



PREPARED FOR: NCOP Visit Week 26 - 30 October 2020

TOPIC: KANNALAND MUNICIPALITY

DATE: 20 OCTOBER 2020

Municipal code: WC041

Wards: 4

District: Garden Route

Country: South Africa

Prepared by: Unathi Lasiti

Reviewed by: Ben Daza

Background

The Provincial Week is one of the key mechanisms established by the National Council of Provinces (NCOP) to achieve its mandate of representing the country's provinces in the national sphere. It was established in line with the provision of the Constitution of the Republic of South Africa (Act No. 108 of 1996), which obligates the NCOP to *“ensure that provincial interests are taken into account in the national sphere of government”*.

The main aim of the NCOP Provincial Week is to:

- Ensure that provincial delegates to the NCOP keep in touch with developments and challenges facing their provinces;
- Afford delegates to the NCOP an opportunity to interact with their respective provinces and report on their activities in the NCOP with the aim of obtaining new mandates on issues to be placed on the national agenda;
- Provide a forum for the exchange and sharing of ideas around service delivery issues and challenges facing the provinces in fulfilling their roles; and
- Create an opportunity for the NCOP and provinces to work together in seeking solutions and developing new ways to address the challenges facing local government and ensuring that the local government sphere responds adequately to the mandate of delivering services to communities.

In light of the above, the NCOP permanent delegates and Members of the WCPP will embark on a NCOP Provincial Visit Week in Kannaland Municipality from 27 – 30 October 2020, as per the attached Programme. The theme for the Provincial Week is ***“Ensuring Capable and Financially Sound Municipalities”***.

1. Kannaland Local Municipality

1.1 Introduction to municipality

Kannaland Municipality is a Category B municipality located within the Garden Route District Municipality in the Western Cape province of South Africa. The municipal area is situated in the western part of the Little Karoo and includes the towns of Ladismith, Calitzdorp, Vanwyksdorp and Zoar. As of 2011, the Municipality has a population of 24, 767. Out of this population, 84.6% describe themselves as “coloured”, 9.9% as “white” and 4.7% as “black African”. The first language of 95.4% of the population is Afrikaans, while 2.5% speaks English.

1.2 Politics

The Municipal Council consists of seven members elected by mixed-member proportional representation. Four councillors are elected by first-past-the-post voting system in four wards, while the remaining three are chosen from party lists so that the total number of party representatives is proportional to the number of votes received.

1.2.1 Council

The municipality is under S139(5) administration, effective from December 2016.

Composition of Council:

ICOSA 3, ANC 2, DA 2

Controlling Party:

DA/ANC (Coalition)

Executive Mayor:

Ms Magdaleen Barry

Deputy Mayor:

Mr Phillipus Antonie

Speaker:

Ms Aletta Theron

Councillors:

Mr Jeffrey Donson

Ms Joslyn Johnson

Mr Werner Meshoa

Mr Hyrin Ruiters

1.2.2 Administration

Municipal Manager: Mr Reynold Stevens

Chief Financial Officer: Mr Roland Butler

Senior Management: Mr Ian Avontuur (Manager: Strategic Services)

Communications Officer: Mr Peter-George Rooi

1.3 Main Economic Sectors

- Agriculture (26.8%)
- Manufacturing (20.4%)
- Community and personal services (18.4%)
- Finance and business (11%)
- Wholesale, retail and trade (9.4%)
- Construction (6.2%)
- Electricity and water (4.7%)
- Transport and communication (3%)

2. Financial Performance of Municipality

2.1 Financial Results

| All values: R'000 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|----------------|-----------------|-------------------------|-----------------|---------------------|
| AUDIT OUTCOME | n/a | Qualified audit | Financially unqualified | Qualified audit | Disclaimer of audit |
| FINANCIAL PERFORMANCE | | | | | |
| Property rates | 14 704 | 15 549 | 19 639 | 14 900 | 13 987 |
| Service charges | 74 076 | 69 672 | 63 728 | 65 141 | 62 469 |
| Investment revenue | 907 | 669 | - | 845 | 266 |
| Transfers recognised - operational | 30 600 | 33 803 | 38 343 | 42 534 | 45 699 |
| Other own revenue | 5 840 | 17 519 | 2 543 | 19 492 | 19 583 |
| Total Revenue (excluding capital transfers and contributions) | 126 127 | 137 213 | 124 254 | 142 912 | 142 004 |
| Employee costs | 55 816 | 55 504 | 36 125 | 47 710 | 49 690 |
| Remuneration of councillors | 2 195 | 3 323 | 2 382 | 2 613 | 2 884 |
| Depreciation & asset impairment | - | 26 698 | 9 870 | 15 077 | 11 929 |
| Finance charges | 412 | 2 921 | 1 207 | 4 077 | 5 934 |
| Materials and bulk purchases | 26 139 | 36 457 | 52 345 | 26 558 | 25 422 |
| Transfers and grants | 96 | 1 899 | 1 167 | - | - |
| Other expenditure | 13 631 | 42 266 | 46 595 | 63 514 | 69 112 |
| Total Expenditure | 98 289 | 169 068 | 149 691 | 159 548 | 164 972 |
| Surplus/(Deficit) | 27 838 | (31 855) | (25 437) | (16 636) | (22 967) |
| Transfers recognised - capital | 932 | 10 820 | 13 677 | 22 963 | 37 845 |
| Contributions recognised - capital & contributed assets | - | 382 | - | 1 534 | - |
| Surplus/(Deficit) after capital transfers & contributions | 28 770 | (20 653) | (11 760) | 7 862 | 14 877 |
| Share of surplus/(deficit) of associate | - | - | - | - | - |
| Surplus/(Deficit) for the year | 28 770 | (20 653) | (11 760) | 7 862 | 14 877 |
| CAPITAL EXPENDITURE & FUNDS SOURCES | | | | | |
| Capital expenditure | 14 841 | 18 776 | 17 034 | 24 616 | 39 519 |
| Transfers recognised - capital | 14 743 | 16 125 | 17 034 | 24 437 | 32 122 |

| All values: R'000 | 2019/20 | 2018/19 | 2017/18 | 2016/17 | 2015/16 |
|--|-------------------------------|------------------------------------|----------------------------|---------------------------------|---------------------------------|
| Public contributions & donations | n/a | n/a | - | - | 7 150 |
| Borrowing | - | - | - | - | - |
| Internally generated funds | 98 | 985 | - | 180 | 247 |
| Total sources of capital funds | 14 841 | 17 111 | 17 034 | 24 616 | 39 519 |
| FINANCIAL POSITION | | | | | |
| Total current assets | 48 678 | (15 205) | 36 850 | 10 488 | 20 014 |
| Total non current assets | 14 841 | (7 507) | 324 113 | 317 205 | 307 665 |
| Total current liabilities | 34 704 | (5 271) | 59 478 | 61 409 | 71 163 |
| Total non current liabilities | 97 | 2 567 | 36 243 | 37 709 | 35 803 |
| Community wealth/Equity | (52) | 645 | 265 242 | 228 575 | 220 713 |
| CASH FLOWS | | | | | |
| Net cash from (used) operating | (98 241) | (114 559) | 13 329 | 25 565 | 35 892 |
| Net cash from (used) investing | - | 36 | (11 380) | (26 152) | (31 504) |
| Net cash from (used) financing | 513 | 571 | 3 340 | (1 408) | (5 865) |
| Cash/cash equivalents at the year end | (97 727) | (113 954) | 5 567 | 277 | 2 270 |
| UNAUTHORISED, IRREGULAR, FRUITLESS & WASTEFUL EXPENDITURE | | | | | |
| Unauthorised expenditure | n/a | 4 123 | 38 269 | 24 727 | 6 342 |
| Irregular expenditure | n/a | 12 447 | 30 573 | 35 943 | 32 907 |
| Fruitless & wasteful expenditure | n/a | 1 571 | 1 748 | 2 177 | 1 813 |
| SOURCE | YTD Actual - C1 2020 Q4 | Audited Outcome - C1 2020 Q4 | YTD Actual - C1 2018 Q4 | Audited Outcome - A1 2018 | Audited Outcome - A1 2018 |

2.2 Projects

| Ref No | Tender Title | Closed | Received | Awarded To |
|-----------------------|--|--------------------|----------|----------------------|
| FQ 07/2020 | FORMAL QUOTATION - BOUNDARY WALL KONSTABEL STREET | 07/08/2020 12:00pm | | Pending Adjudication |
| QUOTATION NO. 04/2020 | The provision of Occupational Health and Safety Services. : UPGRADING OF LADISMITH WATER TREATMENT WORKS | 12/03/2020 4:00pm | | Pending Adjudication |
| QUOTATION NO. 05/2020 | The provision of Occupational Health and Safety Services. : Upgrading of Ladismith Waste Water Treatment Works | 12/03/2020 12:00pm | | Pending Adjudication |
| QUOTATION NO. 06/2020 | The provision of Occupational Health and Safety Services. :CALITZDORP REPLACEMENT OF RAW WATER PIPELINE | 12/03/2020 12:00pm | | Pending Adjudication |
| 03/2020 | Advert - Black Bags Kannaland | 11/03/2020 10:30am | | Pending Adjudication |
| 03/20 | PROVISION OF PROFESSIONAL ENGINEERING SERVICES FOR VARIOUS PROJECTS IN THE KANNALAND MUNICIPAL AREA FOR A THREE (3) YEAR PERIOD | 03/04/2020 12:00pm | | Pending Adjudication |
| FQ 01/2020 | Kannaland Municipality, invites formal quotations: For the Supply and Delivery of Electrical Material and Equipment. | 25/02/2020 10:15am | | Pending Adjudication |
| 012019 | THE APPOINTMENT OF CONTRACTORS FOR THE ELECTRIFICATION OF 179 HOUSES IN BERGSIG, CALITZDORP AND UPGRADING OF ELECTRICAL NETWORK, LADISMITH | 24/02/2020 12:00pm | | Pending Adjudication |
| 02/2020 | Advert - VAT Review | 20/02/2020 12:00pm | | Pending Adjudication |
| 13/2019 | Upgrading of Waste Water Treatment Works Ladismith | 16/01/2020 12:00pm | | Pending Adjudication |
| 15/2019 | Upgrading of Zoar Water Treatment Works | 24/01/2020 12:00pm | | Pending Adjudication |
| 14/2019 | Calitzdorp Replacement of Raw Water Pipeline | 16/01/2020 3:00pm | | Pending Adjudication |

| | | | |
|--------------------|---|--------------------|----------------------|
| 110/2019 | Upgrading Ladismith Water Treatment Works | 24/01/2020 12:00pm | Pending Adjudication |
| 012019 | Advert - FENCING OF LANDFILL SITES IN LADISMITH, KANNALAND | 19/11/2019 10:30am | Pending Adjudication |
| 22019 | Advert - LAND EXCAVATION AT THE LANDFILL SITES IN LADISMITH, KANNALAND | 21/11/2019 10:30am | Pending Adjudication |
| 06/08/2019 | Advert - LAND EXCAVATION AT THE LANDFILL SITES IN LADISMITH, KANNALAND | 25/09/2019 10:00am | Pending Adjudication |
| 05/08/2019 | Advert - FENCING OF LANDFILL SITES IN LADISMITH, KANNALAND | 25/09/2019 10:00am | Pending Adjudication |
| 8/2 | REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS: THE ERECTION OF FENCE AT THE LANDFILL SITE IN LADISMITH, KANNALAND | 11/09/2019 10:00am | Pending Adjudication |
| 8/2 | REQUEST FOR FORMAL WRITTEN PRICE QUOTATIONS: LAND EXCAVATION AT THE LANDFILL SITE IN LADISMITH, KANNALAND | 11/09/2019 10:00am | Pending Adjudication |
| 01 | Notice of Tender Cancellations | 31/08/2019 3:30pm | Pending Adjudication |
| | Advert - Leave and Medical | 27/08/2019 10:00am | Pending Adjudication |
| 01/08/2019 | Advert - Landfill site | 27/08/2019 10:00am | Pending Adjudication |
| 02/2019 | Advert Building Material | 10/06/2019 12:00pm | Pending Adjudication |
| | Quotation: THE UPGRADING OF VANWYKSDORP STREETLIGHTING AND CALITZDORP SPORTFIELDS LIGHTNING | 10/04/2019 9:45am | Pending Adjudication |
| | Quotation: THE UPGRADING OF SPORT FIELDS IN KANNALAND. (ZOAR) PHASE 2 | 10/04/2019 9:30am | Pending Adjudication |
| Notice No: 21/2019 | Kannaland Municipality Tender Notice And Invitation To Bid | 08/04/2019 12:00pm | Pending Adjudication |
| 133/02/2019 | THE APPOINTMENT OF CONTRACTORS TO CONDUCT ELECTRICAL/MECHANICAL REPAIRS | 08/03/2019 12:00pm | Pending Adjudication |

| | | | |
|------------------------------|--|--------------------|----------------------|
| QUOTATION NO. 134/02/2019 | CALITZDORP: OCCUPATIONAL HEALTH AND SAFETY AGENT | 20/02/2019 12:00pm | Pending Adjudication |
| 131/11/2018 | UPGRADING OF VAN WYKSDORP STREETLIGHTING AND CALITZDORP SPORTSFIELD LIGHTING INSTALLATIONS | 18/01/2019 2:00pm | Pending Adjudication |
| 132/11/2018 | THE UPGRADING OF SPORT FIELDS IN KANNALAND: ZOAR (PHASE 2) | 18/01/2019 2:00pm | Pending Adjudication |
| 130/10/2018 | TENDER NOTICE AND INVITATION TO TENDER - 1.5 M ³ BLOEKOMLAAN RESERVOIR AND ASSOCIATED WORKS | 16/11/2018 12:45pm | Pending Adjudication |
| 02/2018 | QUOTATION NR: 02/2018: CLEANING OF ZOAR AND LADISMITH LANDFILL SITES | 12/03/2018 12:00pm | Pending Adjudication |
| 17/2018 | Kannaland Municipality, invites tenders for the construction of a new 1.0 M ³ circular reinforced concrete reservoir in Zoar. | 09/03/2018 12:00pm | Pending Adjudication |
| | Quotation: THE UPGRADING OF SPORT FIELDS IN KANNALAND. (CALITZDORP, BERGSIG) | 12/05/2017 12:00pm | Pending Adjudication |
| | Quotation : CLEANING OF LADISMITH AND ZOAR LANDFILSITES | 13/04/2017 12:00pm | Pending Adjudication |
| 15/2017 | QUOTATION NR 01-2017 MINOR REPAIR WORKS AT ZOAR LIBRARY | 06/04/2017 12:00pm | Pending Adjudication |
| NR: 02/2016 | PROVISION OF CFO SUPPORT FOR KANNALAND MUNICIPALITY | 09/06/2016 12:00pm | Pending Adjudication |
| 01/2016 | APPOINTMENT OF A SERVICE PROVIDER TO DEVELOP A HUMAN RESOURCE STRATEGY FOR KANNALAND MUNICIPALITY | 17/03/2016 12:00pm | Pending Adjudication |
| 09/2016 | QUOTATION NR 09/2016: AUCTION OF ALL OBSOLETE ASSETS OF KANNALAND MUNICIPALITY | 11/03/2016 12:00pm | Pending Adjudication |

2.2.1 Household Composting Pilot Project in Zoar



Garden Route District Municipality, in collaboration with Kannaland Municipality, will roll out a Household Composting Pilot Project in Zoar. Approximately 30% of household waste being disposed of at landfill consists of organic waste that could potentially be diverted from landfill by means of household composting. Further, household composting could subsequently result in a huge waste management cost saving and put sorely needed nutrients back into our soil.

The pilot project will run for a duration of one year and the data collected will be used to motivate the further roll out of the project to all households in the Kannaland municipal area

It has been indicated that only permanent residence of Zoar will be given the opportunity to apply and participate in the project.

3. Municipal demographics

| | 2016 | 2011 |
|--|--------|--------|
| Population | 24 168 | 24 767 |
| Age Structure | | |
| Population under 15 | 27.7% | 28.7% |
| Population 15 to 64 | 64.9% | 63.5% |
| Population over 65 | 7.4% | 7.8% |
| Dependency Ratio | | |
| Per 100 (15-64) | 54.0 | 57.5 |
| Sex Ratio | | |
| Males per 100 females | 95.2 | 93.9 |
| Population Growth | | |
| Per annum | -0.56% | n/a |
| Labour Market | | |
| Unemployment rate (official) | n/a | 17.3% |
| Youth unemployment rate (official) 15-34 | n/a | 22.7% |
| Education (aged 20 +) | | |
| No schooling | 5.1% | 6.0% |
| Matric | 19.7% | 18.5% |
| Higher education | 3.0% | 4.3% |
| Household Dynamics | | |

| | 2016 | 2011 |
|------------------------------------|-------------|-------------|
| Households | 6 333 | 6 212 |
| Average household size | 3.8 | 3.8 |
| Female headed households | 33.9% | 31.7% |
| Formal dwellings | 97.4% | 96.3% |
| Housing owned | 71.2% | 54.8% |
| Household Services | | |
| Flush toilet connected to sewerage | 65.2% | 71.1% |
| Weekly refuse removal | 79.2% | 66.1% |
| Piped water inside dwelling | 87.0% | 76.4% |
| Electricity for lighting | 91.9% | 89.7% |

4. Challenges faced by the Municipality

The objective of the municipality is to provide basic services to all its residents and to improve community relationships. The delivery of municipal services in electricity, water, sanitation, refuse, roads and storm water is a key function of the Kannaland Municipality.

The Municipality faces significant service delivery challenges, including the roll out of services to rural areas and under serviced households, ensuring adequate maintenance of assets occur, controlling the rising unit costs of service delivery, addressing future bulk supply shortages and ensuring adequate investment in economic infrastructure.

5. Resources of the Municipality

Although Kannaland faces major poverty and employment challenges it is a well-resourced municipality compared to many other including in the Western Cape. These resources include: · Almost all of the municipality can be considered to be an area of outstanding natural beauty and biodiversity significance with great appeal to the wilderness and adventure tourism market:

- Eco-resorts and getaways;
- Hiking;

- Bird-watching;
- Organised and informal mountain biking;
- Self-drive and motorcycle touring; and
- Agriculture and its associated industries including wine and dairy represent another tourism market.

The heritage and urban environment of the settlement are a third, with particular attention being paid to the upgrading of Zoar and Van Wyksdorp with their potential appeal to the cultural tourism market; As mentioned previously, it is important that public housing projects are designed and laid out so that they enhance rather than undermine this potential; The municipality should be considered fortunate in that major beneficiation of agricultural products in the form of cheese, dairy, wine and port occurs at processing plants and wineries within its boundaries rather than the raw material being exported to value adding enterprises elsewhere.