



TARIFFS CONTINUE TO INCREASE ABOVE INFLATION RATE

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The businesses and the residents of Cape Town will be paying a high price for the drought and the lack of preparation for it by the City Council.

The first thing we noticed in the Mayor's budget speech was the 26.9% increase in water and sanitation tariffs.

This comes after a decade of water tariff increases well above the inflation rate, and in some cases double the CPI.

The Mayor's speech was short on detail but it was clear that more than R1.4 billion would be spent on developing aquifers and upgrading treatment plants to recycle more water.

This is a good thing. We have been calling for greater reuse of water for years but little was done and now we are paying for it. A lot of this work should have been done and financed by the steep increases in water tariffs we have seen over the last decade.

The upgrading of water treatment works will cost more than R720m and that includes R500 m for the Zanvliet water re-use plant.

Property rates will go up by 7.2%, electricity by 8.1% and refuse tariffs by 5.7%.

The tariff increases are obviously averages and we have yet to see how they will be applied in the block system which usually meant the more water one used the more expensive it became. There could be some big shocks for large water users.

The Council can expect to sell a lot less water next year, even if we have good rains. Businesses and people have made big investments in water-saving equipment, grey water systems, boreholes and especially rain water tanks. It will be just like electricity. The more expensive water becomes the more worthwhile it will be to exploit alternative water sources and the Council will lose out.



CAPE CHAMBER
OF COMMERCE & INDUSTRY

The speech made no mention of any Council plans to reduce costs or economise on operating costs.

Janine Myburgh

President of the Cape Chamber

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