

# **FISH HOEK VALLEY RATEPAYERS & RESIDENTS ASSOCIATION**

*(Incorporating Fish Hoek, Clovelly and Sun Valley)*

~~Central Circle, Fish Hoek 7975~~

Web: <https://www.fhvrta.org.za/> Facebook: [www.facebook.com/FHVRRA/](https://www.facebook.com/FHVRRA/)

Heritage Western Cape: Conservation Body

TO: [Budget.Comments@capetown.gov.za](mailto:Budget.Comments@capetown.gov.za) <sup>1</sup>

SUBJECT: COMMENTS ON THE CITY'S DRAFT BUDGET 2021-22 <sup>2</sup>

DUE: 23 APRIL 2021 – EXTENDED TO 3 MAY 2021

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Fish Hoek Valley Ratepayers and Residents Association (FHVRRA) comments on the City of Cape Town's draft budget for 2021/2022 as follows:

## **Capex**

We welcome the investment in wastewater treatment, potable water supply, Steenbras electricity generation, refurbishment of water and wastewater reticulation systems. Although we support the investment in roads we are concerned that Cape Town has too many highways with bottlenecks eg N1, N2 to Sea Point, R 300 to Strandfontein, M3 through Claremont, Bishops Court, M3 to far South, Boyes Dr to Main Road Kalk Bay, Glencairn Expressway to Ou Kaapse Weg, etc.

## **Opex**

We welcome the emphasis on maintenance of existing infrastructure. We are delighted by the commitment to limit employee costs and / or reduce employee numbers. For the last fifteen years Cape Town's budget increases have exceeded CPI due to a large extent to increases in personnel remuneration far in excess of inflation and increases in personnel numbers. However, this employee remuneration budget still represents a 4,7% increase compared with the forecast for 2020 / 2021. Furthermore, the CPI for RSA in 2020 is estimated to be 3,2% or less, so even excluding the effects of Eskom tariff increases the 4,5% and 5% increases in the rates and other service charges are still in excess of inflation. As far as electricity is concerned we cannot understand why the "Home User" service charge should increase by 13,48%.

## **Long-Term Sustainability**

FHVRRA remains concerned about the long term viability of Cape Town municipality in that:

- It is estimated that 9% of residents pay 91% of revenues;
- Cape Town's budget is >10% of the GDP of Cape Town, between 2 and 5 times greater than the ratio of other major world cities; and

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<sup>1</sup> [Email: MEDIA RELEASE: Have your say on the City's budget](mailto:Media.Release@capetown.gov.za)

<sup>2</sup> [https://www.capetown.gov.za/Family and home/Meet-the-City/the-city-budget/the-citys-budget-2021-2022](https://www.capetown.gov.za/Family+and+home/Meet-the-City/the-city-budget/the-citys-budget-2021-2022)

- The population of Cape town is growing faster than the rates base and the costs of subsidising ± 20% of households is escalating dramatically.

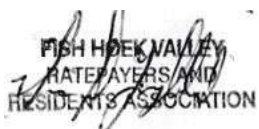
## SUMMARY

FHVRRA recommends that the City conduct a zero based budget review based on a evaluation of the need for and return on investment of its personnel and functional departments, in particular:

- Cape Tourism;
- Urban Settlements;
- Corporate services;
- Economic Opportunities and Asset management; and
- Urban Management.

We encourage and hope to see more of some trends such as:

- SSEG and contracts with private electricity producers with a view reducing electricity costs; and
- Exploitation of aquifers for water supply.

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<b>DATE</b>	27 April 2021