



CITY OF CAPE TOWN

31 MARCH 2020

MEDIA RELEASE

City projects R40 million extra monthly spend on protective gear, negative cash flow, so please pay your bill

The City asks our residents to continue to pay their monthly municipal accounts via EFT and online options that are available. Payments are crucial to enable the City to remain financially healthy and to continue providing services, while we all fight the COVID-19 pandemic together. Read more below:

Key points

- Additional spend of R40 million per month on personal protective equipment for staff members and cleansing
- Full costs of additional support to the health system are as yet unquantifiable, but could be significant, especially for a City government
- Cash flow likely to turn negative by between R1 billion to R3 billion per month, depending on how it is managed
- The City helps where it can, but can't risk a breakdown in service provision. For instance, water at 350 litres per day is already provided free of charge to 40% of the metro's population
- The City cannot take on the task of significant economic support beyond its mandate, when that is the task of the National Government, which sits on the national fiscus income of R1,5 trillion versus the City's R50 billion, which must be used to deliver services

'In these difficult social and economic times, the City is mindful of the financial pressures our residents are experiencing but we will not be able to deliver the services they expect, especially during this time of crisis, if we do not recover income from our account holders. The City is assisting residents where it can but unfortunately is not able to offer comprehensive financial

relief to all residents. If there are some local municipalities that can do this, it is based on their unique circumstances.

'Our circumstances are very different from theirs. That does not mean that we are not constantly looking at ways to provide relief and at the same time ensure that the City remains stable,' said the City's Mayoral Committee Member for Finance, Alderman Ian Neilson.

- The City's primary responsibility is to ensure that the basic services, including water, sanitation, electricity and cleansing, are secured. The reality is that the City cannot risk these services. In this crisis, the delivery of these services becomes our overwhelming responsibility.
- Payment holidays for our customers will put our cash flow at risk, which will in turn put service delivery at risk.
- The City is facing a significant risk in the current crisis, in that its income streams could fall precipitously over the next months. With the significant shutting down and fall in bus passenger numbers, the MyCiTi bus fare income is already falling away. There is also the risk of a falloff in payments given the forced closure of the City's cash offices and general deterioration of the local, national and international economy.
- Experience also shows that once one loses payments, it is very difficult to claw it back and this leads to destabilised and often ruined municipalities, as we can see from the many examples in South Africa over the years. Customers who fall behind in their payments find it difficult to pay the extra to get up-to-date.

Assistance and arrangements

The City's Budget, tabled for the 2020/21 financial year on 27 March 2020, again proposes a comprehensive social package of more than R3 billion for qualifying residents and pensioners who are 60 years old and above. Residents will need to meet certain criteria to be considered for assistance.

Residents who don't qualify for rates rebates or indigent benefits, but are in arrears with their municipal accounts, do not need to struggle financially on their own. Representation can be made to the City for those who are struggling to pay their municipal accounts, to enter into an agreed arrangement/instalment plan to pay off their arrears.

The City is looking at ways to assist business continuity and these are being pursued.

The City is dependent on income from rates and services to ensure service delivery. Please pay your dues to help us function and fight COVID-19.

For account payments:

- Online banking and www.Easypay.co.za or www.payCity.co.za

- EFTs: Select the City as a bank-listed beneficiary. Use only your nine-digit municipal account number as reference
- Checkers, Pick n Pay, Shoprite, Spar and Woolworths
- Use the City's [online e-services portal](#)
- Via ATM, contact your bank to add the City as an ATM beneficiary

Invoices

- Billings will be based on estimations to avoid huge bills when readings are finally done. Estimations will be done over the lockdown period and compared to the same period in 2019.
- Invoices will not be printed and posted, but previous invoices could be used to pay an equivalent amount, Invoices could be emailed if customers request it via email: copy.invoice@capetown.gov.za

Please use eServices or register for eServices for a host of online City services, including invoices or billing amounts: <http://www.capetown.gov.za/City-Connect/Register/eservices-and-municipal-accounts/Register-for-a-municipal-account> or <http://www.capetown.gov.za/City-Connect/Register/eservices-and-municipal-accounts/Register-for-e-billing>

Lifting of water restriction due to debt action:

Call: 0860 103 089 and select option 2 to make a temporary payment arrangement that will be valid until the end of June 2020. All residential properties must have access to water via a running trickle-flow or 350 litres per day via a Water Management Device for hygiene and drinking purposes. No new restrictions to trickle-flow are being enacted.

To apply for indigent relief:

Email indigent.relief@capetown.gov.za or visit www.capetown.gov.za/indigentbenefits

- Online payments: Visit www.Easypay.co.za or www.payCity.co.za
- EFTs: Select the City of Cape Town as a bank-listed beneficiary on your bank's website. Use only your nine-digit municipal account number as reference
- Pay your account at Checkers, Pick n Pay, Shoprite, Spar and Woolworths

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