

Rates Watch (Pty) Ltd
VAT No 4500252103



RATES WATCH
MONITORING AND WATCHING YOUR VALUATIONS & PROPERTY TAXES

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The Municipal Manager
City of Cape Town
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Sir

2020/2021 IDP/BUDGET: COMMENTS ON THE 2020/21 DRAFT TARIFF POLICY.

Rates Watch (Pty) Ltd was appointed by the South African Property Owners Association (SAPOA) to submit comments on the draft Tariff Policy.

General comments

It is commendable that the tariffs have been aligned with the current inflation rates.

Other Comments

The country is since 2019 in a serious negative economic position, almost a recession. Now, with the addition of the economic burden of COVID-19 and the downgrading by Moody's and Fitch the outlook on our economy is negative.

The effects are also reflected in the worsening of the exchange rate as well as the predictions made on economic growth, which is predicted to be a 6% negative growth.

In this environment it is important that all role players create an environment which minimise the negative effect and set the stage for renewed economic growth.

Municipalities should follow the example set in the national budget for 2020/21 where the income tax burden and the wage bill of national and provincial departments were reduced.

As such, it is our plea to the City to take cognizance of the dire state of the economy and the financial predicament of many of its ratepayers and to adjust its proposed budget accordingly. This is not a time for a "business-as-usual" budget.

Tariffs should not be increased at all.

The proposed tariffs:

Chief Executive Officer – C.S. Massel; Directors – S.F. Du Plooy; B.J. Espach; J.N.D. Herman; W.J. Hewitt.
Rates Watch (Pty) Ltd – Reg. No. 2008/024712/07

Property rates	-	3.96%	Revenue is expected to increase by 7.13%
Electricity	-	4.83%	Revenue is expected to increase by 6.33%
Water	-	4.50%	Revenue is expected to increase by 1.41%
Sanitation	-	4.50%	Revenue is expected to increase by 5.09%
Refuse	-	3.50%	Revenue is expected to increase by 1.44%

There is therefore scope not to increase the tariffs for 2020/21

I trust that you will find the above in order.



Kokkie Herman



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