



Mossel Bay
MUNICIPALITY

MOSSSEL BAY | HARTENBOS | GREAT BRAK RIVER | HERBERTSDALE



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Newsletter

Executive Mayor



Dirk Kotzé | 1 AUGUST 2023



DIRK KOTZÉ
Executive Mayor

It is our hope that residents have observed over the years that the Mossel Bay Municipality has been working hard to place their interests first, to serve with diligence and to build on a foundation of mutual trust. We strive to uphold an environment of which we as residents can be proud and where we can live together in harmony.

With this year's budget, we faced unprecedented difficulties. Early in the year Eskom announced that their rates were increasing by 18.49%, which of course affected the municipal rate adjustments for 2023/2024. We tried to mitigate the impact of Eskom's increase on our residents by implementing a general tariff increase of just 14%.

It indeed exceeded the increases of previous years but was truly unavoidable. Since May this year, the municipality has repeatedly communicated the tariff adjustments, among other things through the municipal newsletter in May, the respective GOP meetings, radio interviews and reports in the local media.

SERVICE DELIVERY DILEMMA

I realize that our residents are under enormous pressure from multiple increases – increasing food prices, fuel prices - in just about every area increases have impacted on South Africans, resulting from a faltering national economy and the lack of infrastructure maintenance.

Citizens are justifiably angry, among other things because the national government has mismanaged Eskom to the ground, so much so that we are dealing with unprecedented power outages on a daily basis. This creates a problematic situation that we have to manage because Mossel Bay's essential services, such as water supply and sewage services, need to be delivered uninterrupted, regardless of whether Eskom supplies electricity or not. This places an additional heavy burden on the municipal budget.



Shedding light on electricity tariffs

In Mossel Bay, the sewage does not run in our streets, as our systems are properly maintained. Here we can still drink the water from our taps and communities are not left without water for days or even weeks. Our roads are well-maintained and potholes are promptly fixed. Our emergency services and equipment and implements for essential services are kept in optimal condition to prevent interruptions in the delivery of essential services.

Our town is kept neat, and we are proud to live in Mossel Bay.

As a Council we are working hard on initiatives to stimulate and grow the economy so that more jobs and new opportunities are created.

ALTERNATIVE POWER

Municipal service delivery is affected at all levels by the national government's inability to deliver services. This results in expenses, unduly burdening the municipal budget. As Eskom cannot deliver uninterrupted electricity, the municipality has to invest in alternative energy sources which is an additional burden on our income.

Tenders for these initiatives, such as the proposed solar farm at Mossdustryia and the mini plants at existing infrastructure points, have already been published and we hope to be able to update our loyal residents and taxpayers in this regard soon.

Residents mention to me that they are aware of the enormous service delivery challenges that we face.

This is correct. The municipality's income from power sales - which comprises the largest chunk of income that can be used for capital projects - is under extreme pressure.

Remember, property tax revenue cannot be used for capital projects. Capital projects include the construction of roads, new power lines such as the new line from Mossdustryia to the Ockert Bothma substation to provide for connecting the solar farm's power to our municipal grid, and water storage capacity such as the large Vaale Vallei reservoir and the various sewage systems in the greater Mossel Bay, to name but a few of the major projects. Our income and ability to provide services to our

residents is directly dependent on both the availability of energy, on the one hand, and the sale of electricity, on the other hand. We have done everything in our power to keep the power rate as low as possible.

TARIFF STRUCTURE

The traditional rate structure has been modified so that all residents are treated uniformly. On the one hand, there is now an availability fee (the R434) which was previously part of the rate charged per unit.

On the other hand, there is a cost per unit.

Note that the cost per unit has actually been reduced for the 2023/2024 financial year. The unit rate is subsequently only R2.44, which is 22 cents less than last year's rate of R2.66.

Remember, for the coming financial year, Mossel Bay Municipality has announced an adjustment of just over 14%, which is less than Eskom's tariff increase of 18.49%. If this Eskom increase were also to be applied to price

per unit, one unit of power would in fact have cost our consumers R3.05.

The availability fee is intended to maintain the municipal power grid. Municipal mini-substations and even power kiosks also break down - sometimes due to power surges, just like the implements in your homes - and need to be upgraded or repaired and maintained.

MANAGE YOUR ELECTRICITY BILL

The 2023/2024 budget gives consumers the flexibility to better manage their overall electricity bill. What do I mean by this statement?

The availability tariff of R434 applies to households with a circuit breaker of 60Amp, but households can reduce the amperes based on their actual electricity consumption, and thus manage the availability tariff.

For a 45Amp circuit breaker the availability rate is R325.80, compared to the availability rate for 30Amp of R217.

Many residents who took the trouble to contact the municipality directly were surprised that they will pay even less for electricity in the new fiscal year.

In his newsletter of Friday, the 28th of July, the municipal manager listed several examples of differential consumption and residents are advised to study this newsletter.

Municipal staff can advise you appropriately based on your household's actual consumption and personal circumstances.



INDIGENT HOUSEHOLDS AND PENSIONERS

Remember, indigent households are not affected by this availability rate as their power rate structure is different. There is also, for the first time, relief regarding the availability rate for eligible pensioners.

Pensioners can qualify for discounts of either 30% or 50% on this availability rate and I strongly encourage you to call the municipality to apply for pensioner discounts - discount benefits extend far beyond just power rates. Indigent benefits and pensioner discounts are not limited to certain communities either.

The municipal manager's newsletter distributed also pointed out that Mossel Bay's power rates are lower than our neighbouring towns, George and Oudtshoorn. The same applies to the Metro.

I therefore invite you to please call the municipality if you have any questions about the electricity rates. Feel free to contact Mitchell Zimri or Jannie Fourie from the municipality's finance department during worker hours, on 044 606 5000, or send an email to admin@mosselbay.gov.za.

I give you my personal assurance once again that we act in the best interest of everyone in our town and our town serves in our pursuit of progress and the well-being of all.

Warm greetings

Dirk Kotzé
Executive Mayor