



MEDIA RELEASE

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EMBARGO: Immediate

Knysna budget focus on infrastructure

KNYSNA – THE MUNICIPAL budget for Knysna for the 2016/17 cycle was tabled this week by Executive Mayor Georlene Wolmarans as part of her final State of the Town & Budget address.

During her address on Tuesday 31 May, themed “A prosperous future for Knysna,” Mayor Wolmarans touched on the highlights of the past term and shared her vision for Knysna for the years ahead: “It is my sincere hope that the next council will build on the achievements we have attained during this term in office and will strive to overcome the challenges that faced us over the last five years.”

Mayor Wolmarans touched on the activities and projects of each directorate, while identifying the pertinent challenges that will be addressed during the next financial year. After concluding her review on the wellbeing and future of Knysna, Wolmarans turned to matters of Rands and cents.

“The budget for the next financial year continues to reflect the strategies and priorities of the town, chief among them the need to address our dire water security issues”, Wolmarans said in her initial remarks.

“The new budget for Knysna Municipality amounts to approximately R912 million comprising of R174 million in capital expenditures and R738 million for operating expenses. This constitutes a considerable increase of 16% on the adjusted budget for 2015/2016 which amounted to a total of R789 million.”

The approximated funds in the capital budget have been earmarked as follows: R57 million for housing and infrastructure, R23 million for upgrades to the pumping scheme at Charlesford dam, a R10 million NDPG grant for multi-purpose centres, R8 million for the water treatment plant, R3 million for a new cemetery and R5 million for upgrades to Grey Street. R400 000 has been allocated to each ward for their respective projects.”

“The cost of increased service delivery to our ever-growing population is clearly becoming an increasing burden on our limited revenue budget,” continued Mayor Wolmarans.

“The topography of the town means that the basic services we are constitutionally obliged to provide are always costlier than other municipalities. The knock-on effects of Eskom tariffs and our water scarcity are also substantial.”

Turning to the state of the town’s roads, Mayor Wolmarans said: “We are demonstrating a clear commitment to improve and maintain our roads infrastructure by approximately doubling the expenditure on repairs and maintenance of our roads, to R25 million in the next financial year.”

To fund the budget, the municipality depends on revenue income obtained from rates and taxes, various provincial and national government grants, and the Equitable Share from National treasury which has increased after the relevant formula was adjusted to reflect the latest census figures.

Of main concern to the residents of Knysna are the changes in tariffs, rates and rebates which are as follows:

- The electricity revenue tariff will increase by 7,6% as approved by the National Energy Regulator.
- The first two consumption tiers for the water tariff will increase by 7% with tariffs in subsequent tiers rising more as consumption increases. The free water allocation to indigent residents will remain at 6 kilo-litres per month, while for non-indigent residents the allocation will be lowered to 3 kilo-litres.
- The sewerage tariff and refuse tariff will increase by 7.5% and 8% respectively. The refuse tariff will most likely be adjusted upwards when the transport and operating cost of the new Eden landfill site near Mossel Bay becomes operational.
- Other minor tariffs will also increase by 8,9%, unless specifically shown to be different in the tariff book.
- In terms of domestic assessment rates, the increase in the rate of the rand will be 7% for domestic and non-domestic properties.
- The assessment rate rebate for domestic owners will be reduced to 10%, with the Green Rate reduced to 5% and the Rural Rebate scrapped in its totality. The additional portion of domestic property value which is excluded will remain at R100 000.

“Knysna is predominantly domestic in its tax base and the downturn in the national economy means development has virtually ceased, which has necessitated council to fast track economic development,” explained Mayor Wolmarans.

“Thus there are three options which we must avidly pursue: firstly, aggressively grow our status as a preferred national and international tourist hub taking advantage of the exchange rate, secondly to actively seek investment in eco-friendly manufacturing to create more jobs and, lastly, create more jobs by attracting more service-based companies to the area.”

Mayor Wolmarans highlighted the fact that Knysna has obtained three consecutive “clean” audits by the Auditor General and concluded her address with notes of thanks and special mentions to those people who contributed to making her five years in office a success.

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.

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