



MEDIA RELEASE

Embargo: Immediate
DATE: 18 September 2018

Municipality adapts sewerage and water tariffs to cover service delivery costs

Water and sewerage tariffs charged in 2017/18 failed to cover the costs associated with delivering the service, and Council resolved to adapt these to cover expenses with regards to these services. Executive Mayor Mark Willemse said that property rates were used to subsidize the service.

“Knysna Municipality was under recovering costs for water and sewerage using the 2017/18 tariff structure, and we appointed the engineering services of a service provider to determine tariffs that recover the cost of providing and maintaining the service.”

Willemse said the initial sewerage tariffs workshopped were tabled in March 2018 as part of the draft IDP and budget and suggested an increase of 140%. “During the Public Participation process that followed Council received numerous submissions from the public. These were considered, and the sewerage tariffs were reduced to an 80% increase for domestic properties which represents costs reflective of self-sufficient services tariffs. Business tariffs were also not cost reflective but were slightly below in comparison with other neighbouring municipalities. The increase for business was set at 15% for all commercial properties.”

“It is essential that tariffs for services charges rendered by the Municipality shall as far as possible recover the expenses associated with rendering of each service concerned. “Trading and economic services will be ring fenced and tariffs will be cost reflective and directly associated with the standard of service received.”

He said that they also realized that the 2017/18 tariffs for sewerage and water caused for unjust differentiation between sectional title units and multiple shops/units at freehold erven. “Whilst sectional title units were levied per registered units, some freehold erven were levied per premises, irrespective of the number of units/shops situated on the property. It was decided to amend the basic charges per premises in the 2017/18 financial year to a basic charge per business unit/per shop unit per premises, per annum, in the 2018/19 financial year.”

“Council resolved that a fixed basic charge will be payable for each property connected to the sewerage reticulation network, per dwelling, per unit, per premises, irrespective of the number of toilet/urinals or the size of the dwelling, dwelling units, business units/shops per premises,” said Willemse.

He continued to say that revenues derived from property rates represent a critical source of income for municipalities to achieve their constitutional objectives. “Income derived from property rates will be used to finance community and subsidized services, and not to subsidize trading and economic services.”

Community services include but are not limited to air pollution control, firefighting services, local tourism, municipal planning, municipal public works needed to deliver functions as included in the Constitution or any other law, fixed billboards and the display of advertisements in public places, cemeteries, control of public nuisances, township development, local amenities, local sport facilities, municipal parks and recreation, municipal roads, noise pollution control, pounds, public places, street trading/street lighting, traffic and parking, building control, cleansing, including unfunded mandates such as libraries.

Please note:

Sewerage

Provision is made under item 4.3 of Council's Approved Tariffs for all properties not identified as residential to be charged per premises/ per business unit/ per shop unit/ per annum for the respective financial years.

Water

Provision is made under item 5.4.1.1 of Council's Approved Tariffs for All properties not identified as residential to be charged per premises/ per business unit/ per shop unit/ per annum for the respective financial years.

ENDS

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