



Medium Term Revenue and Expenditure Framework (MTREF)

Annexure 6 Budget Submissions

2016/2017

SUBMISSIONS RECEIVED ON THE 2016/17 MTREF

Legislative Overview

Section 23 of the Municipal Finance Management Act states:

- (1) When the annual budget has been tabled, the municipal council must consider any views of—
 - (a) the local community; and
 - (b) the National Treasury, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the council must give the mayor an opportunity—
 - (a) to respond to the submissions; and
 - (b) If necessary, to revise the budget and table amendments for consideration by the council.
- (3) The National Treasury may issue guidelines on the manner in which municipal councils should process their annual budgets, including guidelines on the formation of a committee of the council to consider the budget and to hold public hearings.
- (4) No guidelines issued in terms of subsection (3) are binding on a municipal council unless adopted by the council.

The 2016/17 MTREF resulted in twenty nine submissions from the public and other stakeholders to Council.

Knysna Municipality 2016/17 MTREF Summary of Stakeholder Submissions

Stakeholders	Ref No.	Area	Financial Services						Technical Services						Corporate Services	Planning				Community Services						Tourism
			Tariffs	Rebates	Policies	SCM	Budget	Expenditure	Roads, Potholes & Infrastructure	Water	Sewerage	Electricity	Storm water & Drainage	Buildings	Housing	IDP	Planning	LED	Youth Development	Cemetery	Sportfield	Library Services	Parks	Traffic		
LG MTEC	KM_BC01	Province					✓									✓										
Lorna Watt	KM_BC02	Belvidere	✓	✓																						
Smutville	KM_BC03	Sedgefield															✓									
R. Stander	KM_BC04	Knysna		✓		✓	✓		✓		✓		✓		✓		✓					✓		✓		
S. Campbell	KM_BC05	Knysna	✓	✓	✓	✓	✓	✓																		
C. Hasley	KM_BC06	Karatar								✓	✓				✓											
D. Kiewits	KM_BC07	Karatar							✓										✓							
D. Tamboer	KM_BC08	Karatar																		✓						
P. Appels	KM_BC09	Karatar									✓				✓											
S. Kameel	KM_BC10	Karatar			✓					✓		✓														
AAJ Crocker	KM_BC11	Knysna	✓		✓																					
M. Matiwane	KM_BC12	Knysna													✓											
F. Agiels	KM_BC13	Knysna			✓	✓										✓										
Brian Hart	KM_BC14	Sedgefield	✓	✓				✓							✓	✓										
Mrs Kalani	KM_BC15	Knysna																				✓				
D. Boestert	KM_BC16	Knysna									✓															
Ian Stewart	KM_BC17	Knysna	✓				✓		✓																	
C. Gold	KM_BC18	Knysna								✓																
A. Fechter	KM_BC19	Knysna	✓						✓																	
C. Spies	KM_BC20	Knysna	✓																							
M.Mills	KM_BC21	Belvidere							✓																	
Cllr Hart	KM_BC22	Sedgefield		✓																						
Jerry George	KM_BC23	Belvidere	✓																							
Nigel Moon	KM_BC24	Knysna	✓																							
P. Houreld	KM_BC25	Brenton	✓																							
S. Jasper	KM_BC26	Belvidere	✓										✓													
T. Brukman	KM_BC27	Knysna	✓																							
CP Goldberg	KM_BC28	Knysna					✓											✓								
T. Booysen	KM_BC29	Knysna																✓								

Summary of Submissions

Majority of submissions received was a public outcry pertaining to high tariff percentages proposed which is unaffordable and unsustainable. Knysna Municipality has significantly reduced these tariffs as reflected in the table below:

Revenue Category	<u>2016/17</u>	<u>2016/17</u>
	<u>Proposed</u>	<u>Final</u>
Rates	8.9%	7%
Refuse	9.5%	8%
Water- fixed and consumption	9.5%	7%*
Sewer	8.9%	7.5%
Electricity – monthly consumption tariff	7.6%	7.6%

* Indigents receive 6 kiloliters of free water. All other consumers will now receive 3 kiloliters of free water. The increase in the first two tiers of the water consumption categories goes up by 7% i.e. up to 20 kiloliters. Due to water shortages and drought ramifications subsequent tiers i.e. 21kl -30kl, 31kl – 40kl and > 40kl increase by 20%, 30% and 40% respectively.

	A	B	C	D	E	F
1	Knysna Municipality 2016/17 MTREF Summary of Stakeholder Submissions					
2						
3	Stakeholders	Ref No.	Area		Submissions	Responses
4						
5	LG MTEC	KM_BC01	Province	Budget/IDP	Western Cape Government LG MTEC Assessment Report - Budget & IDP Analysis .	See presentation presented on the 4 May 2016.
6	Lorna Watt	KM_BC02	Belvidere	Tariffs	Unaffordable tariff increases.	Proposed tariffs have been significantly reduced.
7				Rebates	Provision of three months original bank statement for Senior Citizens rebate.	Proof of income is essential to justify rebate and is a focus area by the AG.
8	Smutville	KM_BC03	Sedgefield	LED	Light manufacturing industria to be developed in Smutssville for job creation.	Community to raise this in ISDF public participation process.
9	R. Stander	KM_BC04	Knysna	Roads, Potholes & Infrastructure	KM officials decide where to spend roads and potholes budget.	As per 2014 Council decision, budgets are apportioned on a ward basis and not suburb basis.
10				Buildings	KM spend on leases versus building internally.	KM has started the process on reducing lease costs.
11				Housing	Backyard dwellers to be given own electricity water and sewerage connections.	Current infrastructure cannot accommodate it. Pilot project to be done in Hornlee to establish extent of network upgrade.
12				Rebates	Rate rebate to be increased from R60 000 to R100 000.	Rebate has and is currently R100 000.
13				Housing	Municipality abdicated responsibility for ABSA housing development to ABSA.	Handed over to ABSA by the previous Council. Insufficient budget to take over contractual rights from ABSA.
14				Roads, Potholes & Infrastructure	Robots needed at both entrances of both Hornlee and Nekkies.	KM has no control of N2 as this is a national road.
15				Electricity	More lighting needed in KM townships as well as homeless/night shelter.	Will be investigated further.
16				SCM	95% of KM procurement budget spend on handful of PDI contractors.	There are more then 8 000 on KM database of which most are emerging.
17				Budget	Bulk of capex budget excluding housing spent on town suburbs.	Only 12% of total capex budget excluding housing (of approximately R 115 million) is spent on town suburbs.
18				Planning	Unnecessary travelling huge distances to work because access to shorter roads are closed.	These are interesting and useful suggestions. They should be submitted to the consultation that is currently in progress on the Spatial Development Framework and the ISDF.

	A	B	C	D	E	F
3	Stakeholders	Ref No.	Area		Submissions	Responses
4						
19				Planning	Many KM prime properties and facilities is not leased to PDI.	Council has recently reviewed the situation regarding leases to external parties and advertised such for public comment. An item will soon go back to Council for them to consider the comments received and consider the suggestions received and the way forward.
20				Parks	Toilet facilities in community halls, taxi ranks and Cathy Park are poor.	Council has started addressing this.
21				Tourism	Festivals in Knysna not catering for majority of Knysna people.	These festivals are not organized by KM.
22				Planning	Townships to cater for flea markets.	Community to raise this in ISDF public participation process.
23				Planning	Grazing land needed for farmers in the township.	KM does not have suitable land to make accessible for this.
24	S. Campbell	KM_BC05	Knysna	Budget	Line item budgeting to be done annually.	While line item budgeting has its benefits to identify potential cost savings, ill-considered demands by Councilors for reductions on certain line items may result in budget shortfalls. While it is therefore a method to help determine a budget for a specific line item, knowledge and experience of KM line managers must be considered to prevent budget shortfalls.
25				Expenditure Policies	Acquisition of expensive office furniture.	Not that we are aware off. Please provide proof.
26					Bursaries should only be awarded to the needy.	Bursaries are indeed awarded to the needy.
27				Policies	Staff members that fail internal or external courses are not paying back the money.	Staff members that fail do pay back the money.
28				Expenditure	Too many consultants used by KM such as Communications and Finance department.	KM only uses consultants where it does not have skills and experience internally. Excessive use of consultants by Finance Budget manager is in the process of being addressed and which will result in reduced usage of consultants in subsequent financial years.
29				Expenditure	Expenditure on ISDF consultants unnecessary.	External skills and experience to develop the ISDF was essential and we respectfully disagree with views of Ms. Campbell about long term value and benefits of ISDF for Knysna.
30				Budget	Lack of weed eradication policy including funding	The reduction in the rates rebate by a third was a function of overall revenue shortfall on the KM budget. However KM will investigate proposals around weed eradication.
31				Tariffs/ Rebates	The green and Naturally Knysna rebates should be included in paragraph 10 of the rates policy.	The green rebate has been reduced to 5% and will be phased out next year.
32				SCM	KM regularly advertises tenders prior to the date that tender documents are available.	KM will in future have documents ready by the time of advertising. This mainly happens with tenders from the consulting engineers.
33	C. Hasley	KM_BC06	Karatara	Water	Sceptic tanks to be provided for Karatara erven not connected to sewerage reticulation.	Will be investigated further and done if funding is available.
34				Sewerage	More water taps to be provided in Bosdorp.	Will be investigated and prioritized.
35	D. Kiewits	KM_BC07	Karatara	Roads, Potholes & Infrastructure	Poor state of gravel road between Welsynsdorp and Bosdorp.	We have recently maintained roads in Karatara and this will be ongoing. Further more funds have been requested for a new grader.

	A	B	C	D	E	F
3	Stakeholders	Ref No.	Area		Submissions	Responses
4						
36				Cemetery	Free graves not dug for Karatara residents like in Knysna.	There is an interment tariff of R718 at the Knysna Cemetery for the preparation of the grave. Given the infrequency of funerals in Karatara a way will be investigated for the viable provision of the same service in Karatara.
37	D. Tamboer	KM_BC08	Karatara	Sportfield	No fence at Karatara sports field.	Will be investigated and prioritized if funding is available.
38	P. Appels	KM_BC09	Karatara	Sewerage/ Housing	No housing in Karatara.	Will be prioritised when grant funding becomes available.
39	S. Kameel	KM_BC10	Karatara	Water/ Electricity/ Policy	No water or electrical connections for Karatara stands containing more than one property.	Concerning electricity, Council is considering a policy with regards to backyard dwellers. This matter will be dealt with by the new Council.
40	AAJ Crocker	KM_BC11	Knysna	Tariffs	Criteria for municipal rates on vacant properties isn't disclosed.	There is no criteria rate for vacant stands and a fixed rate applies per the tariff booklet.
41				Policies	Supplementary valuation roll not published in May 2015 and individual notices sent out as per S41 c of MPRA.	This matter will be investigated.
42				Policies	Property categories determined in KM rates policy and the rates tariff table and the MPRA do not correspond.	Our Rates Policy is subject to an annual assessment by the Department of Cooperative Governance as well as the Provincial Department. No "significant" findings of non-compliance were identified in the 2015/2016 as well as the 2014/2015 submissions. One of the areas of assessment included the municipalities approach to property categorization which tells us that the prescripts of the act were followed. The categorization were based on the amendments in the act which to us is a sign of being in full compliance. We however is in agreement that the categories of properties should be aligned to the rates tariff table to ensure transparency regarding the rate applicable to the different categories of properties as per our Rates Policy. We have therefore prepared our draft tariff schedule and draft rates policy with the assurance and knowledge that neither the two oversight bodies has in the last two years issued a significant finding as far as our categorization of properties are concerned.
43	M. Matiwane	KM_BC12	Knysna	Housing	Assistance needed by some poor senior citizens who occupies some of the 150 wooden houses in Khaylethu.	KM does not have funds for this and Province can also not provide funding in response to our 2013 applications.
44	F. Agiels	KM_BC13	Knysna	LED	Lack of implementation of government's BBBEE program for job creation and emerging contractor opportunities in Knysna.	KM is doing what it can with its limited resources to promote BBBEE program.
45				IDP	Councilors don't accept responsibility for their mandate.	This is a function of the SA electoral system and outside the mandate of KM.
46				Policies/ SCM	Amend KM's SCM policy to provide opportunities for emerging contractors.	KM's SCM Policy has to meet National Treasury's SCM standards. While a lot of work, training and assistance are given by KM to emerging contractors, we agree that more work can be given to emerging contractors and this is a priority of administration within the regulatory framework.
47				Tariffs/ Rebates	Old age rebate not increased.	Our senior citizens rebate structure compares favourably to neighboring municipalities. Income brackets have been revised.

	A	B	C	D	E	F
3	Stakeholders	Ref No.	Area		Submissions	Responses
4						
48	Brian Hart	KM_BC14	Sedgefield	IDP	KM has downgraded IDP.	<p>The 2016/17 draft IDP document is the 4th review of the 5 year IDP for the 2012-2017 period. The intention of an IDP review is not attempt to re-write the 5 year IDP or the IDP review of the previous year as is clearly stated in Section 1.2 on page 8 of the draft document. The whole aim of the 2016/17 draft review document is to provide an assessment of Council's performance in respect of the Strategic Objectives set by Council during its tenure of Office.</p> <p>We respectfully disagree as overall employee cost calculations proof it is 3.5% increase on the 2015/16 Adjusted Budget.</p> <p>This is done in accordance with grant funding priorities approved by Province.</p>
49				Expenditure	Salary cost increase by 3% not correct.	
50				Housing	Houses approved for 19 areas in greater Knysna but none in Sedgefield, Smutssville and Sizamele.	
51	Mrs Kalani	KM_BC15	Knysna	Parks	Request upgrading and installation of new equipment at Old Toll Road children's play park.	Will be investigated and implemented budget permitting.
52	D. Boestert	KM_BC16	Knysna	Sewerage	Objection against sewerage rates in Belvide estate as residents pay themselves to empty sewerage tanks.	This will be investigated and handed administratively.
53	Ian Stewart	KM_BC17	Knysna	Roads, Potholes & Infrastructure	Gravel area of Portland street must be resurfaced.	Gravel areas will be resurfaced budget permitting.
54				Tariffs	Don't say tariff hikes are below double digits as this must not be the aim.	KM endeavors to limit rates increases to CPIX but as some overhead costs increase by more then inflation, this is not always possible.
55				Water	Punitive water tariffs introduced by KM during dry years should be reduced in non dry periods.	
56				Water	Reduce unnecessary KM expenditure by fixing leaking pipes, spending less sponsorship money on Simola golf days and upgrading flashy offices.	KM applies vigorous cost controls across its expense budget and in some cases. KM only sponsors small amounts for events aimed at raising funds for charitable needs.
57				Water	No regular maintenance done at RO plant.	The plant was in preservation mode therefor not a lot of maintenance was done. The plant is currently operational with significant maintenance being done.
58				Budget	KM to work smarter and cut overheads instead of simply hiking rates annually.	A vigorous budgeting process eliminates unnecessary expenses and overheads. However hiking rates are necessary to sustain municipal service delivery increases in an inflationary environment.
59	C. Gold	KM_BC18	Knysna	Water	Pipe bursting problem on the Heads not addressed by KM.	This will be addressed in the 16/17 financial year.
60	A. Fechter	KM_BC19	Knysna	Roads, Potholes & Infrastructure	KM not doing enough to create enabling environment for business in Knysna's main street. This includes poor quality of pavements and difficult access to various mall parking areas.	Community to raise this in ISDF public participation process.
61				Tariffs	Objection against rates increases for the above reasons.	Rates tariffs have been reduced.
62	C. Spies	KM_BC20	Knysna	Tariffs	Electricity daily rate of KM significantly more expensive then other municipalities.	Consumers are encouraged to convert to the All-inclusive tariff to mitigate the impact of the daily rates.
63				Tariffs	Rates increases are excessive.	This has been addressed.

	A	B	C	D	E	F
3	Stakeholders	Ref No.	Area		Submissions	Responses
4						
64	M.Mills	KM_BC21	Belvidere	Roads, Potholes & Infrastructure	Preventative maintenance not done in Belvidere estate.	Will be investigated and handed administratively.
65				Roads, Potholes & Infrastructure	14 Poles of Belvidere estate jetty are unsafe.	
66				Roads, Potholes & Infrastructure	No shelters for waiting commuters in Belvidere estate.	
67				Roads, Potholes & Infrastructure	Herringbone draining system to be installed at the end of Sophie Gray avenue on Belvidere estate.	
68	Cllr Hart	KM_BC22	Sedgefield	Rebates	Rebate policy to be expanded to non home owners.	This has been addressed.
69	Jerry George	KM_BC23	Belvidere	Tariffs	Objection to rate increases.	Rates tariffs have been reduced.
70	Nigel Moon	KM_BC24	Knysna	Tariffs	Objection to rate increases.	Rates tariffs have been reduced.
71	P. Houreld	KM_BC25	Brenton	Tariffs	Objection to rate increases.	Rates tariffs have been reduced.
72	S. Jasper	KM_BC26	Belvidere	Tariffs	Objection to rate increases.	Rates tariffs have been reduced.
73				Storm water & Drainage	Km to install proper drainage system for rain water in Ward 5 - Queen Street.	Will be prioritised by Council budget permitting.
74	T. Brukman	KM_BC27	Knysna	Tariffs	Objection to rate increases.	Rates tariffs have been reduced.
75	CP Goldberg	KM_BC28	Knysna	Budget/ Youth Development	No youth projects included in KM's budget.	Provision for this has been set aside in the 16/17 budget.
76	T. Booyesen	KM_BC29	Knysna		Establishment of Youth Center	This issue will be dealt with through the Youth Council
77						



LG MTEC ENGAGEMENT

4 May 2016



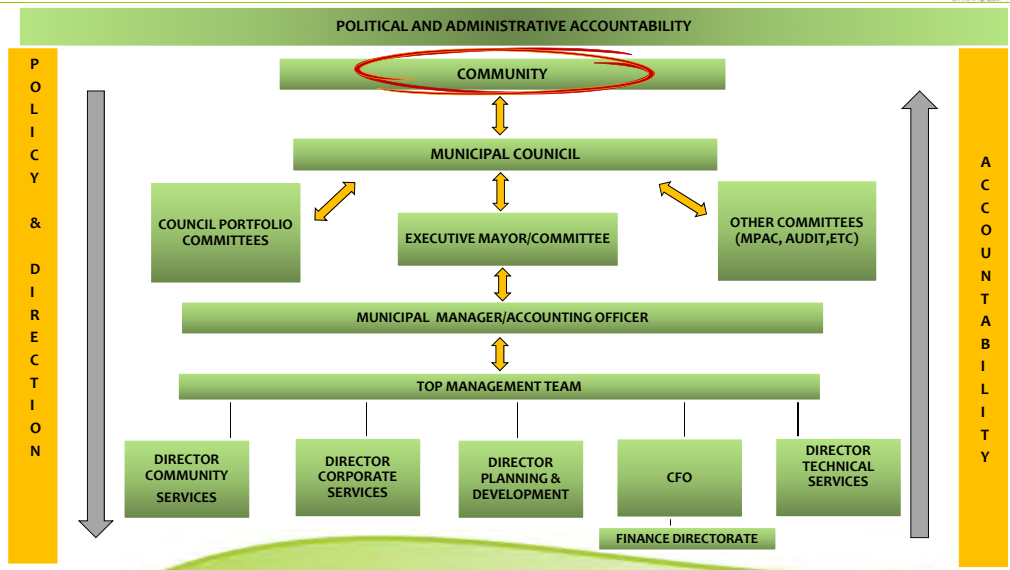
Introduction and Background



- Improved processes for municipal planning and budgeting, which empowers our Council to formulate more informed decisions
- Shift of strategic priorities
- mSCOA Budget as a Pilot site for the project
- Satisfactory internal alignment between the IDP and Budget
- Continued focus on realistic and reliable budget
- Maintaining the clean audit status remains a priority
- Increased levels of transparency and public participation
- Budget consultation with varying stakeholders for tabling of the final budget is currently underway

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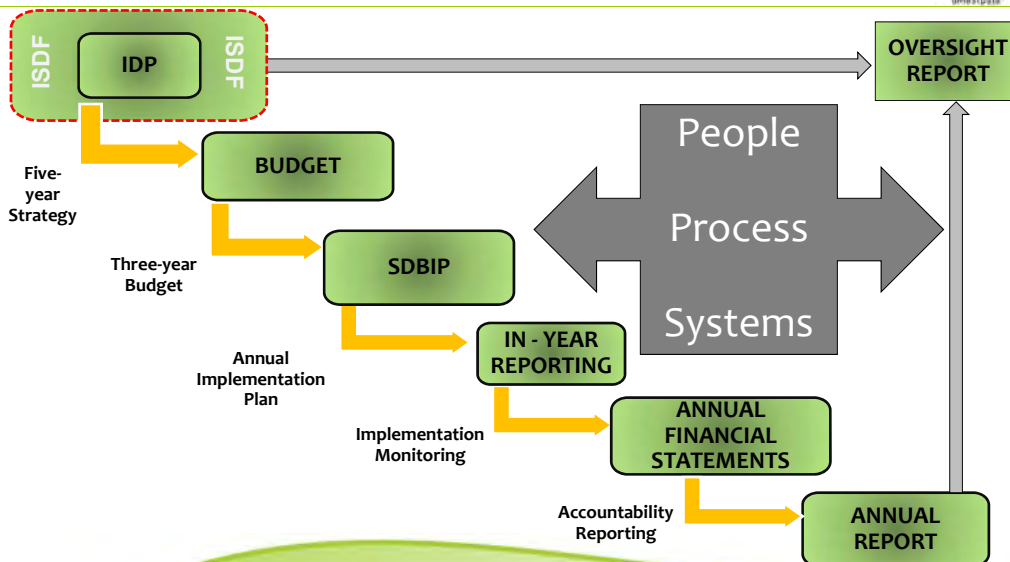
Municipal Overview



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2016 LG MTEC 3 Engagement

KM Planning & Budget Process



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Budget

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Budget Review Process

Internal Budget Timetable

TIMEFRAME	OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
29 Feb - 11 Mar 2016	Draft mSCOA operating and capital budgets in line with approved IDP, operational plans, budget guidelines and secured financing sources.	Heads of Departments and Directors to sit with Budget team to prepare and submit draft mSCOA operating and capital budgets in line with the approved IDP, operational plans, budget guidelines and secured financing sources. Extremely high level indication on WIP Budget highlights to the Executive Committee	Heads of Departments/ Directors/ Budget Team MM/Mayor	11-Mar-16
14 Mar - 18 Mar 2016	First draft of the mSCOA operational and capital budget for the MTREF 2016/17 cycle to be consolidated and submitted to the Executive Committee for discussion.	Finance to consolidate and prepare the first draft mSCOA capital and operating budget in the following formats: - High level consolidated format; - Item level budget; - Proposed Tariffs; - Evaluation of and discussions on first draft by TMT in line with operational plans, budget guidelines and IDP. - Evaluation of and discussions on first draft by Finance Portfolio Committee in line with operational plans, budget guidelines and IDP. - Evaluation of and discussions on first draft by Executive Committee in an informal workshop. Submission to Council for the 24 Mar 2016 meeting	Budget Team/Directors/ CFO/Heads of Departments Municipal Manager/ Budget Team/ Finance Portfolio Chairperson	10-Mar-16 14-Mar-16 14-Mar-16 14-Mar-16 15-Mar-16 16-Mar-16 18-Mar-16
19 Mar - 8 Apr 2016	Second draft of the mSCOA operational and capital budget for the MTREF 2016/17 cycle to be consolidated and submitted to Council for discussion.	Evaluation and approval of the second draft by Council. Submission of the electronic and soft copy of the budget to relevant treasuries and the local government. Submission of the hard copy of the budget and council resolution to relevant treasuries and the local government.	Municipal Manager/ Mayor	24-Mar-16 24-Mar-16 08-Apr-16
30 Mar - 09 May 2016	Draft mSCOA budget to be consulted with the Communities per Ward	Consultation on third draft budget through formal meetings with all possible stakeholders.	Mayor/Budget Team/ Municipal Manager/ CFO/Community Directors/Councillors	09-May-16

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Budget Review Process cont.



Original Public Participation Programme

Date	Ward	Councillors	Venue	Time
13-Apr-15	4	Wiseman Litoli	Chris Nissen Primary School	18:00
14-Apr-15	3	Migiel Lizwani	Chris Hani Community Hall	18:00
15-Apr-15	6	Clive Witbooi	Hornlee Community Hall	19:00
16-Apr-15	8	Ntombizanele Jantjies	Tembilitsha Primary School	18:00
				15:00
20-Apr-15	5	Eleanore Bouw-Spies	Holy Trinity Church	
			Rheenendal Community Hall	19:00
21-Apr-15	9	Michelle Wasserman	Hornlee Community Hall	19:00
				15:00
22-Apr-15	2	Louisa Hart	Sedgefield Council Chambers	
			Protea Hall, Karatara	19:00
28-Apr-15	1	Irene Grootboom	Smutsville Community Hall	19:00
29-Apr-15	7	Titi Gombo	Khayaletu Community Hall	18:00
30-Apr-15	10	Richard Dawson	Knysna Council Chambers	17:00

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Budget Review Process cont.



General Challenges

Integrated Human Settlements	Stagnant Economy	Ageing Infrastructure	Safety & Security
<ul style="list-style-type: none"> Growing population Increased demand for housing opportunities Limited suitable land for human settlement High expectation for quality housing units Housing delivery is dependant on Government funding Housing transfers are slow 	<ul style="list-style-type: none"> Slow growth in local economy Businesses closing down rapidly Increasing unemployment rate Expected investment from Council in the local economy SCM innovation to give access to opportunities to local contractors Compromising the financial feasibility of municipality 	<ul style="list-style-type: none"> Limited funding available to maintain existing infrastructure High cost to acquire new infrastructure for service delivery Capacity constrains can hamper future development Potholes!!! 	<ul style="list-style-type: none"> Regular incidence of violent crime Compromise the safe haven perception of tourists & investors Improvement of law enforcement visibility

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Budget Review Process cont.



KM Challenges

Budget Challenges	Addressed	Comments
<ul style="list-style-type: none"> Low water levels (Draught Implications and subsequent ramifications) 	✓	<ul style="list-style-type: none"> Total of R 31.348 million Capital projects are included in the Capital Budget to address Water concerns
<ul style="list-style-type: none"> Establishment of regional Landfill Site 	✗	<ul style="list-style-type: none"> Uncertainty at this stage. Tariffs has been proposed for implementation January 2017, this will be addressed on February Adjustments Budget
<ul style="list-style-type: none"> Costs that exceeds headline Inflation 	✓	<ul style="list-style-type: none"> Most proposed tariffs above inflation to cater for inflationary challenges

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Budget Assumptions/Parameters



- Knysna is a town that runs on 6 months period but operates on 12 months;
- Tourists and retirement destination;
- Inflationary increases that exceeds headline inflation specifically electricity and employee costs;
- Interest rate hikes
- Collection rate for debtors 94% for all Service Charges and Rates ;
- 20% Collection rate for Fines; and
- The continued slowing of economic growth in China which has severe implications for our country from a commodity-demand point of view, an overall decline in global economic growth, a substantial decline in the price of oil and a substantial weakening of all emerging market currencies against First-World currencies.
- The above factors resulted in the following proposed tariffs for the 2016/17 Financial Year:

Category	2016/17	2017/18	2018/19
Rates	8.9%	9%	9%
Refuse	9.5%	9%	9%
Water- fixed and consumption	9.5%	12%	12%
Sewer	8.9%	9%	9%
Electricity – monthly consumption tariff	7.6%	9%	9%

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Strategic Objectives & Budget Priorities



SFA#	Strategic Focus Area / National Key Performance Area	SO#	Strategic Objective	PR#	Priority	2016/17 Budget ' Millions
SFA1	Basic Service Delivery	SO1	To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	PR1	Sanitation	60,710
				PR2	Electricity	216,007
				PR3	Streets and storm water management	65,028
				PR4	Water supply	100,445
				PR5	Disaster management	163,475
				PR6	Housing development	84,870
SFA2	Local Economic Development	SO2	To ensure ecological integrity through sustainable practices of municipal governance	PR7	Environmental and Waste management	16,549
				PR8	Decent employment and job creation	5,000
		SO3	To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor interventions	PR9	Rural Development	10,000
				PR10	Education, youth and development, vulnerable groups	6,665
				PR11	Health and HIV/Aids	
SFA3	Municipal Financial Viability and Transformation	SO5	To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	PR12	Sound Financial Planning	173,833
SFA4	Municipal Transformation and Organisational Development			PR13	Institutional capacity building	
		SO6	To develop progressive strategies to optimise the use of available human resources	PR14	Skills development and Education	2,700

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Strategic Objectives & Budget Priorities cont.



SFA#	Strategic Focus Area / National Key Performance Area	SO#	Strategic Objective	PR#	Priority	2016/17 Budget ' Millions
SFA5	Good Governance and Public Participation	SO7	To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry.	PR15	Ward committees and communication	1,250
				PR16	Responsive, accountable, effective and efficient municipal system	

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Budget Responsiveness



Findings on: Socio-economic responsiveness and impact

- The economy (and thus the labour market) is expected to remain constrained. The population growth in Knysna may have adverse effects on the level of employment, housing and household income in the Municipality, which would place further strain on municipal resources.

- Budget Schedule SA9 is largely incomplete (particular over the MTREF). The budget assumptions employed by the Municipality in the allocation of the budget are not made explicit.

Discrepancies exist between the basic service delivery information provided in the Annual Report and budget Schedule A10, as well as the service delivery information provided in Schedule A10 and SA7. This affects the credibility of the data provided in the budget.

- The Municipality is urged to maintain consistency with the data used in the budget as well as across the different municipal reports (i.e. the Annual Report, SDBIP, Budget, etc.).

Statistical information is provided under SA10

Knysna working embarked on Data cleansing project Business Process Mapping and Hornlee Backyard Survey that will ensure accurate data management across the Organization

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Credibility and Sustainability



Findings on: Previous year's Budget

Finding	Action required	Progress	Municipal Response
BUDGET ANALYSIS			
Conformance	Budget tables were without formulae. Municipality to ensure that it uses formulae as prescribed by NT.	Formulae provided in 2016/17 draft budget.	Submitted in 2016/17 draft budget
The Municipality tabled a deficit budget.	To review and adopt the budget as per National Treasury guidelines.	Municipality tabled a deficit budget for 2016/17; however planning over the MTREF reflects surpluses.	This will be significantly reduced when tabling Final Budget

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2016 LG MTEC 3 Engagement

Credibility and Sustainability cont.



Findings on: 2016/17 Draft Budget

PT Findings	Comments
<ul style="list-style-type: none"> Operating deficit is worsened with higher than inflation tariff increases which could render basic services unaffordable to the community and impact negatively on outstanding debtors and subsequently on future cash flow. Hence Municipality should continuously explore broader cost cutting measures where possible to further improve on the cash levels Excessive tariff increases relating to Refuse removal versus securing affordable services CRR levels and spending over the MTREF needs to be monitored and maintained within the required limits, taking into account the Integrated Spatial Development Framework, the implementation of the various policies and the continued emphasis on efficiencies in order to ensure sustainability 	<ul style="list-style-type: none"> Cost containment measures Circular 82 will be implemented where necessary when finalising the budget Seeking alternate options including a further 6 months extension with Petro SA Funding and reserves policy amended to address CRR going forward.

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Finalization of Budget



- NT issued email on the 18 April to Municipalities to do Corrections of the Draft Budget on the A Tables i.e. either download new table or fix current tables
- NERSA increases
- Finalising Budget Public Participation meetings mainly per Wards
- mSCOA Compliance
- Budget workshops with Councillors
- Consider and address Public Participation inputs that forms part of the Mayors Report

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Finalization of Budget cont.



TIMEFRAME	OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
30 Mar - 11 May 2016	Draft mSCOA budget to be consulted with the Community, Stakeholders, District Municipality, Provincial and National Government.	Consultation on third draft budget through formal meetings with all possible stakeholders. Workshops with Councilors	Mayor/Budget Team/ Municipal Manager/ CFO/Community /Directors/Councilors	11-May-16
29 Apr - 12 May 2016	Final draft of the mSCOA operational and capital budget to be consolidated and submitted to the Executive Committee for discussion.	Finance to consolidate and include community inputs (in consultation with TMT and Councilors) into the overall budget. Submission to Executive Committee for the 12 May 2016 meeting Evaluation of and discussions on final draft by Finance Portfolio and Executive Committees.	Budget Team/CFO/Heads of Departments Municipal Manager/ Finance Portfolio Chairperson	06 - 12 / May / 2016
13 May - 31 May 2016	Final draft of the mSCOA operational and capital budget for the MTRF 2016/17 cycle to be consolidated and submitted to Council for approval.	Finance to consolidate and finalize budget incorporating amendments from the Executive Committee. Submission to Council for the 26 May 2016 meeting Approval of final draft by Council.	CFO/Budget Team/MM Mayor	20-May-16 20-May-16 26-May-16
31-May-16	Submission of approved mSCOA operational and capital budget 2016/17 to National Treasury.	Finance to submit approved budget both hard copy and electronic to National Treasury.	CFO	9-Jun-16
1- 30 June 2016	Preparations for implementation of the approved Budget.	Finance to finalize all preparations to ensure proper and timely implementation of budget, including promulgation of tariffs. - Municipal Manager to submit draft budget implementation plans and draft performance agreements of all section 57 personnel to Mayor. - Mayor to approve budget implementation plans and performance agreements.	CFO/ Municipal Manager/ Mayor	24-Jun-16 30-Jun-16

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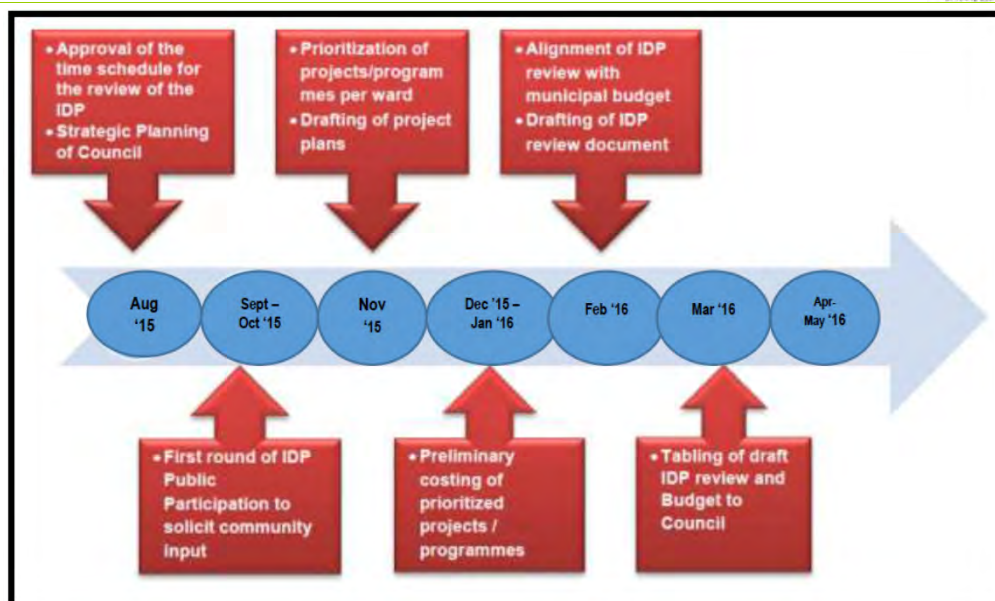


Integrated Development Plan

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IDP Process Plan



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IDP Process Plan

Respond to main findings on: IDP

FINDING	MUNICIPAL RESPONSE
Legislative Framework (Section 34 a of MSA)	Will be incorporated in the final 2016/17 IDP Review
Access to basic services & backlogs	This has been identified by the water & sanitation master planning. Will be spatially represented in the next round of IDP
Human Settlement Projects	Funded human settlement projects as per the business plan of the municipality will be clearly highlighted and differentiated from those that might be funded in the outer years
Age breakdown of housing backlog	The categorised housing backlog which include age breakdown is illustrated in more detail in the draft Human Settlement Plan. Will be incorporated and labelled in final 2016/17 IDP Review

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IDP Process Plan

Respond to main findings on: IDP



FINDING	MUNICIPAL RESPONSE
Infill housing projects to be prioritised	Hornlee densification model is currently being explored ABSA infill development in Hornlee will commence in due course
Agricultural data and base maps	Will be incorporated in next round of 5 year IDP
JPI projects	JPI projects will be incorporated in the final 2016/17 IDP review
Disaster Management Plan	Copy of the revised 2015 Disaster Management Plan has been submitted to WCDMC in the mean time
Coastal Management Projects	Projects to be incorporated in the final 2016/17 IDP Review

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Environmental and Development Management

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Environmental and Development Planning Analysis



FINDING	MUNICIPAL RESPONSE
The SDF should have a spatially represented Implementation Plan	This is accepted. The final version of the SDF will reflect this recommendation.
It is <i>recommended</i> that the ISDF ensures that core & buffer areas are clearly delineated and are not included in the urban edge to give the incorrect perception that this land is 'developable'	Noted. The inputs of Provincial Government and all other stake holders will be taken into account in finalising the SDF
It is <i>recommended</i> that the Municipality pursues a path of brownfield redevelopment, intensification and densification of the urban fabric, with a view to increase the efficiency with which land, resources and infrastructure is used	Noted. In principle the municipality agrees with this recommendation. However at local level ideal aspirations must be balanced against on the ground realities and stakeholder demands

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Environmental and Development Management



FINDING	MUNICIPAL RESPONSE
A fire hazard classification of Knysna should be reassessed with the view to identifying fire risk areas and mitigation measures that are required	Noted
Importantly, should Rheenendal and Karatara be pursued as 'development nodes', job creation must be illustrated prior to locating low income development in these areas	Noted. The municipality agrees with this position and it is fundamental to the proposals in the ISDF. However the implications of implementing PSDF policy on the ground must also be experienced by Provincial Government.
It is <i>recommended</i> that when the ISDF is approved, the Municipality must be very clear what they deem to be the 'SDF' component of the ISDF	Noted . This will be done

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Environmental and Development Management cont.



FINDING	MUNICIPAL RESPONSE
A fire hazard classification of Knysna should be reassessed with the view to identifying fire risk areas and mitigation measures that are required	Noted
Importantly, should Rheenendal and Karatara be pursued as 'development nodes', job creation must be illustrated prior to locating low income development in these areas	Noted. The municipality agrees with this position and it is fundamental to the proposals in the ISDF. However the implications of implementing ISDF policy on the ground must also be experienced by Provincial Government.
It is recommended that when the ISDF is approved, the Municipality must be very clear what they deem to be the 'SDF' component of the ISDF	Noted . This will be done

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Finalisation of Planning and Environmental Management Frameworks



- Spatial Development Framework has been advertised for public comment in terms of relevant legislation. Depending on Council may be submitted to a Special Meeting before the end of this term or an early meeting of the new Council
- Municipality is ready for implementation of LUPA
- Tribunal should be appointed by the end of May 2016
- Integrated Zoning Scheme By-law is about to be advertised

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Partnering for Development



PARTNERSHIP TYPE	MUNICIPAL INITIATIVES
Inter-governmental partnering	<ol style="list-style-type: none"> 1: Partnership with Department of Agriculture exploring development around Karatara 2: Partnership with Department of Rural Development developing infrastructure in rural areas and Multi-Purpose centre in Ward 4
Cross-sector partnering with private sector institutions	<ol style="list-style-type: none"> 1: Partnership with Laser Net in fibre optic network development and related business development opportunities 2: Partnership with ABSA Devco in Hornlee Housing Development 3: Exploring proposal calls for various key sites (e.g. Buffalo Bay Backpackers' site, Nekkies) 4: Considering unsolicited bids (e.g. Convention Centre)

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Questions?



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**Western Cape
Government**

BETTER TOGETHER.

KNYSNA MUNICIPALITY

LG MTEC ASSESSMENT REPORT BUDGET & IDP ANALYSIS

Western Cape Government

MAY 2016

LIST OF ACRONYMS

AQMP	Air Quality Management Plan
BEPP	Built Environment Performance Plan
BESP	Built Environment Support Programme
CBA	Critical Biodiversity Areas
CBD	Central Business District
CML	Coastal Management Line
CMP	Coastal Management Programme
CSIR	Council for Scientific and Industrial Research
DCAS	Department of Cultural Affairs and Sport
DEADP	Department of Environmental Affairs and Development Planning
DHS/DOHS	Department of Human Settlements
DLG	Department of Local Government
DM	District Municipality
DWA	Department of Water Affairs
EMP	Estuary Management Plan
EPWP	Expanded Public Works Programme
ESA	Environmental Strategic Assessment
FBE	Free Basic Electricity
FTE	Full-time equivalent
HSP	Human Settlement Plan
IDP	Integrated Development Plan
IGP	Infrastructure Growth Plan
IGF	Inter-Governmental Forum
IIAMP	Integrated Infrastructure Asset Management Plan
IIF	Infrastructure Investment Framework
IPWIS	Integrated Pollutant Waste Information System
ITP	Integrated Transport Plan
ISDF	Integrated Strategic Development Framework
IYM	In-year Monitoring
IWMP	Integrated Waste Management Plan
JOC	Joint Operations Centre
kl	kilolitre
KPA	Key Performance Area

SECTION 1: EXECUTIVE SUMMARY

The annual assessment of municipal budgets and Integrated Development Plans (IDPs) by provincial governments is essential. The importance of this assessment is stipulated in Chapter 5 of the Local Government Municipal Systems Act 32 of 2000 (MSA), the MSA Regulations and the Local Government Municipal Finance Management Act 56 of 2003 (MFMA). Provincial assessments afford the provincial sphere of government an opportunity to exercise its monitoring and support role to municipalities as stipulated by the Constitution. In addition, the assessments provide an indication of the ability and readiness of municipalities to deliver on their legislative and Constitutional mandates.

This report encapsulates comments by the Western Cape Provincial Government on the draft 2016/17 MTREF Budget, 2016/17 reviewed Integrated Development Plan (IDP) and Spatial Development Framework (SDF).

The assessment covers the following key areas:

- Outstanding findings from previous LG MTEC engagements;
- Conformance with the MFMA, MSA & Municipal Budget and Reporting Regulations (MBRR);
- Responsiveness of draft budget, IDP and SDF; and
- Credibility and sustainability of the Budget.

The MBRR A-Schedules, budget documentation, IDP and SDF submitted by the Municipality are the primary sources for the analysis. The quality of this assessment report therefore depends on the credibility of the information contained in the documents submitted by the Municipality.

The Provincial Government plans to meet the executives of your Municipality on 4 May 2016 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 taken up in the draft budget, IDP, LED, SDF and various other strategies and plans.

An overview of the detailed assessment set out below to provide the Municipality with a synopsis from each of the main sections of the report.

The Draft Reviewed 2016/17 IDP states that there are limited resources that are available to provide additional services and to alleviate the basic service backlogs. To ensure the continuation of basic services the Knysna Municipality must not only strive to maintain the current infrastructure, but invest in bulk infrastructure to meet future demand. The budget has several large allocations for infrastructure projects over the MTREF which will increase the capacity of the Municipality to service the demand on its current infrastructure.

The Municipality is commended for providing a clear indication on how the municipal strategy is aligned to the National Development Plan (NDP) and the Provincial Strategic Plan (PSP).

In addition the Municipality aims to align its funding requirements according to the various strategic objectives that will support local economic development in the future and key drivers for future employment opportunities. A catalyst and possible tourism game changer is the WCG Project Khulisa which aims to add 120 000 jobs by 2019.

- **Spatial Development Analysis**

The IDP adequately reflects the draft SDF and the spatial structuring elements of the Municipality, as well as highlighting the importance of the SDF in integrating with the other sector plans of the Municipality.

The Municipality must be commended that the Knysna ISDF approach is a first of its kind, which aims to be a BIG PLAN that will shape the future of the Municipality. A main pillar encapsulated in the ISDF is the planning for infrastructure and services which most certainly form the backbone of socio-economic growth, and noted is the greater Knysna municipal area needs new sources of income other than dependence on seasonal influx of visitors.

Credibility and sustainability of the Budget

The sluggish economic growth and fiscal constraints are expected to continue over the medium term compounded by a range of adverse global and domestic factors which further is anticipated to weaken South African's economic outlook. The Municipality should therefore continue to apply fiscal discipline and practice prudent financial management in order to ensure long term financial sustainability and resilience. In addition the Municipality should maintain sound budget assumptions to ensure integrated financial planning and modelling to yield delivery of realistic service delivery objectives contained in the municipal IDP.

SECTION 2: PREVIOUS UNRESOLVED LG MTEC FINDINGS

The table below provides a summary of the previous LG MTEC findings, the response from the Municipality and the progress to date.

Table 1 Previous unresolved LG MTEC Findings

Finding	Action required	Progress
IDP ANALYSIS		
The Human Settlements Strategic Direction.	The human settlements strategic direction with graphical representation of strategic approach of the Department to be included. The housing pipeline should be reflected in a form that clearly illustrates alignment of the pipeline and Business Plan projects, targets and respective allocations.	Addressed. The Municipality has complied with the Department of Human Settlements (DoHS) strategic recommendation.
BUDGET ANALYSIS		
Conformance	Budget tables were without formulae. Municipality to ensure that it uses formulae as prescribed by NT.	Formulae provided in 2016/17 draft budget.
The Municipality tabled a deficit budget.	To review and adopt the budget as per National Treasury guidelines.	Municipality tabled a deficit budget for 2016/17; however planning over the MTREF reflects surpluses.

SECTION 4: INTEGRATED PLANNING AND SPATIAL ANALYSIS

4.1 INTRODUCTION

The Draft Reviewed 2016/17 IDP was undertaken with a consideration of the following additional information:

- The Knysna Municipality's final adopted 2012 – 2017 five year IDP;
- The Knysna Municipality's final adopted Annual Reviewed IDPs for the 2014/15 and 2015/16 financial years;
- The LG MTEC 3 report on the 2015/16 Draft Reviewed Knysna Municipality's IDP; and
- The final 2015/16 SDBIP and the Draft 2016/17 SDBIP of Knysna Municipality.

This approach was followed due to the fact that the Draft Reviewed IDP of a municipality is not a stand-alone process; it forms part of wider, holistic and cyclical process of municipal planning (which includes objective and target setting), budgeting, implementation, monitoring, review and amendment.

4.1.1 Role players in the draft 2016/17 Reviewed IDP assessment process

The subsequent Sections 4.2 to 4.8 provide comments from both Provincial and National departments on the Municipality's Draft Reviewed 2016/17 Integrated Development Plan (IDP).

The sector departments that took part in the assessment of the Municipality's Draft Reviewed IDP are: Department of Local Government, Department of Human Settlements; Department of Water and Sanitation; Department of Economic Development and Tourism; Department of Cultural Affairs and Sport; Department of Community Safety; Department of Transport and Public Works, Department of Health; Western Cape Education Department; and Department of Social Development.

4.1.2 Specific findings on the current draft 2016/17 IDP

The overall findings on the Draft Reviewed 2016/17 IDP of Knysna Municipality (the Municipality) can be summarised as follows:

- The Knysna Municipality's Draft 2016/17 IDP Review is the 4th Review of the 2012 - 2017 cycle but should indicate if reviewed in terms of section 34(a) of the MSA.

4.2.3 Infrastructure Grant Utilisation and Expenditure

The Municipality has spent 100 per cent of their Municipal Infrastructure Grant (MIG) in the 2014/15 financial year. All the projects registered on the grant databases are aligned to priorities identified in the Draft Reviewed 2016/17 IDP.

4.3 TRANSPORT AND ROADS

The Department of Transport and Public Works notes the plans by the Municipality as stated in the Draft Reviewed 2016/17 IDP to develop Traffic Safety Plans on the Nekkie/N2 Intersection and the improvement of the mobility of Non-Motorised Transport together with the Pavement Management Plans where priorities will be identified.

4.4 HUMAN SETTLEMENTS

The Municipality has complied with the Department of Human Settlements (DoHS) strategic recommendation through the inclusion of a progress report on the spatial and strategic documents with regards to the Integrated Strategic Development Framework (ISDF). The Draft Reviewed 2016/17 IDP provides housing backlog information and a map illustrating the demand distribution per settlement.

Recommendations:

- The Municipality to clearly differentiate between the projects listed on the Business Plans for 2016/17 financial year and those for the outer years.
- The housing backlog per settlement (with the age breakdown) be incorporated and labelled with the date of extract.

4.5 DISASTER MANAGEMENT

The Municipality has dedicated capacity to deal with disaster management and the function is currently performed jointly by the Eden District Municipality. The Disaster Management Amendment Act, 2015 – section 43 has been amended to include distinct obligations on local municipalities to establish capacity to develop and co-ordinate Disaster Management Plans (DMP) and the implementation of a disaster management function within the Municipality.

The Draft Reviewed 2016/17 IDP continues to comprehensively indicate the status and the progress of all the disaster management indicators and is viewed as an example of a best- practice. The Draft Reviewed 2016/17 IDP indicates the institutional arrangements; specific risk reduction strategies, activities and projects; the results of

4.7 DEPARTMENT OF AGRICULTURE

During the course of 2015 the Department of Agriculture provided the Municipality with a generic set of agricultural data and base maps which could strengthen the agricultural focus within municipal IDP. However, the current Draft Reviewed 2016/17 IDP does not include any of the information provided to the Municipality.

The Municipality is commended for providing a sound representation of the strategic agenda of both National and Provincial government's strategic plans. The Draft Reviewed 2016/17 IDP provides clear indication on pages 12 - 21 on how the municipal strategy is aligned to the National Development Plan (NDP) and the Provincial Strategic Plan (PSP) with its five Strategic Objectives. In addition, the Draft Reviewed 2016/17 IDP makes reference on page 17 to agri-processing and a Hydro phonics project at Karatara and the linkage to Project Khulisa.

The Comprehensive Rural Development Programme (CRDP) is aligned to Chapter 6 of the NDP, the Medium Term Strategic Framework and responds to the Provincial Strategic Goals. As integrated government and service delivery will strengthen efforts in rural wards, it is imperative that the identified CRDP priority projects, the Joint Planning Initiatives (JPIs) and the IDPs of municipalities are aligned. The Municipality is commended for including detailed project lists for the development of both wards 2 and 5 (Rheenendal and Karatara).

Recommendations:

- The next 5 Year IDP to reflect the set of agricultural data and base maps and include information on crops, livestock and agricultural infrastructure etc.
- The next 5 Year IDP to reflect its alignment to the Provincial Project Khulisa by exploring more opportunities in the agri-processing sub sector.

4.8 SOCIAL SERVICES (HEALTH, EDUCATION, SAFETY AND SECURITY, CULTURAL AFFAIRS AND SPORT, SOCIAL DEVELOPMENT, THUSONG)

4.8.1 Department of Health

The Municipality is commended for the inclusion of a good overview of the health matters within the municipal area. The inclusion of an Action Plan with implementation time frames for a Tuberculosis and HIV/AIDS strategy, as well as the use of individual ward reports that include a Health & Welfare needs assessment section is commendable.

establishment of a youth café and a Youth Council which will facilitate the development agenda for the youth.

4.8.5 Department of Cultural Affairs and Sport

The Draft Reviewed 2016/17 IDP indicates that the Municipality has embarked on a process of the cleaning and beautification of the informal trading areas at the African Arts & Craft market. It also shows that the Municipality intends to establish a multi-purpose facility for performing arts. It is highlighted in the Draft Reviewed 2016/17 IDP that the Municipality is building integrated housing and sport facilities in communities to ensure sharing of common spaces across race and class.

However, the Draft Reviewed 2016/17 IDP shows that the upgrading of sport facilities remains a major challenge for the Municipality as it has to compete with other priorities during the budgeting process.

The Draft Reviewed 2016/17 IDP shows that the Knysna Town library has recently been expanded and significantly modernised with financial assistance from provincial government and the MIG funding. The document however also states that strategic consideration will be required for any further expansion of the library service. This requires the Municipality to utilise the Wheelie Wagon library service effectively to reach out to remote rural areas. The Municipality recognises the strong need for functional libraries and museums. It is further noted that Heritage sites need to be upgraded and maintained. The Municipality also recognises the Urban Conservation Guidelines and other strategies to maintain the cultural and architectural heritage.

Recommendations:

- The Municipality, as far as possible, utilise its 15 per cent of the MIG to upgrade sports and recreational infrastructure.
- The Municipality engages the DCAS heritage unit to advise on its cultural and heritage planning.

4.9 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

The Draft Reviewed 2016/17 IDP depicts that their Senior Management posts are filled, with the exception of the Electro Technical Engineer post. The vacancy rate is very low, which clearly shows that the Municipality is administratively stable and capable of achieving the objectives as set out in the Draft Reviewed 2016/17 IDP.

The Municipality is commended for ensuring that there is a culture of performance management and accountability within the Municipality.

SECTION 5: ENVIRONMENTAL AND DEVELOPMENT PLANNING ANALYSIS

5.1 SPATIAL DEVELOPMENT ANALYSIS

The **SDF** is **reflected in the IDP**. The IDP devotes a specific section to the strategic objectives and progress of the Knysna Integrated Strategic Development Framework (ISDF) (p.153 - 154). It is acknowledged that the Knysna ISDF is an attempt at aligning the Spatial Development Framework, the Economic Development Strategy, the Human Settlement Plan as well as the Strategic Environmental Assessment. It is further noted that the Knysna ISDF is at an advanced stage of development (since 2013), although not yet council approved. It can be commended that reference is made to the currently adopted 2007 SDF as well as SPLUMA and LUPA principles (p. 155).

The 2007 Knysna SDF does not contain an **implementation framework**. It is therefore not possible to state whether or not the budget allocation in the IDP is aligned to this. Furthermore, there is no spatial depiction of the budget in the **2016/17** IDP Review that covers the entire Knysna Municipality. There are, however, maps showing "Capital Projects and Priorities" per ward for the 2015/16 period (p. 53 - 142). Given the issue of scale, it can be commended that the ward maps show more detail. It is relevant to mention though, that these maps are linked to the actual expenditure and progress made by each ward during the **2015/16** period and not the 2016/17 period that the IDP is dated. The budget for the 2016/17 period is therefore not depicted spatially. It is therefore **recommended** that the expenditure and progress on capital projects per ward should be updated for the **2016/17** period. Moreover, the Draft IDP Review should include a composite map of the Municipality, which spatially reflects the spending of the sector departments for the 2016/17 period. This should then be reflected in the Knysna ISDF.

It is still to be seen how the new Knysna SDF responds to the issue of **Spatial Justice**, particularly given the space constraints of the Municipality, together with the fact that much of the middle to high income development in and around the town is extremely low density, whilst the urban poor continue to live in very high density, space constrained places. A continuation of this 'business as usual' development trend will only enhance the spatial inequality and work against spatial justice in Knysna.

A concerning aspect of the 2007/08 SDF, which impacts on both **Spatial Justice and Spatial Sustainability**, is the inclusion of "Secondary Growth Nodes" existing outside the urban fabric. Province does not support the formation of any new growth nodes outside of existing settlements, largely because of the long term financial strain that they place on the Municipality and other spheres of government to provide services and facilities (see the Growth Options Studies as justification for this statement). A further concern is the pressure that the Sedgefield urban edge is coming under from

reassessed with the view to identifying fire risk areas and mitigation measures that are required.

Importantly, should Rheenendal and Karatara be pursued as 'development nodes', job creation must be illustrated prior to locating low income development in these areas. It should be noted that the proposal to locate low income development here is against the Provincial Spatial Development Framework (PSDF) and Growth Potential of Town's Study's proposal to allocate capital investment in areas of high growth potential and high need.

The last time that Knysna Municipality approved an SDF was in 2007. The current review is in its final stage, as part of the Integrated Strategic Development Framework. Until the SDF is finalised and approved it is impossible to say if it complies with the **regulatory process and content requirements** of SLUMA, LUPA, the MSA and the relevant Planning By-law of the Municipality. It is **recommended** that when the ISDF is approved, the Municipality must be very clear what they deem to be the 'SDF' component of the ISDF or if the entire ISDF constitutes the 'SPLUMA SDF'.

Evidence of alignment with **neighbouring municipalities** does not come through in the 2007 SDF, and therefore needs to be strengthened in the ISDF. It is, however, acknowledged that alignment with neighbouring municipalities is evident in the current draft Knysna ISDF.

Lastly, whilst advanced in the establishment of the Municipal Planning Tribunal (MPT), the MPT has not yet commenced its operations via a gazette notice of the Municipality. When ready, the Municipality is *recommended* to publish a gazette notice to indicate the readiness of the MPT to commence operations.

5.2 BIODIVERSITY MANAGEMENT

The 2016/17 IDP comprehensively defines biodiversity and the need to preserve and maintain the ecological services and processes as the backbone for socio-economic growth in the area. Critical Biodiversity Areas (CBAs) and Critical Ecological Support Areas (CESAs) have been mapped and adequately defined as the priority areas that require high level of protection in terms of Fine-Scale biodiversity planning, see Fig 12. The Municipality's commitment to maintain and sustain ecological integrity is commendable.

The 2010 Addendum to the 2008 SDF aligns the municipal spatial planning categories (SPCs) in line with the PSDF. Map 1, March 2010 highlights those alignments and categorisation which enables for protection and maintenance of biodiversity and ecological services and processes in the Municipality.

Public launch sites (PLS) listed by the MEC in Provincial Notice 193/2015 within the Municipality were identified by the District Municipality. DEADP is currently assisting the District Municipality in developing the operational management plans for the PLS.

5.5 AIR QUALITY MANAGEMENT

The Air Quality Management Plan (AQMP) for the Knysna Local Municipality was developed in 2013. The AQMP was approved by Council. The Municipality designated an air quality officer in terms of section 14(3) of the National Environmental Management Air Quality Act (NEM: AQA). As part of the AQMP implementation the Municipality needs to develop an air pollution control by-law.

The AQMP has been included in the Municipality's Integrated Development Plan (IDP). However, budget needs to be allocated for air quality management activities in the IDP.

Ambient Air Quality Monitoring is not monitored by the Municipality and therefore it does not meet the requirements as listed in section 8 of the NEM: AQA.

The Municipality engages with awareness raising campaigns with the assistance of the Eden District Municipality.

5.6 WASTE MANAGEMENT

5.6.1 Waste Management Planning

The IDP indicates that for 2015, 99 per cent of households received weekly refuse removal services; this includes services to formal and informal households. This figure is however not in line with local government records, which indicate that 73 per cent of households receive refuse removal services. The IDP also indicates that the Municipality provides free basic services to 2 670 households, in comparison with 9 905 households indicated as receiving free basic services by local government records. The IDP indicates that the 2nd generation IWMP has been reviewed and updated and was adopted by Council in January 2014. The 2nd generation IWMP was reviewed by DEADP. The Municipality is fully compliant in terms of submitting the IWMP to the MEC for endorsement and ensuring that a consultative process was followed prior to this. The Municipality was found to be partially compliant in terms of their IWMP meeting the requirements of the Waste Act. The Municipality has not reported on the implementation of their IWMP through their Annual Report as per section 13(3) of the Waste Act.

At present, the Knysna Municipality operates three waste facilities including the Knysna Transfer station, Brenton on Sea Green Waste Facility, and Sedgefield Recycling Facility. Although these sites are licenced to operate, they are however non-compliant with numerous conditions of their licences. The Municipality must ensure that each site is operated in accordance with its licence/permit conditions. In particular, the Municipality must ensure that quarterly internal and annual external audits are conducted for each site and that budget is made available to address the non-compliances.

5.6.4 Waste Policy and Minimisation

The Municipality has a By-law that was published in 2006 and is therefore outdated. The Draft Western Cape Model By-law can be used as a guideline to facilitate the alignment process.

The Greenest Municipal Competition (GMC) evaluation determined that the Municipality does not have receptacles for recyclables that are accessible to the public as required by the National Environmental Municipal Waste Act (NEMWA). Waste receptacles need to be provided in public places in order to support the current recycling initiatives. Any other plans concerning waste minimisation needs to be included into the IDP.

Table 3 Comparison of selected social, economic and demographic statistics and assumptions (SA9 information)

Municipal information, SA9			2015 MERO/SEPLG information	Comment
Demographics	Population	73 849 (2015/16)	73 002 (2015/16)	The population in Knysna is expected to grow at a rate of 1.07 per cent per annum on average over the MTREF, from 73 002 inhabitants in 2016 to 75 372 inhabitants in 2019. The municipal budget does not make explicit the population growth estimates employed in the development of the budget (particularly the MTREF period). It is essential that the municipality make use of accurate population growth estimates such that sufficient funding may be allocated toward the relevant municipal functions over the MTREF.
	Number of unemployed	-	1.2% (Employment growth rate per annum, 2005 - 2013)	Employment in Knysna has grown by 1.2% per annum over the period 2005 - 2013. The budget does not make explicit any assumptions relating to unemployment growth. High rates of unemployment have financial implications for the municipality in terms of the municipality having to provide additional support to its inhabitants (i.e. indigent support).
Household numbers	Number of households in municipal area	23 705 (2014/15)	24 295 (2015)	Quantec data estimates that the number of households in the municipality grew by an average of 1.75% per annum over the period 2011 - 2015. The municipality employs a similar estimate of 23 705 households in 2015. The budget nevertheless does not make explicit any assumptions relating to household growth over the MTREF period.
	Definition of poor household (R per month)	-	-	The Municipality did not specify a total in the budget schedule (SA9).
Housing	Formal	17 040 (2013/14)	25.2% of households in Knysna occupied an informal dwelling in 2014 (SEP-LG, 2015)	Budget schedule A9 reports that the number of households occupying an informal dwelling increased from 5 168 in 2001 to 6 452 in 2016 (average growth of 1.49 per cent per annum). The budget nevertheless does not make explicit any assumptions relating to the growth in the number of informal dwellings over the MTREF period. Households residing in an informal dwelling are more likely to be poor than those living in a formal residence - approximately 84 per cent of Western Cape households who live in shacks have a household income of less than R3 500 per month (HDA: Western Cape Informal Settlement Status, 2012).
	Informal	5 706 (2013/14)		
	Total	22 746 (2013/14)		
Monthly household income	No income	1 455 (2011)	-	Data for 2012 onwards are not provided and expected growth in these figures over the MTREF is not made explicit. Considering the expected increase in population numbers and slowed economic growth forecasts, it is expected that the number of households earning no income may increase, and this may impact on service delivery demands and thus the municipal budget.
	< R2060 per month	6 077 (2011)	-	
Inflation/ inflation outlook	CPIX	6.6% (2016/17), 6.2% (2017/18), 5.9% (2018/19)	6.6% (2016/17), 6.2% (2017/18), 5.9% (2018/19)	The municipality reflects the National Treasury's inflation forecast.

Source: Knysna Municipality 2016/17 tabled budget; Western Cape Government Provincial Treasury. SEP-LG: Knysna Municipality, 2015.

The strategic objectives noted in budget Tables SA5 and SA6 for the 2015/16 MTREF are aligned to the current IDP strategic objectives. Strategic Objective 4: To facilitate real opportunities for youth, women, people with disabilities and appropriate care for the aged, is not reflected in SA5 or SA6.

The bulk of 2016/17 MTREF operating budget spending relates to the strategic objective to promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment (SO 1; 76.42 per cent for 2016/17); other large allocations are for the purpose of ensuring a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery (SO 5; 14.93 per cent in 2016/17) and to establish a common vision and create coherence in government's work by seeking close partnerships with citizenry (SO 7; 3.54 per cent in 2016/17).

Most of the 2016/17 MTREF capital budget (88 per cent) is focused on the promotion of access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment (SO 1).

Overview of the measureable performance indicators

- The measurable performance indicators in the budget are consistent with the strategic priorities (as prescribed in terms of section 43 of the Municipal Systems Act) and set out in the Municipality's IDP.
- The measurable performance indicators in the budget are aligned with that in the SDBIP, with the exception of a minor discrepancy in the target for performance indicator 28 (Water Quality) - the SDBIP reports a target of 90 per cent while the budget reports a target of 91 per cent for 2016/17. This may be due to rounding error.
- The measurable performance indicators in the SDBIP adequately reflect the majority of the Municipality's strategic objectives with a strong focus on basic service delivery and financial viability and good governance. The municipal KPIs are split as follows SO 1 (17 KPIs), SO 5 (5 KPIs), SO 3 (2 KPIs), SO 4 (1 KPI), SO 5 (9 KPIs), SO 6 (2 KPIs) and SO 7 (2 KPIs).
- There are only 2 KPIs dedicated toward the creation of an enabling environment for economic growth. Given the constrained economic outlook facing the Municipality, it is important that sufficient steps are taken to improve the municipal economic landscape.

Comments

• Water

- The Municipality displays high levels of access to water, but as per the SEP-LG and budget Schedule A10, the Municipality nevertheless remains below District and Provincial averages in this regard. Among the trading services, water is given the 2nd highest priority over the MTREF. Water receives an operational expenditure allocation of R69.1 million in 2016/17 which falls at an average rate of 8.9 per cent per annum over the MTREF.
- While below the target of 20 per cent, overall water losses in the Municipality increased from 6.5 per cent in 2013/14 to 14.6 per cent in 2014/15. The Municipality has dedicated R25.47 million toward the renewal of existing water infrastructure in 2016/17 to moderate water losses and improve water quality.
- The Municipality remains committed to improving access to water over the MTREF, and the Municipality's water budget is thus responsive to the relatively low levels of access to water as identified in the SEP-LG and budget Schedule A10.

• Wastewater

- The number of households receiving below minimum service level access to sanitation has increased from 3 338 in 2012/13 to 3 732 in 2015/16. This trend is expected to continue as the number of households receiving below minimum service level access to sanitation is projected to increase over the MTREF and total 4 190 by 2018/19.
- The budget for the renewal of wastewater infrastructure is expected to increase from R9.69 million in 2016/17 to R21.80 million in 2018/19.
- Among the trading services, wastewater is given the 3rd highest priority over the MTREF. Wastewater receives an operational allocation of R39.26 million in 2016/17, which grows at an average rate of 1.53 per cent per annum over the MTREF.

• Electricity

- The increase in the demand for electricity that may come as result of the relatively high population growth experienced in the Municipality may put pressure on existing electricity supply.

6.1.3 Partnering and partnerships (Western Cape Economic Development Partnership)

Partnership development involves an approach which gives effect to policy imperatives in a more resource efficient manner. Due to increasing constraints on local government funding, municipal programmes will be increasingly required to leverage resources, mandates and decision-making processes outside their direct control in order to effectively deliver on the IDPs and municipal spatial development frameworks. Municipalities are requested to identify key partnerships and partnering processes which the Municipality is involved in according to the categories below and possible areas where partnerships may be strengthened or new partnerships may be required.

- *Transversal partnering* (between line-function Departments within the Municipality and with municipal entities)
- *Inter-governmental partnering* (between the Municipality and other spheres of Government, public entities and state-owned companies)
- *Cross-boundary partnering* (partnerships with other municipalities across municipal boundaries, within a functional region)
- *Cross-sector partnering* (partnering with external role-players such as business or civil society)

6.1.4 Overview of the key priorities in terms of IDP Strategic Objectives

- The strategic objectives noted in budget Tables SA5 and SA6 for the 2016/17 MTREF are aligned to the current IDP strategic objectives.
- Most of the 2016/17 MTREF capital budget (87.95 per cent) is focused on the promotion of access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment (SO 1). The bulk of 2016/17 MTREF operating budget (76.42 per cent for 2016/17) is allocated toward this strategic objective.
- Budget Schedule SA9 is incomplete.
- The budget assumptions employed by the Municipality in the allocation of the budget are not made explicit. A thorough analysis of the budget assumptions can therefore not be carried out.

SECTION 7: CREDIBILITY AND SUSTAINABILITY

7.1 REVIEW OF THE PREVIOUS YEAR'S BUDGET

PART 7.1(1): THE BUDGET PERFORMANCE AS PER THE AUDITED ANNUAL FINANCIAL STATEMENTS

Table 6 Previous years budget performance

R thousands	2013/14				2014/15			
	Adjusted Budget	Audited Outcome	Difference	Diff %	Adjusted Budget	Audited Outcome	Difference	Diff %
Description	2013/14	2013/14	2013/14	2013/14	2014/15	2014/15	2014/15	2014/15
Financial Performance								
Property rates	149 182	147 030	(2 152)	-1%	162 261	158 860	(3 400)	-2.14%
Service charges	254 697	252 538	(2 159)	-0.85%	267 586	268 691	1 105	0.41%
Investment revenue	7 809	5 944	(1 865)	-23.88%	2 346	7 757	5 411	230.63%
Transfers recognised - operational	83 347	96 160	12 813	15.37%	91 990	91 024	(966)	-1.05%
Other own revenue	26 557	69 547	42 989	161.87%	93 780	125 764	31 984	34.11%
Total Revenue (excl. capital transfers and contributions)	521 593	571 219	49 626	9.51%	617 962	652 096	34 134	5.52%
Employee costs	162 830	161 925	(905)	-0.56%	180 706	174 964	(5 742)	-3.18%
Remuneration of councillors	6 348	6 240	(108)	-1.71%	6 665	6 474	(191)	-2.86%
Depreciation & asset impairment	23 655	21 792	(1 863)	-7.88%	28 199	26 543	(1 655)	-5.87%
Finance charges	13 755	21 135	7 380	53.65%	14 500	20 866	6 366	43.90%
Materials and bulk purchases	143 376	145 622	2 246	1.57%	146 397	149 157	2 760	1.89%
Transfers and grants	5 422	5 001	(421)	-7.77%	5 464	5 373	(91)	-1.66%
Other expenditure	165 854	220 437	54 584	32.91%	231 421	220 211	(11 211)	-4.84%
Total Expenditure	521 240	582 151	60 911	11.69%	613 352	603 588	(9 763)	-1.59%
Surplus/(Deficit)	353	(10 932)	(11 285)	-3200.42%	4 611	48 508	43 897	952.05%
Transfers recognised - capital	43 198	32 917	(10 281)	-23.80%	50 667	30 964	(19 703)	-38.89%
Contributions recognised - capital & contributed assets	3 717	4 589	872	23.46%	-	787	787	-
Surplus/(Deficit) after capital transfers & contributions	47 268	26 574	(20 694)	-43.78%	55 278	80 259	24 981	45.19%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	47 268	26 574	(20 694)	-43.78%	55 278	80 259	24 981	45.19%
Capital expenditure & funds sources								
Capital expenditure	84 932	70 862	(14 070)	-16.57%	89 134	61 788	(27 346)	-30.68%
Transfers recognised - capital	43 198	32 917	(10 281)	-23.80%	50 467	30 964	(19 503)	-38.65%
Public contributions & donations	3 717	4 519	802	21.58%	-	-	-	-
Borrowing	17 360	14 318	(3 042)	-17.52%	16 875	12 152	(4 722)	-27.98%
Internally generated funds	20 657	19 108	(1 549)	-7.50%	21 793	18 672	(3 120)	-14.32%

Source: Knysna Municipality Audited AFS: (2013/14 - 2014/15)

Table 7 Financial ratios and norms

Financial ratios and norms		Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Debtors Management									
1.	Net debtors days;	≤ 30 days	71 days	57 days	54 days	54 days	73 days	The ratio regressed to 73 days 2014/15 and is outside the norm of 30 days.	↓
2.	Bad Debts Written-off as % of Bad Debt Provision:	100%	24.20%	16.09%	287.00%	21.45%	4.01%	The ratio is within the norm of 100%.	↓
Distribution losses									
3.	Electricity Distribution Losses (Percentage):	7% - 10%	6.87%	8.72%	10.86%	10.06%	7.31%	The ratio improved in 2014/15 and is within the norm of 7 - 10%.	↑
4.	Water Distribution Losses (Percentage):	15%- 30%	18.14%	14.41%	18.40%	9.52%	14.59%	The ratio regressed in 2014/15 however still within the norm.	↓
Grant Dependency									
5.	Own Source Revenue to Total Operating Revenue (Including Agency Revenue):	None	86.34%	82.29%	83.44%	82.50%	85.94%	The ratio improved in 2014/15, indicating the Municipality is not dependent on grants for day to day operations.	↑
Expenditure Management									
6.	Irregular, Fruitless and Wasteful and Unauthorised Expenditure/ Total Operating Expenditure:	0%	1.86%	35.75%	3.13%	0.19%	0.18%	The ratio improved 2014/15 close to the norm of 0.00%.	↑
7.	Remuneration as % of Total Operating Expenditure:	25% - 40%	22.16%	22.33%	25.79%	25.55%	28.03%	The ratio has regressed but is within the National Treasury norm of 25 - 40%.	↓
8.	Contracted Services % of Total Operating Expenditure:	2% - 5%	3.25%	2.22%	3.46%	3.21%	4.06%	The ratio declined in 2014/15 but within the National Treasury norm of 2 - 5%.	↑

Financial ratios and norms	Norm	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	Comments	Overall
Liability Management								
18. Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure:	6% - 8%	8.08%	4.80%	6.66%	8.36%	4.54%	The ratio is not within the National Treasury norm of 6 - 8%.	↑
19. Debt (Total Borrowings)/ Revenue:	45%	44.03%	39.54%	34.63%	25.23%	22.95%	The ratio result improved in 2014/15 and is within the norm of 45%.	↑

Source: Knysna Municipality Audited AFS: (2011/12 - 2014/15)

7.1.1 Financial Position

- **Net Debtors Days:** The trend analysis indicates that the ratio results deteriorated in the 2014/15 financial year mainly due to a significant increase in Debtors (R40.26 million) whereas Bad Debt Provision (R14.72 million) and Revenue (R27.84 million) increased marginally in the 2014/15 financial year. Non-payment by debtors has a potential of crippling the cash reserves, consequently affecting municipal operations.
- **Bad Debts Written-off as % of Provision for Bad Debt:** The ratio has not exceeded the norm of 100 per cent.
- **Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value):** The results are not within the National Treasury norm of 8 per cent. Expenditure on repairs and maintenance depends on management's decision making, service delivery imperatives and asset management strategies.
- **Operating Revenue Budget Implementation Indicator:** The ratio have fluctuated from 108.5 per cent in 2012/13 to 115.9 per cent in 2013/14 and finally to 110.7 per cent in 2014/15. Knysna Municipality should revise its operating revenue methodologies for budgeting.

Finding:

Based on the aforementioned, overall budget assumptions are credible and reasonable.

PART 7.2(2): SURPLUS/DEFICIT FOR TRADING SERVICES

Table 9 Surplus/deficit for trading services

Standard Classification R thousand	Operating Revenue			Operating Expenditure			Net Results (Surplus or Deficit)		
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Trading services	399 302	443 165	477 010	330 771	334 660	353 003	68 531	108 505	124 007
Electricity	250 559	275 242	298 589	195 272	210 150	221 233	55 287	65 092	77 356
Water	86 373	94 353	99 593	69 096	54 056	57 329	17 276	40 298	42 264
Waste water management	29 606	32 619	35 060	39 259	38 418	40 467	(9 653)	(5 799)	(5 406)
Waste management	32 764	40 950	43 767	27 143	32 036	33 974	5 621	8 914	9 793

Source: Knysna Municipality MTREF Budget 2016/17 - Schedules A2

Findings:

1. The comparisons indicate that 'electricity, water and waste management' generate a surplus over the MTREF period suggesting that these tariffs may be fully cost reflective. Wastewater management, however, is budgeted to have a deficit over the 2016/17 MTREF.
2. According to the Municipality, the general landscape in which the water and wastewater systems operate requires costly amounts of energy to pump water, hence, services are too expensive to be cost reflective and would cost more than other municipalities.
3. Cognisance is taken of the fact that the Municipality may not allocate all other overheads and indirect costs to these services which consequently could distort the above results.
4. Provincial Treasury note the challenges cited in terms of waste management which include limited land availability for waste management facilities and due to the airspace shortage, Knysna Municipality, together with other municipalities in the district, in collaboration with the Eden District Municipality is exploring regional waste disposal options. Such options are however costly due to the high transport cost.
5. The Municipality is encouraged to explore alternative methodologies to manage solid waste. The bulk of the re-usable and recyclable waste is disposed to landfill which contributes to the diminishing capacity of available landfill airspace.

- It should be noted that depreciation is an expenditure which should be supported by cash surpluses to make provision for the replacement of assets in the future. The funding and reserves policy indicates that the Municipality remains flexible on the amount transferred to the Capital Replacement Reserve as this could impact on the affordability and sustainability of maintaining and replacing infrastructure.

Risks and recommendations:

- The Municipality is challenged with a limited scope to increase tariffs beyond current levels as all the trading service tariffs increased above the upper limit of inflation.
- The Municipality budgeted for a deficit over the 2016/17 MTREF could impact on the cash position of the Municipality over the longer term or could reduce either the contributions to cash backed reserves or reduce the contributions to internal funds towards capital spending.
- The strategies proposed by the Municipality as part of its Integrated Spatial Development Framework should be implemented to achieve its objective in meeting the community's current and future service delivery needs whilst remaining financial sustainable on the long term.

B. REVIEW OF THE OPERATING REVENUE BUDGET

Table 11 Operating Revenue Budget

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD FEB 2016	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2014/15- 2015/16 (YOY)	2015/16- 2016/17 (YOY)	2016/17- 2017/18 (YOY)	2017/18 (AVE)
Revenue By Source													
Property rates	139 988	143 966	155 654	171 416	171 416	170 421	187 701	203 387	213 556	10.1%	9.5%	8.4%	9.3%
Property rates - penalties & collection charges	2 487	3 065	3 207	3 014	3 014	1 999	3 300	3 576	3 755	-	-	-	-
Service charges - electricity revenue	172 199	181 348	188 282	215 015	212 015	128 806	228 213	249 584	272 047	12.6%	7.6%	9.4%	9.9%
Service charges - water revenue	43 078	43 530	50 819	52 571	52 571	38 594	57 565	62 928	66 074	3.4%	9.5%	9.3%	7.4%
Service charges - sanitation revenue	10 232	10 898	11 886	12 329	12 329	12 456	13 427	14 727	15 464	3.7%	8.9%	9.7%	7.4%
Service charges - refuse revenue	13 459	14 188	15 493	16 504	16 504	16 727	18 072	24 261	25 474	6.5%	9.5%	34.2%	16.8%
Service charges - other	2 334	2 574	2 212	3 976	3 976	933	4 330	4 525	4 751	79.8%	8.9%	4.5%	-
Rental of facilities and equipment	3 563	4 138	6 450	5 482	5 482	2 542	5 970	6 148	6 455	-15.0%	8.9%	3.0%	-1.0%
Interest earned - external investments	6 589	5 944	7 757	3 200	5 200	3 125	8 171	8 579	9 008	-33.0%	57.1%	5.0%	9.7%
Interest earned - outstanding debtors	3 237	3 617	4 631	3 542	3 542	3 668	3 095	3 234	3 381	-23.5%	-12.6%	4.5%	-10.5%
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	13 964	49 910	85 683	79 471	84 471	10 545	85 321	89 587	94 067	-1.4%	1.0%	5.0%	1.5%
Licences and permits	1 674	1 643	1 642	2 179	2 179	1 007	1 399	1 469	1 543	32.7%	-35.8%	5.0%	0.6%
Agency services	1 809	2 161	2 431	1 850	1 850	1 486	2 596	2 726	2 862	-23.9%	40.3%	5.0%	7.1%
Transfers recognised - operational	83 819	96 160	91 024	93 803	113 866	58 839	98 458	109 585	98 339	25.1%	-13.5%	11.3%	7.6%
Other revenue	8 455	7 750	14 927	3 619	3 979	2 132	4 333	4 562	4 790	-73.3%	8.9%	5.3%	-19.7%
Gains on disposal of PPE	2 816	327	10 000	250	250	1	250	250	250	-97.5%	0.0%	0.0%	-
Total Revenue (excluding capital transfers and contributions)	509 703	571 219	652 096	668 222	692 645	453 282	722 201	789 128	821 816	6.2%	4.3%	9.3%	6.6%

Source: MTREF 2016/17 Budget Schedule A4

3. Water distribution losses of 14.6 per cent in the 2014/15 AFS are marginally better than the norm (between 15 and 30 per cent as prescribed by MFMA Circular 71). This increased from 6.5 per cent in 2013/14 which supports the increased repairs and maintenance budget for water and the capital investment in water infrastructure.
4. It is also noted that the audited years' water distribution losses were incorrectly captured on SA8.

(d) Service Charges: Sewerage

1. It is understood that this economic service operates at a loss over the MTREF which do not concur with National Treasury guideline that tariffs should be cost reflective.
2. The tariff for sewerage will increase by 8.9 per cent for 2016/17. On average over the MTREF a revenue increase of 9 per cent is noted which is well above the CPIX projections whilst the outstanding debtors for this service reflect a year-on-year increase of 37.4 per cent as at 29 February 2016.
3. The Municipality is cautioned in terms of the growth in outstanding debtors, as further increases in tariffs could widen the growth in the outstanding debtors. In this regard the Municipality is urged to continue with its strategies to maximise revenue collection in a stringent manner.

(e) Service charges: Refuse Removal

1. The Municipality applied a 9.5 per cent tariff increase which is above CPI index as a result of the additional costs due to the establishment of the Regional Landfill Site situated at least 100 km away from Knysna.
2. The Municipality is encouraged to do due diligence before implementing the envisioned supplementary tariff for refuse in latter half of the financial year.
3. Consumer debt for refuse increased by 37.6 per cent year-on-year which is above the tariff increases of 10 per cent for 2015/16. A similar trend is likely to occur in the new financial year.
4. The increase in outstanding debtors could be an indication of the unaffordability of the tariff experienced by the community or lack of effective implementation of the municipal debtors and creditors control policy.

C. REVIEW OF THE OPERATING EXPENDITURE BUDGET

Table 12 Operating Expenditure Budget

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			% Growth rates: MTREF Budget			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	YTD Feb 2016	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	2014/15-2015/16 (YOY)	2015/16-2016/17 (YOY)	2016/17-2017/18 (YOY)	2014/15-2017/18 (AVE)
Expenditure By Type													
Employee related costs	151 924	161 925	174 964	196 737	196 491	121 114	203 056	216 911	231 755	12.3%	3.3%	6.8%	7.5%
Remuneration of councillors	5 908	6 240	6 474	6 817	6 817	4 109	8 288	8 722	9 176	5.3%	21.6%	5.2%	10.7%
Debt impairment	20 480	54 733	72 076	76 339	76 339	7 778	76 464	92 248	98 521	5.9%	0.2%	20.6%	8.9%
Depreciation & asset impairment	21 403	21 792	26 543	25 918	25 918	15 121	30 000	38 233	39 086	-2.4%	15.8%	27.4%	13.6%
Finance charges	14 876	21 135	20 866	13 962	13 650	5 718	18 342	19 259	20 222	-34.6%	34.4%	5.0%	1.6%
Bulk purchases	122 262	123 733	128 222	132 465	145 465	78 265	159 138	168 368	178 134	13.4%	9.4%	5.8%	9.5%
Other materials	18 177	21 889	20 935	21 774	22 167	10 168	28 203	12 460	13 163	0.0%	27.2%	-55.8%	0.0%
Contracted services	17 128	18 694	24 536	26 425	23 547	14 132	22 056	22 001	22 483	-4.0%	-6.3%	-0.2%	-3.5%
Transfers and grants	5 610	5 001	5 373	5 631	5 922	3 891	5 877	5 867	5 961	0.0%	-0.8%	-0.2%	0.0%
Other expenditure	114 022	146 448	122 835	129 767	165 352	63 848	182 619	188 096	180 404	34.6%	10.4%	3.0%	16.0%
Loss on disposal of PPE	3 251	562	764	-	-	(87)	-	-	-	-	-	-	-
Total Expenditure	495 042	582 151	603 588	635 833	681 666	324 057	734 042	772 165	798 903	12.9%	7.7%	5.2%	8.6%

Source: MTREF 2016/17 Budget Schedule A4

(a) Employee related costs

1. The 2016/17 budgeted employee cost is premised on an annual 4 per cent basic remuneration increase for senior managers and other personnel for 2016/17. This is below with the guideline issued by National Treasury of CPI + 1 per cent found in MFMA Budget Circular 79 as a result of Council's decision to freeze most vacant positions until 1 January 2017. This is substantiated by the increase in personnel numbers from 763 in 2015/16 to 765 in 2016/17 (SA24).
2. The Finance and HR headcount is projected to remain unchanged in the 2016/17 financial year.

(b) Remuneration of councillors

1. Remuneration of Councillors constitutes 1.1 per cent of the total 2016/17 operating expenditure budget and increases in 2016/17 by 21.6 per cent to R8.29 million. This increase is based on the 2015/16 adjustment budget figures and additional councillors.

(c) Debt impairment

1. Debt impairment is projected to increase by 0.2 per cent in 2016/17 from the 2015/16 adjusted budget due to the implementation of iGRAP 1 and the past trends for outstanding debtors. The projection is considered to be reasonable when taking into account the audited actual.

(h) Transfers and grants

1. Transfers and grants made by the Municipality amount to R5.88 million for 2016/17, which represents 0.8 per cent decrease from 2015/16. There has been no material deviation from past trends in this regard.

(i) Other expenses

1. The Municipality is commended for the effort of detailing the other expenditure by type category (SA1). It must be noted that general expenses is on average 1.1 per cent of the total operating expenditure over the MTREF. This is well within the required norm of less than 10 per cent of total operating expenditure as prescribed by NT.
2. A substantial increase of 189.6 per cent in consultant fees is observed from 2015/16 to 2016/17 amounting to R8.6 million. This is not in line with circular 82 detailing the cost containment measures that should be considered by municipalities.

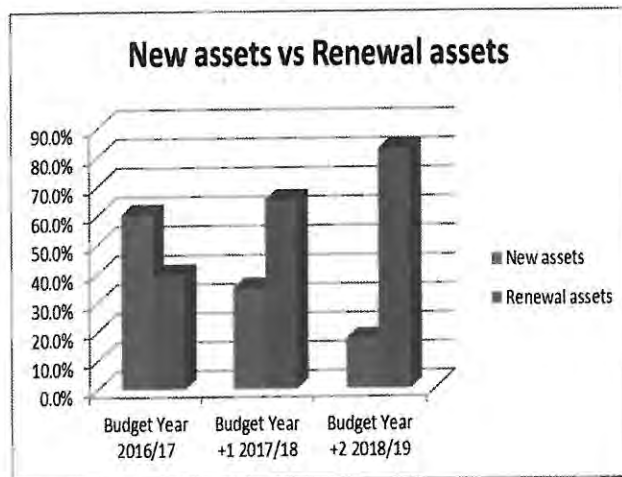
(j) Repairs and maintenance

1. Repairs and maintenance as a percentage of the asset value of property plant and equipment amounts to an average of 7.7 per cent over the MTREF which is slightly below the 8 per cent as recommended by National Treasury.
2. This improved position is commendable.

Risks and recommendations:

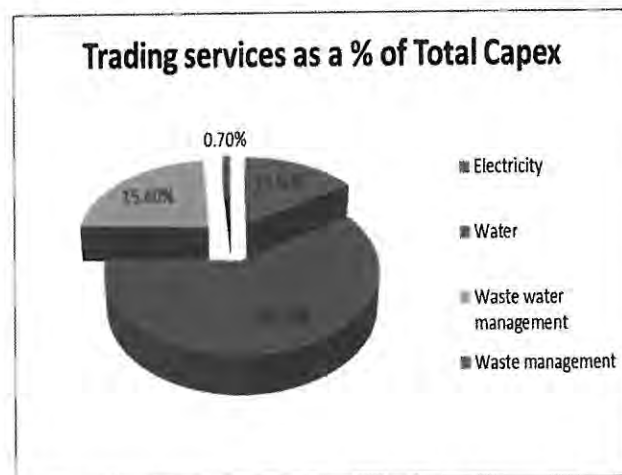
- The Municipality has made commendable strides in curbing costs specifically relating to Employee cost and contracting services. However municipalities are advised to continue prioritising cost containment, refer MFMA Circular 82 and in this respect the Municipality should note the substantial increase in consultancy fees.
- Hence the Municipality should explore further areas to cut back on expenses to sustain the healthy financial position whilst at the same time providing acceptable levels of service delivery.
- The Municipality's efforts to prioritise repairs and maintenance are noted and the Municipality is encouraged to continue in this way to ensure adequate provision is made for the sustainability of its infrastructure assets.

Figure 2 New assets versus Renewal Assets



The Municipality intends to use R104.06 million (60.3 per cent) of the total capital funding for new capital assets and the balance for the renewal of existing assets which is in accordance to National Treasury guidelines. The proportion for new assets then drops to 17.4 per cent in 2018/19 as the focus of the capital budget shifts to prioritize the renewal of existing assets.

Figure 3 Trading services as a percentage of capital expenditure



The Municipality's largest capital investment relates to trading services and more specifically water infrastructure (R145.97 million over the MTREF) which is necessary in light of ongoing drought conditions encountered by the Municipality.

2. It has been noted that the Municipality failed to include the GPS co-ordinates and the ward location of the capital projects on Table SA36. The Municipality is advised to include this information with the final budget at the end of May.
3. It has also been noted SA34a and SA34b in the A-schedules do not reconcile to the draft budget document over the MTREF. This is as a result of the incorrect classification of capital projects on SA36 (new versus renewal). The two sheets are formula driven and are linked to SA36.

(c) Internal Funding: Own Contributions from Cash Reserves

1. Internally generated funds utilised for funding the capital budget over the MTREF constitutes R148.53 million or an average of 40 per cent of the total capital budget.
2. According to the 2014/15 Audited Annual Financial Statements the closing balance of the Capital Replacement Reserve (CRR) amounted to R25 million due to the Municipality's favorable cash position at year end.

Risks and recommendations:

- The gearing ratio indicates that the Municipality has the capacity to take up additional borrowings however the Municipality needs to take into account the poor cash flow position currently experienced and adverse cash flow position projected over the MTREF period as well as the negative impact on the financial sustainability in the long term.
- The A8 budget table indicates cash surpluses over the 2016/17 MTREF amounting to R33.68 million however it is unclear how the Municipality will make the necessary contributions to maintain the budgeted level for CRR whilst capital spending of R371.72 million over the MTREF will be funded from this source.

PART 7.2(4): THE FINANCIAL SUSTAINABILITY ASSESSMENT

A. OVERVIEW OF THE CURRENT CASH FLOW POSITION OF THE MUNICIPALITY

The year-to-date cash coverage is 1.09 times as at the end of February 2016 indicating the cash inflow exceeded the cash outflow as at February 2016.

Current Ratio:

The Municipality has R2.87 for every R1 of debt and it is within the National Treasury norm range of 1.5 and 2:1.

Liquidity Risks:

The Municipality's liquidity risk remained stable for the period under review.

Credit Risk:

The Municipality's obligations for the period under review minimise the default/credit risk.

E. THE FUNDING COMPLIANCE ASSESSMENT

Table 15 Funding Compliance

Knysna	2012/13	2013/14	2014/15	Current Year 2015/16		2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures								
Cash/cash equivalents at the year end - R'000	46 161	17 303	60 898	22 338	36 303	10 515	4 668	(20 228)
Cash + investments at the yr end less applications - R'000	50 027	13 252	38 779	23 672	30 932	15 327	17 427	922
Cash year end/monthly employee/supplier payments	1.5	0.5	1.5	0.5	0.8	0.2	0.1	(0.4)
Surplus/(Deficit) excluding depreciation offsets: R'000	56 379	26 574	80 259	88 653	59 515	78 725	50 476	56 608
Service charge rev % change - macro CPIX target exclusive	N.A.	(1.9%)	1.0%	5.1%	(6.6%)	2.6%	3.8%	0.8%
Cash receipts % of Ratepayer & Other revenue	94.4%	89.0%	79.4%	84.1%	83.3%	85.0%	85.6%	84.5%
Debt impairment expense as a % of total billable revenue	5.3%	13.7%	16.9%	16.1%	16.2%	14.9%	16.4%	16.4%
Capital payments % of capital expenditure	99.1%	109.0%	97.5%	100.0%	100.0%	95.4%	103.2%	98.5%
Borrowing receipts % of capital expenditure (excl. transfers)	0.0%	0.0%	45.9%	31.7%	37.5%	34.2%	32.8%	26.3%
Grants % of Govt. legislated/gazetted allocations						100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	N.A.	1.0%	34.2%	(13.3%)	31.0%	11.3%	15.6%	17.0%
Long term receivables % change - incr(decr)	N.A.	(84.6%)	(64.8%)	1474.9%	(93.7%)	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	3.7%	4.3%	3.5%	4.6%	4.7%	7.6%	7.8%	7.6%
Asset renewal % of capital budget	50.3%	52.1%	39.1%	34.2%	37.3%	39.7%	65.1%	82.6%

Source: MTREF 2016/17 Budget Schedule SA10

Cash/cash equivalent position acceptable

Positive cash and cash equivalents have been reflected for the first two years of the medium term however a negative cash and cash equivalents have been reflected for the 2018/19 MTREF year.

Cash plus investments less application of funds

The cash less application is positive for the 2016/17 financial year but reflects a decreasing trend for 2018/19.

Cash year end/monthly employees/suppliers payments (cash coverage)

The cash at year end versus employee and supplier payments is decreasing over the medium term from 0.2 times in 2016/17 to -0.4 times in 2018/19 indicating that the Municipality would be vulnerable and at high risk in the event of financial "shocks/set-backs". Furthermore its ability to meet its obligations to provide basic services or its financial commitment could be compromised.

Surplus/(deficit) result excluding depreciation offsets

A projected surplus is reflected across the entire MTREF indicating that the revenue levels are sufficient to conclude that the community is making adequate contribution for the municipal resources consumed each year.

Repairs & maintenance (R&M) expenditure level

Over the 2016/17 MTREF, the measure is projected on average at 7.7 per cent which is within norm of 8 per cent of the asset value.

Asset renewal % of capital budget

The Municipality is projecting above the national norm of 40 per cent allocation to renewal of assets which augers well with sustainable and well managed assets.

The operating deficit is exacerbated with higher than inflation tariff increases which could render basic services unaffordable to the community and impact negatively on outstanding debtors and subsequently on future cash flow. Hence Municipality should continuously explore broader cost cutting measures where possible to further improve on the cash levels.

As a rule of thumb, all trading services should be cost reflective, meaning sufficient revenue must be raised to cover all the costs associated with the provision of the service. Wastewater management are operating at a loss over the MTREF despite above inflation tariff increases.

Although higher than CPI tariff increases are projected for Refuse removal, Provincial Treasury is aware of the emerging challenges with regard to the exorbitant costs to transport waste to the proposed new Regional Landfill facility. Strategic decisions and innovative practices are needed to curb excessive tariff increases relating to Refuse removal versus securing affordable services.

The Municipality should explore the legality of the proposed supplementary tariff on waste it intend to impose in the second half of the 2016/17 prior to give effect to the supplementary tariff.

The Capital Replacement Reserve (CRR) levels and spending over the MTREF needs to be monitored and maintained within the required limits, taking into account the Integrated Spatial Development Framework, the implementation of the various policies and the continued emphasis on efficiencies, to ensure that the CRR levels are sustainable.

Notwithstanding the above, 2016/17 MTREF budget is credible, sustainable and responsive to the community's current needs.

Grant Easton - Draft budget 2016/2017 comments and objection

Collab 548319

From: "Lorna Watt" <lornawatt@telkomsa.net>
To: "Grant Easton" <geaston@knysna.gov.za>, <knysna@knysna.gov.za>
Date: 2016/04/26 10:09 AM
Subject: Draft budget 2016/2017 comments and objection

The Executive Mayor
Knysna

and the Municipal Manager
Knysna

Dear Georlene and Grant

Draft budget 2016/2017 comments and objections

I wish to object to the huge increases proposed for the next financial year.

In your "Mayor's Pen" you note some plans for the future, but it appears that you think that impoverishing your already financially challenged residents even more is the way to do it.

Many of my friends have indicated that they are in the same financial predicament as I am, and so I would hate to think of the plight of those who are even worse off.

"Making people and nature prosper" is your slogan.....

I therefore wish to voice my dismay and astonishment and **object** to the huge increases in rates and other charges proposed for the coming year.

I attended the presentation held in Old Belvidere on 20 April and therefore am aware of the proposals. By the way, municipal staff didn't do well advertising this meeting, it was advertised for 2 different venues on 2 different days. No wonder there were only FOUR residents present! That was not good advertising! And Eleanore stated that she would arrange a supplementary meeting because of the problem – that didn't happen either!

I certainly cannot afford these prices, and there must be large numbers of residents who are even worse off than I am.

Increase proposed:

rates:	8.9%
refuse:	9.5%
water:	9.5%
sewerage:	8.9%
electricity:	7.6%

How is any salaried worker going to receive a 10% increase in wages to cover these increases? In Knysna??

For the last 16 years my pension has increased by just 2% per annum. Not 10%!

Therefore my income has eroded enormously when you take into account all the increases over 16 years, just from the municipal account alone.

How on earth am I expected to pay these enormous increases?

I am aware that I can apply for a senior citizens rates rebate as I am over 60. I would qualify for a 40% rebate considering my monthly pension.

But: Why should I have to provide 3 months' originally stamped bank statements as well as certified copies of proof of income? Must I also go to the expense of getting these certified?

I inherited some money which I hope will help me to just get by through the rest of my life, however long that will be.

At the present rate of proposed increases that money will not last very long. I have been selling possessions to cover expenses.

Why should I have to declare the interest from that inheritance by showing bank statements when I apply for a senior citizens' rebate?

Why should I have to show my bank statements for 3 months? How are your officials going to interpret what they see on bank statements? It is an insult and an invasion of privacy!

I request that you and your Councillors consider very carefully how you can justify these proposed increases, especially in the light of the present income of councillors and senior officials in Knysna, and also consider how you can assist your pensioners and financially constrained residents without being so punitive.

Many thanks and I wish you all well in your deliberations,

Lorna Watt
414 Dolphin Avenue
Lake Brenton

044 – 381 0237



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Knysna Municipality

Mayor and MM

We as the Smuttsville community would like you to consider establish a light manufacturing industrial to help with a bulk of unemployment people in Smuttsville and to decrease poverty in our area, please negotiate with some stakeholders regarding the above subject it will also reduce crime in our area.

Thank you in this regard.

From

Concern Parents in Smuttsville



- **Safety& security-** Crime is a big issue in townships, but yet there are many overgrown open spaces and many pathways are not paved and don't have lighting. A homeless/ night shelter is also a need in Knysna.
- **Procurement/ BEE-** About 95% of the procurement budget of the municipality is spend on a handful of previously advantaged contractors while hundreds of PDI contractors must battle for the other 5%. We are proposing a shift in policy so that there could be a more even spread of the procurement budget. We are also proposing a better and more empowered **LED department**.
- **Even spread of capital budget-** We also found that if you take housing out of the capital budget that the bulk is spend in town/ suburbs. We would like to see an even spread of the capital budget.
- **Access to areas-** We found that our mothers and fathers must travel huge distances to get to work in areas like Hunters Home while there are different roads that could be opened and drastically shorten the distances. Examples are roads between Hornlee West and Hunters Home, Rykmans Hoogte and Fisher Haven, Roads between Industrial Area and Old Place and the Old Bospad between Concordia and Old Place.
- **Leases of municipal properties-** Many prime properties/ facilities are leased at the expense of the majority of people to previously advantaged people. We understand that the municipality is busy with increasing that and do that without following proper due processes. We call on the municipality to stop those illegal practices and to open it to everyone.
- **Facilities in townships-** The facilities, especially the toilet facilities are very bad in townships, e.g. community halls. Also the facilities at the taxi rank and places like Cathy Park.
- **Festivals-** The festivals are definitely not community of township friendly and caters for everyone else except the majority of Knysna's people.
- **Flea markets in townships-** WE need some designated places of trade or flea markets in the townships.
- **Grazing/ farm land-** Many people in townships have cattle, but don't have grazing land and there are a few farmers who need land to farm.

The above are some of the issues that our members brought to us. We will submit the others as it comes to us.

Yours in Economic Empowerment

Reverend Ralph Stander
Chairperson of SCSEDF

1 May 2016

Municipal Manager
Knysna municipality
Knysna

Sir

Input on budget

WE would like to start by stating that we are a non-racial and non-political organization that was formed to champion the social& economic interest of the previously disenfranchised. We fall under the Western Cape Social& Economic Development Forum (WCSEDF) which is part of the South African Social& Economic Development Forum (SASEDF).

The following are our input and it's in no particular order:

- **Operating budget-** We found that too much discretion is placed in the hands of officials when it comes to the operating budget and council should play a more proactive role. A good example is Roads& Potholes. Council budget for it, but officials decide where and when to spend that money.
- **Leasing of council offices-** The municipality is spending millions on leasing offices. It is a way of enriching the already rich. Why can't the municipality rather spend those money on building their own building(s)?
- **Roads upgrades& Potholes-** We found that the difference between town/ suburbs and township roads are like day and night. On the one side good quality roads which are maintained regularly and on the other side you have the worst state of affairs with roads which falls apart. The same applies when it comes to potholes. Town/ suburbs are receiving 99% of the budget.
- **Backyard dwellers-** This is a common issue in townships and is solving the huge housing backlog. The problem however is none of those structures have their own electricity and toilet facilities. So we are proposing that all backyard dwellers be given their own electricity, water and sewerage connections.
- **Rates rebates-** Every ratepayer gets a rebate of about R60 000-00 pa. We are proposing an increase of that amount to R100 000-00.
- **Absa housing-** WE all know that banks are there to make profit. How can the municipality now adjudicate its responsibility and hand it over to a bank. We are saying the municipality should take back their responsibility and take charge of that Absa development.
- **Robot at Hornlee and Nekkies entrances-** We dare the officials or councilors to try during peak/ season time to get across the N2 from Nekkies or Hornlee. Robots are needed at both entrances.

COMMENTS ON THE DRAFT BUDGET FOR 2016/2017

SUBMITTED BY: MS CAMPBELL

DATE OF SUBMISSION: 3 MAY 2016

1. LINE BY LINE REVIEW OF THE DRAFT BUDGET.

On pages 9 of the draft budget MTRF the following is stated:

The new budget for Knysna Municipality amounts to R906.5 million. This constitutes R172.5 million for capital expenditure and R734 million for operating expenses. It is considerably more than the adjusted budget approved for 2015/16, which was R681.7 million and R107.8 million for operating expenditure and capital expenditure respectively. This new budget on total expenditure represents an increase of 23% from the 2015/16 original budget and 15% from the 2015/16 adjusted budget. Although a deficit of R 11,8 million is currently forecasted for the 2016/17 financial year, senior management and Council are in process of exploring different initiatives including further reducing expenditure and supplementing revenue aimed at reducing this deficit to breakeven prior to approval of the final budget by Council.

After comments on the draft budget for 2015/2016 were received, a number of Councillors, together with Ms. Sunkar, embarked on a process of reviewing each item in the budget on a "line by line" basis. Managers had to motivate proposed expenditure and a reduction of some 50 million Rand was achieved. In view of the significant increase in proposed budget, the same process ought to be followed with this budget and all future budgets. It is no secret that the process was not popular with certain managers, who had their budgets significantly reduced, but it is a process that should be followed each year and managers will become accustomed to concentrating on and motivating essential expenditure.

The Finance Minister, Pravin Gordan, has again stressed the need to eliminate all unnecessary expenditure and the only way to achieve this is to examine the budgets of each manager on a line by line basis.

The cost cutting exercise of freezing all vacant posts may be counter-productive and affect service delivery. It is therefore desirable that Knysna Municipality should rather create a culture of treating ratepayer's money as trust money and should strive towards eliminating all unnecessary expenses.

Every item such as stationery, water, farewell parties and other functions should be looked at and no justification exists for using public money for DSTV and expensive office furniture at a time when our infrastructure is crumbling and the poorest of the poor wait for housing and service delivery.

Bursaries should only be awarded to the needy and staff members who do not successfully complete expensive courses, such as the Minimum Competencies Courses and other study loans or bursaries should pay back the money.

the Finance Directorate has embarked on a major debt restructuring exercise to work in conjunction with the ISDF to finance investment and economic based capital infrastructure identified for inclusion in the budget via the IDP as flowing from the ISDF. This will ensure the MTREF remains practical and therefore economically and financially sustainable rather than the often theoretical and usually meaningless planning followed by public sector bodies.

The importance of the ISDF is stressed, yet it is admitted that no specific capital projects have been identified, but that these non-existent projects somehow form part and parcel of the IDP.

The ISDF process has delivered nothing of substance to date and has cost the Knysna Ratepayers almost R3 Million.

This kind of wasteful expenditure should be guarded against in future. It is not clear from the budget documents what spend on consultants is anticipated, but all future expenditure on consultants should be carefully monitored to ensure that the ISDF fiasco is never repeated.

Ensuring that lawful tender processes are followed and that tenders are lawfully awarded will ensure that expensive consultants do not have to deal with objections. A case in point is the objection to the T30/2014 and T31/2014 tenders that was delivered in February 2015. Helen Venter from Brasika was appointed in the 4th of March 2015 to deal with the objection. It took Ms. Venter until the end of July 2015 to deliver an unsatisfactory response to the complaint that should have been dealt with promptly, thereby calling into question the competence of the consultant employed in the matter.

3. DECLARING WAR ON WEEDS THROUGH A “EARN YOUR REBATE” POLICY: A TOOL FOR JOB CREATION THROUGH MANAGING ALIEN INVASIVE VEGETATION

In terms section 76 of the National Environmental Management: Biodiversity Act 10 Of 2004, “NEMBA”, the Knysna Municipality has a legal duty to prepare an invasive species monitoring, control and eradication plan for land under its control. In terms of section 54 of NEMBA, the IDP must take into consideration the need for protection of listed ecosystems within its jurisdiction. The critically endangered “Knysna Sand Fynbos” ecosystem and a number of other listed endangered ecosystems are located in the Knysna municipal area.

Section 11 of NEMA requires a municipality to adopt an environmental management plan.

The control and eradication of invasive vegetation forms an important part of the protection of ecosystems and an environmental management plan.

It is therefore clear that the municipality can go a long way towards being compliant with the abovementioned legislation if the control and eradication of weeds is addressed.

One of the easiest and most effective ways to fight the “war on weeds” is to provide a rates incentive to property owners who control and eradicate alien vegetation.

Knysna Municipality provides a rates rebate of 15 per cent to owners of residential properties.

(b) Agricultural properties

(c) Protected areas

(a) State owned properties

(b) Heritage areas

(c) Rural properties as defined

(d) Properties used for businesses purposes where the owner of the business is new to the municipality or the nature of the business is new to the municipality.

The rebate will be applied on a sliding scale as follows: 100% in year 1,

75% in year 2,

50% in year 3, after which the rebate falls away.

Over and above the determinations contemplated in section 17(1)(h) of the Act owners of property who depend on pensions or social grants for their livelihood may qualify for a rebate as determined by Council's Indigent policy.

The green and Naturally Knysna rebates should be included in paragraph 10 of the policy.

5. SUPPLY CHAIN MANAGEMENT POLICY FOR 2016/2017

Paragraph 20 deals with the advertising of bids and the advertising period is determined as at least 14 days except in the case of long term tenders of tenders over R10 Million.

Page 52: Paragraph 20.1.4.4 Bids must be advertised for at least 14 days before closing time, except in urgent cases when bids may be advertised for such shorter period as the AO may determine. In the case of transactions over R10 million or which are of a long term nature the closure date for the submission of bids may not be less than 30 days.

Knysna Municipality regularly advertises tenders prior to the date that tender documents are available.

The SCM Policy should provide that the minimum advertising period should be calculated from the date that tender documents are available and/or from the date that a compulsory briefing session is held. This would afford tenderers a reasonable time to prepare their bids after all relevant information has been made available to them.

Caroline Hasley

Lang str 1033

KARATARA

6580

29 April 2016

Municipal Manager
Knysna Municipality
PO Box 21
KNYSNA
6570

CC : Councilor: Georlene Wolmarans - Executive Mayor
Ward Councilor: Louise Hart – Ward 2

COMMENT ON THE 2016/17 BUDGET: KARATARA

I am a working woman from Karatara en the breadwinner of our household. I usually attend all the meetings of the Municipality in our area. I also attended the budget meeting that was held last week by councilor Hart in our community hall and would like raise the following requests that affects our community a great deal. We were told before that the reason why no houses could be build was due to the fact that the sewerage works and waterworks have to be upgraded first and that no funding was provided for this on the budget.

I would like to request to council in the interim to avail funding on the budget for septic tanks for those residents that stay on erven that cannot be connected to the sewerage reticulation. This will solve the problem in the interim until such time the municipality have enough funding available to upgrade the sewerage works. It is really inhuman to use other peoples toilets or to relief yourself in the bushes, because that poses a great danger and health risks especially for women.

I also would like to request that the municipality make available funding in the 2016/17 financial year for more water taps in the Bosdorp residential area. There are a few standpipes (taps) but it is really not enough for all the people and especially in the winter our poor children must walk far to fetch water.

I don't think that it is too much to ask and hope and pray that the council will provide septic tanks and water standpipes(taps)

Thank You

Caroline Hasley
078 673 5778

De Hoek str 670

28/04/2016

Karartara

Knysna

To whom it may concern

Roads and Funerals

Roads:

From "Welsynsdorp" till "Bosdorp" the gravel road is in a really bad state. There are potholes in the road that makes it almost completely impassable.

Funerals:

Why do you differentiate between the residents from Knysna and the residents from Karatara when we all stay within the Knysna municipal area? We pay fees for a grave but have to dig it ourselves; while in Knysna the graves are dug for free.

Why then must we pay for the grave site and dig the grave ourselves, when knysna have municipal workers that dig their graves?

Why differentiate while we are all within the same municipal area?

Yours Truly

Daniel Kiewiets

Karatara

6580

28 April 2016

SPORT DEVELOPMENT

Knysna Municipality

PO BOX 21

Knysna

6570

CONDITION OF THE KARATARA SPRTSFIELD

Dear sir/madam or to whom it may concern

I am a resident of Karatara and have been involved for a long time in the development of sport in Karatara. I am worried about the slow pace at which our sports field is being upgraded by Knysna Municipality, because since the erection of our dressing room in 2009 no other developments took place.

The sport committee made use of different opportunities and asked the Municipality to erect a fence at the sports field. Our dressing room are now being vandalized and our committee believes that that if the sports field gets a fence we will be able to control the vandals better as free access will be limited. The 2016/17 budget was presented two weeks ago at the protea hall in Karatara and nothing was included for sport. I'd love to promote and advance sport in Karatara, but need your support. Drug abuse is busy to increase amongst the youth and raises a huge concern. We want to improve sport in Karatara in order to curb drug abuse.

Therefore we invite you to the Karatara sports field to observe the situation for yourself and also to discuss. My contact number is 078 382 0506 or extension 6523 at waterworks

Your cooperation will be highly appreciated

Yours truly

Deon S Tamboer

Paulrisa Appels

Kort str 1025

KARATARA

6580

28 April 2016

Municipal Manager

Knysna Municipality

PO BOX 21

KNYSNA

6570

BUDGET OF THE MUNICIPALITY FOR KARATARA

I have attended quite a few of the IDP and budget meetings of the Municipality where the community expressed very strongly their feelings regarding Housing in Karatara. The officials of the Municipality and our ward councilor have the same excuse every year that the sewerage works and infrastructure has to be expanded first. The councilor again last week repeated the same story and said the municipality is waiting for funding from government to upgrade the sewerage works and infrastructure before houses can be built for the people of Karatara.

We were also told that we must have a look what was budgeted for Karatara at the Library then we can write to the Municipality giving our inputs. It seems to me that the Municipality is not taking the people of Karatara seriously, because nothing we requested in the IDP meetings is in the 2016/17 budget. You only read about Knysna, Sedefield and Hornlee's projects. I've read the budget book but it looks as if the municipality and councilor Louise Hart forgot about Karatara.

All that we are asking as the people of Karatara is that you provide us with housing please. What I suspect is that the Municipality is going to wait for the government funding even if it takes 100 years. Can't the municipality do anything from their side to upgrade the sewer works and infrastructure; otherwise we will wait another 100 years for houses.

Why can't the Municipality in the interim provide funding in the 2016/17 budget to start with the upgrade of the sewer works and infrastructure? Then government will see that the Municipality are serious and will fast track the co-funding. We keep on hearing about the long-term plans for Karatara, but our people die as backyard dwellers. I ask again start budgeting now for the sewerage works and infrastructure. Mr. Maughan-Brown told us that houses won't ever be built in Karatara, because our

people are unemployed. Some of us are employed and when the municipality starts with this project then there will be jobs for our people.

I hope the council take our peoples plea for houses seriously and provide funding on the budget for the upgrade of the sewer works and infrastructure.

Thank you

Paulrisa Appels
084 060 7228

CC : Cllr Wolmarans – Executive Mayor
Cllr Hart – Ward 2

Sam Kameel

1025 Kort str

KARATARA

6580

2May 2016

Municipal Manager
Knysna Municipality
PO BOX 21
KNYSNA
6570

INPUTS FOR KARATARA's 2016/17 BUDGET of KNYSNA MUNICIPALITY

I was born and grew up in Karatara and have stayed all these years with my parents until I got married and started my own family. Seeing that there weren't any vacant plots or houses for Karatara's people I had to build a home on my in-laws's property.

We currently get electricity via the main dwelling by means of an extension cord, and because there are always fights between family members the cord gets disconnected and we have to sit in the dark. I have applied to Knysna Municipality and had a meeting with Mr. Joe Hames from the electricity department, but he says we can't get our own electricity connections, because it is not in the policy of council. I also received the same answer for a water connection. The electrical wiring/cord is also very dangerous for our children especially when it rains.

I am the man in our house and the father of our children and would love to provide for my family that's why I am asking the council of Knysna Municipality to relook that policy and allow people living in backyards to have their own connection. Seeing that we can't get our own houses give us at least electricity and water. It will already make a huge difference in our livelihoods.

I thank you.

Sam Kameel

081 060 6447

AAJ Crocker

PO Box 2995

Knysna

Mobile 083 458 2861

Knysna Municipality

Attn: Municipal Manager

Email: knysna@knysna.gov.za

Comment on Draft Budget 2016/2017

I am a Knysna ratepayer. I submit the following comment:

- 1) I refer to section 3 of the Municipal Property Rates Act (MPRA). The municipal rates policy must determine the criteria to be applied by the municipality if it levies different rates for different categories of property. I call upon the municipality to disclose the criteria applied to determine that the rates on vacant properties should be 1.8 time higher than the rates on improved properties. Section 7 of the Knysna Rates Policy does not disclose the relevant criteria.
- 2) A supplementary Valuation Roll has been published for inspection during April / May 2016. A large proportion of properties are affected. The public notice states that the roll is for the financial year 2015/2016. If that is the case it should have been published in May 2015. At date of this comment I have not received individual notice as required by section 49(1)(c) of the MPRA. I question whether the municipality has sent the notices. Given the extent of the changes to the valuation roll, these are material irregularities that cast doubt the validity of the public participation process.
- 3) The list of property categories to which different rates could be applied was open to interpretation in the 2004 version of the MPRA. The act was amended in August 2014. The amendment to the act removes discretion and a specified list of categories must be used. The property categories determined in the Knysna Rates Policy and the rates tariff table (MTREF annexure 3) do not correspond to each other and do not correspond to the categories specified in the MPRA. Sub categories are only permitted if an application made to the minister has been approved. Sub categories are used in Knysna's draft policy and tariff documents. I question whether the municipality has obtained approval.

Yours sincerely,



AAJ Crocker

29 April 2016

Knysna Municipality - Comment on Draft Budget 2016 /2017

Colab No.:

From: "Alan Crocker" <crocker@icon.co.za>
To: <knysna@knysna.gov.za>
Date: 2016/04/29 5:05 PM
Subject: Comment on Draft Budget 2016 /2017
Attachments: 2016 Budget comment AC KM.pdf

File No.: 5/3/2

Good day,
Please see attached document containing public comment on the draft budget for 2016/ 2017
Regards
Alan Crocker

☒ Virus-free. www.avast.com



From: Mandla Matiwane <mggroup@hotmail.co.za>
To: "budget@knysna.gov.za" <budget@knysna.gov.za>
CC: "mandla.matiwane@webmail.co.za" <mandla.matiwane@webmail.co.za>
Date: 2016/05/10 09:02 AM
Subject: Khayaletu Houses

Dear Manager

I Mandla Matiwane heare by registering a concern regarding the exclusion of 150 Houses in Khayaletu for 2016 -2017 Budget by the Knysna Municipality.

In khayaletu we have 150 wooden houses that was built prior 1994 which they oftnely burn throught fire and dilabitate most of the time. The people occupy those houses are averagely senior citezen of the country and some cant afford to repaire even the house it self or build it when it burns through fire.

I heare by would ask the Municipality to include it in the upcoming budget as this is a challange for those people occupy those houses.

Yours Faithfull
Mandla Matiwane
071 731 7881

Frederick Agiels

32 Fontein Str

HORNLEE

6571

2 May 2016

Municipal Manager

Knysna Municipality

PO BOX 21

6570

2016/2017 BUDGET INPUTS OF KNYSNA MUNICIPALITY

I consider myself a community activist and entrepreneur who long for opportunities that will allow me to become self-sufficient.

I frequently attend the IDP and Budget meetings of the municipality and also try to stay up to date regarding the council's affairs.

I'd love to see that the governments BBBEE program become a reality in Knysna as it is currently the case in other places. If you look at the current economic climate where most of the businesses struggle or close down making it even more urgent and important that the Knysna municipal council should do more for emerging contractors and create job opportunities.

I deliberately mention the Council and not the officials, because at the end of the day the council makes the decisions and the officials are there to only implement the council's decisions. I have argued a lot with SCM officials, the LED Manager and even the previous MM; because they only concentrate on one area of local economic development and that is established big business that is already profitable. Now I realize that we actually have to hold the councilors responsible for those tendencies, because at the end of the day it is the council that approves policies and the budget.

That brings me to the point that I want to make and that is that councilors don't accept responsibility for their mandate. People vote for them and not for the officials. At all the community meetings that I have attended the mayor and the ward councilor are always accompanied by a lot of officials to the meetings. I think that it is only councilor van aswegen that has his own public meetings and who provides feedback to the community of Hornlee. What always bothered me is that officials are the ones that must provide feedback to the community, and without any hesitance they lie to the people or make up all sorts of excuses. That is where I think the councilors shy away from their responsibility, because they are the ones that must tell the community what they are doing about the issues that the community submits at the IDP meetings, if they are budgeted for and what happens to those issues that is not budgeted for.

If this happens then only can we as the community hold the councilors responsible, but they keep on delegating to the officials who comes up with all types of excuses. That is why the people are tired of the same old stories that get “spinned” at these meetings. I have hoped on many occasions that the Mayor would have some political will to stand up at a public meeting and say that she will ensure that all housing issues will be addressed, that the electricity increases will be kept as low as possible, that the drug problems amongst the youth will be sorted out, that job opportunities will be created for the community of Hornlee and that the roads will be fixed, but NO. Now we understand why the people’s issues can’t be addressed, because officials are delegated to provide answers while the budget gets approved by council.

To make a long story short I would like to provide an input that the council amend their SCM policy in order to provide opportunities for emerging contractors. The councilors who are responsible for the LED portfolio must ensure that funding is provided in the budget to help emerging contractors, not only with training. Councilors must in future facilitate their own public meetings and not officials, because then we talk about real accountability.

I thank you.

Frederick Agiels

074 460 7239

Colab No.:

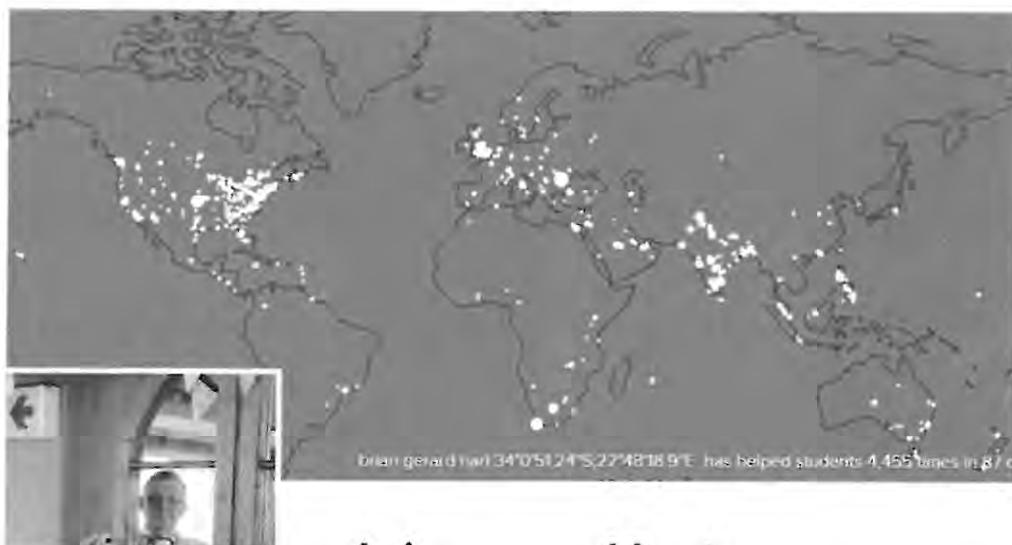
Knysna Municipality - budget 2016/2017.

File No.: 5/3/R

From: Brian Hart <biddybrian@gmail.com>
To: Georlene Wolmarans <mayor@knysna.gov.za>
Date: 2016/04/20 2:23 PM
Subject: budget 2016/2017.
Cc: Dawid Adonis <dadonis@knysna.gov.za>, Alan Winde
 <Alan.Winde@pgwc.gov.za>

Dear Mayor,

Seeing you insist on my verbal report been repeated to you in writing I've taken liberty to copy it to others.



As early as David Danial's day's I approached newly appointed Ms Waring about using the library system to promote & advance education amongst the masses. Mrs Goller, (or Gowler or Golwer) then at Knysna library was supportive & cooperative, but was ordered to not get involved.

Economic development in today's world requires skills, which in turn requires education, and our education in South Africa is failing relative to the advancing .

Next in 2008, after months of thought, I came to the conclusion that only 6 core items were the basic requirements to advance an individual's chance to a productive & satisfactory life. 1) good English comprehension, 2) good basic mathematics, 3) know that everything needed to be learnt is on the www, 4) knowledge about up-to-date digital things, 5) self motivation & 6) access to the www. As your Speaker will confirm we all had free access to the www up to Feb 2011, when it was destroyed. To coordinate the above demanded a passionate community development worker (CDW) to provide 2 data bases, "one of people" in need of training & two of the more than "a thousand retired professionals in SEDGEFIELD who could train", preferably via the www, not requiring petrol costs nor time constraints.

But France over-took this system in 2012 when a rich Frenchman started the School of 42 in Paris in 2013. From that, a group in NY started socratic.org applying the same principles to everyone in the world late 2014, currently in 21 subjects, to grow to >50 by the end of 2016. There are of course many other worldwide available knowledge sites. Economic development will get my support.

In the past 10 weeks I've assisted 4455 students in 87 countries as confirmed. Please note the distribution of students helped & the gaps. Also study the standard of questions asked. Sorry that your MM, my MD, couldn't enlighten you on the above.

In the current economic conditions in South Africa everyone is squeezed financially except those who are in the public sector. Over the past 4 years your council has not raised old age rebates in spite of rises in the cost of living. Now you have drastically cut rebates but continue to raise your own "costs to us", the rate-payers. No right thinking rate-payer should support this.

Expenditure in SEDGEFIELD (ward 2) for 2016/2017 is budgeted as R2 081 100-00 (your figure), out of a budget of many hundreds of millions of Rands. No right thinking rate-payer should support this.

The Municipal Systems Act focuses on the IDP over the budget, 80 plus to 10. Yet you have down-graded the IDP. Your IDP is a 99% repeat of the previous year's as it has been over the past 5 years. It is full of banalities & excuses. No right thinking rate-payer should support this.

You are humiliated to display table SA23 showing your salary costs to rate-payers. You therefore pretend you cannot find it to display it in black & white. Statements of 3% increases are just not TRUTH. No right thinking rate-payer should support this.

In Nov/Dec 2015 you published 19 areas in greater knysna to get houses, sites & facilities, none in SEDGEFIELD/SMUTSVILLE/SIZAMILE. Yet housing has been the greatest need for years. The excuse given was "that A" is waiting for "A"? This has been known for more than a decade. No right thinking rate-payer should support this.

Only 4 persons not attached to council at the public participating meeting out of thousands speaks volumes about your continued tricks to pay lip service to our so-called democracy. No right thinking rate-payer should support this.

MUNISIPALITEIT / MUNICIPALITY KNYSNA	
2016-04-21	
Action:	Mayor
CC:	MM, D.F. F. D.
Dir Comm, Man IDP	

124 Milkwood Drive
Upper Old Place
Knysna
6570

20 April 2015

The Executive Mayor
Knysna
6570

Dear Madam

BUDGET INPUT 2015/2016: PLAY PARK IN UPPER OLD PLACE

I am a resident in the above named area and request the upgrading and installation of new equipment at the children's play park along the Old Toll Road in the Upper Old Place area.

I am taking up this issue on behalf of all the children in the area that have no immediate recreation facilities to enjoy themselves.

Thank you in anticipation

Yours Faithfull

A handwritten signature in black ink, appearing to be 'W. Kalani', written in a cursive style.

Mrs W. Kalani

From: "Santie" <den.boestert@telkomsa.net>
To: <budget@knysna.gov.za>
Date: 2016/05/11 07:15 AM
Subject: Draft budget

Die Musipale Bestuurder
Knysna Munisipaliteit
11 Mei 2016

Geagte Meneer

ERF 74 EN 75, OU BELVIDERE

Ek wil graag hiermee my beswaar lug teen die voorgestelde begroting en veral teen die verhoging van eiendomsbelasting en vullisverwydering.

Ek bring ook die volgende onder u aandag:

1. Die inwoners van Ou Belvidere betaal dieselfde belasting as Belvidere Estate maar sukkel nog met rottingstenks en moet ook nog betaal om dit te laat uitpomp op eie onkoste.
2. Die gruisgedeelte van Portlandstraat en Prinselaan was nie die afgelope minstens 6 jaar geskraap of die gate opgevul nie en is 'n modderbad as dit reën.

Ek sal dit waardeer as die bg sake kan reggestel word.

Die uwe

A.S. DEN BOESTERT

Grant Easton - Council News - and the effects on ratepayers

From: "Ian Stewart" <ian@outfin.co.za>
 To: "Municipal Manager" <knysna@knysna.gov.za>
 Date: 2016/04/22 10:34 AM
 Subject: Council News - and the effects on ratepayers
 CC: "Municipality Christopher" <cbezuidenhoudt@knysna.gov.za>, "MUNICIPALITY Grant Easton" <geaston@knysna.gov.za>

Attention The Mayor
 c.c. Grant Easton
 c.c. Ratepayers

I read with interest your Council News April Edition and have the following comments :

1. Tariff hikes remain below double digits ?? – since when is double digits the mark to aim below ? A zero increase is what you should be aiming for. In the real world where taxpayers and ratepayers are struggling to make ends meet, you will find their income increments from pensions and savings are nowhere near 10%. There should be economies of scale – more ratepayers with the property boom we had a few years ago should mean more people contributing to the pot. So the share of fixed costs like salaries should be LESS per ratepayer surely ? We know certain costs have increased due to imports of stuff we do not make locally, but with 38% odd of the budget going to salaries, there should be a zero rate increase on rates and services some time in our life ?? *n/A*
2. In the real world businesses like I am in have to keep our charges the same from one year to the next and simply work smarter. Find ways of offering the same service at the same price but quicker and less costly ? *n/A*
3. In all the years since I arrived in Knysna there have been increases every year. Do the maths – R10 increased by 10% a year for 10 years comes to R25.94. These increases are simply unaffordable. *n/A*
4. Water tariffs – a few years ago when we had very dry periods, punitive water tariffs were introduced. And guess what – show me when they were REDUCED. Never to my knowledge. You now threaten to introduce punitive tariffs to consumers who use "too much water". How much is too much water ? You say the ideal is 15-20kl per household. So you deem that if a household uses 30kl they must be penalised. Just what if that household has only 1 occupant ? Or maybe 6 ? Are you going to do an audit of every single household in Knysna to determine how many people live in each house ? My neighbour has 2 old people in that house, we have 4, another neighbour has 6. So what is this magical median you are using ? *n/A*
5. Maybe it would be a good idea for municipality to focus on fixing all the leaking pipes and less time on buying flashy cars for the cops. And less money on upgrading your flashy offices. Less money on sponsoring Simola golf days to attract business to town (yes, a few years ago a pile of loot was spent on sponsoring wealthy golfers with NO spinoff.) And cut back on everything deemed NON essential like the forever increasing head count in municipality at way above market rate salaries. Try doing an analysis of what people outside municipality earn and you will see you all earn WAY above real world Knysna salaries. *n/A*
6. Maintenance of infrastructure is what is required. Why was the reverse osmosis plant left to rot rather than do regular maintenance ? I know of people who were called in to fix certain things and the comment was "they simply neglected to maintain the plant". *Ngoda*
7. In the real world when the chips are down, and you cannot simply hike rates, you work smarter and cut overheads. You don't simply hike rates because you can. *n/A*

Yours faithfully

Ian Stewart
 Saipa Member 8226
 Tax Practitioner PR0000939
 Outeniqua Financial Services

THE BUDGETED WATER RETICULATION NETWORK UPGRADE FOR THE KNYSNA HEADS SHOULD BE FUNDED THIS YEAR

Dear Madam Mayor, Mr Michael Rhode, Councillors, Municipal Manager Grant Easton, other officials,

R7.6 million has been included in the draft 2015-2016 budget for the replacement of all obsolete asbestos water pipes on The Heads.

But the project is still unfunded.

And the pipes continue to burst, at considerable expense to the municipality, and will continue to do so until they are replaced.

As chairman of the Knysna Heads Association, I strongly urge the Mayor, Director, Technical Services, the Council, Municipal Manager Easton and other relevant officials and decision-makers to earmark funding for the project now.

RECENT HISTORY

There were over 10 pipe bursts on The Heads during a 7 month period in 2014 alone! This is an extraordinary figure, unmatched by any other comparably-sized neighbourhood in Knysna. That this is happening on The Heads, Knysna's iconic landmark that draws tens of thousands of tourists every year, is an embarrassment to our beautiful town.

Every time a water pipe bursts on The Heads, the following occurs:

- ✚ Water is lost—often substantial quantities of water,
- ✚ Traffic must be diverted from the affected street while repairs are carried out, resulting in traffic jams, especially during tourist season.
- ✚ Water supply is interrupted not only to residents, but also to restaurants and guest houses on that line, making it impossible to provide tourists with the level of service they expect,
- ✚ KM Technical Services must rush a team, often including a JCB, to the affected site to turn off the water, excavate, locate the leak, install at least one 6 meter section of brand new PVC pipe, rebury it, and then repave—all at considerable expense,
- ✚ In some cases adjacent homes and guest houses are flooded—and the affected owner, or his/her insurance company, will seek to recover from the municipality, (R 120,000 in damage on Benn Road, when the cost of replacing the pipe was only R 200,000)
- ✚ The excavated section of road must then be retarred— but due to financial and technical constraints, this often cannot be done until several months have passed, further disrupting traffic flow...

Drive fifteen or so years ago—but was never connected up to the homes and businesses along the street!)

REPLACING THE OBSOLETE PIPES ON THE HEADS AS SOON AS POSSIBLE IS MANDATED BY THE MUNICIPALITY'S OWN PROJECT PRIORITIZATION PROCESS

An overview of the municipality's project prioritization process was published in the April 2015 issue of the Council News at:

[http://www.knysna.gov.za/wp-content/uploads/2012/12/Council News April The-Edge.pdf](http://www.knysna.gov.za/wp-content/uploads/2012/12/Council%20News%20April%20The-Edge.pdf)

According to that article, the process comprises four determinations, based on:

- 1. IDP Strategic Objectives**
- 2. Services Master Plan Objectives**
- 3. Project Dynamics**
- 4. Project Consequence**

1. IDP Strategic Objectives:

Replacing the obsolete pipes on The Heads has been one of the top 8 priorities for Ward 9 for a number of years, and as such ranks highly in terms of the IDP Strategic Objectives. I myself placed it on the list in each of the past two years. (Note that I requested a copy of the top 8 Ward 9 priorities and the ward 9 IDP long list on 10 March 2015 but have not received them, so I cannot confirm exactly how far back Heads pipe replacement was on the lists. However, since the municipality actually replaced the obsolete pipe on George Rex Drive approximately 15 years ago (but for some reason never connected it up to the homes), it is fair to assume that pipe replacement on The Heads was a priority even then.).

2. Services Master Plan Objectives

According to the Council News article:

"The services are prioritised in terms of the urgency to address the activities identified. The urgency is based on the risk that the service might collapse or deteriorate if not addressed."

The supply of water on The Heads is a service that has been deteriorating for many years, and the water reticulation network on The Heads is in the process of collapsing—the number of pipe bursts last year tell the story. Replacing the obsolete pipes on The Heads is clearly a priority in terms of the Services Master Plan Objectives.

3. Project Dynamics

According to the above-cited Council News article, a number of factors relating to existing outside funding, and the ongoing nature of a project, are considered *"to ensure that the momentum in delivering the capital programme is not disrupted."*

CONCLUSION

A project involving the replacement of obsolete pipes on The Heads currently exists. It is unplanned, uneconomical, reactive rather than pro-active, disruptive, and ultimately unsustainable. The existing project is simply to replace the pipes as they burst, one after the other.

There is a better way—better for the municipality, better for tourism, and better for The Heads.

On behalf of the Knysna Heads Association, and the residents and businesses on The Heads, I respectfully request that funding be earmarked now for the replacement of the obsolete water reticulation network on The Heads, and that the work begin as soon as possible in the 2015-2016 financial year.

Kind regards,

Christopher Gould
Chairman
Knysna Heads Association

aspentra@iafrica.com

044-384-2014

083-394-0291

Grant Easton - Erf 3248 - Rates increase of 9.4% unacceptable

From: "Andre Fechter" <fechters.andre@pixic.co.za>
To: <geaston@knysna.gov.za>
Date: 2016/05/02 10:21 AM
Subject: Erf 3248 - Rates increase of 9.4% unacceptable
CC: <gbezuidenhout@knysna.gov.za>

To whom it may concern

*rates are a
tax - sell*

I read recently that the proposed annual Rates hike for 2016/2017 is set at 9.4%. I wish to object strongly to this percentage increase for the following reasons:

1. I am the owner of Erf 3248, which is situated in Knysna's Main Street and it has become virtually impossible to find tenants in this dying commercial area.
2. 10 years ago, Main Street was a sought after area and high rentals and willing Tenants were plentiful.
3. Our current Tenant, "Toni's R5 Store", will be leaving our premises on 31st May and we have been unable to find a new Tenant – our Tenant is closing down his business despite having successful outlets in both Plettenberg Bay and George.
4. Three years ago, "Toni's R5 Store" moved into our premises from further down on Main Street (from the property which belongs to Fortis Michaelopolous). That property has remained empty ever since – despite the owner refitting the façade to the building in an attempt to attract a new tenant.
5. There is currently extremely low foot traffic in our area
6. The pavement surface is shabby compared to the pavements across the road (which were upgraded years ago by the Municipality with brick paving and plants etc)
7. Our side of the street is very difficult to access from the various Mall Parking Areas, compared to the properties across the street from our property – potential customers are risking their lives to cross Main Street, and the pedestrian crossings are far from our location.
8. 9.4% is way above inflation, and Landlords would thus need to escalate their rentals by similar increases, which are simply not achievable. The net result will be decaying unoccupied buildings, which will not benefit Knysna's image.
9. Two unsuccessful Auctions have been held in an attempt to sell "de Oude Fabriek" (the calibre of Tenant in Knysna Main Street is falling due to lack of demand)
10. Similar unsuccessful attempts to sell "Oaks on Main" have also been held, which means that there is extremely poor demand to rent or buy in Main Street
11. I need to point out that it was by pure "chance" that I have become aware of this "above-inflation proposed Rates escalation". I believe that this proposal should have been communicated directly to property owners, to make them aware of this intention – I have no doubt that many property owners are not aware of this, and would be objecting to it, if they had been made aware of it.

One has to ask, what additional benefits we would be getting for our Rates since 10 years ago, and the answer has to be: "Nothing". In fact by the Municipality's continual approval of ever more Retail Shops (Woodmill Lane, Waterfront, Woodmill Walk, Thesen Island Retail Area, Checkers Mall, Woolworths Mall and Spar Mall) the desirability of Main Street has become non-existent - and for property owners, their properties have become a millstone around their necks.

This proposed 9.4% is of great concern to me. It is not affordable, it is completely misguided and it cannot be justified.

Our property is worth a small fraction of what it was worth 10 years ago and its income generating capability has all but disappeared.

I hereby formally object to the proposed 9.4% Rates Increase.

Grant Easton - SUBMISSION DRAFT BUDGET 2016/2017

From: Christopher Spies <cspies9@gmail.com>
To: <geaston@knysna.gov.za>, <mayor@knysna.gov.za>, <ebouw@knysna.gov.za>, <asunkar@knysna.gov.za>
Date: 2016/05/03 11:07 PM
Subject: SUBMISSION DRAFT BUDGET 2016/2017
Attachments: CX Press 20 April 2016.pdf

Office of the
 Municipal Manager
 Knysna Municipality
 Clyde Street
 Knysna
 6570

Dear Mr Easton

Re: SUBMISSION DRAFT BUDGET 2016/2017

I consider myself as a local boy that grew up in this beautiful town and residing in Knysna since my birth during the seventies. I have attended a number of meetings in my personal capacity over the years and have bitten my tongue in some, because I never wanted to offend anyone.

I have decided to make a submission in my personal capacity, based on the inputs that I've received at different community engagements. This submission will only focus on three issues of concern, that I have raised in the recent past. It relates to electricity tariffs, increases rates and tax as well as budget allocations.

1. ELECTRICITY TARIFFS: Daily Rate

Electricity tariffs remain one of the most expensive, but important commodities during these financial challenging times. I attended two public meetings where the proposed budget was presented and no presentation on the final electricity tariffs was available. This information was requested by me and the municipal officials informed the audience that the calculations has not been finalised yet. I was therefore unable to pose specific questions regarding the draft budget, based on the daily tariffs.

I can recall that the daily tariff was only introduced in the term of the previous administration and Knysna was one of the first towns in the Garden route to introduce such a tariff or charges. A number of senior citizens objected against the introduction of the daily charges, but the implementation nevertheless continued.

Individual councillors also objected against the implementation, but nothing has changed since the last local government elections. It is very unfortunate that this matter couldn't be discussed in detail during these engagements.

I have asked the current Municipal Manager at two different occasions regarding the purpose of these daily charges and the answer still puzzles me. It is my understanding, through responses by the Municipal Manager and previous Financial Officer, that the daily tariff was introduced to ensure that holiday homeowners that are residing in Pretoria or overseas contribute to the revenue or electricity connection through this daily tariff. I am still of the view that poor households, senior citizens and the working class cannot be held responsible for property owners that only consider Knysna as a holiday destination or bought properties for investment purposes. Other means should be looked at to penalise these property owners.

The letter dated 18 March 2016 from Eskom directed at the municipal manager give clear direction on the 7.64% increase. It gives clear guidelines on how the increase should be calculated. This

*there are other
tariffs - consolidated
one*

calculation makes provision for Bulk purchases, salaries, repairs and maintenance, Capital charges and other costs. I am not an expert on electricity tariffs or municipal budget, but it is my understanding that all expenses incurred are covered with these calculations.

Another letter from the Western Cape Provincial Treasury 15 March 2016 also gives direction on how the mandatory increase should be incorporated into the budget.

None of these letters address the daily tariff.

I've also searched through the tariff policy to get a better understanding on how this tariff operates and for what expenses these charges cover. I am still not in a position to understand the initial implementation and don't want to jump to conclusions.

I therefore want to suggest that we take a good look at the whole structure of electricity tariffs in Knysna in comparison with the past ten years. I suspect that a lot of revenue are being generated with the continuation of the current method.

The current situation is placing a lot of strain on pensioners, unemployed, working class households and even the business sector. All of us are affected even the current councillors.

I am not an expert on the economy, but I can assure you it impacted heavily on the sustainability of local business and some ceased to operate or downscaled.

It is my view that local government should play a meaningful role to improve the life of all our people and should reconsider the continuation of the different types of tariffs. I therefore strongly object to the continuation of these daily charges and the increase on it. Nersa, Eskom and the Provincial Treasury clearly mandated the municipality in the letters on what increases should be included for electricity in the budget for 2016/2017. Based on the above I want to request council to take a good look at this matter to the benefit of all.

2. RATES AND TAX INCREASES

I have noted a proposed increase of 8.9% in most tariff categories and even a 9.5% increase with regards to solid waste(refuse) service. The proposed increase is much more than the 7.5% increase for different services tariffs during the previous financial year.

Throughout the democratic years we have heard of tax reliefs given by national treasury to lessen the burden on taxpayers in different income brackets. Through extensive negotiations by employers and employees representatives an annual cost of living adjustment of 7.6 percent were approved for most government employees. Pensioners and government grant beneficiaries also received a minimal increase in their monthly grants also known as ALL PAY grants from the Ministry of Finance.

The proposed increases are above inflation. It is much more than increases that government employees will receive as well as pensioners.

I am quite aware that the indigent policy that is mostly financed by the National Government makes provision for households that falls within specific income brackets, but some are still affected.

The implementation of the proposed tariffs is reversing some gains received since the beginning of January 2016. I am of the view that council should look how these increases, that are higher than 2015/2016 budget and above inflation, impact on individuals, households and the business sector. Such increases should be in line with inflation and salary increases in the public and private sector, which is not the case now.

We need to be mindful of the fact that the current economic climate impacted heavily on local residents. The very same residents also need to deal with increased food prices, monthly fuel increases and taxi fees increases.

Local government is the closest to the people and should relieve some of the burdens from the

already burdened taxpayers. Please also find a letter attached that was published in the CX Press on 20 April 2016. It explains some of the issues raised above.

I object to the implementation of tariff increases in the current form and propose that tariff increase to be in line of the current economic situation in our country.

3. ALLOCATION OF BUDGET

There is still a perception that more money are being spend and better services rendered in the affluent areas. These perceptions are continuously being raised during community meetings. It is not a fact and I am of the view that the authors of this budget should look at methods or mechanisms to address this perception.

I've made an example at the public meeting on 26 April 2016 at the Hornlee Community Hall of the specific allocation of R4.6 million for the upgrading of Grey Street. The meeting was informed by a municipal official that the upgrade of Grey Street was part of the list of priorities identified through the current IDP, which is understandable.

I've made specific examples of St Theresa Street, Stroebel Street, Shamrock Street and Wing Street which are being used by a lot of pedestrians, in particular school children that uses these roads to get to the Fraaisig Primary School, Knysna Secondary School and Hornlee Primary Schools. It is a fact that it is quite dangerous and the only pavement that could be used by pedestrians is in Stroebel Street.

The road surface is in a bad condition and potholes are only being filled up after heavy rain. These streets should be included and allocations indicated in the budget. Such allocations should also reflect in the budget in an effort to deal with these perceptions as indicated above.

Other issues that were not addressed in the IDP are being budgeted for in the draft budget. It can therefore not be used as an excuse not to include some of these streets in the current budget.

I have learned a lot through these engagements and I trust that all inputs will be dealt with. Knysna is a town where people and nature prosper. I am of the view that all of us want to contribute to good quality of life for the residents of Knysna. May these contributions receive your favourable consideration.

Yours sincerely!

Mr CE Spies

Questioning Knysna rebates for seniors and the medically unfit

I refer to the new rebates (Senior Citizen Rates Rebate 2016/7) and strongly object to the unfair manner in which Knysna Council has altered the categories in such a way that the poorest old age pensioners/medically unfit persons are being made to pay exorbitant increases while the more affluent pensioners get the same rebate as last year.

I give the example of my own case.

Last year my income bracket put me in the 80% category and my monthly rates account was R71.58; this year that same income puts me in the 40% category and my monthly rates will be R285.20 - an increase of 400% while the pensioners in the first category (5%) get a 0% increase!

Fortunately (or unfortunately, perhaps) I received an increase of R80 a month from the SASSA old age grant, which now puts me in the 30% category.

Now my new rates amount will be R386.27 per month (a 540% increase) so my generous increase from the government goes straight to you - plus more.

Is this fair to the people who can least afford it?

Shouldn't the table be altered the other way around so the more affluent get the increase and preferably the poorer get a better deal?

I ask that you reconsider this situation in the interests of the not so well off. I await your response.

M Galloway, Knysna
(Knysna Municipality advised as follows: 'Council has commenced with the public consultation process on the 2016/7 budget and we encourage all residents to make use of this process and become actively involved instead of commenting via the media. Visit www.knysna.gov.za to find out public meeting times or submit your comments in writing to the Municipal Manager by May 3. - Ed.)

SUBMISSIONS FOR THE BUDGET 2016/17 : WARD 5, BELVIDERE ESTATE

The following budget submissions are to be considered.

ROADS

The roads in Belvidere Estate are starting to deteriorate and this deterioration can be stopped and the life of these roads extended. A quotation for the resurfacing of Upper and Lower Duthie Drive has been received and was forwarded to you for consideration. It has already been agreed between the Municipal Manager and ourselves that this would be a PPP of a 50% contribution by both parties. This matter has been discussed with the technical department, Shaun Maree.

JETTY

The Belvidere Estate jetty and gazebo that are situated at the lower end of Duthie Drive and extend into Knysna Lagoon, have 14 poles that have deteriorated to such an extent that they could be deemed unsafe. Quotations have been obtained from Sea Services for the replacement and installation of these poles and this would amount to a value of just on R100 000. A PPP arrangement could be discussed in this regard.

The jetty and gazebo is open to the public, but there is a legal dispute as to the ownership and leasing arrangements of this facility which has been brought to the attention of the Knysna Municipal personnel, and meetings have been held with the Parks Board, the Municipal Manager and their legal representatives regarding this matter.

PICK-UP POINT SHELTERS

In the original design of Belvidere Estate no allowance was made for the transportation of employees, and after the withdrawal of the bus service in about 1998 this has led to employees having to either wait for taxis or hitchhike to their place of residence. During hot or inclement weather there is no form of shelter whatsoever.

In consultation with the Knysna Traffic dept and Town Planning, two sites have been identified for the erection of two shelters which have been designed in accordance with the Belvidere Architectural Design. These have been approved by the Belvidere Architectural committee and we have obtained a quotation for R82 000 for their erection, which can be considered as a PPP on a 50/50 basis. This includes all earthwork and paving requirements. These shelters still have to be approved by the Knysna Town Planning dept.

This issue has been discussed with a number of the employees who look upon this as an upliftment and an improvement in their circumstances. The local residents have been consulted and there are no objections as to their situation. The shelters will be constructed by builders from the Rheenendal community thus creating an opportunity for employment.

DRAINAGE

At the end of Sophie Gray Avenue on Belvidere Estate is a small entrance and roadway which leads down to the lagoon sewage pumping station (as it is commonly known). This area is prone to flooding due to the type of soil and the lack of run-off. It is proposed that a herringbone draining system be installed which would relieve vehicles from becoming stuck in this area. This herringbone system is a series of trenches which are filled with the necessary material and stones so as to assist drainage. This again would be done manually and would be supervised by one of the retired residents of the Estate who has a vast knowledge of drainage. The estimated cost for this scheme is approximately R40 000, and this would also be considered as a PPP with a 50/50 cost to each partner.

MIKE MILLS

Chairman

Belvidere Homeowners Association

11.05.16

From: Grant Easton
To: Pariksha Gobrie; William Fillies
CC: Anita Strydom; Jenny Visagie; Nobesuthu Fundi; Zingisani Myakala
Date: 2016/05/11 09:38 AM
Subject: Rebate Policy

1. William discuss
2. get rid of

thnx

Grant Easton (Municipal Manager)
PO Box 21, Knysna, 6570 - Western Cape, South Africa
Tel.: +27 (0)44 302 6300
(switchboard) or 302 6302 (direct)
Fax: +27 (0)86 658 9636
- E-mail: geaston@knysna.gov.za

>>>

From: Louisa Hart
To: Grant Easton
CC: Pariksha Gobrie
Date: 2016/04/28 11:01 AM
Subject: Rebate Policy
Hi Grant

We definitely have to re look our rebate policy. There are 2 issues that worries me.

The fact that one has to own the house to be able to qualify for a rebate. There are many very poor people that this cut out of our system. They cannot afford a house or the house has been left to them and they live there but do not have the funds to transfer the house to their name. The Alzheimer properties is also not in the name of the organization so they cannot apply for a rebate. This cause undue hardship and I firmly believe this section of the policy should be changed prior to the budget's acceptance.

I was informed that one now has to live in your house for 5 years before you can apply for a rebate. This cuts out a large number of our communities especially the ones that has just received their RDP houses and other poor people that has just acquired a dwelling. This cannot be acceptable so this also need to be changed prior to the budget's acceptance.

Regards
Louise

Councillor Louisa Hart
WARD 2 COUNCILLOR
P O Box 21, Knysna. 6570. Western Cape. South Africa
Tel +27 (0)44 302 6300 (switchboard) or 302 6353 (direct)
Fax +27 (0)86 214 7908 lhart@knysna.gov.za

From: Jerry George <jerry.jageo@gmail.com>
To: <budget@knysna.gov.za>
Date: 2016/05/11 10:27 AM
Subject: Objection to Municipality Tariffs Increase

The Council of Knysna Municipality

I herewith *object to all proposed tariffs increase 2016/17* as it is well above the present inflation rate of 6.5%.

Yours sincerely

JA George
572 Upper Hill
Old Belvidere
Knysna

From: "Nigel Moon" <10858447@yebo.co.za>
To: <budget@knysna.gov.za>
Date: 2016/05/11 04:18 PM
Subject: Knysna Property Rates and Utility Tariff Increases in 2016/17: OBJECTION

Please note that I hereby object to the increases as proposed.

I have noted that, not only are the increases above those of previous years,
BUT they are also considerably higher than current inflation.

CONCERNED RATEPAYER

From: "Penny" <pendenis@mweb.co.za>
To: <budget@knysna.gov.za>
CC: "Nicci Diederichs Mander" <nicci@futureworks.co.za>, "Candace Myers" <candace@stratexec.co.za>, "stevek@netactive.co.za" <stevek@netactive.co.za>, "Tony Rischbieter" <anthonyjames@icon.co.za>, <daubert@telkomsa.net>, <sarie@cordinsa.co.za>, "sven Liedberg" <liedberg@lantic.net>
Date: 2016/05/11 10:22 AM
Subject: objection from Brenton Ratepayers Association - 2016/2017 budget - Ward 5

On behalf of the Brenton Ratepayers Association we would like to place on record that we strongly object to the proposed 8.90 % rates increase as well as the 9.50% refuse increase for the 2016/2017 financial year. This is much steeper than in previous years firstly, and secondly way above the inflation rate. If the increases carry on at this rate, it will become unaffordable for many of the residents.

We look forward to your response on this

Yours sincerely

Penny Houeld

Vice Chairperson and Secretary

Brenton Ratepayers Association Committee

082 468 2506

044 381 0397

From: Susanne Jasper <susannejasper@yahoo.de>
To: "budget@knysna.gov.za" <budget@knysna.gov.za>
Date: 2016/05/11 12:05 PM
Subject: Knysna Municipality Proposed Budget 2016/17

Dear Sir/Madam,

I hereby strongly oppose the suggested increase of the rates for budget period 2016/17 specifically. It does not seem appropriate to pay all expenditures in the greater Knysna area from the pockets of the house owners alone. With the suggested increase of 8.9% this coming year, the rates will have hiked up a whopping 28.36% since 2013. This is far from moderate and what a regular household in our area can bear. You must also consider that any increase in the future will be even higher as it will be based on this very high percentage already, thus increasing the burden on the households even more.

We were told at the Budget meeting in Old Belvidere last night that the municipality has no other income options other than rates and service charges. Why doesn't Knysna - like many other towns and regions - consider introducing a tourism levy per bed (obviously with a maximum cap for longer stays). Many of the services are provided to hundreds of thousands of visitors each year and it is hard on the population of a predominant holiday town to carry all burden of investments this entails all on their own shoulders, in addition to all the housing developments and services provided to those, which are also paid by the same people.

In addition to this suggestion I would like to bring to your attention - also because it didn't show on the presentation last night - that the installation of a proper drainage system for rainwater MUST be a priority on the Ward 5 list for Queen Street in Old Belvidere. At the bottom of the village we have (except for Portland Avenue) basically no drainage what so ever. Most properties on the higher slopes (Upper Hill Street specifically) have tarred or paved driveways, parking spaces and courtyards, so the ground does no longer absorb rain water there. The water runs down the hill and is not at all channeled to avoid harm to the houses at the bottom of the hill. This in addition to the much increased descent of water due to the harvesting of much of the pine forest atop Old Belvidere, the roots of which no longer hold the water, is a development which has most likely not been properly considered previously but poses considerable potential for property harm.

As the Council must be aware from talks with our prior Committee chairman Mr. Len Dabner, our own property (Erf 212) has suffered a property damage just as a direct consequence of this lack of a drainage system this year in the amount of roughly R 30,000. Our entire garage and guest flat were set under water, all floors needed replacing, the rooms renovating. Luckily no built-in furniture or other items were damaged (this time). Existing earthen channels have only been dug out AFTER that damage had already occurred and our protest heard. Meanwhile nothing else has been done, we were informed this was not a priority of the municipality / ward and the gullies have already overgrown again. We are only at the beginning of the rainy season, however. We expect this pending issue and threat to our property (and that of our neighbors) to be put high onto the agenda of Ward 5 and the municipality, so that future property damage can be averted properly - one of the foremost duties of any municipality. We are not only talking flooding of rooms, we also have to be aware of flooding of foundations, moisture rising inside walls, etc. due to the lack of proper drainage. The damage caused by non-drainage of the over-burdened ground can be substantial. This is why we urgently need a proper channeling of the water flow down the hill, which has so far been neglected.

Looking forward to a reply in the near future.

Thank you and kind regards,

Susanne Jasper, Queen St. 6, Old Belvidere

From: "tim brukman" <tg@telkomsa.net>
To: <knysna@knysna.gov.za>, <budget@knysna.gov.za>
Date: 2016/05/11 02:40 PM
Subject: comments on budget

Dear Sirs , I am the owner of Erf 192 Old Belvidere.

Our meeting yesterday in the church hall here refers.

I am very concerned at the level of increase of the general rates and related services as proposed - they are excessive and outstrip even the inflation rate. You are urged to review and reduce these increases.

Regards

Tim Brukman
Tel. 044-3860136
Tim cell. 0739061912
Sue cell.0833519133

This email has been checked for viruses by Avast antivirus software.
<https://www.avast.com/antivirus>

KNYSNA YOUTH COUNCIL

10 May 2016

KNYSNA MUNICIPALITY

06 Clyde Street

KNYSNA

6571

ATT: Municipal Manger

RE: SUBMISSION TO 2016/2017 BUDGET

The Knysna Youth Council would like serve a formal submission to the Knysna Municipal Council to make provision for youth projects and programmes; to be tabled and approved for the 2016/2017 financial year.

The establishment of the Knysna Youth Council as approved by the Knysna Municipal Council is mandated to mainstream youth development delivering an integrated and holistic package of services to all the youth as referenced within the Knysna Youth Development Policy 2015-2020. Therefore the policy makes reference to chapter 11 outlining adequate resources required to fulfill the implementation as per the approved policy. The chapter makes reference to financial resources required to ensure implementation to proposed projects and activities within the Knysna Municipal boundaries.

Based on the aforementioned the Knysna Youth Council propose provision be made in the 2016/2017 budget outlined as per chapter 9 of the Knysna Youth Development Policy specified as per below;

Strategic Objective 1: Youth and Skills Development

Strategic Objective2: Youth and Sport Development

Strategic Objective 3: Youth and Enterprises Development

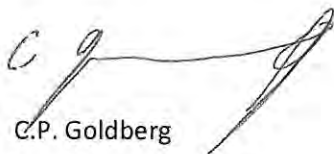
Strategic Objective 4: Youth and Tourism

Strategic Objective 5: Youth and Social Development

With reference to the Draft Budget Annexure 7 MTREF 2016/2017 the Knysna Youth Council would like to request that Youth Development have a budget line item and not included under Department Disaster Management and Social Services.

The Knysna Youth Council therefore requests that this proposal and the content thereof be considered and included in the 2016/2017 Budget.

Best Regards



C.P. Goldberg

SECRETARY: KNYSNA YOUTH COUNCIL

The Municipal Manager
Knysna Municipality
Clyde Street
Knysna
6570

Thembinkosi Booysen
98 Mbethane Street
Khayaalethu
Knysna
6571



16 May 2016

**PROPOSAL FOR THE ESTABLISHMENT OF A KICK START YOUTH
SERVICE CENTRE**

I realize that the due date for submissions for the 2016/17 has already expired, but unfortunately I had to think through my proposal thoroughly and do some proper research before I could make my proposal to you. I am quite excited about the venture which the municipality has now started which is to create a structure in the community which deals specifically with the issues of young people in the community. This shows that the municipality is really serious to push youth development in our areas.

I have discussed the following proposal with my peers and a number of youngsters who are really worried about the state of our youth and wants to work together to provide alternatives for the drug and alcohol abuse, teenage pregnancies, low self-esteem, etc. We really need a Youth Centre similar to the one that the President of the country has recently launched in Beaufort West, there is also a very vibrant youth centre in George. I know that the Love Life Centre was also similar initiative but it shows that we need good management to make sure that the centre is utilized for the purposes it was intended to and get young people to run a number of programmes aimed at addressing the

challenges which our youngsters are facing. The proposal for the Kick Start Youth Centre consist of the following:

AIM: Is to gather all the youth in the community with different skills and talent in order to develop them and sharpen them for the future. The skills and talent will also make them more resilient to overcome the challenges they are facing on a daily basis.

OBJECTIVE: Is to ensure that we create strong and well-mentored youth with a vision and mission in life. It will also help them to prosper in diversity in all our surroundings.

OVERALL: The Kick Start Youth Centre will be a place where the youth of the community of Knysna will go to get skilled in different aspects such as sewing, carpentry, welding, upholstery, shoe-making, arts & crafts etc. If youth are empowered with these skills they can also use it to get a job or generate income out of it. This will help a lot with the growing unemployment amongst our youth.

I also do understand that not everyone is creative and there will be other activities to stimulate their diverse talents. The youth centre must also be a place where youngsters can come and relax and therefore it will accommodate indoor sports and ball room and other dance classes. I've noticed that all municipal buildings are standing empty at night and the municipality have to employ security guards to look after an empty building. The centre can be used at night to accommodate church and cultural activities after hours. It can be used to give classes to kids who want to finish their matric and also allow those who study but do not have a place at home to study there in peace and quiet. Another thing which the municipality can also consider is to make the libraries open for later at night to allow students who have to study for exams come there to study because a lot of the students do not have electricity, no space at home and also

do not have access to the internet for research. The centre can also be used to give ABET classes to those who work during the day and offer learnerships and skills programmes during the day for those who are not working.

From a business perspective the centre can also have an internet café in the form of a coffee shop or cafeteria which sells fast foods. The centre can also provide a tour guiding service to tourists who come and visit the area. Youngsters who are trained tour guides can take international and local tourists on guided tours through the location same as Kasi Tours. When visitors come to the centre there must be a place where hand made products are displayed and tourists can be entertained with different dancing activities and music on offer. The centre can even host a small gym with minimum equipment to promote a healthy lifestyle for youngsters. The youth that come to the gym can pay a small fee to help with the maintenance of the centre. All the above services can be given to local youth entrepreneurs who can rent the space from the centre and in the same time make a living for themselves.

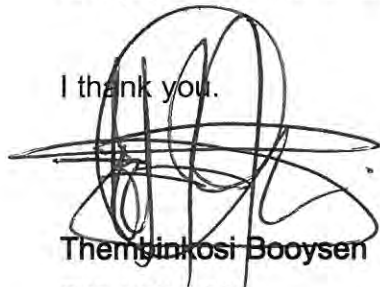
I was attending an education imbizo earlier this year in Cape Town where all the universities, colleges and higher learning institutions came to advertise the different study programmes and bursaries they offer, also the private sector and public sector were present to showcase their services to the youth. This centre can host such a imbizo on a regular basis.

The above is just some of the ideas that I thought of when imagining a youth centre for Knysna. This brings me to my submission for the budget that money must be made available in the 2016 – 2017 budget for somebody to draw up a proper business plan for this youth centre. I can ensure you that if somebody do research amongst the youth for such a centre they will come up with even more and better ideas on what the centre can offer for the youth of Knysna. I know that the municipality will not be able to afford such a centre and therefore the

business plan must look at where to get money from other government departments and also talk to private sector companies who make a lot of money from the municipality and this is one way how they can plow back into the community by helping to make this centre a reality.

I hope that you will really consider this proposal and at least start with the business planning of this project in this year. I also gave a copy of this proposal to my ward councilor Gombo and to Busi at the Youth Advisor office in Khayaletu to take it forward.

I thank you.

A handwritten signature in black ink, appearing to be 'Thembinkosi Booysen', written over a circular stamp or logo.

Thembinkosi Booysen

076 563 2806

Email: thembinkosiboosysen@gmail.com

2016/17MTREF SUMMARY OF COMMENTS AT THE PUBLIC BUDGET MEETINGS HELD

Number	Issues Raised	Relevant Directorate
Ward 1		
1.	Tariff increases to be kept to the minimum to minimize the impact such increases will have on the financial sustainability of households	Finance
2.	Continue with phase 2 of the electrification project in Die Gaatjie informal settlements Budget for electrification of other informal settlements (Beverly Hills and Slangepark)	Electro-technical Services
3.	One of the programmes funded from the ward budget should address the increasing learner dropout rates at schools. These early school leavers must be accommodated into a technical skills development programme	Community Services
4.	Subsidies and rebates to be reviewed in the 2016/17 budget because the indigent subsidy and rebates have stayed stagnant for years and is not in line with current cost of living	Finance
5.	<ul style="list-style-type: none"> Fast track identification of land for housing delivery in informal settlements Housing delivery must also accommodate backyard dwellers Community to be informed of specific timeframes of housing delivery in Sedgefield 	Planning & Development
6.	Urgent request for repairing of old RDP houses that poses serious threats to occupants. If Government does not provide funding for rectification then the municipality must budget for this purpose	Planning & development
7.	Fencing of the community hall is seen as wasteful expenditure as the construction of the Multi-purpose Centre still needs to commence	Community Services
8.	Complaints about the appalling condition of eco-toilet facilities in informal settlements	Planning & Development
9.	Limited capacity of the WWTW to accommodate further housing development	Technical Services
10.	Roll-out of a wheelie bin refuse removal system for Smutsville/Sizamile	Community Services
11.	Only a few residents received their transfers of title deeds and the question was raised if residents that has been paying rent for years will be re-imbursed?	Planning & Development
12.	The rates policy makes it difficult for residents to qualify for rebates especially in cases where the parents are deceased and has left the house to the children who are unable to pay the required rates	Finance
13.	Implementation of sustainable job creation initiatives and economic development programmes for emerging entrepreneurs	Planning & development
14.	Putting up of guardrails along high risk streets in Beverly Hills	Technical Services
15.	Increase the amount of refuse bags distributed per household in the informal settlements and start with a recycling programme in Sedgefield	Community Services

Ward 2

1.	Limited employment and business opportunities for people in Karatara	Planning & Development
2.	Establishment of shelters at taxi/bus pick-up points	Technical Services
3.	Provision of adequate housing opportunities in Karatara	Planning & Development
4.	Accelerate the process of transferring the houses in Karatara to its rightful owners	Corporate Services
5.	Upgrading of the WWTW in Sedgefield must be accommodated in the 2016/17 budget	Technical Services
6.	Complaints raised about the sub-standard infrastructure of the roads	Technical Services
7.	Municipal tariffs for businesses to be reviewed to make it more affordable for entrepreneurs	Finance

Ward 3

1.	Roads in the ward are in a poor condition and roads budget are not spent cost-effectively	Technical Services
2.	Lack of service delivery and development at Brackenhill and Diepwalle	Planning & Development
3.	Additional toilet facilities and standpipes at informal settlements	Planning & Development
4.	Facilitate a process to get Depts. of Education, SAPS and Health to come and address the community on the progress of the requested clinic, school and satellite police station for the ward	Community Services

Ward 4

1.	Request for electrification of informal settlements	Electro-technical Services
2.	Higher costs of pre-paid electricity at private vendors	Finance
3.	Long delays in the deeds transfer of houses and subsequent property tax levied on houses that are not yet transferred to the owners	Finance
4.	Adequate budget to be made available for the establishment of sport facilities and the roll-out of sport development programmes	Community Services
5.	Request for financial and capacity building assistance for emerging businesses	Planning & Development
6.	Supply Chain Management policies and procedures must facilitate access to business opportunities for emerging entrepreneurs in the ward	Finance
7.	Effective repair programme for potholes and proper repair of road surface after roadwork has been completed. Example was made of a road that was fixed near the Chris Nissen School but the road surface was not properly repaired for the last two months	Technical Services
8.	Municipality to make budget available for rectification of damaged or cracked RDP houses	Planning & Development
9.	Municipality to budget adequately for more bursaries to students who want to further their studies at accredited tertiary institutions	Mayor's Office
10.	Ward Committees to be more involved in the budgeting process of the municipality as well as deciding on how the ward budgets (R200 000) must be spent in the ward	Ward Councillors
11.	The budget presentation reflects that the municipality only spend money in Ward 4 that comes from other government Departments example housing, but does not invest money from own funds in Ward 4	Finance
12.	None of the priorities identified in the IDP process by Ward 4 has received any money in the budget except for housing	Planning & Development
13.	Budget must make provision for disaster management and especially for emergency housing due to frequent floods during the winter period or shack fires during the fire season. More gumplast and sails must be available for households who suffered damage to their houses	Community Services

14.	Local people of the ward must get employment opportunities in the infrastructure, roads upgrading and housing projects that is rolled out in Ward 4	Technical Services
Ward 5		
1.	Construction of a roofed shelter for the people waiting at the clinic in Rheenendal	Community Services
2.	Proper storm water network to be installed in the old section of Rheenendal	Technical Services
3.	Delivery of housing opportunities in Rheenendal. How will Rheenendal benefit from the R57m housing grant which will be received from the Department of Human Settlements for 2016/17?	Planning & Development
4.	Establishment of a swimming pool in Rheenendal	Community Services
5.	Construction of a wheelchair ramp at a house of a person with disability in 457 Pine Street, Rheenendal	Community Services
6.	Poor condition of streets especially in Pine & Murray Streets in Rheenendal	Technical Services
7.	Request for additional toilets and water standpipes at Lapland informal settlement	Planning & Development
8.	Electrification of Lapland informal settlement	Electro-technical Services
9.	Building of outside toilets onto existing houses in Rheenendal	Planning & Development
10.	Putting up of solar geysers at houses that was not done as part of previous project	Electro-technical Services
11.	Roll-out of youth development programmes in Rheenendal	Community Services
12.	Establishment of a satellite fire station in Rheenendal	Community Services
13.	Limited space in the existing graveyard in Rheenendal and the graveyard needs to be fenced	Community Services
14.	<ul style="list-style-type: none"> • More frequent public transport services for people working in Brenton, Buffalo Bay & Belvidere • Putting up of shelters at taxi/bus pick up points 	Technical Services
15.	High tariff hikes in rates and services proposed would be unaffordable to most households in the GKMA especially pensioners who can barely keep up the current municipal accounts. Council must really re-consider the proposed tariffs and at least bring it in line with inflation rate.	Finance
16.	The presentation of the budget should be done in a way to explain what the percentage increases proposed equate in rand value for different categories of households	Finance
17.	Knysna Municipality to play a facilitation role to get Eden District municipality to repair and clean the verges of the access road to Belvidere and Brenton. Officials at Knysna Municipality should not just pull up their shoulders and say it's not their problem because ordinary ratepayers do not have access to Eden District Municipality whose offices are in George	Community Services/Technical Services
18.	Knysna Municipality is requested to clarify the confusion of the ownership of the jetty in Old Belvidere between Sanparks and the Belvidere Home Owner's Association	Technical Services
19.	Request to make more money available in the budget for road repairs	Technical Services
20.	Municipality to explore alternative funding sources from other spheres of government and private sector agencies especially in terms of water, sewerage and refuse removal infrastructure. Government should come to the party to assist in establishing the infrastructure for these basic services	Technical Services/Community Services

21.	Concerns have been raised about the rapid population growth which can be largely attributed to migration trends from other provinces in search of housing and job opportunities. This tendency also put a lot of pressure on the already stretched infrastructure	Planning & Development
Ward 6		
1.	Accelerate the housing rectification programme in Hornlee	Planning & Development
2.	Additional toilets and standpipes in the Ou Pad, Hlalani and Marikana informal settlements	Planning & Development
3.	Putting up of a traffic light at Nekkies and Hornlee intersections with the N2	Community Services
4.	Housing programme for backyard dwellers in Hornlee	Planning & Development
5.	Provision of electricity, water and sewerage connections for backyard dwellers in Hornlee	Technical Services
6.	Repairing of potholes in the road at the New Apostolic Church	Technical services
7.	Putting up of street lights along the N2 from Lamco to the Bakery	Electro-technical Services
8.	Upgrading of Stroebel Street and Wing Street in Hornlee	Technical Services
9.	Clearing of overgrown bushes in the area especially near the play parks and schools	Community services
10.	Putting up of lighting along the footpath from Lamco to the industrial area	Electro-technical Services
11.	Create opportunities for emerging entrepreneurs through the Supply Chain Management procedures	Finance
12.	Budget to make provision for the functioning of the youth council and to implement the programmes identified by the youth council	Community Services
13.	Installation and regular monitoring of water meters in Hornlee	Finance
Ward 7		
1.	Establishment of a satellite police station	Community Services
2.	Complaints about the poor condition of roads	Technical Services
3.	Municipality to keep contractors to their commitment to employ local labour in municipal and government capital projects	Technical Services
4.	Housing rectification programme especially for the dilapidated bungalows	Planning & Development
5.	The municipality must budget for the roll-out of internships and learner ships for young matriculates who cannot afford to further their studies	Community Services
6.	Putting up of guardrails at high-risk roads	Technical Services
7.	Councilor must communicate more with the people of the ward and consult on the utilization of the ward budget	MM
Ward 8		
1.	The upgrading of Concordia Road and Tsubatsi Street must be high on the priority list in the 2016/17 roads budget allocation	Technical Services
2.	The road next to Rosie's Inn (Mvuleni Street) is in urgent need of upgrading and stabilization because that is an accident waiting to happen. Because of the condition of the road, cars are moving to the opposite side of the road to miss the potholes which can cause a collision because a small hill in the road is blurring the driver's vision	Technical Services
3.	Establishment of a play park in Ward 8 is a high priority	Community Services
4.	Upgrading of Joodse Kamp sport field must be fast tracked	Community Services
5.	Adequate budget provision must be made for youth development in the area	Community Services
6.	Empowerment of the recently established Knysna Youth Council to effectively participate in the budget and IDP processes of the municipality	Planning & Development
7.	Concerns about the steep increase in electricity and water tariffs for 2016/17	Finance

8.	Request that the ward councilor must spend the ward budget (R200 000) in Ward 8 before the end of the financial year on high impact projects & programmes, especially crime prevention and unemployment	Ward Councillor
9.	Establishment of a community hall remains a high priority in the ward	Community Services
10.	Council must seriously consider the upgrading and provision of services and infrastructure for the Rosemore community	Planning & Development
11.	Request for the equitable distribution of funds in all wards of GKMA	Finance
12.	The communication of public meetings must be done well ahead of the meeting to facilitate better attendance of the meetings	Corporate Services
Ward 9		
1.	Fast-tracking of the implementation of the ABSA housing development	Planning & Development
2.	Construction of retaining walls in hazardous areas	Planning & Development
3.	More funding to be made available in the 2016/17 budget for the replacement of old water pipelines at the Heads	Technical Services
4.	Roll-out of skills development programme for the youth	Community Services
5.	Tariff increases must be explained in rand value and not only percentages so that the consumers can understand how much they are going to pay more for rates & services	Finance
6.	Alternative land to be found for a new cemetery	Community Services
Ward 10		
1.	Explore the possibility of less expensive waste removal system other than transporting it to Mossel Bay in order to save costs for the ratepayers	Community Services
2.	Funding in the budget for a comprehensive waste minimization and recycling initiative	Community Services
3.	More opportunities for local emerging entrepreneurs in the tourism initiatives and festivals in Knysna and Sedgefield	Planning & development
4.	Review policy on environmental rebates to households to make provision for an incentive approach instead of automatic rebates	Finance
5.	Upgrading of bulk services infrastructure to keep track of future development in the area	Technical Services
6.	2016/17 budget should make provision for the implementation of short-term projects identified in the ISDF	Planning & Development
7.	Installation of pre-paid electricity meters for all households	Electro-technical Services
8.	Concern raised about the substantial water losses	Technical Services
9.	Re-design of informal trading space on George Rex Drive	Planning & Development
10.	Review the charging of a basic tariff for electricity as well as the monthly service fee and an annual tariff. Too costly for domestic consumers of electricity	Finance
11.	Funding to be made available to explore alternative energy sources (E.g. wind and solar energy)	Electro-technical Services