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From: Gerrit Le Roux <gdlr@icon.co.za>
Sent: Monday, 20 April 2026 14:18
To: TWK Budget
Cc: pietstander68@gmail.com; Cecil; Francois Roux; george@deodunamis.com; Gerrit Le Roux; Ian Bell; Jacqui Visser; McLaren Eben
Subject: Riviersonderend - Objection to draft budget 2026/2027 -Questions /Suggestions and input to the Draft Budget 2026/2027 regarding the Public participation meeting on 8 April 2026.
Attachments: Riviersonderend _Ward1 Input _Questions and Input -2026_2027 Draft Budget.docx

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Good day, everyone

Attached please find my objection and input to the TWK Budget Committee regarding the TWK and Riviersonderend Draft Budget for 2026/2027.

TWK Budget Committee, kindly acknowledge receipt of this document.

Regards / Groete

Project Champion for the Concerned Group of Riviersonderend Residents

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Riviersonderend - Objection to draft budget 2026/2027 -Questions /Suggestions and input to the Draft Budget 2026/2027 regarding the Public participation meeting on 8 April 2026.

WARD 1: – Riviersonderend –Theewaterskloof

Item Author: Gerrit Le Roux , 23 De la Vigne Street , Riviersonderend

ITEM HEADING:-

Objection to draft budget 2026/2027 -Questions /Suggestions and input to the Draft Budget 2026/2027 regarding the Public participation meeting on 8 April 2026.

AIM/PURPOSE OF REPORT:

To ask questions to get a better understanding specifically regarding to the detail budget for the town Riviersonderend and to challenge certain items of the draft budget that makes no sense or where the writer is of the opinion that the outcome could/ should be different.

Background:

Residents of Riviersonderend are very dissatisfied because no discussions were held with them regarding the town's IDP and other service needs before the budget and IDP documents were compiled. The chances of now trying to amend the Budget and IDP documents, which have already been approved by the council, are almost zero.

During the information sessions there were many questions and inputs from residents about service delivery and capital allocations. Up to now we only know that we did not receive the capital allocation we asked for , without reasons, and we have no idea what has been budgeted for Riviersonderend's service delivery, operating income, and expenses.

We submitted a number of written questions to our Town Manager , Mr. Marco De Jongh, but he informed us through Councillor Stander that his director, Mr. Solomons-Johannes, will answer our questions when he has time to visit us. We will repeat the questions below for your input, please.

The residents of Riviersonderend are very disappointed that during the Draft Budget presentation few or none of their questions could be answered on the evening of the Public Participation meeting. **The presenter then said that we should send the questions to the Budget Department at TWK and that TWK would provide written answers to each person's questions. We also understood that reasons would be given if we requested additional budget for Riviersonderend and it was not allocated again.**

DISCUSSION:

1- Tariff Increase

Following is a table which compares the TWK increases with neighbouring municipalities:

	TWK	Overstrand	Langeberg	Hessequa	CAM
Assesment Rates	5	5	3,7	4,5	3,7
Water	8	5	3,7		3,7
Sewerage	4,5	5	3,7	4,5	3,7
Refuse	11,92	5	8	4,5	3,7
Electricity	8	8,5	9	7	9

So my question is once again, how did they arrive at these figures?

Households Salary < R 6 400	22,172	77%
Total Households	28,884	

The proposed increases are all higher than those of our surrounding municipalities. 77% of our community earns less than R6,400 per month. This means that 77% of the tariff increases are at risk of not being paid, which will cause bad debt and the associated costs to escalate sharply.

In a community as poor as ours, inflation of approximately 3.7% should be the norm when budgeting for own-generated operating income, and thereafter the expenditure should be adjusted accordingly. I will return to the income later, but it may be prudent to budget for a deficit/loss, since there are more than R450 million in outstanding debtors that can support cash flow if we budget properly and set norms for collection.

The maximum increases in salaries and notch adjustments also need to be seriously questioned. Are staff bonuses performance-based, and if not, can they be adjusted accordingly?

2- Operating Revenue/ Cashflow/Conversion Rate

The major items of operating revenue are as follows:

Description R thousand	Current Year 2025/26	Budget Year 2026/27	% of Total Revenue	Growth 2025/26 - 2026/27
Property Rates	170 753	179 291	19%	5%
Service Charges	378 571	408 934	44%	8%
Operational grants	179 224	180 298	19%	1%
Capital grants	127 311	33 210	4%	-74%
Other own Revenue	137 119	131 755	14%	-4%
	992 978	933 488	100%	-6%

	budget	Collection Rate		
		85%	15%	
Property Rates	179,292	152,398	26,894	152,398
Service charges	408,934	347,594	61,340	347,594
	588,226	499,992	88,234	499,992
	A7 Cashflow	Collection rate	sumtotal	
Property Rates	177,139	99%	175,012	
Service charges	352,542	86%	303,926	
	529,681	90%	478,938	

If we are only going to recover 85% (R 499.992 million)of the Rates and Service Charges amounting to R588.266 million, we must provide for a cash shortfall of R88.234 million (15%) for the year. We are also budgeting for R28.561 million per year in interest income that we will probably not receive, because we did not budget to recover any of the R450 million in arrear debtors. The danger here is that we record the interest as income, but if we cannot recover it then there is no corresponding cashflow

How are we going to make up for this cashflow shortage?

However, according to the Cashflow Budget (Table WC031 A1, Table A7), the cashflow revenue for Property Rates (R177.139 million) and Service Charges (R352.542 million) reflects a weighted recovery/conversion rate of 90% and not 85% as mentioned in the documents. The documentation elsewhere refers to either 83% or 85%.

The conversion/recovery target in all KPIs and budget norms must therefore be adjusted to the cashflow percentage of 90% as used in the budget.

3- Irrecoverable Bad Debt Written Off

	2025/26	2026/27	
Outstanding Debtors 28 Feb 2026	454,089,000	??	
TO BE Written Off	16,650,000	15,816,000	
% written off	3.67%		
Debtors over 1 yr	263,505,000		
> 1yr as % of total	58.0%		
Interest received	26,380,000	28,561,000	6%
	28-02-26	>1 yr	% > 1 yr
Organs of state	8,419,000	3,841,000	45.6%
Commercial	49,651,000	13,016,000	26.2%
Households	335,669,000	222,089,000	66.2%
Other	54,315,000	24,541,000	45.2%
TOTAL	448,054,000	263,487,000	58.8%

According to the budget, the irrecoverable bad debt written off for the current financial year is R16.650 million, and for the next financial year it will be R15.816 million. This represents only 3.67% of the total arrear debtors of R450 million.

This is not nearly sufficient, since debtors outstanding for more than 12 months amount to R263.487 million — 58% of total debtors.

How did you arrive at the R16.6 million figure? What was the audit assessment (internal and external) of doubtful debt for impairment and write-off determination?

If 58% of outstanding debtors are more than 12 months overdue, and 66% of poor households are more than 12 months in arrears, then the provision and/or write-off for bad debts should have been far higher than 3.67%.

In my view, there is no plan, focus, or budget to attempt recovery of debtors older than 90 days — and definitely not for those older than 12 months. In August 2025, the >12-month arrears stood at R254 million, and by February 2026 it had risen to R263 million, an increase of R9 million. The chances of recovering more than 50% of the >12-month outstanding debtors (R263 million) are very slim. The entire success of the FRP depends, in my opinion, on recovering these outstanding debtors and taking swift action against those older than 12 months.

I see red flags.

Nowhere in the budget or in your strategic objectives can I find measurable goals/KPIs for the recovery of the R450 million in arrear debtors.

I propose that monthly collection targets be set per debtor age category and Customer Group analysis. Someone's KPIs must be linked to this and they must be held accountable for NON-performance. Internally and for the debt collection contractor.

I propose that you seriously review the role of the debt collection contractor and adjust his income/commission targets so that he earns less (but still fair cost-related income) on the easier monthly collections, while being able to earn substantially more on the difficult older debtors.

Every month the excuse is that there are not enough water meters to install. Please ensure that sufficient funds are now provided for new water meters to support the collection effort. Likewise, ensure there are enough vehicles for officials to install water meters on drip, which will hopefully compel residents to make arrangements.

4- Table SA 17 Borrowing:

Where are you showing the Eskom loan of approximately R100 million? It is no longer a creditor. Should it not also be shown under borrowings?

5- Table SA 36 – Capital Budget Riviersonderend:

Capital budget Approved and allocate for Water WTP			
Riviersonderend			
2025/2026	1,300,000	Upgrading WTP	
2026/2027	6,072,000	Upgrading WTP	
2027/2028	19,992,000	Upgrading WTP	
2028/2029	11,247,000	Upgrading WTP	

Request submitted to TWK budget team for the following (R 13,5 million) but we received only R 6 072 000 plus the current budget of R 1 300 000

Water treatment and pumpstation plant	350,000
Installation of existing Backup Generator	
Security to water treatment plant and pumpstation	
-Electric fence , Security Cameras and Alarms (Solar powered)	
Proper water treatment and purification sysytem	Investigate
Multidam sludge pond and pump station	350,000
Installation of existing Backup Generator	
Security to sewer treatment plant and pumpstation	
-Electric fence , Security Cameras and Alarms (Solar powered)	
Proper sewer treatment plant	Investigate
New water pipeline from mountain	8,500,000
Repair / Replace pipeline from mountain per engineers report	
Repair and clean mountain weir	200,000
Investigate -new weir in river pumpstation	300,000
Security cameras along pipeline	300,000
Investigate -Upgrade op RSE ultra filtration plant	3,500,000
	13,500,000
Plus the current years budget to upgrade WTP for R 1 300 000	1,300,000

The request is that the R 6,072 000 budget for 2026/2027 be used for building repair/ rebuild the water pipeline from the mountain instead of using it for major upgrading of the water treatment plant .This must give a better quality water than currently as per engineer's report.

We have a R 1,3 million budget for the upgrading the WTP in the 2025/2026 financial year. What will happened with this budget if it is not used in 2025/2026 .? Will it be added to the 2027 budget of R 6,072 million .

A couple of weeks ago Riviersonderend owners submitted a request for R 13,5 million for various capital projects all water related , treatment ,pump stations, security and sewer treatment , backup generators through the Ward Committee channel to the speaker for consideration and input to the 2026/2027 capital budget. See above

We now see that R 1,3 is already allocated for 2025/2026 and another R 6 072 000 have been allocated for Water treatment plant. What about the other requests?(R 13,5 mil less R 6.072= R 7 428 000)

The owners as well as Councillor Piet Stander would like to prioritize the new water pipeline from the mountain as priority one, and that the R6,072,000 budget be allocated for this from the 2026/2027 budget, while the current R1.3 million budget for upgrading the WTP be utilised as indicated in the current budget to further increase water quality.

The drafter of the document and ward Councillor George van der Riet met with the Technical Director during the 8 April 2026 draft budget presentation, and he said we should discuss the matter with him. Mr Stander also spoke with the mayor and requested that the construction of the pipeline from the mountain be undertaken now, using the R6,072,000 budget for this. The mayor referred Mr Stander to the technical committee.

Mr Stander undertake to urgently arrange a meeting with Mr Henk Matthee, the engineer, to enable Councillor Stander, the writer, and Mr Van der Riet to be present to discuss Riviersonderend's needs,

The technical team can also provide us with details of the 2027/2028/2029 budgets.”**

6- Creditors outstanding > 12 months

The statement shows that for months now there have been creditors of approximately R86 million where TWK payment has been outstanding for more than 12 months. Could this item have any adverse impact on our finances in the future?

7- Service delivery Budget for Riviersonderend – Ward 1 TWK

During several information sessions, the residents of Riviersonderend raised various issues relating to service levels, and each time the Town Manager, Mr Marco De Jongh, said there was no budget for them.

Some time ago we sent Mr De Jongh a list of questions asking whether he had now applied for budget. His reply to us, conveyed through Councillor Stander, was that his director (Mr Solomons–Johannes) would visit us later when he has time and answer the questions himself.

We cannot wait for a meeting that will only take place once the budget has already been finalised.

Could you please urgently inform us whether Mr De Jongh has indeed requested additional budget for the following matters, and if not, give an indication of which of these matters and how much can now be adjusted in the draft budget:

A) To improve the quality of water

B) Roads

- a. Repair dirt roads damaged by storm water
- b. Grade dirt roads until they are permanently tarred
- c. Tar dirt roads
- d. Repair tarred roads / potholes and damage

C) Filling vacant posts and/or requesting new posts to enable the following:

- a. Cleaning the entire town weekly – and daily cleaning of the Main Street and side streets on a regular basis, daily if possible
- b. More staff for supervision and patrolling at the sewer and water purification/pump station plants, also for extra security until the full security upgrade has been completed
- c. Ensuring firebreaks around the water and sewer plants are done regularly and on time
- d. Cutting grass and cleaning sidewalks on a planned and regular basis, not only when someone requests it. Regular and planned is the criterion – weekly.

D) Prevention of illegal dumping – refuse bins

- a. An attempt to prevent illegal dumping is to place refuse bins in specific areas and have them cleaned regularly. A year ago the RSE town council also considered to place refuse bins at strategic places once budget was available.

E) Stormwater

- a. Is there any budget for stormwater problems?

Recommendation

Please acknowledge receipt .

“We would greatly appreciate either a written reply, or alternatively a meeting with the appropriate senior staff who can address the above questions and provide detail information, once the Draft Budget has been amended in line with our requests and recommendations

This is now completely unnecessary extra work for everyone because there was no participatory process with the residents of Riviersonderend before the Draft Budget was prepared. It would also have helped if the Town Manager had obtained everyone’s input through Ward Committee members before submitting his budget.

We asked him through Councillor Stander to tell us what he budgeted for, but he refused and said we must look at the Draft Budget, which contains no detail for Riviersonderend.

Project Champion for a concerned group of Riviersonderend residents

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