From the Mayor's Pen

During the months of February to May there is one word that is buzzing through all the various Directorates – BUDGET. The budget for the 2015/2016 period was approved at the Council meeting on the 29th of May, and if you look at the summaries that have been published, I think it is a budget of mixed feelings.

Exciting with some key projects scheduled for roll out in the next three to six months, but also worrying as I am the RSA/SA escalations loom and add to tariff hikes, which is bound to impact on the quality of life of our residents.

While I was working on my State of the Town address I reflected on what it takes to make a town work. There are so many different facets, especially in Knysna where within a 5 kilometre square you have millionaires developments bordering low income housing and informal settlements. It is and always will be an extremely tricky environment to find balance.

Balance is what the new South Africa needs. Because for a capitalist society to thrive you need the higher income groups to keep the ball rolling so that the lower income groups have an opportunity to become part of the movement. What is also important is that the higher income groups understand that sometimes one has to give back, to the healthier the various levels of society are, the better for the whole.

I want to thank our rate payers for helping us to build Knysna, especially the previously disadvantaged areas. If you look at all our achievements in the 2014/2015 period, most of these happened in the Wards with the least representation of ratapayers. Yet essential projects that strive to create a more balanced society, such as the health society where people may be poor, but they have access to these services. This assisted was made possible through provision in for our Constitution. Success here can only reflect positively on Knysna and everyone calling it “home”, and on all our ratapayers. Thank you for helping us to make this a reality.

The winter school holidays also mean that the oysters are ruffling their feathers in anticipation of the annual Pick n Pay Knysna Oyster Festival. We are looking forward to welcoming all our visitors to the town, including the SA Navy that we’re expecting to arrive on July the 7th. To those of you working hard to make this happen, including our own staff, thank you and good luck with all the events. We hope all goes well and that you will have time for some fun as well.

How the 2015/2016 Budget affects Sedgefield

PROJECTS & DEVELOPMENT

As those of our residents and customers from Sedgefield will know, Knysna Council has long been concerned about the status of the town’s Waste Water Treatment Works (WWTW). Many Sedgefielders will be aware that there has been a long-running planning and design process, along with a detailed budgeting process to ascertain what is the optimum solution for the WWTW. Council took decision in this regard a number of months ago and an amount of R66 million has been allocated to the commencement of the upgrade of these works in the financial year ahead.

The Smutsville Multi-purpose Centre (MPC) has taken almost two years to complete and is a facility that the whole town can be proud of. It is hoped that the community it serves will take ownership of this valuable community asset. The building will be completed this month with an astro-turf field and high mast lighting. However, there will be some operational expenditure on this facility in the 2015-2016 year.

Council is very pleased to announce that we have after many months received approval and funding for the electrification of 7 informal dwellings in Die Gaaitjie in Smutsville. It has been a long battle to get approval to electrify these and after much perseverance we have been successful.

We have budgeted R16.2 million for roads upgrades within the Greater Knysna Municipal Area. Last year we started to successfully roll out the Pavement Management System, which presented an opportunity to analyse the roads in our area systematically for how and where the roads funds must be used in Sedgefield.

Some of the other projects that will be rolled out in Sedgefield include:

• Putting up of guard rails — R250 000
• Upgrading of low voltage electricity cables — R500 000
• Upgrading of The Island abutment facilities — R300 000
• Establishment of waste facility in ward 2 — R600 000
• Replacement traffic light in Ward 2 — R110 000

We have finally received the licence for the recycling centre in Sedgefield. This is in line with National Government’s requirements to have all waste management systems permitted for either closure or for operations. Further good news is that after receiving Pilot status for the Swartvlei Beach for the last successful season. We are hoping to receive full Blue Flag status this coming season. The Blue Flag program is an international grading system that looks at the safety, amenities, cleanliness and environmental aspects of beaches.

In 2015 a new tender will be awarded to undertake a new valuation of all properties in the municipal area. This also include all transferred properties in the previous informal areas. This means that as of 1 July 2016 all privately owned properties will be fully taxed in all areas.

The new budget for Knysna Municipality amounts to some R738.5 million. This is made up of R102.7 million for capital expenditure and R635.8 million for operating expenses. It is 21% more than the budget which was approved for 2014/2015, which was R540.7 million and R870.1 million for operating expenditure and capital expenditure respectively. The capital budget for 2015/16 is made up of R56.3 million from National and Provincial grants; about R2 million is accrued from “public, private partnerships”; and the balance of R11.8 million is from internally generated funds and borrowings.

Council will again allocate R200 000 per ward for minor capital projects. An additional R500 000 will be allocated under Community Services for social development projects. These projects are in the process of being finalized and will be announced as soon as possible.

TARIFS & RATES

With regards the utility tariffs, the following has been set:

• The water tariff increases will be on average 7.5% depending upon consumption.
• The sewer tariff will increase by 7.5%.
• The refuse tariff will increase by 7.5%.

Furthermore, water tariffs will be increased by 9% on average unless specifically shown in the tariff book which is available on the Municipal web-site.

The availability charges on vacant land will increase by 7.5%, as will the water and sewerage augmentation charges. This is in order to encourage development. The electricity augmentation is formula-driven and subject to the National Electricity Regulator.

In terms of assessment rates, the increase in the rate in the rand will be 7.5% for domestic properties and for non-domestic properties. The assessment rates for non-domestic property owners will remain at 15%. Council will eventually phase out the domestic rebate in future budgets. The first R1 000 of property value will remain exempted on all properties.

Council has taken a decision to continue to reduce the rural rebate, and will implement a further 10%. This rebate will be phased out completely next financial year. The assessment rates are a tax on the property value. Assessment rates are not for payment for services rendered or not rendered by the municipality. Council has thus decided that there is no further justification to maintain a two-tier rebate system indefinitely.

The green rebate will also be reduced to 10% for the forthcoming financial year and will be strictly applied. Council has decided that any gated developments currently in receipt of the rebate will no longer qualify. Council will be further reviewing the viability and the retention of the green rebate, as there does not appear to be making any difference within the local area unfortunately.

The current pensioner rebates, heritage rebates and business rebates will all remain the same.

Finally, most residents are now by aware that the National Electricity Regulator (NERSA) sets the electricity increases. For the year ahead NERSA approved an increase in the bulk tariff from Eskom of 14.24%. All municipalities were instructed by the National Treasury “to limit electricity increases to 14.24%”. However, the rands and subject to the National Electricity Regulator.

Net:

• 20 June Epilepsy SA Fun Run/Walk
• 2 - 12 July Pick’n Pay Knysna Oyster Festival

Water Usage Statistics

<table>
<thead>
<tr>
<th>Week</th>
<th>Knymsna Consumption Target</th>
<th>Rainfall mm</th>
<th>Rainfall over 7 ML/day</th>
<th>Akkerhoek Dam level</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 – 17 May</td>
<td>2.1</td>
<td>1.0</td>
<td>11.4</td>
<td>0.7</td>
</tr>
<tr>
<td>18 – 24 May</td>
<td>2.0</td>
<td>0.0</td>
<td>11.0</td>
<td>0.9</td>
</tr>
<tr>
<td>25 – 31 May</td>
<td>2.3</td>
<td>52.0</td>
<td>11.6</td>
<td>56.0</td>
</tr>
<tr>
<td>1 – 7 June</td>
<td>2.3</td>
<td>97.0</td>
<td>11.5</td>
<td>56.7</td>
</tr>
</tbody>
</table>