



18 August 2022

## **PRESS RELEASE!!!**

### **KOUGA RATEPAYERS SHOCKED BY EXCESSIVE INCREASES IN ASSESSMENT RATES**

Property owners were shocked in the last ten+ days by the excessive increase in their annual Rates accounts from the previous year. In general, ratepayers feel that they were misled by the Municipal announcement earlier of a 5,25% increase in Rates & Taxes and the fact that proper Public Participation processes did not take place to discuss the proposed excessive increases in Assessment Rates .

At a meeting on Monday, 15 August '22, where a discussion took place why no rebates for Private townships were approved by the Kouga Local Municipality (KLM) for the 22/23 financial year, the Municipal Manager (MM) apologised for the fact that the Public Participation processes were incomplete due to the poor Post Office service.

Ratepayers have reason to feel annoyed and grunted with the new Assessment Rates which increased as follow:

- 5,25%** - Residential – That is the only acceptable increase
- 31%** - Residential property in Private townships
- 58%** - Vacant Residential land – even with no top structure
- 100%** - Private Open Space – not previously valued or assessed
- 27%** - Business / Commercial and Industrial Property
- 52%** - Vacant Business / Commercial and Industrial Property - even with no top structure
- 21%** - Electricity Availability on all undeveloped land

The above mentioned increases in Assessment Rates are not fair with serious long term consequences for Kouga. In a letter to the MM on 16 August '22, he was asked for an explanation on how they arrived at these increases, when it was approved by Council and the following was pointed out:





1. This ill-considered decision will undermine economic growth and job creation in Kouga and will scare off potential investors.
2. A lot of Businesses and Industries who are still feeling the ill-effects of the Covid- 19 pandemic, will not be able to absorb this huge Rates increases.
3. Somebody who bought a stand to build his dream holiday home, might decide to sell at a lost and invest somewhere else??
4. Kouga is competing with the Southern-Cape for potential investors and therefore the product that Kouga offers should be a lot more attractive. KLM's drive to have Rates & Taxes on par with ea. Mossel Bay, is having the absolute opposite effect.
5. The increase of 21% in Electricity Availability on undeveloped land, will also discourage investors.
6. We are furthermore of the opinion that KLM is encroaching Sec 229 of the SA Constitution, namely:

2. The power of a municipality to impose rates on property, surcharges on fees for services provided by or on behalf of the municipality, or other taxes, levies or duties

a. may not be exercised in a way that materially and unreasonably prejudices national economic policies, economic activities across municipal boundaries, or the national mobility of goods, services, capital or labour; and

In our letter to the MM on 16 August '22, we raised our concerns on the long term impact of these excessive increases in Rates & Taxes and asked them to reconsider their decision. We have a scheduled meeting with the Deputy Mayor and other Councillors on 19 August '22 to ask them to address and remedy the situation.

In the meantime, we would advise property owners not to pay their full Rates accounts, but to pay the amount that they paid in the previous financial year plus 5,25% until such time that there is clarity on all the issues. The worst that can happen is that individual owners will get a notice that their Rates account was not paid in full and then after a while a final notice that the outstanding amount will be handed over for collection. By that stage we should have a good idea of where the negotiations are going to make an informed decision on the next step.



We have also raised the matter with the South African Property Owners Association (SAPOA) for advise and assistance in this matter. Regular news updates will be communicated by the KBF on this matter on our website and Facebook Page.

We would like to invite all ratepayers with excessive Rates accounts to log a dispute with KLM at [rates@kouga.gov.za](mailto:rates@kouga.gov.za) and [disputes@kouga.gov.za](mailto:disputes@kouga.gov.za) and also forward your dispute to the KBF so that we can address the issues as a group with KLM.

Regards



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