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CITY OF CAPE TOWN

27 MARCH 2020

MEDIA RELEASE

City's R52,7 billion Draft Budget seeking to maintain stability amid COVID-19 disaster

The City of Cape Town's Council yesterday, 27 March 2020, approved the public participation process on the 2020/2021 Draft Budget. The Council sitting was held under strict COVID-19 hygiene and social distancing measures and in accordance with the national declarations on essential meetings. This year, the Draft Budget will undergo public participation, but no face-to-face public meetings will be held. It must be finalised by June 2020, in accordance with national legislation and will come into effect on 1 July 2020. The Draft Budget and particulars will be communicated online, via phone, through media releases, video, among others. Public comment will still be garnered through email and communication by councillors within their wards, among others. Read more below:

The Draft Budget comprises a R44 billion operating allocation and a R8,7 billion capital budget.

Importantly, one of the key messages during this year's public participation process is the absolute necessity for residents and businesses to continue to pay rates and services.

'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. Prior to the disaster declaration, in the months and weeks leading up to the tabling of the Draft Budget, much work was done on affordability aspects of rates and services given the already existing economic pressure on customers. Therefore, the Draft Budget proposes smaller increases of between 3,5% and 4,8%, in line with or below the inflation rate. A social assistance package for rates and services of more than R3 billion is also proposed.

'The City does not plan to make a surplus on the sale of services or the income from rates. Income is used for service provision,' said the City's Mayoral Committee Member for Finance, Alderman Ian Neilson.

'Some of our biggest spending highlights continue to be on crime and grime at approximately R1,5 billion for services such as law enforcement, canal and stormwater cleaning, area cleaning in informal settlements, animal carcass removal and beach cleaning. This year we have proposed R4,5 billion in total for safety and security. For transport, R5,6 billion in total has been proposed while for housing R2,2 billion in total has been proposed.

'Despite keeping the increases within that of inflation, the City has nevertheless been able to provide for some new initiatives, such as the Law Enforcement Advancement Program (LEAP) that adds a further 1 000 Law Enforcement Officers to the city, increased spending of the Mayoral Urban Regeneration Program and advancement of the New Water Plan'.

Key rates and tariff increases:

- Property Rates: 4%
- Electricity: 4,8 %
- Water and Sanitation: 4,5%
- Refuse collection: 3,5%

No changes have been made to the tariff structure and the tariff increases are applied across the board.

- No rates payable for residential properties on the first R300 000
- A 3,96% increase proposed in the residential property rate from R0,00555 c/R to R0,00577 c/R
- New property rates categories with lower or no rates have been created for not-for-profit organisations that own their properties and undertake various public benefit activities. More will be communicated on this in the following week.

To view the Draft Budget please visit <https://bit.ly/2UI5Pvm>

To Have Your Say:

Forward comments to Budget.Comments@capetown.gov.za by **2 May 2020**.

For account payments

- The City encourages account holders to use the City's [online e-services portal](#) to pay their accounts
- Other payment options available to account holders include paying online using their bank's website or via ATM, at Nedbank
- The City is already listed as a beneficiary with all major banks, so account holders do not need to load bank details when paying online. Account

holders can also register with www.paycity.co.za or www.easypay.co.za to pay accounts

- To pay via ATM, account holders can simply contact their bank to add the City as an ATM beneficiary

For information on how to apply for indigent relief, please send an email to indigent.relief@capetown.gov.za or visit www.capetown.gov.za/indigentbenefits.

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Note to broadcasters: audio clips are available by request. Please send a WhatsApp message to 082 835 1911.

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