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Hermanus	028 313 8000	028 312 1894
Gansbaai	028 384 8300	028 384 0241
Kleinmond	028 271 8400	028 271 4100
Stanford	028 341 8500	028 341 0445
24 Hour Emergency Fire Brigade	028 313 8000/8111 028 312 2400	

# Bulletin

Official newsletter of the Overstrand Municipality

## DRAFT BUDGET DETAILS

Overstrand Municipality's draft Operational and Capital Budget for 2012/13, the indicative budget forecasts for 2013/14 and 2014/15, and draft budget-related policies, were tabled at the Council meeting at the end of March.

These documents were open for public comment until 30 April 2012. Deliberations with provincial officials and other stakeholders are now taking place to review the proposed budget, tariffs and policies in view of these comments. The final budget proposals and budget related policies will be considered by Council on 30 May 2012.

The total budget operational and capital expenditure combined - amounts to R926 million for 2012/13, which will be a great injection into the local economy. The cost to the consumer has been kept to a baseline increase of 6 percent in residential property tax, 8 percent in business property tax and 6 percent in consumer services, with the exception of electricity, where the increase of 13.5 percent was beyond the control of the municipality as this falls under the auspices of the National Energy Regulator of South Africa (NERSA).

The proposed capital budget amounts to R142 928 088 in 2012/13, a decrease of 23 percent from the 2011/12 adjusted budget of R189 186 000. The municipality is continuing with its long-term vision of investing in new bulk

infrastructure and upgrading existing infrastructure as it did over the past four years to address backlogs and to ensure proper service delivery.

Capital budget-spend from own funds will be R103.5 million, funded in part with an external loan of R40 million and cash amounting to R14.5 million. This excludes the ring-fenced external loans for water, sewage and electricity.

An amount of R6.5 million was awarded for ward-specific projects, amounting to R500 000 in each of the 13 wards.

The operational budget proposed for 2012/13 is R782 751 923 compared to the current amended budget of R727 404 175 and represents a 7.16 percent increase.

Salaries, wages and allowances comprise R226.5 million or 28.9 percent of the operational budget. This figure includes the remuneration of councillors. The staff complement will be increased with 9 posts only. These estimates include salary increases of 5 percent, based on the average rate of inflation over twelve months, as no wage agreement is in place yet.

The total revenue budget proposed amounts to R685 825 844, excluding grants. This is in comparison with an adjusted budget of R629 731 398 in 2011/12, and represents an 8.91 percent increase.

Exemptions and rebates are pro-

posed. In terms of Rate Ratio Regulations agricultural property must be rated at 25 percent of the residential property cents in the rand. Phasing in of this will continue for the second year of a year of three-year cycle to be at 20 percent for the coming year.

The increase in purchasing cost of electricity was 13.5 percent but consumers will pay according to an inclining block tariff structure as prescribed by NERSA. Domestic prepaid and credit meter tariffs have been differentiated to encourage consumers to convert to prepaid electricity.

For water and sewage the tariffs have been set according to the cost of delivering the service, with an average increase of 6 percent. Apart from the need to manage the scarce commodity of water optimally, the increase in the price of electricity and chemicals for purification impacted on the cost of delivering these services. The water usage block tariff, however, has been structured for a basic affordable tariff for up to 30 kl per household per month. Restriction tariffs to prevent excessive water consumption and to equalize under-recovery, will be continued. The lower end of the block tariff, however, had to be reviewed to balance the recovery cost of water supply.

The equalization of sewage tariffs for all properties in urban areas is now in its last year of phasing-in and all

properties are now charged a uniform basic tariff. Also established now is a system of volumetric tariffs according to water usage with maximum ceilings, although certain categories of consumers still have a choice between volumetric charges and a charge per service.

Refuse tariffs were heavily impacted on by the fuel price syndrome. One removal service per week will now be introduced for Greater Hermanus and the tariffs were adjusted to achieve equalization throughout the Overstrand area. Another factor that played a role is the contentious issue of the Karwyderskraal regional landfill, which is under the control of the Overberg District Municipality. The current site is now filled to capacity and a new cell will only be completed in 2013. Overstrand Municipality has had to incur higher costs to transport refuse to the Gansbaai landfill site and the capital budget had to make provision for the construction of an additional cell at Gansbaai over the next two years.



## IMPORTANT LAND SALES CANCELLED

For the purpose of financing capital development projects, the selling of land not required for municipal use is an important source of income for the Overstrand Municipality.

Funds obtained in this manner are especially applied to develop and upgrade community facilities that do not generate income for the municipality, such as the tarring of roads and the development of sports fields and community facilities.

However, two transactions that would have generated income to the value of R13 million for such projects,

recently had to be cancelled for different reasons:

- The tender for the land on which the Hermanus tennis and squash courts are located could not be awarded because the only valid offer was below the reserve price.
- The other cancelled transaction entailed the development of an oncology centre near the hospitals in Hermanus. The developer's initial aim of establishing the new centre became unfeasible because of the stringent economic conditions while his alternative

proposal for the land usage could not be accepted because it would have been unfair to other potential buyers of the land who were not interested in developing an oncology centre.

The final contract for the purchase of the Sandbaai commonage to the value of R40 million, which was recently approved by Council, could not be concluded in time for the revenue to be included in the 2012/13 Budget proposals. Negotiations, however, are continuing.

These recent developments are made

public in the interest of good governance which promotes openness and transparency.

Although there will be an impact on capital expenditure in 2012/13, the Overstrand Municipality is in the fortunate position that it will receive R39.4 million in the form of grants in the next financial year to develop infrastructure. In addition, a loan to the value of R40 million will be obtained.

The council also has R14.5 million available from its accumulated reserves to finance capital projects in the 2012/13 financial year.

## HANDLE BUILDING RUBBLE LIKE THIS

Increasing problems are being experienced with members of the public and builders who do not separate their building rubble and then come to dump it at a transfer station. An appeal is made to the public and to builders not to mix bricks, stone and sand (i.e. clean building rubble) with material such as cement bags, plastic, paper, cardboard and metal.

Clean building material may be dumped free of charge at the dumping sites at Karwyderskraal and Gansbaai but dirty building rubble may only be dumped at a fee as determined in the budget, and then only at the Gansbaai dumping site. Although Karwyderskraal is currently closed due to construction work, clean building rubble is used as covering material and is still accepted there.

Material such as cement bags, plastic, paper, cardboard and metal, as well as smaller loads (1ton bakkie or smaller) of clean building rubble, may be left at transfer stations. The cooperation of builders and the public will be appreciated.



From left: Cllr Ben Solomon, Ms Rina de Wet, Overstrand Tourism Manager Suné Greeff, Mayor Nicolette Botha-Guthrie, Mr Craig Holmes, Economic Development Director Solomzi Madikane, Mr Johan Pieterse, Mr Louis Raubenheimer, Ms Mary Faure, Ms Liz Fick, Mr Klem Dunstan and Municipal Manager Coenie Groenewald.

## TOURISM ADVISORY COMMITTEE UP AND RUNNING

The first meeting of the Overstrand Tourism Advisory Committee (OTAC) took place on Thursday, 22 March 2012, and was chaired by the Executive Mayor, Cllr. Nicolette Botha-Guthrie.

As the name indicates the purpose of the body will be to provide advice and recommendations to Overstrand Municipality with a view to enhancing the growth and development of the tourism industry in the municipal area. The committee was established in terms of section 17 of the Municipal Systems Act.

The committee will meet quarterly but may be called for a meeting whenever deemed necessary, inter alia to

consider policies and practices relating to the promotion of tourism as well as the marketing of the area as a tourism destination. Members will also provide an active link between the municipality and the tourism industry.

The tourism industry is represented by nine members on OTAC. Five of them have been appointed based on skills and experience in the industry for a term of two years, following recruitment advertisements in the local media. They are Klem Dunstan, Rina de Wet, Louis Raubenheimer, Wilfred Chivell and Craig Holmes. The other seats are filled by the chairpersons of the four local tourism committees, namely Liz Fick (Chairperson: Hang-

klip-Kleinmond Tourism), Mary Faure (Chairperson: Hermanus Tourism), Jami Kastner (Chairperson: Stanford Tourism) and Johan Pieterse (Chairperson: Gansbaai Tourism).

Overstrand Municipality is represented in their official capacities by the Executive Mayor, Cllr Nicolette Botha-Guthrie; the Chairperson of the Portfolio Committee for Finance and Economic Development, Cllr Ben Solomon; the Municipal Manager, Mr Coenie Groenewald; the Director: Local Economic Development and Tourism, Mr Soli Madikane; and the Manager: Tourism, Ms Suné Greeff.

The committee will elect a chairperson at its next meeting.

### MORAL STANDARDS INITIATIVE

## VALUES: THEORETICAL LUXURY OR PRACTICAL IMPERATIVE?

The discourse about values in the Overstrand may sound like a theoretical luxury to some. However, from the side of the Moral Standards Initiative we believe that talking about values is an extremely practical affair. We are a diverse community in the Overstrand. One would expect that such a diverse community cannot share one living space. The differences must lead to conflict and chaos.

The only way that a diverse community can live together in harmony is if they share a few common values. This forms the foundation upon which a community in the Overstrand builds a shared future. Without common values we cannot be a happy community.

Ideally, core values should be brought to the fore by the community itself. What kind of community do we want to be? How do we see a future for our children? How do I wish to spend my last years? What do we expect of our leaders? By having an open discussion we will find that we are much closer to each other than we think. We will be

surprised at the extent to which our life's dreams coincide. This consensus about core values eventually becomes the basis for building a happy society.

Numerous conversations in the Overstrand reveal that three values in particular are shared by all: Respect, Responsibility and Caring. Many parents would like to convey these values to their children. Which family would not like to make this part of their daily life? Which school would not like to function on this basis? How eagerly would a local authority not wish to build on these three pillars when it plans, manages and serves? The churches speak daily to their members about these three matters.

Are values merely a theoretical luxury? Definitely not! Without shared values we will not be able to bequeath a happy community to our children in the Overstrand.

Contact the MSI at  
ernstes@vodamail.co.za  
or cell no. 082 412 4538.  
- Wilhelm Burger

## Be on alert for electricity chip scam

Residents of the Overstrand area are warned of a possible scam by which individuals posing as municipal officials, are offering to install a "chip" into their electricity meters to reduce their energy consumption for a fee, typically R6 000.

Although not yet active in the Overstrand area as far as we know, the scamsters have deceived residents in Drakenstein and Stellenbosch by using a municipal letterhead to confirm the transaction. The homeowner is then requested to not contact the municipality directly, but to use the number quoted in the letter.

According to Mr Deon Louw, Overstrand Municipality's Deputy Director of Electrotechnical Services, there is no such project underway and he requests residents to always verify whether anybody claiming to be a municipal official is in fact such, before allowing them onto the property. For this purpose the Municipality's 24-hour control room can be called at 028 313 8000/8111 to verify the individual's name, ID and staff number. Mr Louw further points out that tampering with any municipal apparatus is a transgression of the Electricity Supply By-Law.



## BAROQUE ENSEMBLE HERE TO IMPRESS

CAMERATA TINTA BAROCCA is a baroque ensemble of string players with harpsichord. Their members include some of Cape Town's finest musicians and their concerts have met with critical acclaim in the Times and Die Burger, and have been broadcast on Fine Music Radio. OVERSTRAND ARTS/KUNSTE (OAK) proudly presents a concert by this ensemble in the Civic Auditorium in Hermanus on Sunday afternoon, 24 June 2012, at 15:30. Tickets are R100 (R50 for scholars) and bookings can be made at BELLINI on 028 312 4988. Enquiries may be directed to René du Plooy on 082 940 4238

