



CITY COUNCIL'S DRAFT BUDGET FEATURES LOWEST RATES & TARIFF INCREASES IN A DECADE

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The Cape Chamber of Commerce has welcomed the City Council's draft budget proposals which feature the lowest rates and tariff increases in 10 years.

We had a decade of above inflation increases and we can only hope the new round of increases proves to be a turning point.

Last year's six percent increase in rates proved to be below the eventual inflation rate and now there was a further reduction to a five percent increase. This is welcome, but it does little wipe out the accumulated effects of a decade of savage rates and tariff increases.

Last year we warned that municipalities were part of the growing problem of an ever-more expensive public service and that this situation was unsustainable.

We understand that some of the increases, such as electricity tariffs, have been unavoidable and the sharp increase (nearly 20%) in the proposed water tariffs, but we should not forget that the water crisis would have been less serious if there had been better planning and the council had made more recycled water available to industry.

In any big organisation some wastage was inevitable and we have yet to be convinced that the Council has got to grips with this problem.

We've asked if there had been any follow-up to the suggestion that Cape Town should end its membership of the South African Local Government Association and pointed out that the Johannesburg, Pretoria and Port Elizabeth metros had also raised the issue.

We get very little value from SALGA. All the high membership fees from the metros do is ensure good salaries for SALGA executives and subsidise the poorer municipalities. We understand the need for some subsidies, but subsidies should begin at home, with the poor people of Cape Town.



CAPE CHAMBER
OF COMMERCE & INDUSTRY

Janine Myburgh

President of the Cape Chamber

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