SPECIAL COUNCIL MEETING MINUTES

MINUTES OF A SPECIAL COUNCIL MEETING OF THE MUNICIPAL COUNCIL OF SWELLENDAM MUNICIPALITY HELD ON FRIDAY, 29 MAY 2026 AT 11:38 IN THE COUNCIL CHAMBERS, RHENIUS STREET, SWELLENDAM.

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Yours sincerely

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J. du T. Loubser **DATE**

SPEAKER

INDEX

MINUTES OF A SPECIAL COUNCIL MEETING OF THE MUNICIPAL COUNCIL OF SWELLENDAM MUNICIPALITY HELD ON FRIDAY, 29 MAY 2026 AT 11:38.

PRESENT:	**Councillor**	J. du T. Loubser	Speaker
		H.F. du Rand	
		A. Bokwana	
		D. Julius	
		D.J. Julius	
		E.J. Lamprecht	
		F. Kees	
		G. Libazi	
		I.H. Ferguson	
		M.T.A. Swart	
		J.A. Matthysen	

IN ATTENDANCE:	A. Vorster	Municipal Manager
	E. Wassermann	Director: Financial Services (from 11:42)
	J. Etzebeth	Manager: Administrative Support Services

SECRETARIAT:

K. Opperman
A. Eksteen

RECORDING OFFICER:

K. Opperman

1. OPENING AND WELCOME

At 11:38, the Speaker, Alderman J. du T. Loubser welcomed everyone at the Council meeting and declared the meeting duly constituted with a quorum present.

Councillor F. Kees rendered an opening prayer.

2. ELECTION OF ACTING SPEAKER, IF NECESSARY

None

3. APPLICATION FOR LEAVE OF ABSENCE

None

4. DISCLOSURE OF INTERESTS BY COUNCILLORS

None

5. SPEECHES AND SUBMISSIONS

None

6. MATTERS FOR CONSIDERATION

6.1 Items submitted by officials of Council.

6.1.1

Item number A112. 29.05.2026

BUDGET FOR 2026/2027 MTREF

Report of the Director: Financial Services: Miss E Wassermann

Department	Financial Services
Section	Financial Services
File number	5/1/1

Annexures

Annexure A – Annual Budget report and budget schedules. The budget Schedules will be distributed separately.

PURPOSE OF REPORT

This report presents the proposed budget of Swellendam Municipality for the 2026/2027 to 2028/2029 MTREF (Medium Term Revenue and Expenditure Framework) period.

FACTS AND BACKGROUND

The highlights from the Budget Circular, the impact of the ongoing conflict in Iran and key allocations are as follows:

a) Economic and Fiscal Context

Economic growth remains modest, with GDP projected to average 1.8 per cent over the medium term. Inflation is expected to stabilise at around 3.4 per cent in 2026, but risks from geopolitical tensions, exchange rate volatility, administered prices and animal disease outbreaks remain elevated.

The conflict in Iran has already influenced the South African economy by contributing to significantly higher global oil prices. These developments are expected to lead to increased transport and logistics expenses, rising food costs, and elevated production expenditures throughout various sectors.

Higher fuel prices quickly feed into headline inflation, reversing the recent trend toward reduced price pressures. Economists indicate that such increases serve as cost-push shocks, impacting both households and businesses.

Consequently, the South African Reserve Bank (SARB) may need to postpone or moderate planned interest rate reductions, even though inflation had previously moved toward the lower end of the target range. Delaying these measures could diminish household purchasing power, prolong higher borrowing costs, and suppress consumer demand.

Key growth-sensitive sectors affected include:

- Transport and logistics
- Agriculture (fuel-intensive planting and harvesting)
- Mining and manufacturing
- Tourism and aviation (due to jet fuel costs)

For government and municipalities, escalating fuel prices result in higher operating costs for vehicle fleets, waste collection, water services, capital projects (materials, transport, contractors), and impact the demands on service delivery.

Simultaneously, weaker economic growth restricts revenue collection, placing additional pressure on already strained municipal finances. Therefore, municipalities must adopt a cautious and pragmatic approach in planning revenue and expenditures.

b) Government Conditional and Unconditional Grants

Direct allocations to local government total R182.3 billion in 2026/27, made up of R110.1 billion in the local government equitable share; R54.7 billion in direct conditional grants and R17.5 billion in the general fuel levy sharing with metros.

These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

National Treasury has introduced Targeted and Responsible Savings (TARS) to eliminate wasteful and low-priority spending. Reforms to the conditional grants system aim to streamline funding and protect infrastructure investment.

c) Swellendam Combined National and Provincial Allocations for 2026/2027

For the 2026/27 financial year, the Swellendam Municipality's direct allocation envelope is approximately R100.721 million, distributed as follows:

National allocations total R80.722 million:

- Equitable Share: R52.038 million
- Conditional Grants: R3.456 million
- Infrastructure Conditional Grants: R25.228 million

The equitable share continues to serve as the primary flexible funding source for the municipality. The balance consists of conditional grants earmarked for specific purposes.

Provincial direct allocations amount to R19.999 million, detailed below:

- Library Service (Replacement funding for vulnerable B3 municipalities): R6.791 million
- Human Settlements Development Grant (Beneficiaries): R2.451 million
- Informal Settlements Upgrading Partnership Grant: R2.905 million
- Financial Assistance for Maintenance and Construction of Transport Infrastructure: R2.796 million
- Municipal Water Resilience Grant: R2.400 million
- Regional Socio-Economic Projects (RSEP) – Municipal Projects: R1.000 million
- Development of Sport and Recreation Facilities: R0.656 million

Smaller outer-year provincial allocations are anticipated for:

- Title Deeds Restoration Grant: R300,000
- Thusong Service Centres Grant: R300,000

The Human Settlements Development Grant is expected to increase to R43.9 million in subsequent years, signifying an enhanced housing pipeline.

Despite these increased allocations, the equitable share remains the principal source of flexible funding. Most additional funds are limited in scope, intended for designated uses only, and not available for discretionary local expenditure.

d) Service Delivery Impact

Libraries: The allocation of R6.791 million towards libraries represents a substantial investment, enabling the provision of services that smaller municipalities might otherwise be unable to support through their own income. This funding alleviates financial pressure and safeguards an essential community resource.

Housing and Informal Settlements: The Human Settlements Development Grant and the Informal Settlements Upgrading Partnership Grant demonstrate continued activity within the housing sector. Increased allocations for future years signify ongoing provincial commitment to effective housing delivery.

Roads and Transport Infrastructure: An allocation of R2.796 million for transport infrastructure facilitates maintenance and construction projects. Although this funding is supportive, it may not fully resolve existing infrastructure backlogs.

Water Resilience: The R2.400 million Municipal Water Resilience Grant is strategically significant. In light of recent drought conditions and water restrictions, this allocation contributes to enhanced resilience, supply security, and long-term risk management.

Sport and Community Infrastructure: Allocations of R656,000 for sport and recreation facilities and R1 million through the RSEP program, although modest, offer opportunities for tangible community improvements and deliver both social and political benefits.

Overall, Swellendam's funding outlook remains stable and optimistic, with robust support for infrastructure, water resilience, libraries, housing, and community amenities. These targeted investments create pathways for impactful advancements within the municipality.

e) Infrastructure and Service Delivery

The circular highlights severe deterioration of municipal infrastructure, particularly in water, sanitation, electricity and transport services. Municipalities must prioritise repairs and maintenance, reduce non-revenue water, implement cost-reflective tariffs and reinvest service revenues into infrastructure.

f) Governance, Risk and Compliance

Municipalities are cautioned against transition risks ahead of local government elections. From 2026/27, National Treasury will enforce stricter compliance with funded budget requirements. Non-compliance with equitable share, conditional grants and mSCOA requirements may result in withholding of funds.

g) Transparency and Accountability

Municipalities are required to submit procurement spend data, employee information and audit management reports via the GoMuni platform to strengthen transparency and accountability.

h) Conclusion

The 2026/27 MTREF guidance requires credible, funded and outcome-focused municipal budgets. Councils must exercise strong oversight to ensure financial sustainability and protect infrastructure investment.

DISCUSSIONS

1. Capital Budget

The proposed capital projects for the 2026/2027 are as follows:

a) Municipal Infrastructure Grant and Counter Funding (MIG)

		Total		**R 13 285 396**	**R15 169 654**	**R12 176 414**
Section	**Project Description Filter**	**Region**	**Fund Abb**	**Draft Budget 2026/27**	**Draft Budget 2027/28**	**Draft Budget 2028/29**
Roads & Stormwater	Upgrading of Buffeljags Bulk Stormwater	Buffeljags	MIG	-	-	5 073 506
Roads & Stormwater	Upgrading of Buffeljags Bulk Stormwater	Buffeljags	CRR CF	-	-	1 014 701
Waste Water Services	Barrydale (Smitsville) Upgrade WWTW (CF)	Barrydale	CRR CF	3 202 759	4 725 883	-
Waste Water Services	Barrydale (Smitsville) Upgrade WWTW	Barrydale	MIG	7 077 806	10 443 771	-
Water Services	Swellendam (Railton): Bulk Water Reticulation and Distribution	Swellendam	CRR CF	573 913	-	-
Water Services	Swellendam (Railton): Bulk Water Reticulation and Distribution	Swellendam	MIG	438 933	-	-
Water Services	Upgrading of Buffeljags WTW	Buffeljags	MIG	-	-	5 073 506
Water Services	Upgrading of Buffeljags WTW	Buffeljags	CRR CF	-	-	1 014 701
Sport & Recreational Facilities	Upgrading Suurbraak Sport Facility	Suurbraak	MIG	1 653 348	-	-
Sport & Recreational Facilities	Upgrading Suurbraak Sport Facility (CF)	Suurbraak	CRR CF	338 637	-	-

b) Water Services Infrastructure Grant (WSIG)

Total	**R 6 086 957**	**-**	**R 3 107 826**

Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
Water Services	Swellendam (Railton): Upgrade of Bakenskop and Railton Pumpstation, completion rising main to Railton reservoir	Swellendam	WSIG	6 086 957	-	3 107 826

c) *Integrated National Electricity Programme*

		Total		R 3 913 043	R 6 205 217	R 5 459 130
Section	**Project Description Filter**	**Region**	**Fund Abb**	**Draft Budget 2026/27**	**Draft Budget 2027/28**	**Draft Budget 2028/29**
Electro-Technical Services	Swellendam Railton 950 erven - Elec Infrastructure	Swellendam	INEP	3 913 043	-	-
Electro-Technical Services	Supply of Bulk infrastructure and electrification of informal settlements in Railton	Swellendam	INEP	-	6 205 217	5 459 130

d) Capital Replacement Programme (CRR)

		Total		R 16 746 000	R 5 050 000	R 4 940 000
Section	**Project Description Filter**	**Region**	**Fund Abb**	**Draft Budget 2026/27**	**Draft Budget 2027/28**	**Draft Budget 2028/29**
Roads & Stormwater	Access Road Gravel erf 8241 - Industrial Erven	Swellendam	CRR LD	-	1 000 000	-
Roads & Stormwater	Glen Barry Road reconstruction	Swellendam	CRR	-	3 250 000	-
Roads & Stormwater	Russel link reconstruction	Swellendam	CRR	1 600 000	-	-
Roads & Stormwater	Kerk Street heavy rehab phase 1	Swellendam	CRR	-	-	2 000 000
Waste Water Management Services	Upgrading N2 Sewer Pumpstation	Swellendam	CRR IND	1 000 000	-	-
Waste Water Management Services	Upgrade Barrydale sewer pump station (2025)	Barrydale	CRR	150 000		
Waste Water Management Services	New Silo wastewater Pump Station (2025)	Swellendam	CRR IND	1 695 000		
Waste Water Management Services	Barrydale Sewer Manholes (82 Houses) (2025)	Barrydale	CRR	500 000		
Water Services	Upgrade of the Irrigation Pump Station Suurbraak	Swellendam	CRR	-	-	300 000
Water Services	Suurbraak WTW Phase 2 Professional Fees	Suurbraak	CRR	-	-	1 000 000
Water Services	Steps and channel grids with railings for Swellendam WTW	Swellendam	CRR	150 000	-	-

Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 16 746 000	R 5 050 000	R 4 940 000
Water Services	Upgrading of the Suurbraak water pipeline from Weir to the water pump station	Suurbraak	CRR	-	-	250 000
Water Services	Upgrade the pump station and rising main to Bakenskop reservoir	Swellendam	CRR	-	-	400 000
Water Services	Telemetry and Scada development	WoM	CRR	250 000	-	-
Water Services	Installation of new PH monitors	Swellendam	CRR	140 000	-	140 000
Water Services	Emergency Drought Relief - Drilling, Testing and Equipping of Boreholes (2025)	Swellendam	CRR	800 000		
Electro-Technical Services	Shand/Gelderblom Street lights	Swellendam	CRR	180 000	-	-
Electro-Technical Services	Overhead and Underground Cables	Swellendam	CRR	350 000	-	-
Electro-Technical Services	Electricity provision for ICT tower in Barrydale	Barrydale	CRR	250 000	-	-
Electro-Technical Services	SCADA monitoring system	WoM	CRR	400 000	-	-
Property Management	Rebuild Thusong Centre, Railton	Swellendam	CRR Build	7 671 000	-	-
Property Management	Upgrade of Barrydale Municipal Building (2025)	Barrydale	CRR	R100 000		
Environmental & Waste Minimisation	Installation and repositioning of fence at Bontebok Landfill	WoM	CRR	900 000	-	-
Environmental & Waste Minimisation	Cage Truck	WoM	CRR	-	800 000	-
Environmental & Waste Minimisation	Suurbraak Landfill Facilities	Suurbraak	CRR	560 000	-	-
Environmental & Waste Minimisation	Street Refuse Bins (2025)	WoM	CRR	50 000		
Solid Waste Management	Container Vehicle (for drop off facilities)	WoM	CRR	-	-	850 000

e) Borrowing Leases – Vehicles

It is proposed that the municipality invest in the vehicle replacement program. The repair and maintenance costs for vehicles have increased significantly in the last two years. This increase is attributed to significant fleet repairs on refuse compactors, sewage trucks, bulldozers, and other vehicles. The following vehicles are proposed to be financed under a lease at an estimated annual cost of R1,485 050.

Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 6 200 000	-	-
Roads & Stormwater	Grader Gravel Roads	WoM	BORL	2 500 000	-	-
Electro-technical services	Two Cherrypickers 12m and 18m each	WoM	BORL	3 700 000	-	-

f) Informal Settlements Upgrading Partnership Grant

Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R2 905 000	-	-
Integrated Human Settlement	Security Fence at Swellendam Informal Settlement	Swellendam	ISUP	1 641 509	-	-
Integrated Human Settlement	Provision of Precast Toilets	Swellendam	ISUP	1 263 491	-	-

g) Regional Socio-Economic Project programme / Sport

Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 1 440 001	-	-
Town Planning	Railton Walkway Project	WoM	RSEP	869 566	-	-
Sport & Recreational Facilities	New Grandstand Seats for Buffeljagsrivier Sport Facility	Buffeljags	Sport	570 435	-	-

h) Housing Service Delivery Programme

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Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 1 000 000	R 13 500 000	R 29 300 000
Roads & Stormwater	Raiton CBD - Roads	Swellendam	HSDG	293 341	-	-
Roads & Stormwater	Suurbraak 550 - Roads	Suurbraak	HSDG	-	4 500 000	9 766 667
Waste Water Services	Raiton CBD - Sewer	Swellendam	HSDG	525 375	-	-
Waste Water Services	Suurbraak 550 - Sewer	Suurbraak	HSDG	-	4 500 000	9 766 667
Water Services	Railton CBD - Water	Swellendam	HSDG	178 113	-	-

Water Services	Suurbraak 550 - Water	Suurbraak	HSDG	-	4 500 000	9 766 666
Electro-Technical Services	Raiton CBD - Electricity	Swellendam	HSDG	3 171	-	-

i) Capital from Revenue

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Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 3 764 000	R 2 310 000	R 2 790 000
Various Departments	Air conditioners and building-related projects	WoM	CRR REV	420 000	410 000	430 000
Various Departments	Furniture and Office Equipment	WoM	CRR REV	267 000	110 000	130 000
Various Departments	ICT Equipment	WoM	CRR REV	680 000	550 000	550 000
Various Departments	Machinery and Equipment	WoM	CRR REV	622 000	480 000	500 000
Waste Water Management	New Bund Wall – Pumpstation (2025)	Barrydale	CRR REV	90 000		
Community Services	Fire skids	WoM	CRR REV	90 000	100 000	-
Fleet Management Services	New two-way radios	WoM	CRR REV	80 000	80 000	-
Property Management Administration	Security systems and cameras	WoM	CRR REV	500 000	400 000	400 000
Parks & Cemeteries	Ride on tractor	Barrydale	CRR REV	120 000	-	-
Parks & Cemeteries	New trailer	Suurbraak	CRR REV	50 000	-	-
Parks & Cemeteries	Canopy and Towbar (CCK 12957)	Swellendam	CRR REV	50 000	-	-
Traffic Control & Law Enforcement	Double-Axle Cattle Trailer	WoM	CRR REV	70 000	-	-
Environmental & Waste Minimisation	Recycling Drop-off Containers	WoM	CRR REV	80 000	100 000	100 000
Environmental & Waste Minimisation	AHP Disposal Bins	WoM	CRR REV	75 000	80 000	80 000
Solid Waste Management	Dropoff Containers	WoM	CRR REV	-	-	600 000
Solid Waste Management	Skips	WoM	CRR REV	270 000		
Executive and Council	Ward 1 Project	Ward 1	CRR REV	50 000		
Executive and Council	Ward 2 Project	Ward 2	CRR REV	50 000		

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Section	Project Description Filter	Region	Fund Abb	Draft Budget 2026/27	Draft Budget 2027/28	Draft Budget 2028/29
		Total		R 3 764 000	R 2 310 000	R 2 790 000
Executive and Council	Ward 3 Project	Ward 3	CRR REV	50 000		
Executive and Council	Ward 4 Project	Ward 4	CRR REV	50 000		
Executive and Council	Ward 5 Project	Ward 5	CRR REV	50 000		
Executive and Council	Ward 6 Project	Ward 6	CRR REV	50 000		

Considering the above, the funding sources for the total capital budget are as follows:

WC034 Swellendam - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - MUNICIPAL MANAGER		–	–	4 446	8 769	2 244	2 244	1 389	500	400	400
Vote 2 - FINANCIAL SERVICES		–	–	–	–	–	–	–	90	–	–
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		17 044	29 976	17 493	42 929	48 421	48 421	26 828	20 670	34 875	45 760
Vote 4 - COMMUNITY SERVICES		–	–	288	4 084	4 064	4 064	3 064	70	90	940
Capital multi-year expenditure sub-total		**17 044**	**29 976**	**22 226**	**55 783**	**54 729**	**54 729**	**31 280**	**21 330**	**35 365**	**47 100**
Single-year expenditure *to be appropriated*	2										
Vote 1 - MUNICIPAL MANAGER		1 765	20	626	7 016	4 149	4 149	494	8 198	70	70
Vote 2 - FINANCIAL SERVICES		2 152	2 538	1 350	1 345	1 591	1 591	1 282	860	750	850
Vote 3 - INFRASTRUCTURE & PLANNING SERVICES		38 097	19 252	23 717	28 110	36 112	36 112	13 738	16 898	4 830	8 799
Vote 4 - COMMUNITY SERVICES		3 844	559	3 769	10 362	6 305	6 305	837	8 054	1 220	955
Vote 5 - CORPORATE SERVICES		83	666	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**45 941**	**23 034**	**29 463**	**46 833**	**48 157**	**48 157**	**16 351**	**34 010**	**6 870**	**10 674**
Total Capital Expenditure - Vote	3,7	**62 985**	**53 010**	**51 689**	**102 616**	**102 887**	**102 887**	**47 632**	**55 340**	**42 235**	**57 773**
Capital Expenditure - Functional											
Governance and administration		**2 277**	**2 725**	**6 643**	**19 145**	**10 717**	**10 717**	**4 836**	**10 048**	**1 530**	**1 470**
Executive and council		–	7	11	–	–	–	–	427	70	70
Finance and administration		2 277	2 718	6 631	19 145	10 717	10 717	4 836	9 621	1 460	1 400
Community and public safety		**2 573**	**(3 298)**	**760**	**5 808**	**10 348**	**10 348**	**4 222**	**6 189**	**265**	**200**
Community and social services		649	402	162	230	210	210	131	190	190	140
Sport and recreation		1 495	186	478	4 628	5 194	5 194	3 548	2 907	35	–
Public safety		429	513	121	950	792	792	543	187	40	60
Housing		–	(4 399)	–	–	4 152	4 152	–	2 905	–	–
Economic and environmental services		**27 276**	**8 011**	**19 995**	**18 869**	**16 868**	**16 868**	**13 405**	**5 313**	**8 800**	**11 817**
Planning and development		1 765	642	503	696	1 071	1 071	459	870	–	–
Road transport		25 511	7 369	19 492	18 173	15 797	15 797	12 946	4 443	8 800	11 817
Trading services		**30 859**	**45 573**	**24 291**	**58 794**	**64 953**	**64 953**	**25 168**	**33 790**	**31 640**	**44 287**
Energy sources		1 424	11 792	12 052	14 995	19 357	19 357	5 872	8 796	6 205	5 459
Water management		18 449	25 737	2 792	34 650	35 387	35 387	15 997	8 718	4 620	21 178
Waste water management		9 715	4 169	6 150	8 789	9 534	9 534	3 079	14 341	19 770	15 955
Waste management		1 271	3 874	3 297	360	675	675	220	1 935	1 045	1 695
Total Capital Expenditure - Functional	3,7	**62 985**	**53 010**	**51 689**	**102 616**	**102 887**	**102 887**	**47 632**	**55 340**	**42 235**	**57 773**
Funded by:											
National Government		16 769	27 560	9 908	55 229	55 329	55 329	30 807	19 170	16 649	18 714
Provincial Government		30 835	17 838	7 886	9 628	12 750	12 750	2 199	5 345	13 500	29 300
District Municipality		498	457	–	–	40	40	9	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		–	–	–	200	60	60	50	–	–	–
Transfers recognised - capital	4	**48 102**	**45 855**	**17 794**	**65 057**	**68 179**	**68 179**	**33 065**	**24 515**	**30 149**	**48 014**
Borrowing	6	7 211	3 229	7 277	6 050	9 059	9 059	4 928	6 200	–	–
Internally generated funds		4 654	1 202	20 996	31 509	25 649	25 649	9 638	24 625	12 086	9 759
Total Capital Funding	7	**59 967**	**50 287**	**46 067**	**102 616**	**102 887**	**102 887**	**47 632**	**55 340**	**42 235**	**57 773**

It is further proposed to improve capital spending by approving capital grants over a multi-year appropriation.

2. <u>Operational Budget</u>

Equitable Share

Function	FBS	Adjustment Budget	Draft Budget 2025/2026	Draft Budget 2026/2027	Draft Budget 2027/2028
Waste Management	Indigent 100%/ Poor 50%	R8 634 790	R9 655 200	R10 282 788	R10 899 755
Finance and Administration (Property Rates)	First R750 000 exempted for Indigents/ R375 000 for poor exempted	R3 043 388	R3 017 270	R3 288 824	R3 584 818
Waste Water Management	Indigent 100%/ Poor 50%	R11 274 157	R12 112 944	R12 863 947	R13 635 784
Water Management	6kl	R5 822 868	R6 777 657	R7 367 313	R7 846 188
Energy Sources	50kwh/20kwh	R2 924 033	R3 193 629	R3 488 082	R3 809 683
Executive and Council		R17 712 764	R17 281 300	R17 403 046	R16 028 772
Equitable Share	**Total**	**R49 412 000**	**R52 038 000**	**R54 694 000**	**R55 805 000**
FBS Support	**Total**	**R31 699 236**	**R34 756 700**	**R37 290 954**	**R39 776 228**
	Percentage	**64%**	**67%**	**68%**	**71%**

For the 2026/2027 financial year, the indigent support program will accommodate an additional 230 households. Consequently, funding for indigent support to provide free basic services will rise from R31,6 million to R34,7 million, reflecting a 10% increase and accounting for 67% of the equitable share.

The Dora has further split the equitable share as follows:

Description	Type	Tabled Budget 2026/2027	Tabled Budget 2027/2028	Tabled Budget 2028/2029
Equitable Share	Revenue	R49 129 000	R51 684 000	R52 702 000
Special Support for Councillors Remuneration and Ward Committees	Revenue	R2 909 000	R3 010 000	R3 103 000
Equitable Share		**R52 038 000**	**R54 694 000**	**R55 805 000**
Remuneration of Councillors	Expenditure	R6 660 870	R6 927 305	R7 204 398
Ward Committees	Expenditure	R111 996	R115 692	R119 394
Pensioners Rebate	Expenditure	R95 315	R103 893	R113 243
Special Projects	Expenditure	R60 000	R61 980	R63 966
Admin Support	Expenditure	R572 656	R598 711	R625 354
Operational Costs	Expenditure	R318 040	R328 604	R339 192
FBS Support	**Total**	**R7 818 877**	**R8 136 185**	**R8 465 547**

Council should note that the services offered in the informal settlement are not included in the equitable share. It is expected that this will be addressed once the block development begins. Currently, the services provided in the informal settlement include:

- Water standpipes and toilets;
- Refuse removal central point;

The municipality depends on the remaining balance of the equitable share to balance the budget. However, this does not imply that the municipality will reject any indigent applications on this basis.

Other Grants

Description	Abbreviation	Tabled Budget 2025/2026	Tabled Budget 2026/2027	Tabled Budget 2027/2028
Finance Management Grant	FMG	R2 000 000	R2 100 000	R2 200 000
Expanded Public Works Programme	EPWP	R1 457 000		
Human Settlement Grant	HUMS	R2 451 000	R1 111 000	
Library Services Replacement Grant	MRF	R6 791 000	R6 859 000	R6 927 000
Municipal Infrastructure Grant (PMU)	MIG PMU	R686 400	R738 100	R754 500
Municipal Infrastructure Grant (Infrastructure)	MIG	R3 871 513	R3 580 129	R4 188 488
Title Deed Restoration Grant	TDR		R150 000	R150 000
Municipal Water Resilience Grant	MWRG	R2 400 000		
Transport Grant & Sport	TRANS	R2 796 000	56 000	56 000
Thusong Grant	Thusong		R300 000	
	Total	**R22 452 913**	**R14 894 229**	**R14 275 988**

The EPWP Grant is insufficient to cover the 12-month allocations for EPWP workers. This resulted in the grant funding being exhausted by the end of March. The municipality is dependent on the EPWP workers to fill gaps in the organisation. To supplement the EPWP Grant to maintain workers for a full year, the following additional provisions are made to be funded from rates services:

- Protecive Clothing R220 000

Property Rates

It is proposed that the property rates tariff increase by 5.5%. Property Rates Revenue will increase from R65 930 676 to R69 574 444.

Electricity Services

It is proposed that electricity tariffs increase by 9.22% on average, based on the cost-of-supply study. Electricity revenue will increase from R151 726 845 to R166 456 615.

Nersa / Eskom have advised that the bulk tariff increase for municpalities are 9% for 2026/2027 financial year.

The cost of supply study was used to determine the electricity price increase. The higher price increase is subject to changes in Eskom's tariff structure. For Swellendam, the calculation is 9.22%.

The municipality also plans to introduce a new tariff structure based on the cost of supply. It should be noted that the municipality is gradually losing electricity revenue, and to prevent this, it is proposed that the new tariff structure be implemented. This will be implemented over 5 years.

A separate meeting was held on the impact of the cost of supply study and the tariff structure change.

Water Services

It is proposed that the water tariffs increase by 8.85% on average. The tariffs will vary between 8.65% to 9.20% respectively. Water revenue will increase from R28 046 646 to R30 146 134.

Waste Water Management (Sewerage)

It is proposed that the sewerage tariffs increase by 5,8%. Sewerage revenue will decrease from R27 015 546 to R26 000 979. The reason for the decrease is lower penalties on the industrial effluent.

Waste Management (Refuse)

It is proposed that the refuse tariffs increase with 7%. Refuse revenue will increase from R18 140 335 to R19 538 089.

The complete tariff listing is attached under **Annexure B.**

Employee Related Cost

The total employee-related cost increased by 9.5%, from R159 871 490 to R174 985 331, representing 34% of total operating expenditure. Including Councillors, the percentage increases to 35%.

Another way to assess the impact of employee-related costs on the budget is to exclude the bulk purchases account. Taking this into account, the impact of employee-related costs on the budget is 46.9%.

Included in employee-related costs is the following proposed post to be funded:

Directorate	Post Designation	Total Cost
Municipal Manager	Snr Clerk (HR Administration)	R316 840
Financial Services	Assistant Accountant (AFS)	R620 660
	SCM Administrator	R188 521
	IT Technician	R318 937
Community Services	Law Enforcement Officer x15	R248 884
	Examiner	R308 725
	General Assistant (Suurbraak)	R171 107
	General Assistant (Barrydale)	R87 609
Infrastructure & Planning Services	Water: Assistant Process Controller (Barrydale)	R110 023
	Water: Supervisor / Driver (Barrydale)	R97 307
	Administrative Assistant (Swellendam)	R134 175
	Artisan (Electrical)(Barrydale)	R256 830
	Water Treatment Works: Principal Process Controller (Class Iv) Swellendam	R230 904
	Waste Water Treatment Works: Class IV Chief Process Controller (Swellendam)	R230 904
	Waste Water Treatment Works: Class IV Principal Process Controller (Swellendam)	R230 904

	Waste Water Treatment: Assistant Process Controller (Swellendam)	R109 703
	Waste Water Treatment: Assistant Process Controller (Swellendam)	R109 703
	Waste Water: Supervisor / Driver (Swellendam)	R97 307
	Waste: General Assistant (Suurbraak)	R171 107
	Waste: General Assistant (Barrydale)	R87 609
	Waste: Driver (Skips Management)	R180 365
	Total	**R4 049 406**

These positions were budgeted for 6 months of the financial year. This will be referred to the organisational structure meeting for final approval.

Influence on consumer account

Rates and Service Charges	High Income		Middle Income		Affordable Range		Indigent Households	
	2025/2026	**2026/2027**	**2025/2026**	**2026/2027**	**2025/2026**	**2026/2027**	**2025/2026**	**2026/2027**
Property rates	R1 152,32	R1 219,15	R531,54	R562,37	R376,35	R398,17		
Electricity: Basic levy	R221,94	R277,80	R221,94	R277,80				
Electricity: Consumption	R3734,97	R3915,18	R3 247,8	R3 915,18	R1892,61	R2067,11	R822,48	R898,31
Water: Basic levy	R148,58	R161,66	R148,58	R161,66	R148,58	R161,66		
Water: Consumption	R649,46	R706,61	R537,75	R585,07	R429,08	R466,84	R264,21	R287,46
Sanitation	R442,64	R468,31	R442,64	R468,31	R442,64	R468,31		
Refuse removal	R304,01	R325,29	R304,01	R325,29	R304,01	R325,29		
Infrastructure Levy	R17,25	R18	R17,25	R18	R17,25	R18	R17,25	R18
Total	**R6 671,17**	**R7 092,00**	**R5 938,68**	**R6 313,68**	**R3 610,52**	**R3 905,39**	**R1 103,94**	**R1 203,77**
% Increase	**9,1%**	**6,3%**	**9,3%**	**6,3%**	**8,6%**	**8,2%**	**9,5%**	**9%**
Rand Amount	***R556,36***	***R420,83***	***R504,06***	***R375***	***271,52***	***R297,87***	***R94,47***	***R99,83***
% Increase Without Electricity	**6,9%**	**6,8%**	**6,6%**	**7%**	**6,5%**	**7%**	**6%**	**8,5%**
Rand Amount	***R174,13***	***R184,77***	***R121,82***	***R138,93***	***R104,17***	***R120,37***	***R14,96***	***R24***
Note:	• Property Value R1 500 000 • 1000 kWH Electricity • 35 kl Water		• Property Value R700 000 • 1000 kWH Electricity • 30kl Water		• Property Value R500 000 • 500 kWH Electricity • 25 kl Water		• Property Value R300 000 • 350 kWH Electricity • 20 kl Water	

Operating and Expenditure

The budget reflects a cash deficit of R7.7 million for 2026/2027, which will affect the municipality's cash reserves, provisions, and future budgets. This outcome stems from efforts to reduce tariffs in order to make them more affordable, given the current economic environment. Although this is not an ideal situation, each expenditure requirement will be reviewed during the public participation process to mitigate the impact as much as possible.

Considering the above, the proposed revenue and expenditure framework can be summarised below:

Western Cape: Swellendam (WC034) - Table A4 Budgeted Financial Performance (All) for 4th Quarter ended 30 June 2026

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
Rand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	98 360 990	116 095 184	132 763 506	156 494 623	151 726 845	151 726 845	122 457 469	166 456 615	181 776 919	198 508 948
Service charges - Water	2	22 509 485	24 718 345	26 802 606	27 430 453	28 046 646	28 046 646	24 897 761	30 146 134	32 768 717	34 898 587
Service charges - Waste Water Management	2	19 386 468	22 065 980	27 172 691	24 734 452	27 015 546	27 015 546	24 454 708	26 000 979	27 613 038	29 269 820
Service charges - Waste Management	2	12 749 212	14 131 601	16 697 688	18 079 571	18 140 334	18 140 334	15 244 347	19 538 089	20 808 065	22 056 549
Sale of Goods and Rendering of Services		2 900 105	3 295 720	3 771 110	3 231 825	3 031 037	3 031 037	2 732 807	3 260 134	3 367 719	3 475 485
Agency services		2 728 397	2 735 803	2 766 959	2 859 060	2 859 060	2 859 060	2 473 824	3 061 750	3 162 788	3 263 997
Interest - Deemed Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 854 960	1 761 379	1 854 833	2 028 736	1 577 463	1 577 463	1 533 871	1 824 983	1 931 127	2 045 241
Interest earned from Current and Non Current Asse		7 681 386	12 581 344	16 749 257	13 000 000	16 000 000	16 000 000	13 466 126	13 500 000	13 945 500	14 391 156
Dividends		1 647	1 830	2 036	2 000	2 000	2 000	2 219	2 074	2 142	2 211
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		992 735	751 032	792 809	824 371	728 191	728 191	741 068	824 270	851 478	878 725
Licences or permits		1 299 891	1 273 576	1 402 222	1 462 644	1 400 222	1 400 222	1 111 881	1 479 579	1 528 407	1 577 315
Special rating levies		-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue		-	56 420 186	132 073 610	91 278 000	104 044 723	104 044 723	64 413 572	-	-	-
Development Charges		3 524 801	878 147	1 602 086	770 468	4 445 000	4 445 000	4 646 847	1 270 000	1 346 200	1 426 972
Operational Revenue		3 808 727	17 746 856	717 059	726 159	570 414	570 414	564 045	487 095	496 813	508 552
Non-Exchange Revenue											
Property rates	2	50 115 613	56 640 568	61 757 423	66 090 113	65 930 676	65 930 676	56 440 140	68 574 444	75 636 144	82 661 398
Surcharges and Taxes		954 688	960 923	1 475 961	1 442 700	1 548 040	1 548 040	1 300 249	1 548 040	1 548 040	1 548 040
Fines, penalties and forfeits		42 513 801	48 858 074	54 795 779	57 078 420	52 699 420	52 699 420	50 272 101	51 785 745	50 829 292	48 884 055
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		55 072 018	62 242 450	64 829 468	69 708 566	76 662 631	76 662 631	61 423 857	76 809 312	70 519 012	71 366 032
Interest Receivables		325 152	403 823	354 334	395 472	232 653	232 653	315 475	388 500	404 040	420 202
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		3 313 585	3 390 680	3 803 168	4 108 293	3 667 351	3 667 351	3 238 267	4 096 604	4 430 318	4 761 178
Gains on Disposal of Fixed and Intangible Assets		333 897	281 081	3 123 179	200 000	200 000	200 000	859 636	1 000 000	1 000 000	1 000 000
Other Gains		5 080 416	412 412	225 670	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers		**335 507 974**	**448 247 000**	**555 533 454**	**541 945 920**	**560 588 252**	**560 588 252**	**452 590 270**	**473 054 355**	**494 165 759**	**522 945 063**
Expenditure											
Employee related costs	2	108 483 316	118 864 342	128 300 286	153 871 490	156 911 746	156 911 746	118 170 914	174 985 331	181 362 708	189 447 317
Remuneration of councillors		5 607 290	5 822 776	5 828 799	6 404 682	6 404 682	6 404 682	5 081 012	6 660 870	6 927 305	7 204 398
Bulk purchases - electricity	2	79 694 101	98 123 267	116 634 824	135 182 265	134 699 147	134 699 147	102 064 583	146 468 408	159 932 726	175 497 673
Inventory consumed	8	16 384 783	16 783 987	18 165 997	12 938 443	12 745 756	12 745 756	8 891 900	11 742 555	12 083 007	12 465 728
Debt impairment	3	8 628 811	13 819 783	12 594 987	24 226 250	17 025 425	17 025 425	32 250 000	16 022 912	16 642 178	17 336 826
Depreciation, Amortisation and Impairment		16 161 143	27 339 902	43 031 391	21 527 319	36 789 799	36 789 799	14 885 997	38 600 471	40 490 736	42 474 324
Interest,Dividends and Rent on Land		9 112 647	10 071 519	9 902 958	10 226 294	10 226 294	10 226 294	2 622 902	9 269 494	9 228 850	8 322 046
Contracted services		29 357 155	30 022 435	177 508 249	137 258 977	157 952 361	157 952 361	99 387 976	56 827 069	51 083 504	51 626 579
Transfers and subsidies		530 350	1 102 117	1 072 997	1 420 000	1 490 000	1 490 000	625 165	765 000	769 785	791 219
Irrecoverable debts written off		26 792 798	20 398 961	28 393 991	24 374 038	25 604 038	25 604 038	18 717 819	26 647 913	26 885 978	27 131 012
Operational Cost and Other Cost		25 896 503	28 907 066	26 312 114	30 799 935	33 042 784	33 042 784	23 457 835	31 708 697	32 188 831	33 289 264
Disposal of Fixed and Intangible Assets		1 051 528	989 424	8 035 970	-	-	-	-	-	-	-
Other Losses		-	262	580 608	-	-	-	-	-	-	-
Total Expenditure		**327 701 625**	**432 245 841**	**576 363 171**	**564 229 687**	**592 892 032**	**592 892 032**	**426 156 103**	**519 698 720**	**537 595 608**	**565 586 386**
Surplus/(Deficit)		**7 806 349**	**16 001 159**	**(20 829 717)**	**(22 283 767)**	**(32 303 780)**	**(32 303 780)**	**26 434 167**	**(46 644 365)**	**(43 429 849)**	**(42 641 323)**
Transfers and subsidies - capital (monetary	6	47 883 488	40 733 577	17 834 636	65 056 695	68 178 845	68 178 845	33 563 871	24 515 088	30 148 988	48 013 968
Transfers and subsidies - capital (in-kind)	6	933 090	4 689 055	5 622 362	-	-	-	-	-	-	-
and contributions		**56 622 927**	**61 423 791**	**2 627 281**	**42 772 928**	**35 875 065**	**35 875 065**	**59 998 038**	**(22 129 277)**	**(13 280 861)**	**5 372 645**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**56 622 927**	**61 423 791**	**2 627 281**	**42 772 928**	**35 875 065**	**35 875 065**	**59 998 038**	**(22 129 277)**	**(13 280 861)**	**5 372 645**
Share of Surplus/Deficit attributable to Joint Vent		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
municipality		**56 622 927**	**61 423 791**	**2 627 281**	**42 772 928**	**35 875 065**	**35 875 065**	**59 998 038**	**(22 129 277)**	**(13 280 861)**	**5 372 645**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		**56 622 927**	**61 423 791**	**2 627 281**	**42 772 928**	**35 875 065**	**35 875 065**	**59 998 038**	**(22 129 277)**	**(13 280 861)**	**5 372 645**

Operational revenue (Table A4) indicates that revenue will decrease from R541.9m to R473.1m, i.e, (-15.6%) for the 2026/27 financial year compared to the 2025/26 Adjustments Budget. For the two outer years, revenue will increase by 4.5 per cent and 5.8 per cent, respectively. Total Revenue is informed by fluctuations in the allocation of the Housing Grant (Construction Contracts) between operating (top structures) and capital (infrastructure) in the respective financial years.

Total operating expenditure for the 2026/27 financial year has been appropriated at R519,7m, representing a 12.3% decrease, resulting in an accounting deficit of R46.6m (excluding capital grants). For the two outer years, expenditure will increase by 3.4 per cent and 5.2 per cent, respectively.

It is important to note that the format of Table A4 is updated for 2026/27 to include the top structures portion of the Housing Grant (Construction Contracts), as Exchange Revenue. Furthermore, the services portion (Capital) is classified as Non-Exchange Revenue (Transfers and Subsidies: Capital), which is no longer classified as construction contract revenue. The aforementioned reclassification complies with the Generally Recognised Accounting Principles (GRAP 23).

According to Schedule A8, the budget is funded despite the cash deficit projected for the 2026/2027 financial year.

Western Cape: Swellendam (WC034) - Table A8 Cash backed reserves/accumulated surplus reconciliation for 4th Quarter ended 30 June 2026

Description	Ref	2022/23	2023/24	2024/25	Current year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
Rand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit Outcome	Budget Year 2026/27	Budget Year 2027/28	Budget Year 2028/29
Cash and investments available											
Cash/cash equivalents at the year end	1	255 179 958	179 910 801	515 391 298	103 657 261	149 105 764	149 105 764	368 972 574	151 135 234	134 099 905	125 512 842
Other current investments > 90 days		(133 406 727)	(1 394 688)	(306 590 827)	-	-	-	(129 109 590)	(3 843 000)	(1 926 857)	(2 012 602)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		121 773 231	178 516 113	208 800 471	103 657 261	149 105 764	149 105 764	239 862 984	147 292 234	132 173 048	123 500 240
Application of cash and investments											
Unspent conditional transfers		20 394 679	20 135 845	33 385 875	103 649	843 364	843 364	56 902 418	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(5 105 211)	(2 296 784)	(3 024 185)	(5 211 476)	(3 024 191)	(3 024 191)	885 639	(3 024 191)	(3 024 191)	(3 024 191)
Other working capital requirements	3	5 574 258	34 530 897	(12 569 845)	16 515 814	18 963 681	18 963 681	233 159	5 620 216	715 083	(3 307 839)
Other provisions		17 718	15 175	16 239	22 152	21 668	21 668	16 239	14 200	14 200	14 200
Long term investments commited	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	25 072 000	26 403 215	30 858 100	15 121 050	29 927 949	29 927 949	31 383 982	32 015 735	31 887 352	34 320 000
Total Application of cash and investments:		63 653 912	93 948 196	64 888 660	48 681 119	68 378 479	68 378 479	105 643 913	48 811 475	43 777 959	42 187 685
Surplus(shortfall) - Excl Non-Current Creditors Trf to Debt R		58 119 319	84 567 917	143 911 811	54 976 142	80 727 285	80 727 285	134 219 071	98 480 759	88 395 089	81 312 555
Creditors transferred to Debt Relief - Non-Current portion		-	-	-	-	-	-	-	-	-	-
Surplus(shortfall) -Incl Non-Current Creditors Trf to Debt Re		58 119 319	84 567 917	143 911 811	54 976 142	80 727 285	80 727 285	134 219 071	98 480 759	88 395 089	81 312 555

3. Policies

The following budget-related policies will be submitted for input:

- Asset Management Policy
- Appointment of Consultancy Policy
- Bad Debt Write-Off Policy
- Borrowing Policy
- Budget Implementation and Monitoring Policy
- Cash Management and Investment Policy
- Consultancy Reduction Policy
- Contract Management Policy
- Cost Containment Policy
- Customer Care Credit Control and Debt Collection Policy
- Financial Funding and Reserve Policy
- Indigent Support Policy
- Petty Cash Policy
- Property Rates Policy
- Restriction Policy
- SCM Infrastructure Procurement Policy
- SCM Policy
- SCM Preferential Procurement Policy
- Stock Management Policy
- Tariff Policy
- UIFW Expenditure Reduction Policy

4. Budget Inputs

The Tabled budget was opened for public input from 3 April 2026 until 4 May 2026. The inputs received are attached under **Annexure E.**

5. Disclaimer

The Finance Department must populate the A-Schedules for the new mSCOA chart release directly from the financial system as prescribed by National Treasury and the budget and reporting regulations. The A-Schedules populated from the financial system could not be used, as they contained numerous errors. Consequently, the strings were uploaded, and the National Treasury generated A-Schedules, were used to populate the final budget document.

LEGAL IMPLICATIONS

Chapter 4 of the MFMA, together with MFMA Circulars No. 129 and 130, provides guidelines for submitting municipal budgets to the Council for adoption.

In terms of Section 16(2), the mayor must table the budget at least 90 days before the start of the budget year and consider the views of the National and Provincial Treasuries and the public before it is finally approved by the end of May 2025.

FINANCIAL IMPLICATIONS

As per the report of the Director of Financial Services.

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Financial Services

As per the report.

Director: Infrastructure and Planning Services

None

Municipal Manager

None

RECOMMENDED

It is recommended that:

1. that the Annual Budget for the 2026/2027 MTREF for the different votes be approved and adopted as set out by the following tables included in the budget document:
   a) Table A1 - Budget Summary
   b) Table A2 - Budget Financial Performance.
   c) Table A3 - Budget Financial Performance (municipal vote)
   d) Table A4- Budget financial performance by revenue source and expenditure
   e) Table A5 - Budget Capital Expenditure
   f) Table A6 - Budget Financial Position
   g) Table A7 - Budgeted Cash Flow
   h) Table A8 - Cash Budget Reserves/ Accumulated Surplus
   i) Table A9 -Asset Management
   j) Table Al 0 - Consolidated Basic Services Delivery Management.

2. that the Capital Budget for Capital Grants as per Table A5 be approved over the MTREF Multi-Years.

3. that Council take note of the Annual Budget Document with supporting tables under Annexure A.

4. that in terms of section 78A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government Municipal Property Act, 6 of 2004, the tariffs for property rates, electricity, water, sewerage, solid waste, and other services charges as set out in Annexure B of which a copy is attached, be approved and adopted from 1 July 2026.

5. that the interest rate on arrear accounts be approved at the prime rate.

6. that the following policies be approved with effect from 1 July 2026 and placed on the municipal website. The policies are attached under **Annexure C**

   a) Asset Management Policy
   b) Appointment of Consultancy Policy
   c) Bad Debt Write-Off Policy
   d) Borrowing Policy
   e) Budget Implementation and Monitoring Policy
   f) Cash Management and Investment Policy
   g) Consultancy Reduction Policy
   h) Contract Management Policy
   i) Cost Containment Policy
   j) Customer Care Credit Control and Debt Collection Policy
   k) Financial Funding and Reserve Policy
   l) Indigent Support Policy
   m) Petty Cash Policy
   n) Property Rates Policy
   o) Restriction Policy
   p) SCM Infrastructure Procurement Policy
   q) SCM Policy
   r) SCM Preferential Procurement Policy
   s) Stock Management Policy
   t) Tariff Policy
   u) UIFW Expenditure Reduction Policy

7. that Council approve the taking up of a new external loan facility to the amount of R6,2 million for the replacement of vehicles for the 2026/2027 financial year over a seven-year period.

8. that Council take note of the other supporting budget documents under **Annexure D.**

9. that Council approves the procurement plan under **Annexure D.**

10. that Council takes note that the total cost for the capital projects is included in the budget and the funding sources are available.

11. that Council takes note that the projected cost covering the future operational cost of the capital projects is included in the budget.

12. that Council notes that the electricity tariffs are subject to approval from NERSA, which was not received by the time of submitting the budget to Council for consideration.

13. that Council note and consider the public inputs received on the budget and IDP under **Annexure E.**

14. that the Annual Budget for the 2026/2027 MTREF be submitted to National and Provincial Treasuries.

15. that the Service Delivery and Budget Implementation Plans (SDBIP) be submitted to the Executive Mayor within 14 days after approval of the budget and be approved within 28 days.

16. that the draft Performance Agreements be submitted to the Executive Mayor within 14 days after approval of the budget and be made public within 14 days after approval of the SDBIP.

17. that National Treasury and Provincial Treasury be informed that the A-Schedules were generated directly from the National Treasury Database and not the financial system as required.

18. that the Annual Budget with all Annexures be placed on the municipal website.

DISCUSSION

Councillor M.T.A. Swart indicated that the ANC Councillors had technical difficulties that led to them not being able to access their agendas prior to the meeting to be informed on the budget and requested that the budget meeting be moved to 14:00 as a virtual meeting.

The Speaker, Alderman J. du T. Loubser shared that the meeting has already started and evidence showed that all Councillors received the agenda prior to the meeting although some did not open the meeting attachments on the day of receipt while others opened the agenda immediately.

The Speaker indicated that the meeting would not be postponed and that the request of the ANC was not approved.

Councillor M.T.A. Swart stated that, under the circumstances, the ANC would not support the budget, would not participate in the discussion thereon, and would therefore excuse themselves from the meeting.

The Speaker indicated that he took note of the ANC's stance on the matter and their request to excuse themselves from the meeting.

All ANC members excused themselves from the meeting at 11:42.

The Executive Mayor, Councillor H.F. du Rand indicated that the budget was supported by the DA.

Councillor J.A. Matthysen indicated that the PA welcomed the budget and was satisfied to a certain extent as the increased tariffs that would have a negative effect on the poor, were a concern, however the PA welcomed the number of indigents that benefited from the Equitable Share.

The Speaker, Alderman J. du T. Loubser confirmed that the recommendation was unanimously supported by the DA, PA and FF+.

UNANIMOUSLY RESOLVED **Item A112/29/05/2026**

It is recommended that:

1. that the Annual Budget for the 2026/2027 MTREF for the different votes be approved and adopted as set out by the following tables included in the budget document:
   a) Table A1 - Budget Summary
   b) Table A2 - Budget Financial Performance.
   c) Table A3 - Budget Financial Performance (municipal vote)
   d) Table A4- Budget financial performance by revenue source and expenditure
   e) Table A5 - Budget Capital Expenditure
   f) Table A6 - Budget Financial Position
   g) Table A7 - Budgeted Cash Flow
   h) Table A8 - Cash Budget Reserves/ Accumulated Surplus
   i) Table A9 -Asset Management

j) Table Al 0 - Consolidated Basic Services Delivery Management.

2. that the Capital Budget for Capital Grants as per Table A5 be approved over the MTREF Multi-Years.

3. that Council take note of the Annual Budget Document with supporting tables under Annexure A.

4. that in terms of section 78A of the Local Government Municipal Systems Act, 32 of 2000 and section 24 of the Local Government Municipal Property Act, 6 of 2004, the tariffs for property rates, electricity, water, sewerage, solid waste, and other services charges as set out in Annexure B of which a copy is attached, be approved and adopted from 1 July 2026.

5. that the interest rate on arrear accounts be approved at the prime rate.

6. that the following policies be approved with effect from 1 July 2026 and placed on the municipal website. The policies are attached under **Annexure C**

a) Asset Management Policy
b) Appointment of Consultancy Policy
c) Bad Debt Write-Off Policy
d) Borrowing Policy
e) Budget Implementation and Monitoring Policy
f) Cash Management and Investment Policy
g) Consultancy Reduction Policy
h) Contract Management Policy
i) Cost Containment Policy
j) Customer Care Credit Control and Debt Collection Policy
k) Financial Funding and Reserve Policy
l) Indigent Support Policy
m) Petty Cash Policy
n) Property Rates Policy
o) Restriction Policy
p) SCM Infrastructure Procurement Policy
q) SCM Policy
r) SCM Preferential Procurement Policy
s) Stock Management Policy
t) Tariff Policy
u) UIFW Expenditure Reduction Policy

7. that Council approve the taking up of a new external loan facility to the amount of R6,2 million for the replacement of vehicles for the 2026/2027 financial year over a seven-year period.

8. that Council take note of the other supporting budget documents under **Annexure D.**

9. that Council approves the procurement plan under **Annexure D.**

10. that Council takes note that the total cost for the capital projects is included in the budget and the funding sources are available.

11. that Council takes note that the projected cost covering the future operational cost of the capital projects is included in the budget.

12. that Council notes that the electricity tariffs are subject to approval from NERSA, which was not received by the time of submitting the budget to Council for consideration.

13. that it be noted that the public inputs received on the budget and IDP under **Annexure E** were considered by Council.

14. that the Annual Budget for the 2026/2027 MTREF be submitted to National and Provincial Treasuries.

15. that the Service Delivery and Budget Implementation Plans (SDBIP) be submitted to the Executive Mayor within 14 days after approval of the budget and be approved within 28 days.

16. that the draft Performance Agreements be submitted to the Executive Mayor within 14 days after approval of the budget and be made public within 14 days after approval of the SDBIP.

17. that it be noted that the A-Schedules were generated directly from the National Treasury Database and not the financial system as required and that National Treasury and Provincial Treasury be informed accordingly.

18. that the 2026/2027 Annual Budget with all Annexures be placed on the municipal website.

6.1.2
Item number A113. 29.05.2026

FINAL SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN AND PERFORMANCE AGREEMENTS FOR 2026/2027

Report of the Municipal Manager:	Ms A. Vorster
Department	Office of the MM
Section	Performance Management
File number	5/1/1

PURPOSE OF REPORT

The Service Delivery and Budget Implementation Plan (SDBIP) is a detailed annual plan for implementing services using the approved budget for 2026/2027. This annual service delivery plan/ SDBIP is based on the approved IDP and Budget. The SDBIP serves as a contract between the municipality and the community on the services that the municipality commits to deliver over the twelve (12) months. It also helps to hold the municipality and its management accountable for the performance on the mentioned programmes and projects.

It is also further required that a Municipality enters into a contract of employment with the Employee in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").

Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the Parties to conclude an annual performance agreement;

FACTS AND BACKGROUND

The Municipal Finance Management Act (MFMA) No 56 of 2003 requires that municipalities prepare a Service Delivery and Budget Implementation Plan (SDBIP) as a strategic management tool to ensure that budgetary decisions that are adopted by municipalities for the financial year are aligned with their strategic planning tool, the Integrated Development Plan (IDP). The SDBIP is a contract between Council, administration & community. It gives effect to the IDP and budget of the municipality. The municipal budget shall give effect to the strategic objectives contained in the IDP. The SDBIP shall contain details on the execution of the budget & information on programmes & projects. There should be regular reporting on progress on the programmes or projects hence the performance evaluation have been indicated in the document. The SDBIP intends to empower councilors to perform their oversight responsibility better.

Section 69(3)(a) of the Municipal Finance Management Act, Act 56 of 2003(MFMA) requires the Accounting Officer to submit a Service Delivery and Budget Implementation Plan (SDBIP) to the Mayor:

- no later than 14 days after the approval of the Budget and drafts of the performance agreements as required in terms of Section 57 (1) (b) of the Municipal Systems Act, Act 32 of 2000.
- The Mayor must subsequently approve the SDBIP no later than 28 days after the approval of the Budget in accordance with section 53(1)(c)(ii) of the MFMA

The Service Delivery targets and key performance indicators as well as the performance agreements are therefore submitted to Council for review. This provides the basis of measuring the performance in service delivery against end year targets and implementing budget. Please refer to:
Annexure F – 2026/2027 SDBIP
Annexure G.1 – Annexure G.4 – 2026/2027 Performance Agreements

DISCUSSIONS

The Draft SDBIP 2026/27 was tabled with the draft budget and opend for public comments and no comments were received.

LEGAL IMPLICATIONS

Section 53(3)(b) of the MFMA; and Section 57(1)(b) of the Systems Act

FINANCIAL IMPLICATIONS

Budget implementation

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENTS FROM DEPARTMENTS

Director: Corporate Services and Community Services

None

Director: Financial Services

None

Director: Infrastructure and Planning Services

None

Municipal Manager

None

RECOMMENDED

1. that Council approve the tabling of the final SDBIP 2026/2027 and it be signed off by the Municipal Manager and Executive Mayor.
2. that the SDBIP 2026/2027 be placed on the municipal website and that the performance agreements be concluded within the legislative timeframes.

The Speaker, Alderman J. du T. Loubser confirmed that the recommendation was unanimously supported.

UNANIMOUSLY RESOLVED **Item A113/29/05/2026**

1. that Council approve the tabling of the final 2026/2027 SDBIP and it be duly signed off by the Municipal Manager and Executive Mayor.
2. that the SDBIP 2026/2027 be placed on the municipal website and that the performance agreements be concluded within the required legislative timeframes.

6.1.3
Item number A114 29.05.2026

2026-2027 FINAL INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW

Integrated Development Officer: D. Jonas

Department: Office of the Municipal Manager

Section: Integrated Development Planning

File number 12/2/3/33

PURPOSE OF REPORT

The purpose of the report is to table to Council the 2026-2027 Integrated Development Plan (IDP) Review (4th Review of the 2022-2027 IDP), which includes the approved Swellendam Municipal Spatial Development Framework (SDF) as a core component of the IDP. **(See Annexure H and I.)**

FACTS AND BACKGROUND

In terms of the Municipal Systems Act, Section 28, Council adopted the 2025/2026 IDP/Budget/SDF Time Schedule of key deadlines on the 28 August 2025, Item A151/28/08/2025 and that the existing Municipal Spatial Development Framework (SDF) forms part of the IDP reviewing process.

The Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) states:

Section 34: *"A municipal council must review its integrated development plan annually in accordance with an assessment of its performance measurements and to the extent that changing circumstance so demand..."*

Section 26(e): *"An integrated development plan must reflect a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality."*

In terms of Section 21 of the Local Government Municipal Systems Act (Act 32 of 2000) THE IDP Office schedule public consultation meeting. The first round of the 2025/2026 Time Schedule of key deadlines was set for October to December 2025. However, due to the by-election in Ward 6 of Swellendam, held on 15 October 2025, the Ward 6 IDP meeting took place on 3 December 2025, following the election of the newly appointed Ward 6 committee members. The second round of the 2025/2026 Time Schedule of key deadlines (Process Plan) was held during April and May 2026 shared with the public

DISCUSSION

The Fourth Review of the 2022-2027 IDP will contribute to the review of the Municipality's 5-year Plan, as well as inform the Service Delivery and Budget Implementation Plan (SDBIP) with the Budget and individual performance agreements of staff. It is therefore imperative that the 2026-2027 IDP Review be read in conjunction with the 5-year IDP adopted on 31 May 2022.

Council should take note of the scheduled dates for the 2nd round of IDP/Budget/SDF Meetings as below:

Date	Ward	Town/Area	Social Media Platform	Loud hail	Flyers Posters	Facebook	Total attendees
01 April	All	All	WC, FB, CWG, MWG, FCG	-	-	1310	-
07 April	3	Suurbraak	WC, FB, CWG, MWG, FCG	07 April	Yes	720	102
08 April	2	Barrydale	WC,CWG, MWG, FCG	02 April	Yes	-	36
13 April	1	Swellendam	WC, FB, CWG, MWG, FCG	01 April	Yes	900	25
14 April	3	Infanta	WC, FB, CWG, MWG, FCG	-	-	729	10

14 April	3	Malgas	WC, FB, CWG, MWG, FCG	-	-	692	11
15 April	5	Railton	WC, FB, CWG, MWG, FCG	14 April	Yes	1031	123
16 April	4	Railton	WC, FB, CWG, MWG, FCG	16 April	Yes	863	33
20 April	6	Railton	WC, FB, CWG, MWG, FCG	20 April	Yes	936	46
22 April	3	Buffeljagsrivier	WC, FB, CWG, MWG, FCG	21 April	Yes	756	33
14 May	Strategic Budget Summit Meeting	All	Invitation sends on Ward Committee WhatsApp Group				23

WhatsApp Channel (WC), Facebook (FB), Councillors WhatsApp Group (CWG), Management WhatsApp Group (MWG), Facebook Community Groups (FCG)

The attendance of IDP meetings is still a challenge and the municipality with the support of the Ward Committees initiated different approaches to reach the public.

Council to take note of the 2026-2027 IDP Report reporting on the written inputs of the different wards and the top 5 Ward Priorities, prioritised on the 14 May 2026 at the Strategic Budget Summit Meeting.

LEGAL IMPLICATIONS

1. Municipal Systems Act 32 of 2000
2. Local Government Municipal Systems Act – Chapter 5
3. Section 20 of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
4. Section 10 of the Western Cape Land Use Planning Act, 2014 (Act 3 of 2014
5. Section 10(2) of the Swellendam Municipal By-Law on Municipal Land Use Planning, 2020; Municipal Finance Management Act 56 of 2003
6. Municipal Planning and Performance Management Regulations, 2001
7. Municipal Budget and Reporting Regulations, 2009

FINANCIAL IMPLICATIONS

None

PERSONNEL IMPLICATIONS

None

COMMUNICATION IMPLICATIONS

None

COMMENT FROM DEPARTMENTS

Acting Director: Community Services

None

Director: Financial Services

None

Acting Director: Infrastructure and Planning Services

None

Comment from Municipal Manager

The recommendation is supported.

RECOMMENDED

1. that Council adopt the 2026-2027 Integrated Development Plan (IDP) Review, Fourth Review of the 2022-2027 IDP, including the approved Swellendam Municipal Spatial Development Framework (SDF) as a core component of the IDP.

2. that the adopted 2026-2027 Integrated Development Plan (IDP) Review submitted to spheres of government, be published in the local newspapers and at municipal offices
3. that Council take note that the existing Swellendam Municipal Spatial Development Framework (SDF) will be revised in 2027/2028 to ensure alignment with the next 5-year IDP development cycle.

DISCUSSION

Councillor D. Julius indicated that some the ward 3 information in the document needs to be corrected. The Speaker shared that ward information should also be corrected on the website to the most recent information.

The Speaker, Alderman J. du T. Loubser confirmed that the recommendation was supported by all Councillors.

UNANIMOUSLY RESOLVED **Item A114/29/05/2026**

1. that Council adopt the 2026-2027 Integrated Development Plan (IDP) Review, Fourth Review of the 2022-2027 IDP, including the approved Swellendam Municipal Spatial Development Framework (SDF) as a core component of the IDP.
2. that the adopted 2026-2027 Integrated Development Plan (IDP) Review submitted to all spheres of government, be published in the local newspapers and the municipal website and be available at all municipal offices.
3. that Council take note that the existing Swellendam Municipal Spatial Development Framework (SDF) will be revised in 2027/2028 to ensure alignment with the next 5-year IDP development cycle.

7. CLOSURE

The meeting adjourned at 11:46.