, and public participation on the proposed new municipal building; the State of Rivers Monitoring Programme and the Koringlands (Koornlands) Dam option; and the operational integrity of the Swellendam Wastewater Treatment Works, drawing on the Internal Audit Report and the Section 28 incident report compiled by the Acting Director: Infrastructure on 12 November 2025. 1. The water situation: provincial allocation, WEC findings, and the Master Plan timeline On 17 April 2026, the Western Cape Department of Local Government announced a R2.4 million allocation to Swellendam Municipality for water resilience interventions, reportedly for borehole development. SPARC welcomes provincial assistance with our water situation. The WEC-Consult Option Analysis Report, commissioned by Swellendam Municipality and completed in August 2024 (Annexure A.6 of the 29 May 2025 council agenda, tabled at council eleven months ago), explicitly ruled boreholes non-feasible as an alternative raw water source for Swellendam. The report concludes, in those words: "this option is not feasible… this option shall not be investigated further." The executive summary further records that "the limitations on the yield of the boreholes… as a raw water resource will not be sufficient to sustain the shortfall requirements during drought conditions." The report is the standing engineering basis on which the municipality's water resource decisions are taken, and has been used by the municipality to communicate with residents about the town's water situation in public meetings. SPARC takes its findings as authoritative for the purposes of this submission, and accepts that a small number of emergency boreholes may have a role in critical-stage drought response, used responsibly and with proper monitoring. At the Ward 1 IDP meeting of 13 April 2026, the Chief Financial Officer confirmed that an updated Water Master Plan, at an operational cost of approximately R2.5 million, is required by the Department of Water and Sanitation as a precondition for any application for water augmentation funding, and that work on the updated Master Plan is only beginning now. The IDP/Budget meeting documentation tabled at the Ward 1 meeting confirms this in writing, listing the Upgrading of Water Catchment (storage and purification) as an outstanding Ward 1 priority and recording: "Options analysis study completed in 2024. Feasibility study for new dam and pipeline to commence in 2026/27." This places the realistic timeline for the larger water resource augmentation work in Swellendam at several years from the date of this addendum: the Master Plan must be completed, an option must be selected, funding must be applied for and approved, environmental authorisation must be obtained, and construction must follow. The drought-condition shortfall scenario the WEC-Consult report addresses is not a future concern but a present one. The R2.4 million provincial allocation, used as critical-stage drought support, sits within this larger timeline rather than substituting for it. SPARC therefore asks the municipality to address the following in the IDP, or in writing alongside it: □ Will the funding be used for emergency or critical-stage supply during drought conditions? If so, what monitoring framework will be put in place to disclose abstraction volumes, drawdown effects, and the duration of any emergency use, including annual reporting on cumulative impact, so that the boreholes do not become a de facto permanent supply mechanism by default? □ How does this short-term provincial allocation fit into the Council resolution of 31 March 2026 on the Western Cape Water Resilience Strategy 2025–2035? □ Has a site-specific hydrogeological assessment been commissioned for any boreholes to be funded by the R2.4 million allocation? If so, by whom, will the findings be shared with the public, and will the assessment scope include sustainable yield estimation, recharge analysis, cumulative drawdown effects on existing groundwater users, and impact on water-table-dependent ecosystems in and around the town? □ What is the planned start date and target completion date for the updated Water Master Plan, and the indicative timeline from Master Plan completion to the commissioning of any new water resource? We further ask that this timeline be presented alongside the timeline for any other major capital project the municipality is currently progressing, so that residents can see the relative urgency the municipality is attaching to its competing priorities. Where any of the above material exists, SPARC asks that it be made publicly available alongside any water resource decisions. No public communication has been issued by the municipality to residents about the R2.4 million allocation since the 17 April announcement. SPARC asks that public communication on the matter form part of the IDP's adoption process, and that the same standard apply to any further funding received during the IDP period. 2. Public participation: ward committee, water solutions, and the new municipal building Three matters relating to public participation arise from the Ward 1 IDP meeting of 13 April 2026 and from the 30 April 2026 council agenda. We address them together because they speak to the same underlying question: whether the formal participation structures available to residents in the 2026/2027 IDP cycle are functioning as intended.	IDP inputs no budget values			The inputs is noted. The bud approved allowed for the fol the Water and Sanitation Ma at a cost of R2,4m and R800 the drilling of boreholes to te sustainable water over the s term. The municpality atten meetings regarding the Wes Resilience and plans will be submitted according to the received to access funding i applicable.

Person	Depart / Public	Detail	Value 2026/27	Value 2027/28	Value 2028/29	Response
Braam du Toit	Bushalte	Geagte Mev. Jonas en Mnr. Wiese As inwoner van Swellendam wil ek graag 'n voorstel onder die munisipaliteit se aandag bring as deel van die IDP openbare insetvenster. Soos baie Swellendammers seker weet, gebruik 'n verskeidenheid langafstandbus-operateurs die hoek van Voortrek- en Stasiestraat as af- en oplaaipunt. Op enige gegewe dag is daar verskeie maatskappye se busse wat hier stop, van die groter nasionale dienste tot kleiner en nuwer operateurs. Die aangewese busstoppe is reeds aan weerskante van die straat aangedui, alhoewel onwettige parkering daar dikwels probleme veroorsaak wanneer die busse opdaag. Daagliks wag passasiers daar: talle plaaslike inwoners en besoekers wat na bestemmings reis, skoliere wat met die bus reis, en sommige toeriste wat tussen bestemmings beweeg. Daar is op die oomblik geen formele skuilingstruktuur, sitplek, ablusieplek of beligting nie. Mense skuil onder die afdak van Groentemark, wat goedhartig genoeg is om hulle toe te laat. Indien hulle van ablusiegeriewe gebruik wil maak, moet hulle die straat oorsteek met hul bagasie na Astron, waar die personeel ewe goedhartig toegang toelaat. Soms staan mense eenvoudig in die son of reën, dikwels met bagasie. Behalwe vir die ongerief is daar ook 'n veiligheidsoorweging. Passasiers wat alleen of in klein groepies wag, dikwels in die vroeë oggend of laataand, is sagte teikens vir misdaad. Busse loop ook nie altyd betyds nie, en wagtye kan met ure verleng word, wat hierdie blootstelling vererger. Dit geld veral vir skoliere, ouer mense, en ander wat nie altyd iemand met 'n motor het wat saam kan wag tot die bus opdaag nie. 'n Behoorlik ontwerpte stop met sigbaarheid en verligting verminder hierdie risiko aansienlik. In baie ander dorpe stop langafstandbusse natuurlik by 'n bestaande gerief soos 'n een-stop-vulstasie of hotel wat reeds skuiling, ablusie, kos en sigbaarheid bied. Sonder so 'n natuurlike anker val die las terug op 'n informele hoek waar inwoners en plaaslike besighede tans by verstek voorsiening maak. Indien die munisipaliteit nog nie planne in hierdie verband oorweeg nie, sou ek graag wou voorstel dat 'n basiese busskuiling met sitplek by hierdie hoek in die volgende IDP-siklus ingesluit word. Dit hoef nie 'n vervoerknooppunt te wees nie. Selfs net 'n dak, 'n bank, vullisdrom en 'n ligpunt sou reeds 'n waardige verskil maak vir inwoners wat van openbare vervoer afhanklik is en vir die plaaslike besighede wat tans by verstek hierdie funksie verrig. 'n Sigbare struktuur sou terselfdertyd help om die punt as 'n busstop te merk, wat onwettige parkering daar kan ontmoedig. Ek glo dit is 'n geleentheid om met beperkte koste 'n sigbare, praktiese verbetering vir 'n breë groep gebruikers daar te stel. Met vriendelike groete Braam du Toit	IDP inputs no budget vales			Included in the IDP to be cor under ward based projects.
Johan van Niekerk	Movements between Parks & Waste, and requesting additional funds for Waste	Inputs from Waste and Environmental (W&E) We have been told that we are taking over the skips from Parks. This includes a tractor with skip trailer and a tractor with scoop and a unknown number of skips. •We will need the associated budgets moved to W&E oOperational costs □Staff □Fuel □Maintenance □etc oCapital costs □There are only 8 functional skips, we will eventually need 35+ to function effectively. They are approximately R45000 each inc VAT and delivery •Street Refuse Bins - We have an existing tender and are in year 1 out of 3 to buy bins. It should be R250 000 26/7 & 27/8 Operational inputs are found in column S in the attached Expenditure:Contracted Services:Outsourced Services:Illegal Dumping - The total needed according to the contract is R408 000, R428 400, R449, 820	Various	various	various	Was included as an amendr the budget document.
Ron Brunnings	Town planning	REVENUE "Revenue:Exchange Revenue:Sales of Goods and Rendering of Services: Building Plan Approval": THIS RELATES TO BUILDING PLANS, ONLY. WE ALSO NEED A SPECIFIC LINE ITEM READING ……………… Land Use Planning Applications – THIS IS THE REVENUE WE GENERATE BWO. THE PROCESSING OF TOWN PLANNING APPLICATIONS, WHICH MUST BE REFLECTED (SEPARATELY). I AM NOT SURE HOW / WHERE THIS IS CURRENTLY REFLECTED - PERHAPS IT IS BEING CAPTURED UNDER THE U-KEY BELOW, WHICH IS INDICATED AS "Removal of Restrictions". IF SO IT OUGHT TO BE ADJUSTED. We certainly do not generate some R300 000 on removing restrictions. 1540110352000020240619968362INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Where do we reflect the monies collected from Development Charges? – ideally, I would like that listed under Town Planning, as my office manages those payments, and I do not want to be searching elsewhere. If that is possible? You did create an Item for Monies to be collected in terms of the "Land Use Planning: Fines and Penalty Policy 2026" – I assume that that will be reflected in the final draft of the budget? EXPENDITURE 1540120103000020240619965306INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Geoinformatic Services: budget provides for R220 000.00 and R227 000. The agreed-to SLA with ESRI is as follows: 2026/2027 = R234 000.00 2027/2028 = R251 000.00 1540122212000020240619966757INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Software Licenses: budget provides for R222 000.00 and R230 000.00. The agreed-to SLA with ESRI is as follows: 2026/2027 = R227 000.00 2027/2028 = R243 000.00 1540121003000020240619965712INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Cellullar and Telephone: budget provides for R49 200.00. Currently already need R54 000.00. The figure needs to be upped to R72 000.00, as I will be applying for an adjustment in 2026/2027, given the new policy. 1540120185000020240619965445INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING I am not sure how this affects this line Item, but I have already placed a request with IT for 3 new laptops – the existing laptops are almost redundant. 1540122021000020240619966596INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Materials and Supplies: we also need to make specific provision for the servicing and ink for Inkjet Plotter – our asset, not leased. Ink at approx. R18 000.00 p/a. 1540120186000020240619965465INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING Depreciation: Purchase of "Front-of-Office Desk": it was agreed by the MM and CFO to purchase said desk in the new F/Y. Please make provision for R45 000.00. 1540120145000020260204980127INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING This is for R3000.00 – "unspecified assets" and lies way down the spreadsheet – not sure what it is for? Please could it be clustered with the balance of Town Plannings allocation. Thanks. 1540120145000020260127054039INFRASTRUCTURE & PLANNING SERVICESLAND USE PLANNINGTOWN PLANNING	Various	various	various	Was included as an amendr the budget document and su replacement programme.
ıcy Soller	Public	Dear MM and Elmari, I attended the IDP meeting last month. At the meeting you mentioned the caravan park is coming up for discussion and public participation. You said that week it would be out. I specifically asked why you give us so little time to participate and this seems to be the modes operandi for most things and you said it will be for 6 weeks. We are still waiting for this or have I missed something? Secondly I am not happy with your huge increases in tariffs. How long do we have to refute those.? Thirdly I am not happy with your salary increases to yourselves as we are pensioners and unable to get more money in, and fourthly your Pensioner rebate thresholds are way to low and are frankly an insult. I do not know how you feel comfortable to give yourselves a cost of living increase in the current climate and leave us out in the cold literally as we cannot afford electricity!! You see yourselves as an employment agency and we get less and less. We can only vote with our voice. Don't be surprised at the next elections. I cannot access SASSA nor my Municapilty Pensioners rates yet we get overlooked time and time again. I will be reporting this to Auditor General this week via SPARC Yours unhappily Nancy Soller				Employee-related increases negotiated nationally and ap municipalities under the bar council agreement. Electrici are mostly influenced by ESI bulk price increase of 9.02% municipality has no choice b incorporate these price incr into the electricity tariffs in c pay the bulk account accord
.barrydale	Public	Goeiedag Na aanleiding van ons vorige gesprek herhinner ek u net aan die versoek vir die volgende uitrustig om te kan gebruik met die twee bakkie sakkies (skid units). 'n Brandkraan klepsleutel (valve spanner). 'n Staanpyp vir die brandkraan se klep. 'n brandpyp (lêpyp) vir die staanpyp. Soos genoem gaan hierdie uitrusting die aanvulling van water tydens 'n brand baie vergemaklik en bespoedig. Byvoorbaat dan en vriendelike groete.				To be considered within the 2025/2026 Budget,

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.barrydale	Public	Dit nie nakoming van spoedbeperkings en roekelose gejaag deur voertuie en veral Taxi's en veiligheid van voetgangers as gevolg daarvan is al by verskeie geleenthede onder die munisipaliteit se aandag gebring. Die versoek is dat die volgende opgerig word soos aangedui op aangehegde kaart, Twee spoedwalle (-bulte) in van Riebeeckstraat, een tussen Bain- en Laingstraat, een tussen Laingstraat en die kruising van Sprigg- en Van Riebeeckstraat. Een vierrigtingkruising stop verhoging by die kruising van Van Riebeeck en Tinleystraat, soos onlangs aangebring is in Swellendam by Voortrek- en Bergstraat. 'n Vierrigting stop by die kruisings van Tinley- en High Levelstraat. Die aanbring van die bogenoemde gaan die probleme met spoed en deurjaag by kruisings drasties aanspreek. U goedgunstige oorweging sal waardeer word deur 'n veiliger gemeenskap in Barrydale en gaan dit veel beter resultate oplewer as spoedkameras. Vriendelike groete				The request will be inlcuded IDP and be refer to the ward programme.
hy Lee	Public	Good morning Elmarie, Just had a look at the suggested increases that has been put forward to the Swellendam region!! Funny how this all now comes about when the new office needs to be built!! I'm sorry if I sound a bit pissed off and I am, I am disappointed at the state of Barrydale when we continually being forced to pay more and less gets done in our village, the potholes finally started getting some repair but the state of the sand road (yes I said sand roads) in the part of Highlevel, Hillier those parts still don't have proper storm water drains or nice roads for that matter and yet we are expected to pay top doller for infrastructure that is non exciting! Why is it that we pay more and get less?? When Smitsville have road that have been paved road works happening all the time and just over the hill coming into barrydale we still sit with the dust no infrastructure for storm water and you expect us to pay more?? For who and what exactly?? Where is the effort being made for the white peoples village? Everything goes to Smitsville everything gets done for Smitsville and yet barrydale is where majority of the rate payers sit? Please help me make sense of this I don't understand why we have to have such crazy increases across the board? I look forward to your reply Much appreciated Cathy Lee 0836018205				Government grant funding is primarily used to improve infrastructure. Unfortunatel grant conditions require tha upgrades be directed to infrastructure in low-income Regardless, the municipality undertaking upgrades that b the entire Barrydale town, su the upgrade of the water tre plant and pump station to e sustainable water supply un as well as the new project to the wastewater treatment pl traditional roads in Barrydal gravel roads, and the munic plans to purchase a new gra 2026/2027 to improve main on those roads.
Salman Herbst		Middag Elmari Hier gaan dit dol. Ek was by Nadia gewees oor bogenoemde. Sy het voorgestel dat ek 'n e-pos stuur. Ek wil graag van die Main Vote R 150 000, skuif vir Revenue Protection en in jaar 2 R 100 000,00 vir 'n begin punt. AS dit moontlik is asb. Bv Dankie	150 000	100 000		Was included as an amendr the budget document.
Willem Treunicht		Cherrypicker 18m reach plus Cherrypicker 12m reach - Current cherrypicker inspected and wear and tear causes the inability to renew the certification in order to be able to operate it according to the regulated laws. The 12m cherrypicker cannot perform all duties across the municipality due to limited reach. 18m Cherrypickers are not always readily available for hire which could lead to extended service delivery delays.	3 700 000			Was included as an amendr the budget document and replacedfuse compactor.
Cllr J Du Toit Loubser		To: Ms Elmarie Wasserman – Chief Financial Officer Ms Anneleen Vorster – Municipal Manager Subject: Budget Motivation – Allocation of R300 000 for Installation of Municipal Camera Systems Dear Ms Wasserman and Ms Vorster, I hereby submit this formal motivation for the inclusion of an amount of R300 000.00 in the upcoming municipal budget for the procurement and installation of strategic camera systems within the town. 1. Purpose of the Request The primary objective of this allocation is to strengthen public safety, support crime prevention initiatives, and enhance the Municipality's ability to protect public infrastructure and community assets. The installation of camera systems in identified high-risk and high-traffic areas will serve as both a deterrent and an investigative support mechanism. 2. Legislative and Governance Alignment This request aligns with: ● Section 152(1)(d) of the Constitution, which requires municipalities to promote a safe and healthy environment. ● The Municipality's responsibility to safeguard municipal assets. ● The broader mandate of local government to enhance community well-being. ● The principles of sound financial management and responsible asset protection as contemplated in the Municipal Finance Management Act (MFMA). 3. Motivation The installation of camera systems will contribute to: ● Crime prevention and deterrence: Visible surveillance infrastructure has been shown to reduce opportunistic crimes such as vandalism, theft, and damage to municipal property. ● Enhanced law enforcement support: Recorded footage can assist SAPS, municipal law enforcement and other security related institutions and/or agencies, in investigations and prosecutions. ● Protection of municipal assets: Cameras can reduce recurring repair and replacement costs resulting from vandalism. ● Improved public confidence: Residents are more likely to feel secure in monitored public spaces.● Evidence-based management: Footage can assist in monitoring traffic flow, public gatherings, and service delivery challenges where applicable. Given ongoing safety concerns within certain areas of the town, proactive investment in surveillance infrastructure may reduce long-term financial losses associated with infrastructure damage and criminal activity. 4. Financial Considerations The proposed allocation of R300 000.00 would cover: ● Procurement of camera hardware ● Installation and configuration ● Basic recording and storage infrastructure ● Initial integration with existing security or monitoring systems (if applicable) It is recommended that this be classified as capital expenditure and incorporated into the relevant capital programme, subject to Supply Chain Management processes and Council approval. 5. Conclusion The proposed investment represents a preventative and strategic measure aimed at strengthening community safety, protecting municipal assets, and promoting accountable governance. I respectfully request that this item be considered for inclusion in the 2026-2027 Budget (IDP) and processed in accordance with the Municipality's budget and SCM policies. Yours sincerely, ____________________ J Du T Loubser Speaker Swellendam Municipality				Was included as an amendr the budget document.