



Knysna

Municipality || Munisipaliteit || uMasipala

inclusive || innovative || inspired

MEDIA RELEASE
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Tabled Knysna Municipal 2021/2022 budget approved for public comment

Knysna's Executive Mayor Elrick van Aswegen tabled the 2021/2022 municipal budget at the ordinary meeting of Council on 31 March, where it was approved for public comment. "This means that residents throughout the greater Knysna municipal area now have until Monday 29 April to make submissions on the tabled budget," he said. "It is vitally important that residents make use of this opportunity. This is your budget and this public participation process is your chance to have your say in local governance."

Municipal budgets are set to implement the programmes as laid out in the Integrated Development Plan (IDP). The capital expenditure budget amounts to R 141.6 million, with the operating expenditure at R 966.1 million for the next financial year. The municipality aims to supplement its main five revenue sources by implementing the following proposed revenue stream increases from 1 July:

- property rates 6.10%;
- water 5.10%;
- sanitation 5.10%;
- refuse 5.10%; and
- electricity 14.59%.

The proposed increase of 14.59% in the electricity tariff for the municipality's customers is considerably less than the 17.8% tariff increase in bulk electricity purchases from Eskom allowed by the National Energy Regulator of South Africa (NERSA).

"I have instructed the administration to also make use of this time to reassess factors that may have a positive impact on the final budget," said van Aswegen. "This includes ensuring that our valuation roll is accurate and that we have the correct information of ratepayers. Accurate information on ratepayers and property values means that we can impose correct and affordable rates."

"Council is sensitive to the affordability and sustainability of the tariffs to be imposed," he continued. "We are confident that the debtor collection rate will increase substantially following the approval of new and amended budget-related policies, which will offer further financial support and incentives to customers."

"Financial sustainability over the long-term entails the management of high priority expenditure projects, both operating and capital, to ensure project sustainability," he said. "It also includes a reasonable degree of stability and predictability in the overall property rates and service charges imposed to ensure affordability and sustainability, and to promote a fair allocation in the distribution of resources and the attendant taxation between the current and future ratepayers to ensure intergenerational sustainability."

Qualifying households are reminded to apply for indigent household status to qualify for the 50 units of free electricity and other social rebates on municipal services. The indigent household income threshold has increased with R 480 or 12.9% from R 3,720 per month to R 4,200 per month. Poor households earning more than R 4,200 per month up to R 8,200 per month can apply for social rebates varying from 20% to 80% on their billed accounts.

“The global COVID-19 pandemic has shocked economies the world over, and ours is no exception,” van Aswegen continued. “We must all count our pennies and spend them wisely. This process allows our residents to make sure that we do so with the resources available to us.”

The IDP identifies six strategic objectives that have informed the compilation of the budget. They are: to improve and maintain current basic service delivery through specific infrastructural development projects; to create an enabling environment for social development and economic growth; to promote a safe and healthy environment through the protection of our natural resources; to grow the revenue base of the municipality; to structure and manage the municipal administration to ensure efficient service delivery.

“The sixth strategic objective is to encourage the involvement of communities in the matters of local government, through the promotion of open channels of communication,” said van Aswegen. “We have made it very easy for everyone to review these important documents and to engage with us on any relevant points. Please use these channels and do so before the applicable deadlines. That is how you can help us to create an inclusive, innovative and inspired Knysna.”

The tabled budget is available on the municipal website at <https://www.knysna.gov.za/wp-content/uploads/2021/03/Council-Agenda-31-March-21.pdf> and for perusal at municipal offices and public libraries. Comments should be addressed to the acting Chief Financial Officer at cfo@knysna.gov.za. Residents who cannot read or write are invited to visit Ms Nobesuthu Fundi, Manager Budget and Reporting, at the offices in Clyde Street for assistance in documenting their representations.

As a five-year plan, the reviewed IDP is also available for public comment. Find this draft at <https://www.knysna.gov.za/government/important-documents/integrated-development-plan/>. Comments may be emailed to idp@knysna.gov.za.

Written representations may be sent to:
The Acting Municipal Manager
5 Clyde Street or PO Box 21
Knysna
6570

The deadline for commenting on the draft budget is 29 April 2021. The deadline for commenting on the draft IDP Review is 7 May 2021.

ENDS

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