

Mosselbay Rates Payers:

Supported by the Mossel Bay Property Owners Association (MPOA)

With Approval from the MPOA member as in the e-mail

Mossel Bay Municipality (MM)

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Attention: The Municipal Manager

Subject: Response to Municipal Comments on Community Objection Letter

Please find below our structured reply to the Municipality's response, with the original

- Municipal comments in **black**,
- our observations in **blue**,
- and relevant legal references in **brown**.

1. Inadequate Public Participation – Walk-In Session Not Sufficient

Municipal Comment (Black): *"It must be noted that the aforementioned notifications were available and sent out on the various platforms from the dates mentioned leading up to the sessions, enabling sufficient notice to the community to plan for these sessions."*

Our Response (Blue): This paragraph addresses the dissemination of meeting notices, which was not the subject of our objection. As clearly stated in our heading, our concern relates specifically to the **inadequacy of the walk-in session format**. The first page of the Municipal response therefore answers a point we did not raise. The only relevant portion is found in the second paragraph.

Municipal Comment (Black): *"Walk-in engagements are among the formats utilised to facilitate public participation during the Integrated Development Plan (IDP) and Budget cycle."*

Our Response (Blue): A walk-in session, without structured facilitation or meaningful engagement, does not meet the legal standard for inclusive and effective public participation. Passive availability of information does not equate to active consultation.

Legal Reference (Brown): The reliance on walk-in sessions as the primary method of engagement fails to meet the requirements of the **Local Government: Municipal Systems Act 32 of 2000**, specifically:

- **Section 16(1)(a):** Municipalities must promote a culture of governance that complements formal representative government with participatory mechanisms.
- **Section 17(2)(a):** Participation must include public meetings and hearings, consultative sessions with recognized community organizations, and other appropriate mechanisms.

2. Late Provision of Documents – Violation of Procedural Requirements

Municipal Comment (Black): *“In preparation for the public participation sessions held in September 2025, the notifications referenced in the first point indicated that the relevant documents were available on the Municipal website, with hard copies accessible for review at all Municipal libraries prior to the engagements.”*

Our Response (Blue): Contrary to this claim, the only document presented at the meeting was a **seven-page summary** containing limited information (see **Annexure A**). Furthermore, as of **08 October 2025**, the Mossel Bay Municipality website only provides access to the **2025/26 Final Budget and Adjustment Budget** documents. The meeting in question pertained to the **2026/27 Budget**, which was not made available online (see **Annexure B**).

Municipal Comment (Black): As for Paragraph 1: *“After approval of the 2025/2026 Budget on 30 May 2025, the public was notified in terms of 25(4)(a) of the Municipal Systems Act and provided with a link to access both the approved IDP and the Budget, on the Municipal website. The notification was placed on Facebook, the Municipal Whatsapp Channel and the Mossel Bay Advertiser with a notice published on the 6th of June 2025’s newspaper.”*

Our Response (Blue): This paragraph addresses the 2025/26 budget process and relative notices, which was not the subject of our objection our only concern is the 2026/27 budget.

Legal Reference (Brown): The documents under discussion 2025/26 were not made available at least 14 days prior to the meeting, which contravenes the principles of transparency and informed participation. According to:

- **Section 21(1)(b) of the Municipal Finance Management Act (MFMA) 56 of 2003:** The municipality must make public the annual budget and supporting documentation at least 14 days before the council meeting at which the budget is to be considered.
- **Section 29 of the Municipal Systems Act:** The process must include mechanisms for consultation and participation, which presupposes timely access to relevant documents.

Providing complete budget documents at the start of the meeting undermines the public’s ability to engage meaningfully.

3. Excessive Rates Increase – Disregard for Inflation and Treasury Guidelines

Municipal Comment (Black): *“In terms of the Circular referenced by yourself, municipalities are encouraged to maintain tariff increases that balance affordability whilst ensuring that tariffs are cost reflective. Likewise, the Municipal Systems Act directs that tariffs must reflect the costs reasonably associated with rendering a service, including capital, operating, maintenance, administration and*

replacement costs, and interest charges. A full cost-of-supply study was conducted by the Municipality, the outcome of which informs annual tariff setting. The Municipality has provided reasons for increases above the projected inflation target for 2025/2026, and more information in relation to this was provided in the Municipal Newsletter for April 2025 as well as during radio broadcasts.”

Our Response (Blue): We acknowledge and apologise for the typographical error regarding the financial year. The objection pertains to the **2026/27 budget**, not 2025/26, which is no longer under consideration. The concern remains valid: The proposed rates increase for the **2026/27 financial year** exceeds **2.5 times the current inflation rate** and is **more than double the National Treasury's recommended ceiling**. We respectfully request that the Municipality provide the full details of the cost-of-supply study conducted in relation to the 2026/27 budget increases, as referenced in your correspondence. This study is cited as the basis for annual tariff setting, and its disclosure is essential for ensuring transparency, accountability, and informed public engagement.

We appreciate your cooperation and look forward to receiving the relevant documentation.

Legal Reference (Brown): This increase is inconsistent with the following national guidelines:

- **MFMA Circular No. 129 (December 2024):** Municipalities are advised to align tariff increases with the inflation target range of **3–6%**, with a preferred midpoint of **4.5%**.
- **Statement of the Monetary Policy Committee (July 2025):** Inflation is currently at **3%**, and Treasury has emphasized the importance of **fiscal restraint and affordability**.

Such disproportionate increases place **undue financial pressure** on residents and undermine the principles of **equitable and sustainable service delivery**.

4. Lack of Capital Improvement Details – Breach of Planning Standards

Municipal Response (Black): The Municipality states that a full financial plan is being developed as part of the Spatial Development Framework (SDF) review and will be made available in due course. It further claims that Section 17(2)(d) of the MFMA does not exist and that capital project details are not explicitly required under Section 17. The Municipality asserts compliance with the Municipal Budget and Reporting Regulations (Gazette 32141 of 2009), particularly Schedule A.

Our Response (Blue): We appreciate the clarification regarding the MFMA citation and acknowledge the Municipality's reference to Schedule A of the Budget Regulations. However, the core concern remains unaddressed: **the absence of detailed capital improvement plans in the current 2026/27 budget documentation**.

While the SDF review may eventually produce a financial plan, the **Integrated Development Plan (IDP) and annual budget currently under public review lack the necessary capital project detail**—including project locations, estimated costs, and implementation timelines. This omission undermines the community's ability to assess the feasibility, value, and prioritization of proposed expenditures.

Legal Reference (Brown):

- **Municipal Systems Act, Section 26(h):** The IDP must include a financial plan that encompasses capital investment strategies.
- **MFMA Section 17(2):** While subsection (d) may have been misquoted, **Section 17(2)(a)(i)** requires supporting documentation that includes projections of revenue and expenditure per vote, which logically includes capital allocations.
- **Municipal Budget and Reporting Regulations, Schedule A:** These regulations require disclosure of capital project details, including project descriptions, funding sources, and implementation periods.

Conclusion: The Municipality's commitment to transparency is noted, but **transparency must be demonstrated through the timely and complete disclosure of capital improvement plans.**

Without these details, meaningful public participation and oversight are not possible. We therefore reiterate our request for the full capital project breakdown associated with the 2026/27 budget.

Regards

Rates Payer

Proud Member of :

Mossel Bay Property Owners Association (MPOA)