



Knysna

Municipality Munisipaliteit uMasipala

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MEDIA RELEASE

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Knysna's 2018/19 budget approved

Knysna Executive Mayor Mark Willemse tabled his first Budget for Greater Knysna at the Ordinary meeting of the Council on Thursday, May 27th.

The 2019/2020 budget amounts to approximately R1,182,500 billion comprising of R217.5 million in capital expenditure and R965 million for operating expenses.

Focus of the 2019/20 Final Budget

Willemse said the budget focussed on infrastructure. "The 2019/20 budget focusses on investing in the upgrading and renewal of existing infrastructure and creating new infrastructure. This is an important means of promoting sustainable growth and reducing poverty, and our budget allocations reflect this purpose. Our focus is on economic infrastructure and includes:

- electricity transmission;
- waste water treatment works;
- road building and maintenance; and
- water storage upgrades and network pipe replacement.

We know that poor infrastructure makes it impossible for the economy of Knysna to thrive, making infrastructure investment in this budget a vital ingredient in achieving the necessary economic growth within the municipal area.

The budget policy framework for the next three years reflects a greater alignment with the NDP, as spending programmes begin to address economic constraints and the need for greater local government efficiency. We have therefore revised our spending plans and reprioritised funding to ensure that key objectives are achieved, and that revenue generating and well-performing programmes are funded.

Expenditure plans reflect both the medium-term investment plans and long-term goals identified in the NDP. We continue to reduce non-priority spending and reprioritise expenditure to focus on core infrastructure and service delivery issues in this MTREF.

To the community of the Knysna Municipal area, I can safely say that the journey to improve the condition of our infrastructure (water, roads and electricity) is, at last, well and truly underway."

Capital Budget

The 2019/2020 capital budget amounts to R217,5 million. The capital budget flows from the IDP revision process and contains information obtained from relevant stakeholders through ward committee and public participation processes.

The final Budget takes into account the input given by Greater Knysna communities during the public meetings held in all 11 wards. The approximated funds in the capital budget have been earmarked as follows:

- R14 million allocated for roads infrastructure, mainly Grey Street,
- R14 million, has been allocated for water management devices
- R17 million, has been allocated for the continuation of the Charlesford scheme,
- R9 million, has been allocated for the upgrades at the Knysna Waste Water Treatment Works.

Operating Budget

The operating budget for the 2019/20 financial year amounts to R 964 910 000, which represents an increase of R 50.9 million, or 5.6%, when compared with the last adjusted budget for 2018/2019.

The cost drivers for the increase in the budget can be summarized as follows:

- an increase of 7.1% in the wage bill, based on the new agreement that comes into effect on 1 July 2019;
- an increase of 15.3% in the purchase of electricity from Eskom;
- transporting waste to Mossel Bay;
- adhering to the Department of Waters Affairs' standards for operating water purification and waste water treatment plants;
- inflationary pressure and the general increase in the price of goods and services;
- recent and expected fuel price increases and other production costs;
- operational requirements to ensure service delivery standards are complied with, referring specifically to electricity, roads, water, waste water and waste removal.

Increases

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

- property rates: between 2.5% and 3.5%, household dependent;
- water services: 5.5%;
- sewerage charges: 4%;
- electricity services: 13.1%; and
- refuse removal: 7.5%.

Indigent subsidies

As usual the budget made provision for indigent support, However Willemse warned recipients that "indigent subsidies will be withdrawn from any person who:

- allows illegal electricity connections to their premises; and/or
- sub-leases their premises, meaning that the applicant is not personally occupying the premises, but is benefitting from the subsidy."

The indigent subsidy allows for the following on a monthly basis;

50Kw of free electricity;

6kl of free water (3kl of free water for all other households);

100% subsidy on sanitation;

100% subsidy on refuse removal; and

rates as per the rates policy depending on the value of the property.

Willemse also had some good news for the business sector. Accommodation establishments with 1 – 8 rooms will receive a 40% rebate on service charges. Sectional Title Units and Hotels will receive a 10% rebate on sewer and water service charges.

“Thank you to every ratepayer who regularly pays their municipal accounts. Your moral and financial support allows us to better serve you.”

I would also like to thank the citizens of the greater Knysna Municipal area for engaging with and questioning this IDP and Budget during the public participation process held in April. Your inputs and comments are dealt with below as part of the report”, Willemse concluded.

The final budget documents will be available within 10 days on www.knysna.gov.za or copies can be obtained from the Municipal Offices in Clyde Street.

ENDS

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