



Submission by the Observatory Civic Association on the City of Cape Town Draft Budget

The democratic tenet of a public participation process on the draft budget is set up in a way where the public is absent during crucial phases of the budgetary preparation process.

Between July to October / November the City undergoes the following processes, all of which are without formal public participatory comment opportunities :

Needs assessment, prioritisation, and preparation of budget proposals and financial modelling by Directorates and Departments. During this time the budget identification and prioritization takes place. This is a crucial phase.

In November and December, departments and directorates in CoCTA make presentations to the Budget Steering Committee. Between - December to February, the draft budget is prepared and the draft budget is tabled at the end of March.

It is only between 28th of March and the 4th of May where there is formal opportunity for public submissions. By the end of May the final budget is adopted and on the 1st of July, 2018 it is to be implemented.

We believe this is a flawed process in that it violates the concept of public participatory co-design from the onset. It forwards a top down system using public participation as a cloak to rubber stamp an already decided budget.

Therefore, it is our decision from the onset to outright reject the draft Budget based on the current system.

Further Comment on the proposed increases

The OCA rejects the 26.9% water increase as well as further tariff hikes include 7.2% in rates, 8.1% in electricity, 26.9% in sanitation and 5.7% in refuse.

We are concerned that the current Level 6b increases represent a 500% plus increase in water tariffs together with a further 83% in July. The proposed levies on water size piping are a deep concern which we reject.

It seems the pro-active change of consciousness by residents around water consumption, is responded to by an expectation from the City for residents to dig deeper financially in order to subsidise water augmentation projects. This should be the duty of national government and the



City, not the burden of the very residents who have broken various world records in water saving consumption.

We reject the added increases on sewage/ water tariffs as well as the flat fees. This should not be imposed on the population of Cape Town because City management did not administer resources correctly.

The Organisation Undoing Tax Abuse (OUTA) and the Chamber of Commerce have pointed out that the City is not outlining any massive cost-saving initiatives to residents. It will get worse in 2019, with a 30.45% increase, followed by a 22% rise in 2020/21. The net effect is that the price of water will more than double between July 1 this year and July 1, 2020.

We hereby reject :

The proposed tariff increase is **26.96%**. This increase is instituted against an already unfair calculation of sewerage bills. In most cases sewerage is calculated to be 70% of water consumption. Water saving efforts have drastically reduced the amount of sewerage going to the municipality as most water is reused as grey water in gardens. It is therefore questionable whether 70% of our water ends up in the sewerage system.

The proposed electricity tariff increase is **8.14%**. This is almost **3%** higher than the approved NERSA increase awarded earlier this year. In addition, a flat **levy of R150 per month** is added to accounts for properties worth more than R1 million. This represents a **150% increase electricity** on some accounts and is disguised by a small discount in the electricity tariff for Home Users. We are of the opinion this discount will fall away in time.

The proposed rates increase is **7,2%** which is substantially above the current annual inflation rate of around 4.4%

The proposed refuse increase is **5,7%** and is also above the current annual inflation rate of around 4.4%.

These radical increases are an untenable assault on the working class.

Yours sincerely,
On behalf of the Observatory Civic Association

OCA Chair : Tauriq Jenkins



OBSERVATORY
Civic & Business
Association