



MEDIA RELEASE

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2018/19 Budget focus on creating an enabling environment for investment, growth and development

Knysna's 2018/19 budget was approved at a special Council meeting on Wednesday, June 6.

The 2018/2019 budget amounts to approximately R1,029,002 billion comprising of R150,742 million in capital expenditure and R878,261 million for operating expenses. This constitutes an increase of 2% on the adjusted budget for 2017/2018.

Critical capital projects include upgrades to the bulk water supply and addressing the water disruptions that have plagued the municipality over the last six years.

The approximated funds in the capital budget have been earmarked as follows:

- R10 million for housing and infrastructure, for the Vision 1393 UISP and Vision 459 in Nekkie, Oupad, Dam se Bos as well as Concordia;
- R70 million, has been allocated for water and waste water infrastructure programmes mainly for the Waste Water Treatment Works as well as continuation of the Charlesford scheme,
- R17 million, for Community and Social Services programmes, mainly NDPG grant in White Location for the multi-purpose centre as well as Hornlee the Clubhouse;
- R24 million allocated for roads infrastructure, the Grey Street upgrade as well as surfacing of gravel roads in eight different wards.

Environmental Management will receive R2 million for the eradication of alien vegetation. This labour intensive project will create much needed jobs and improve capacity building. The clearing of the alien vegetation will further reduce future fuel load for fire and enhancing biodiversity.

Turning to the Operational Budget. Revenue sources remain under strain, and in an attempt to balance service delivery with affordability, the proposed tariff increases have been limited as follows:

- Electricity 6.84%
- Water 7.7%
- Refuse 5.3%
- Property Rates 2.2% for residential/ domestic tariff
- Sewage 80.6%

Provision is made in the operating budget for the subsidizing of indigent households as follows:

- The first 6kl of water per month as well as 50 units of electricity will be free of charge.
- A 100% subsidy for refuse removal, sewerage charges and water basic charge.
- A rebate on assessment rates for properties of valuation of R100 000

The indigent subsidy package is slightly above the national norm and stretches the affordability threshold of the municipality due to the growing number of indigent households and the fact that the monetary values of these subsidies exceed the national allocation. The total amount in respect of free services, inclusive of free services given in Eskom distribution areas and assessment rate rebates exceed R37 million for the 2018/2019 financial year.

Pensioners qualifying for assessment rates rebates will also be entitled to 6kl free water per month as well as the first 50 units of electricity at a zero rate. Provision is made for 50 free units of electricity for indigent households where occupants are on life support systems that require the use of electricity.

The total budgeted amount for Grant-in-aid for 2018/2019 amounts to R1.5 million. Organisations are advised to submit their applications for Grant-in-aid support as soon as it is advertised and ensure we receive it timeously.

ENDS

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