

**Subject:** DOCRRA comments & questions on KWADUKUZA DRAFT BUDGET FOR FINANCIAL YEAR ENDING JUNE 2023

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**Sent:** Friday, 06 May 2022 16:07

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**Subject:** RE: DOCRRA comments & questions on KWADUKUZA DRAFT BUDGET FOR FINANCIAL YEAR ENDING JUNE 2023

Dear Madam Mayor

Following the presentations made by yourself, the Executive Directors and Directors yesterday afternoon at iLembe Chamber, we have more questions to add to those we submitted previously.

#### FINANCE

- Again, the presentation was only on the 2023 budget, with no context against the 2022 budget or the 2022 adjusted budget. Therefore, with respect, any range of numbers/figures could have been presented as they are not presented against the corresponding amounts. For example, if employment costs budget had been presented as R700m, who of the audience present would have known whether that is an accurate or relevant figure. Again we say that the budget, particularly on operational revenue and expenditure should be presented against relevant comparatives to allow context. The general public/residents do not do the research to understand the trend against which the new budget is presented.
- Again, no context was given about why employment costs for 2023 would be 13% more than the adjusted budget for 2022. And explanation is required.
- While we are pleased with the low electricity increase for domestic users, at 3%, we would like to understand how the budget for electricity is going to be balanced when revenue for this item will only increase at an average of 4%, when costs to Eskom are expected to increase by 8.61%. This must be viewed against the ever-increasing trend of electricity losses costing KDM more.

#### COMMUNITY SERVICES

- ED Khanyile did present the status of 2022 capital projects and the new budget for 2023.
- On his slide 15 he reported that Beach Access mats for wards 1,3,6,11 &22, budgeted at R740k for 2022 we “awaiting delivery”.
- On the same slide he presented Beach Access Wheelchairs for the same wards, budgeted at R78k, “has been delivered”.
- On slide 21 and 22 the same items appear in the 2023 budget, for the same wards, at increased amounts with the description “preparing specifications”
- Why would the same items be re-budgeted for 2023 if they are complete in 2022, at increased amounts? An explanation is required please.

#### CIVIL ENGINEERING

- ED Sithole had an insightful presentation on his department and challenges.
- Slide 17 reflected his Capital and Operational budgets for the years 2017/18 to 2021/22.
- On the operational cost budget, in 2021 he spent 83.9% of his operational budget.
- For the 4 years to 2021, he spent an average of 82.3% of his operational budget.

- Despite these under-spending's, the budget for 2022 was increased by R6.196m, or 5.3%. The budget spend at 31 March was 68%, indicating another underspending of the budget.
- The budget for 2023 is R132 429k, an increase over the 2022 budget of RR9.967, or 8.1%.
- The above is a clear indication of the lack of zero-based budgeting disciplines, an over-estimate of expenditure which requires KDM to increase revenue in order to match the budgeted expenditures.
- The end result is our money lying in your bank account whereas residents could have used that for their living purposes.
- The 5-year trend of underspending on the capital budget was also presented on page 17/slide 34.

#### CIVIL ENGINEERING

- We note that only parking at Ballito office for R1m has been budgeted for ward 6 for 2023.
- Willard Beach parking is a major tourist destination and even before the floods it needed repair. We request that in the revision of the 2023 capital budget that this parking be resurfaced and greened in order to enhance it as a tourist destination.
- Following the floods, a number of roads in wards 6, 22 and 30 need rehabilitation and we request that capital for these areas be found for 2022/23, substantially more than the R1.5m currently presented.

#### COMMUNITY SAFETY

- With the licensing office having been established successfully in the Ballito office, we believe that the budget for the upgrade to the Salt Rock licensing office could be put on hold for more important matters in 2023.

#### REVISION OF THE 2022/23 BUDGET

We acknowledge and agree that, particularly the capital budget, should be revised in light of the recent flood damage incurred. However, as residents and ratepayers we will not have an opportunity to view this revised budget prior to it being presented to Council for adoption on 28 May 2022.

We request KDM, in the interest of disclosure and transparency to highlight to its stakeholders what has been amended, i.e., removed and replaced/decreased/increased so that we can understand the choices made by Council.

We thank you and look forward to your responses and our opportunity to engage in order for us to understand, but also to challenge.

Kind regards

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